Research Monitor (January)

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OCBC Bank

Research Monitor (February)

Wednesday, February 07, 2018

Key Themes

1. Global risk appetite for equities was resilient in January even in the face of a partial US government shutdown due to the debt ceiling impasse, but February may be payback time? The spectre of accelerating US wage inflation, which came in the form of average hourly earnings (+2.9% yoy, the highest since 2009), coupled with relatively hawkish comments from Kaplan and Williams suggesting a potential fourth rate hike this year, stoked inflationary fears and led the correction in US equities and Treasury bonds. Elsewhere, market players' hawkish expectations for the European Central Bank (ECB) and Bank of Japan (BOJ) met with less success as both Draghi and Kuroda were quick to push back on any consideration of pre-emptive exit strategies.
2. We continue to expect a re-pricing of credit risk premiums and the steepening of global yield curves, especially with growing sanguine global growth prospects (see IMF's latest growth forecast upgrades) and wage inflation tipped to play catch up. Still, US Treasury Secretary Mnuchin has asked Congress to lift the debt ceiling by 28 Feb, and extra-ordinary cash-management measures may only last until early March-late April. The Treasury department plans to frontload and issue US$441 in 1Q18 (highest borrowing since 1Q10), and going ahead the enactment of tax cuts may imply greater supply pressure as well.
3. In China, RMB appreciation has turned from passive to active as pressure has been transferred from USDCNY to RMB index after China removed the countercyclical factor from the daily RMB fixing. RMB has appreciated against its major trading partners by 2% year to date. With the RMB index approaching 97, market will closely monitor policy reaction from China. Should the PBoC remain quiet, the risk of RMB's overshooting cannot be ruled out as the demand from exporters to sell USD may keep the pair heavy.
4. Some profit-taking in crude oil prices, dragged by the decline in risk-taking appetite. Importantly, Brent prices at $70/bbl have likely persuaded oil-producing nations, especially from the US shale oil basins, to increase supply. Although we remain positive on oil prices given the rosy global growth environment and improving oil fundamentals, a short-term correction in oil prices cannot be ruled out as producers re-adjust their production plans into 2018.
5. Yield differential arguments have been cited as the reason for the recent consolidation in the broad USD. However, we note that such arguments have been in place since November 2017, but have not gotten significant traction from the market. Therefore, the broad USD is still expected to be on the defensive against the majors as we head into February. Asian FX should move on idiosyncratic factors, as the synchronised inflows since the start of the year fades.

Asset Class Views

	House View	Trading Views
FX	**DXY and majors:** As it stands, the market remains convinced that shifting monetary policy dynamics across the G10 central banks (set against a relatively static projected FOMC trajectory) will continue to channel bids into the major currencies at the expense of the USD. To this end, ECB rhetoric in recent weeks has continued to fuel this scenario. Apart from the ECB however, we note that major global central banks (including those in Asia) have sought to dispel and defuse excessively hawkish intentions but thus far, this has largely fallen on deaf ears. It remains to be seen therefore if the dollar can re-establish a meaningful link with aggregate rate differentials, or even the nominal 10y UST yields, both of which have continued to move in favour of the greenback for the past 3 months since November 2017 but ultimately failing miserably to grant the USD any lasting traction in the same period.	Going into February 2018, USD vulnerability may remain a path of least resistance. Investors may require a material shift in the current narrative to enable the dollar to pull out of its January 2018 dive.
	Asian FX and SGD: Our risk appetite indicator retraced back into Risk-Neutral territory in late January after dipping into Risk-On territory in late December 2017. This presents a potential caveat to the recent "Goldilocks' environment in Asia, especially if global/EM equities trip up in the coming weeks. Note that actual net portfolio inflows in Asia started to taper at the end of January after the initial rush of inflows in the first few weeks of the month. SGD appreciation remains constrained by NEER considerations and if the broad USD continues to decay into February, expect the majors to continue to outperform the SGD (spot and total return basis).	Overall, if the current weak dollar environment persists into February and risk appetite levels manage to remain sanguine, expect USD-Asia to remain inherently top heavy.

