Research Monitor (March)

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Key Themes

1. While global risk sentiments have been largely supported on the back of market anticipation of an imminent US-China trade deal, nevertheless the progress may remain fraught with risks given high expectation hurdles (note Lighthizer is looking for more than a "soybean solution" and stressing enforcement). That said, even the collapse of the Trump-Kim meeting did not fully douse market optimism in the near-term, albeit fund flows suggest that momentum in EM equities may be petering out and investors are awaiting for fresh catalysts. Given Trump's continued criticism of Fed chair Powell as someone who likes to raise interest rates will likely keep the lid on any nascent Fed hawkishness in the interim, notwithstanding this Friday's US labour market report which is likely to telegraph a picture of sustained health. Our house view is essentially for no Fed rate hike this year, and unless the economic winds tilt suddenly southwards, a pre-emptive Fed rate cut is also not apparent on the 6-month horizon either. This points to a fairly sustained flat yield curve and we would prefer to adopt a range trading mindset from here.
2. Key events to watch for March include ECB (likely unchanged at 0% on 7th), BoJ (likely on hold at -0.1% on 15th), BoT (static at 1.75% on 20th), Fed (static at 2.25%-2.50% on 21st), BSP (on hold at 4.75% on 21st), BoE (also static at 0.75% on 21th), and BI (unchanged at 6%). Market expectations are running high ahead of the supposedly imminent US-China trade deal and the Trump-Xi summit that is likely to follow later this month. Meanwhile, the Brexit saga continues, with a 13 March Parliament vote on no-deal, a 14 March Parliament vote on extension, and the looming March 29 Brexit deadline.
3. In the opening of NPC meeting, China lowered its growth target for 2019 to 6-6.5% from around 6.5% in 2018. Despite the slower growth target, China keeps its job market target, such as 11 million urban job creation and 5.5% surveyed unemployment rate, unchanged. This is the sign of bottom line thinking. The main upside surprise was from the CNY2 trillion tax and social contribution cut target to lower the burden for business, higher than last year's actual CNY1.3 trillion tax cut. In addition, it seems that a benchmark interest rate cut is no longer unthinkable to support the financial sectors to channel the liquidity to the real economy.
4. OPEC's strong show of bullish intent in their monthly report has lifted the crude market. The report released in early Feb showed most OPEC members reducing output more than expected, especially Saudi Arabia, which only produced 10.2m bpd from its Dec deal of 10.3m bpd. Larger than expected production declines from countries exempted in the Dec deal – Iran, Venezuela and Libya – also contributed to OPEC's -797k bpd decline in MoM production. Saudi also spoke of further reducing its output to just 9.8m bpd by Mar 2019 from its current level of 10.2m bpd, which will send the crude market into a deep deficit of -1.5m bpd or more by our estimates.