Rates	Monetary policy normalisation concerns have been overtaken by market fears of a global bond rout. Inflation data cues have to sustain uptrend to warrant a further sell-off.	**US:** The Jan FOMC statement sounded more upbeat as Fed chair Yellen handed over to Powell amid a strong US economy. With more hawkish Fed rhetoric from Kaplan and Williams suggesting potential for a fourth rate hike this year, the futures market has fully discounted a 25bp rate hike at the March FOMC, and is gradually moving pricing in the third rate hike as time progress. The 10-year UST bond yield surged above 2.85% (highest since Jan 14, before closing at 2.83%) and may make a run for the 3% psychological handle soon.	→
		SG: USDSGD saw a 3-year low of 1.3063 on 26 January amid broad USD weakness. In tandem, the 3-month SIBOR had pulled back from its recent high of 1.50929% to 0.12691%, but the 3-month SOR was more volatile (currently at 1.11704%), tracking its LIBOR counterpart which is already back to 2008 levels at 1.78902%. This contributed to the divergence in the 2-year UST-SGS bond yield spread to 64bps at end-Jan (widest since 2009) and the 10-year UST-SGS yield spread as well, albeit to a smaller extent of 56bps (widest since 2013) Looking ahead, barring a sustained weakness in the USD, SGD rates may play some catch-up especially in the run-up to the expected March FOMC rate hike. Potentially adding some supply pressures could be the upcoming 30-year re-opening on 1 March, with the size announcement and auction on 19 and 26 February respectively. The recent $2.9b new 5-year SGS bond auction had fetched a cut-off yield of 1.86%, with a bid-cover ratio of 1.97x.	→

	House View	Trading Views	
Commodities	The mix of global growth and yield-chasing behaviour are effective drivers to drive gold prices lower into 2018. Safe haven demand could however be supported should geopolitical tensions escalate. Crude oil fundamentals have rebalanced, while global inventories continue to narrow as demand	**Crude Oil:** More rally in crude oil has been seen since the year started. Brent has crossed (and stayed) above $70/bbl while WTI followed closely behind. Key reasons for the rally include improving oil fundamentals and the relatively weaker greenback. Money-managers are also clocking more net-long positions in Nymex Crude, suggesting bullish sentiment in the sticky liquid.	→

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	picks up. Geopolitical tensions could sway prices quickly, while OPEC's soft-deadline to extend oil curbs by another 9 months injects uncertainty to future supply trajectory. We think upside risks to WTI & Brent remains possible at $65 and $70/bbl, respectively. A relatively weak La Nina has been seen in early 2018, while Asia's crude palm oil production levels seasonally declines into early 2Q18. A stronger MYR however, has been dragging palm oil prices of late. We keep to our year-end outlook of MYR2,650/MT.	**Gold:** The yellow metal as a dollar denominated asset has repeatedly rallied given dollar weakness. With gold behaving like a currency of late, the sustained rosy economic environment probably had little to do with the rally, though yield-chasing behaviour should eventually drag the yellow metal lower.	↓
		Crude Palm Oil: CPO is another commodity that is inherently affected by currency movement, specifically the ringgit. The stronger ringgit to-date has dragged CPO prices lower into end-January, coupled with recent poorer demand trends. We think prices could remain pressured, although production should continue to taper lower into April given seasonal reasons.	→
Credit	It's been a feverish start to 2018 with SGD2bn issued in the first three weeks of 2018 (SGD900mn in Jan 2017). Continuing 2H2017 trends, property companies have issued in rapid succession to fund growth plans, meet refinancing needs and raise funds before rates rise further. Market liquidity was flush from both redemptions and funds flows, which also explains the prevalence of high yield issues so far. Activity in the Asia dollar space was similarly strong with YTD issuance of USD23bn (+24% y/y) and issuers seeing deals more than 5x oversubscribed. Expectations for a record January were fulfilled due to supportive global economic conditions, increasing clarity about the rates outlook, and the absence of event risks. Issuance so far was driven by Chinese issuers with Tencent Holdings Ltd's sizeable USD5bn issue of note, while Indonesian names also seemed to be the flavour of the moment as an alternative for yield hungry investors who have perhaps over indulged on Chinese names. Expectations for February however appears to be a contrast to January with risk sentiment and activity likely to be impacted by both the recent steepening of the yield curve with 10yr USTs climbing to a 4 year high and Chinese New Year holidays. Already issuance volume has fallen and Yango Group (B/B2/B) postponed its bond issue. While prevalent liquidity should provide a floor to secondary prices, we expect more market volatility and higher investor activity given shifting macro and inflation expectations.	**IG Pick: BAERVX 5.90%-PERPc20s (Offer YTC 3.91%):** Julius Baer Group Ltd's business structure is unique amongst our coverage as the only pure play private bank. Its solid franchise and scale, which is mostly in Europe and growing in Asia, provides diversification and support to its credit profile (which otherwise is susceptible to high market risk). For investors comfortable with loss absorbing capital instruments, JBG's AT1s still look attractive in the AT1 space on a carry basis against other SGD AT1s. We tend to favour the BAERVX 5.90%- PERPc20s given the shorter tenor compared to the BAERVX 5.75%- PERPc22s.	↑
		HY Pan: FIRTSP 5.68%-PERP (Offer YTC 4.75%): Rental income of FIRT is concentrated with its Sponsor, Lippo Karawaci ("LK") and we see heightened counterparty credit risk at FIRTSP. In FY2016, more than 80% of rental income was derived from LK and we think this was similar in FY2017. LK's credit rating was downgraded in December 2017 by Standard & Poors to "B", after being placed on Credit Watch since August 2017. Additionally, due to the lack of comparable market transactions, we recognize higher uncertainty over FIRT's asset value compared to traditional REITs under our coverage. At the current YTC of 4.60%, we see better value elsewhere from a risk-adjusted return basis.	↓