<table>
<tr><th></th><th colspan="2">House View</th><th colspan="2">Trading Views</th></tr>
<tr><td rowspan="2">FX</td><td colspan="2">G10: At this juncture, the Fed has effectively entrenched a patient, neutral-to-dovish stance. It may be difficult for the Fed to incite further dovish expectations, save for explicitly signalling a rate cut, a step that we think is premature for now. Thus, expect market expectations to shift to the other central banks, with the flag-bearer being the ECB. With the recent slowdown in European economic momentum, we do not rule out a further dovish shift from the ECB in the coming months. On balance, we note that aggregated rate differentials between the US and other major economies remain directionless on a multi-week horizon, resulting in a lack of directional impetus and range trading in the major pairs. We expect this to persist until we see a further deterioration of macro indicators and/or a significant shift in the dovish direction amongst the global central banks. Elsewhere, the UK government and parliament appeared to close ranks by ruling out a no-deal Brexit and agreeing to contemplate a delay in the Brexit deadline. This may have released the shackles on the GBP in the near term.</td><td colspan="2">Tactically bullish USD-JPY on the dollar front, while soggy cyclicals point to continued upside for USD-CAD and downside for AUD-USD. From an RV perspective, stay long GBP-AUD.</td></tr>
<tr><td colspan="2">Asian FX: Positive risk appetite and stronger RMB complex may continue to lead USD-Asia lower for now. Moving forward, developments in the Sino-US trade front will continue to dictate sentiments. Expect developments to come to a head soon, with a Trump-Xi summit possibly scheduled for mid-March. On the RMB front, there seems to be little official appetite for depreciation, especially from the CFETS RMB Index’s perspective. We note a shift in dynamics in terms of portfolio inflow momentum and rate differentials in favour of the RMB. Elsewhere in Asia, continue to expect the central banks to move towards a neutral-to-dovish stance. At this juncture, it should give an additional boost to investor appetite for EM/Asian assets. Nevertheless, keep a watchful eye on the macro front, which continues to deteriorate. Back at home, despite the softer-than-expected economic prints, expect the SGD NEER to be kept buoyant by the firming RMB and stalling USD. Given the relative lack of significant policy tightening pressures, we do not expect the top end of the tolerance band to be seriously tested going forward.</td><td colspan="2">Stay structurally bullish on the renminbi via a top heavy USD-CNH. IDR remains favoured on carry considerations. Tactically heavy on THB-PHP.</td></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">FOMC remains patient and will await further economic cues before deciding its next move, albeit an announcement on the balance sheet unwinding may happen sooner. Our house view is for no FOMC hike this year amid the economic headwinds, market fragility and continued criticism from Trump. Watch the March SEP (likely to shade down growth forecasts and lower the median dots plot to only 1 hike for 2019). While 4Q18 GDP growth surprised at 2.6% qoq, the expectation is for 2019 GDP growth to moderate from 2.9% last year to around 2.5%.</td><td colspan="2">US: Powell’s congressional testimony reinforced key messages, need for independent Fed, upbeat economic assessment, benign inflation and external risks. The futures market is flat for 2019 (<8% probability of one rate hike, but ~10% chance of a rate cut in 2020). The 3-month LIBOR has pulled back further from 2.82375% on 20 Dec 2018 to 2.59850% (low since 6Nov18) on 1 Mar 2019. The Jan FOMC minutes also flagged that the current fed funds target rate is perceived as at the lower end of the range of estimated neutral policy rate, and a few opined it would be appropriate to hike later this year if the economy evolved as expected, even though “it was important to be flexible in managing the process of balance sheet normalization”. The debt ceiling may kick in end-Sep. We expect a fairly sustained flat yield curve and prefer a range trading mindset.</td><td>→</td></tr>
<tr><td colspan="2">SG: The 3-month SOR spiked to 2.0895% (high since Oct08) pre-Feb month-end before easing slightly, on unwinding of market bets of a S$NEER tightening in Apr. The 3-month SIBOR was relatively stable ~1.95%. We cut our 2019 GDP growth forecast from 2.7% to 2.3% yoy, on risk of slow 1Q19 start on further loss of momentum as indicated by the manufacturing, electronics and Nikkei Singapore PMIs. The recent 30-year SGS re-opening fetched a low cut-off at 2.6% with a bid-cover of 1.99x. Next up is the 5-year SGS re-opening on 1 April, with the size details on 20 Mar and auction on 27 Mar. Watch the short-term funding rates which may pressure the SGS bond market in the interim.</td><td>↓</td></tr>
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Credit

February was another constructive month for credit markets although the pace of the bull run was slower than in January. The Bloomberg Barclays Asia USD IG Bond Index tightened a further 10bps while the Bloomberg Barclays Asia USD HY Bond Index tightened another 20bps (against a 19bps and 131bps retracement respectively during January). Considering the year to date movement, the IG spread tightened comparatively more than HY and this was due to the relative lack of IG issuance to date that drove secondary IG bond prices higher. Supportive government measures in China to improve the onshore financing environment drove onshore rates lower and reduced offshore issuance from high quality Chinese names. According to Bloomberg, Chinese high grade dollar bond issues were 58% lower y/y for the YTD to 19 Feb and this led to overall IG bond issuance down 13% y/y. Total issuance however was up 2.3% y/y with HY issues taking up the slack, in particular from China property names. Demand for these names has been driven by 1) aforementioned supportive government policies; (2) high capital needs from elevated bond maturities and put options in 2019; and (3) presence of hard assets or real estate as collateral. That said, there is still dispersion in credit preference with stronger property names such as China Resources Land Ltd seeing strong demand for their deals while weaker issuers such as Modern Land China Co. Ltd had to offer 14% to re-tap the market. In addition, the onshore yield spread between locally rated AAA and AA- corporates was at its widest since March 2012 earlier in February. This shows the diverging prospects and sentiments towards Chinese property companies and Chinese industrials which continue to be at the epicentre of rising onshore defaults. All told, these dynamics led to a buoyant market with total Asia dollar issuance of USD26.7bn 57% above February 2018's issuance, a record for the month.

If issuance activity in the Asia dollar space was like the sound of elephants then it was quiet as a mouse in the SGD space with only 2 issues totaling SGD160m. Activity was impacted by earnings season as well as an on-going disconnect between what issuers want to pay and investors want to receive. The noise emanating from the Asia dollar space was likely also a distraction with SGD investors seeing better value in USD names. That said, issuance volumes on a year to date basis remain above those of 2018 thanks to a solid issuance start in January 2019, mostly across high grade names.