Macroeconomic Views

	House View	Key Themes
US	New FOMC leadership under Powell is unlikely to yield significant changes to the dots plot for now, but watch if US tax reform has a significant impact on capital spending and labour markets. Markets remain unperturbed over looming US debt ceiling and spending deadlines.	Markets will continuously be on the lookout for direction regarding inflationary pressures and potential currency or trade wars. The US economy slowed in 4Q17 to 2.6%, but economic data suggest continued momentum in 2018. President Trump declared that America was open-for-business at Davos, but recent trade tariffs suggest trade tensions may notch higher ahead. The transition of Fed chair from Yellen to Powell is a side-show to growing speculation of a 4^{th} rate hike for 2018. Ahead of the 8 Feb deadline, another stopgap spending bill is likely.
EU	ECB is looking more upbeat on growth, but less so on inflation for 2018. That said, growing ECB rhetoric suggesting that Oct17 extension of asset purchases is likely to wind down in Sep18.	The Eurozone composite PMI hit another multi-year high in January, suggesting sustainable momentum. Following the Jan ECB meeting, Draghi maintained that an ample degree of monetary stimulus remains necessary. Praet opined the ECB was "some distance" from easing QE measures, while Villeroy suggested that "one shouldn't focus excessively on the sole instrument of monthly net asset purchases: whether we end them in September or taper them somewhat more gradually".
Japan	With inflation continuing to undershoot the BOJ's 2% target, removal of monetary policy accommodation remains nowhere in sight for now. However, BOJ will defend the 10-year JGB bond yield target of around 0% to cap yields at 0.11%.	The BoJ left its accommodative policy unchanged in its January policy meeting, reiterating that policy would remain loose until its inflation target was achieved. At the recent WEF in Davos, BoJ's Kuroda said inflation expectations "are now slightly picking up". While headline CPI has bottomed out and is starting to trend higher at 1.0% yoy in Dec 17, it remains far below the central bank's 2% target, therefore policymakers are unlikely to make a premature exit.
Singapore	More balanced GDP growth in the 2-4% yoy range is tipped for 2018, but caution on potential fiscal and monetary policy tightening at 19 Feb Budget and April MPS. If GST hikes materialize, this may add to headline inflation numbers.	The manufacturing PMI improved 0.3 points to 53.1 in Jan18 (highest since Dec00), but the electronics PMI eased for the second straight month by 0.3 points to 52.9 (lowest since Jul17) which suggested the latter had peaked in Nov17 (53.5). Looking forward, manufacturing is likely to ease from 10.4% yoy growth in 2017 to a more modest 5% yoy for 2018. The Nikkei Singapore PMI also rose from 52.1 in Dec to 53.6 in Jan, amid higher output and new business gains. Growing consumer and business confidence may lend policymakers to tighten fiscal and monetary policy levers this year.
ID	BI is expected to be on hold until at least 1Q18. Tweaks in reserve requirement ratios not expected to have significant near term impact on loan demand.	Bank Indonesia (BI) held rates unchanged at 4.25% in its January meeting, as we had expected. Note that the inflation tolerance band has been shifted downwards to 3.5% +/- 1% for 2018. Any potential movement in BI's policy rate will be closely tied to developments this year. Governor Agus did reiterate that there is limited room for further rate cuts, and we believe there is no impetus for the BI to do so, unless headline inflation approaches the new lower bound. The transmission of monetary policy in Indonesia has been weak to begin with as lower rates haven't boosted credit demand. Tweaks in the daily minimum reserve requirements ratios though were announced, effective in July but any immediate impact from this will also be limited given the current flush liquidity conditions.

	House View	Key Themes
China	The Chinese economy is expected to slow down to 6.5% yoy in 2018 from 6.9% in 2017 as China's government is likely to continue to withdraw its support via tighter credit and monetary policy.	China kicked off the New Year with massive roll out of regulations in the name of financial deleveraging. The new regulation 302 aims to standardize onshore bond transaction. In addition, China's key policy advisor Liu He said in 2018 Davos Economic Forum that China will face three key critical battles for the next few years including preventing financial risk, targeted poverty reduction and environmental protection. China temporarily suspended the use of counter cyclical factor in its daily RMB daily fixing as RMB one-way deprecation expectations have been well contained. RMB gained by almost 3% in January against the dollar due to weak broad dollar. However, the appreciation pressure has been transferred from the USDCNY to RMB index without the use of counter cyclical factor. As the RMB index approaches 96, markets will closely monitor the reaction of the central bank to check whether there will be any intervention to slow down the appreciation.
Hong Kong	Public investment and private consumption may grow steadily and add onto strong exports in boosting GDP to grow 3.6% in 2017 and 2.9% in 2018. As we expect HIBOR to tick up gradually, banks will face more pressure to lift prime rate this year.	Hang Seng Index refreshed its record high in Jan18. Flush liquidity and sustained economic growth across the globe have boosted risk appetite and driven rotation from bonds into equities and into emerging markets. Also, Mainland investors continued to show huge interests in HK stocks due to attractive valuation and increasing needs to diversify their portfolios. In the near term, wealth effect combined with tight labour market (unemployment rate dropped to a nearly two-decade low at 2.9% in 4Q17) may underpin household spending and housing demand. In the longer term, global monetary tightening and US tax reform remain a concern as these two factors could trigger capital outflows.
Macau	Upcoming completion of mega projects and Hong Kong-Zhuhai-Macau Bridge is likely to support tourism activities and mass-market segment. VIP segment may be hit by liquidity and policy risks. We expect GDP to expand by 8%-10% yoy in 2017 and 7% in 2018.	The share of mass-market revenue ticked up to 38.8% from 37.4% in 4Q 2017. A new wave of mega project openings (MGM Cotai to open in late January), sustained growth across Asia and completion of Hong Kong-Zhuhai-Macau Bridge together are set to boost tourism activities (visitor arrivals grew at its fastest pace since 2014 by 5.4% yoy in 2017). This will in turn support mass market segment. Wealth effect from stock market and a weaker HKD may also encourage recreational gamblers to increase their betting amount. As such, mass-market segment could contribute more to gaming growth this year.
MA	MOF pencils economic growth at between 5.0 – 5.5% in 2018, down from an estimated 5.2 – 5.7% in 2017. Inflation is projected at 2.5 – 3.5% in 2018, slightly lower vs 2017's 3.0 – 4.0% estimate. These projections are in line with our call for GDP and CPI to print 5.0% and 3.3% for 2018, respectively. Bank Negara Malaysia (BNM) also recently raised the OPR by 25 basis points to 3.25% but we believe a further hike this year would be unlikely.	BNM's decision to raise the Overnight Policy Rate (OPR) by 25 basis points to 3.25% was widely anticipated. However, a further hike this year would be unlikely given that inflation has recently appeared to be stable and growth in 2018 is expected to moderate. Headline inflation marginally increased in December to 3.5% (y/y) from 3.4% (y/y) in November. The increase was mainly driven by inflation in the transport category. Headline inflation has been fairly stable around the 3.0 – 4.0% range since May 2017. 2017 GDP growth figures would be released next month and a strong economic performance is widely expected. Malaysia's economy in 2017 has significantly benefited from the pickup in global trade. This pick up has been connected to a cyclical upturn in manufacturing, which in turn was driven by stronger investment.
TH	Official call for growth stands at 3.6 – 4.6% in 2018. Growth to be underpinned by both private and public investments, manufacturing, and trade. We tip growth & inflation at 3.5% and 1.4%, respectively.	The Thai Baht of late has neared its four-year high, on the back of a relatively weaker dollar as well as strong foreign inflows into Thailand's equity and bond assets. Note BOT governor Veerathai commented the need to monitor THB movement, and is ready to implement more measures should currency moves abnormally. Still, export outlook remains supportive of growth, with officials expecting a 6% export growth into 2018.

	House View	Key Themes
Korea	We remain cautiously optimistic on Korea; while growth may print at a respectable 3.0% in 2018, ongoing geopolitical tensions could weigh on confidence. Inflation is likely to stay tame at ~2.0%.	Recent data has been less than stellar for Korea. Given the relatively higher base felt this year, exports in the first twenty days of January has slowed to 9.2%, down from double-digit growth rate seen in late 2017. Even so, 4Q17 economic growth disappointed market expectations at 3.0%, down from 3Q's 3.8%. Note weaker consumer confidence of late as well, given weaker employment expectations.
PH	Expect the BSP to withstand pressures to hike interest rates for the rest of 2017. First hike in should come in early 2018.	The government, together with private partners, is looking to invest in major infrastructure projects to build a new administrative centre at New Clark City. This move is aimed at relieving the congested conditions in Manila. Meanwhile, remittances are expected to grow 4.0% in 2018.
Myan	Look beyond distractions in the Rakhine State, and focus on improvements in the investment climate.	Reform momentum needs to be sustained for the Myanmar optimism to continue going forward, and for growth to accelerate. However, the low hanging fruit for reforms have been taken, and the pace of reforms may be increasingly difficult.

FX/Rates Forecast

USD Interest Rates	1Q18	2Q18	3Q18	4Q18	2019
Fed Funds Target Rate	1.75%	2.00%	2.00%	2.25%	2.50%
1-month LIBOR	1.75%	1.93%	2.10%	2.28%	2.55%
2-month LIBOR	1.82%	1.97%	2.13%	2.29%	2.65%
3-month LIBOR	1.91%	2.04%	2.17%	2.30%	2.70%
6-month LIBOR	2.10%	2.23%	2.37%	2.50%	2.80%
12-month LIBOR	2.38%	2.48%	2.59%	2.70%	2.85%
1-year swap rate	2.25%	2.39%	2.52%	2.65%	2.90%
2-year swap rate	2.46%	2.56%	2.65%	2.75%	3.00%
3-year swap rate	2.61%	2.69%	2.77%	2.85%	3.10%
5-year swap rate	2.83%	2.97%	3.11%	3.25%	3.50%
10-year swap rate	3.05%	3.20%	3.35%	3.50%	4.00%
15-year swap rate	3.11%	3.26%	3.40%	3.55%	4.10%
20-year swap rate	3.15%	3.30%	3.45%	3.60%	4.20%
30-year swap rate	3.16%	3.34%	3.52%	3.70%	4.30%
SGD Interest Rates	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**2019**
1-month SIBOR	1.08%	1.15%	1.23%	1.30%	1.75%
1-month SOR	1.06%	1.10%	1.15%	1.20%	1.65%
3-month SIBOR	1.23%	1.34%	1.44%	1.55%	1.95%
3-month SOR	1.21%	1.31%	1.40%	1.50%	1.80%
6-month SIBOR	1.45%	1.57%	1.68%	1.80%	2.15%
6-month SOR	1.37%	1.51%	1.64%	1.78%	2.05%
12-month SIBOR	1.57%	1.67%	1.78%	1.88%	2.25%
1-year swap rate	1.53%	1.67%	1.81%	1.95%	2.30%
2-year swap rate	1.77%	1.88%	1.99%	2.10%	2.55%
3-year swap rate	1.97%	2.07%	2.17%	2.27%	2.70%
5-year swap rate	2.26%	2.37%	2.49%	2.60%	3.00%
10-year swap rate	2.66%	2.78%	2.89%	3.00%	3.25%
15-year swap rate	2.87%	2.96%	3.06%	3.15%	3.40%
20-year swap rate	2.98%	3.07%	3.16%	3.25%	3.55%
30-year swap rate	3.02%	3.13%	3.23%	3.33%	3.80%
Malaysia	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**2019**
OPR	3.25%	3.25%	3.25%	3.25%	3.50%
1-month KLIBOR	3.46%	3.50%	3.53%	3.57%	3.70%
3-month KLIBOR	3.73%	3.77%	3.81%	3.85%	3.88%
6-month KLIBOR	3.83%	3.86%	3.88%	3.91%	3.95%
12-month KLIBOR	3.92%	3.93%	3.95%	3.96%	3.98%
1-year swap rate	3.81%	3.83%	3.86%	3.88%	3.90%
2-year swap rate	3.85%	3.87%	3.88%	3.90%	4.00%
3-year swap rate	3.88%	3.90%	3.93%	3.95%	4.09%
5-year swap rate	3.95%	3.97%	3.98%	4.00%	4.20%
10-year swap rate	4.25%	4.30%	4.35%	4.40%	4.75%
15-year swap rate	4.42%	4.46%	4.49%	4.53%	4.80%

UST	1Q18	2Q18	3Q18	4Q18	2019
2-year	2.24%	2.32%	2.41%	2.50%	2.73%
5-year	2.67%	2.74%	2.81%	2.88%	3.15%
10-year	2.90%	2.95%	3.00%	3.05%	3.55%
30-year	3.17%	3.24%	3.30%	3.36%	3.75%
SGS	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**2019**
2-year	1.69%	1.79%	1.90%	2.00%	2.45%
5-year	2.05%	2.13%	2.22%	2.30%	2.75%
10-year	2.39%	2.46%	2.53%	2.60%	2.93%
15-year	2.65%	2.70%	2.75%	2.80%	3.00%
20-year	2.71%	2.77%	2.82%	2.88%	3.12%
30-year	2.82%	2.88%	2.94%	3.00%	3.40%
MGS	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**2019**
6-month	2.99%	3.08%	3.16%	3.25%	3.35%
5-year	3.61%	3.71%	3.82%	3.92%	3.90%
10-year	3.96%	4.02%	4.09%	4.15%	4.30%
FX	**Spot**	**1Q18**	**2Q18**	**3Q18**	**4Q18**
USD-JPY	109.51	108.4	109.22	111.06	112.89
EUR-USD	1.2425	1.2528	1.2644	1.2732	1.2821
GBP-USD	1.4237	1.4393	1.4487	1.4596	1.4704
AUD-USD	0.8024	0.8125	0.8213	0.8293	0.8373
NZD-USD	0.7363	0.7428	0.7538	0.7603	0.7668
USD-CAD	1.2306	1.2148	1.2033	1.1933	1.1833
USD-CHF	0.9326	0.9233	0.9167	0.9096	0.9024
USD-SGD	1.3124	1.3073	1.322971	1.2898	1.2824
USD-CNY	6.2983	6.2905	6.2645	6.2551	6.2455
USD-THB	31.349	31.12	30.93	30.74	30.56
USD-IDR	13422	13413	13343	13303	13263
USD-MYR	3.8985	3.8755	3.8333	3.7984	3.7636
USD-KRW	1071.84	1069	1053.22	1047.56	1041.89
USD-TWD	29.201	29.08	28.88	28.76	28.64
USD-HKD	7.8208	7.8238	7.8257	7.8275	7.8294
USD-PHP	51.589	51.93	51.68	51.19	50.71
USD-INR	63.69	63.58	62.96	62.68	62.39
EUR-JPY	136.07	135.8	138.1	141.4	144.73
EUR-GBP	0.8727	0.8705	0.8728	0.8723	0.8719
EUR-CHF	1.1588	1.1566	1.1591	1.1581	1.1569
EUR-SGD	1.6307	1.6377	1.6401	1.6422	1.6442
GBP-SGD	1.8685	1.8815	1.8792	1.8825	1.8857
AUD-SGD	1.0531	1.0621	1.0654	1.0697	1.0738
NZD-SGD	0.9663	0.971	0.9778	0.9807	0.9834
CHF-SGD	1.4072	1.4159	1.4149	1.418	1.4212
JPY-SGD	1.1984	1.206	1.1876	1.1614	1.136
SGD-MYR	2.9705	2.9662	2.9552	2.945	2.9347
SGD-CNY	4.7991	4.812	4.8295	4.8497	4.87

FX Trading Views

	Inception		B/S	Currency	Spot	Target	Stop/Trailing Stop	Rationale	
	TACTICAL								
1	15-Jan-18		B	EUR-USD	1.2199	1.2645	1.2305	"Hawkish" ECB expectations, positive German poloitical news flow	
	STRUCTURAL								
2	19-Jan-18		B	EUR-USD	1.2274	1.2865	1.1975	ECB likely to alter its forward guidance into the spring	
3	31-Jan-18		S	USD-JPY	108.67	102.35	111.85	Market fixation on USD weakness, despite mitigating factors and the BOJ	
	RECENTLY CLOSED TRADE IDEAS								
	Inception	**Close**	**B/S**	**Currency**	**Spot**		**Close**	**Rationale**	**P/L (%)***
1	21-Nov-17	09-Jan-18	S	USD-SGD	1.3561		1.3345	Little contagion in geopolitical risks, sanguine portfolio inflow environment,USD fragility	+1.56
2	09-May-17	12-Jan-18	B	GBP-USD	1.2927		1.3700	USD skepticism, UK snap elections, positioning overhang, hawkish BOE?	+4.71
3	27-Nov-17	26-Jan-18	B	GBP-USD	1.3344		1.4135	Investors may imputeBrexit talks in December. Prevailing USD weakness.	+5.56
4	16-Jan-18	02-Feb-18	S	USD-SGD	1.3230		1.3175	Heay dollar, positive risk appetite, SGD NEER not excessively strong	+0.39
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Source: OCBC Bank

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
02/01/2018 03:00	US	FOMC Rate Decision (Upper Bound)	Jan-31	1.50%	--	1.50%	--
02/01/2018 16:30	HK	Retail Sales Value YoY	Dec	6.70%	--	7.50%	--
02/01/2018 16:50	FR	Markit France Manufacturing PMI	Jan F	58.1	--	58.1	--
02/01/2018 21:30	US	Initial Jobless Claims	Jan-27	235k	--	233k	--
02/01/2018 23:00	US	ISM Manufacturing	Jan	58.6	--	59.7	59.3
02/02/2018 21:30	US	Change in Nonfarm Payrolls	Jan	180k	--	148k	--
02/05/2018	ID	GDP YoY	4Q	--	--	5.06%	--
02/06/2018 11:30	AU	RBA Cash Rate Target	Feb-06	1.50%	--	1.50%	--
02/06/2018 16:00	TA	CPI YoY	Jan	1.07%	--	1.21%	--
02/07/2018 17:00	IN	RBI Repurchase Rate	Feb-07	--	--	6.00%	--
02/08/2018 04:00	NZ	RBNZ Official Cash Rate	Feb-08	1.75%	--	1.75%	--
02/08/2018 07:50	JN	BoP Current Account Balance	Dec	--	--	¥1347.3b	--
02/08/2018 16:00	PH	BSP Overnight Borrowing Rate	Feb-08	--	--	3.00%	--
02/08/2018 20:00	UK	Bank of England Bank Rate	Feb-08	0.50%	--	0.50%	--
02/08/2018 21:30	US	Initial Jobless Claims	Feb-03	--	--	--	--
02/09/2018 09:30	CH	CPI YoY	Jan	--	--	1.80%	--
02/13/2018 17:30	UK	CPI YoY	Jan	--	--	3.00%	--
02/14/2018 07:50	JN	GDP SA QoQ	4Q P	--	--	0.60%	--
02/14/2018 15:05	TH	BoT Benchmark Interest Rate	Feb-14	--	--	1.50%	--
02/14/2018 21:30	US	CPI MoM	Jan	0.30%	--	0.10%	--
02/15/2018 08:30	AU	Employment Change	Jan	--	--	34.7k	--
02/15/2018 08:30	AU	Unemployment Rate	Jan	--	--	5.50%	--
02/15/2018 12:30	JN	Industrial Production MoM	Dec F	--	--	--	--
02/15/2018 21:30	US	Initial Jobless Claims	Feb-10	--	--	--	--
02/20/2018 18:00	GE	ZEW Survey Expectations	Feb	--	--	20.4	--
02/21/2018 16:00	FR	Markit France Manufacturing PMI	Feb P	--	--	--	--
02/22/2018 17:00	GE	IFO Business Climate	Feb	--	--	117.6	--
02/22/2018 17:30	UK	GDP QoQ	4Q P	--	--	0.50%	--
02/22/2018 17:30	UK	GDP YoY	4Q P	--	--	1.50%	--
02/22/2018 21:30	US	Initial Jobless Claims	Feb-17	--	--	--	--
02/23/2018 13:00	SI	CPI YoY	Jan	--	--	0.40%	--
02/23/2018 18:00	EC	CPI YoY	Jan F	--	--	1.40%	1.40%
02/23/2018 21:30	CA	CPI YoY	Jan	--	--	1.90%	--
02/27/2018 17:00	IT	Manufacturing Confidence	Feb	--	--	--	--
02/27/2018	SK	BoK 7-Day Repo Rate	Feb-27	--	--	1.50%	--
02/28/2018 07:50	JN	Industrial Production MoM	Jan P	--	--	--	--
02/28/2018 21:30	US	GDP Annualized QoQ	4Q S	--	--	2.60%	--

Source: Bloomberg

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