With the technical picture looking somewhat clearer on the Fed's 'patient' and 'flexible' approach to rate hikes and underlying fundamental performance of issuers seemingly stable, it seems that event risk will be the key influence on markets in the coming month. So far, the trajectory on US-China trade negotiations appears broadly constructive although we are approaching flash point on Brexit with the UK scheduled to leave the European Union on 29 March. With key issues on the UK's withdrawal still outstanding, we expect buzz surrounding Brexit to dominate investor sentiment in March. Given this and the spread tightening for the year to date, we would not be surprised if credit markets take a breather in March and spreads level out at this point in time.

IG Pick: SCISP 3.7325% '20s (Offer YTM 2.67%): Sembcorp Industries Ltd ("SCISP") is focused on utilities (energy and water solutions), offshore marine (via its 61%-owned subsidiary Sembcorp Marine Ltd ("SMM") and urban development. SCISP is 49.5% owned by Temasek while the remaining shareholding is diversified across institutional and retail investors. SCI's core utilities business saw a SGD5mn decline to SGD64mn in 4Q2018. Encouragingly though, the losses at its Indian Utilities business had narrowed. Additionally, SMM was less of a credit drag to SCISP, with loss before tax narrowing significantly to SGD5.6mn against SGD35.0mn in the previous quarter while SMM is due to receive SGD1.1bn in cash over the next five years from rigs re-sold to Borr Drilling. As at 31 December 2018, SCISP's net gearing was 1.1x, flat q/q. ↑

IG Pan: STSP 3.4875% '20s (Offer YTM 2.19%): Singapore Telecommunications Ltd ("SingTel") is the largest listed telecommunications company in Singapore. SingTel is 52.4% owned by Temasek. SingTel's core markets in Singapore and Australia, as well as regional associates, saw declines in EBITDA and pre-tax profits with intensifying competition. The Enterprise segment is also no longer a reliable diversifier as the growth is in the ICT segment, which has lower margin while the legacy services (e.g. Mobile, data, internet, voice), is declining. The outlook continues to look murky with FY2019 outlook shaded down and SingTel is expected to record a y/y decline in EBITDA for the full year. Credit metrics have weakened with net debt / (EBITDA + share of associates pre-tax profits) rising to 1.58x (3QFY2018: 1.1x) with reported free cash flow declining 51.3% y/y to SGD387mn. We will be cautious if debt levels continue to rise. ↓

Macroeconomic Views

	House View	Key Themes
US	US averted another government shutdown albeit Trump declared a national emergency over border security. On trade talks, Trump announced an extension of the 90-day trade truce deadline of 1 March with China, but is planning to remove imports from India and Turkey from the Generalised System of Preferences program. The debt ceiling of US$20.5t which was suspended by Congress in Feb18 will expire on 1 Mar19.	The political battle in Washington is still ongoing over the border wall funding, with the House passing a resolution in an attempt to overturn Trump's national emergency declaration. Market impact is expected to be muted since the Democrats are short of a two-thirds majority in the Congress to override a presidential veto power. There is lingering uncertainty surrounding the US-China trade talks, after Lighthizer commented that the trade deal needs to include "significant structural changes" to China's model. Fed chair Powell suggested the eventual size of the Fed's portfolio will be about 16%-17% of GDP (versus 6% before the GFC). This implies the balance sheet unwinding will probably halt at $3.2 - $3.4 trillion. Watch the FOMC meeting on 19-20 March for more details. Meanwhile, the budget deficit has widened 77% to US$310b for Oct-Jan.
EU	ECB top officials have sounded more concerned about the growth slowdown, albeit they have far stuck to its guidance that it will keep borrowing costs at a record low at least through the summer. The downside growth risks could prompt the ECB to delay its rate hike intentions and/or announce fresh TLTROs.	ECB is likely to stay data dependent and to observe if the "significant" slowdown of the European economy will last. Germany had narrowly escaped a technical recession, and when it becomes clear that the situation is not temporary, the probability of a rate increase after summer may decline. Villeroy had warned that the ECB should also work on offsetting the risks from having prolonged negative interest rates as the regional slowdown was "significant". In addition, the ECB can also tap on increasing liquidity to banks and asset purchases to boost the economy.
Japan	With signs of weaknesses from the Japan economy, against the backdrop of a gloomy outlook for inflation, the governor of BoJ Kuroda commented that he would consider further easing if a stronger yen affects the economy and threatens its inflation target.	January exports saw its biggest monthly drop in more than two years, weighed down by trade tensions and China's slowdown. Meanwhile, lower oil prices are also threatening to lower inflation toward zero. BoJ maintained its 2% inflation target but expressed willingness to consider additional easing should its inflation campaign lose momentum. The 4 toolkits include lowering the negative short-term rate, cutting the long-term yield target below 0%, buying more assets inclusive of government bonds and increasing the pace of expansion of the monetary base. A policy that combines all four options is viable and Kuroda mentioned that regardless the policy adopted, BoJ would minimise the policy side-effects.
Singapore	MAS has revised its headline inflation forecast for 2019 down from 1-2% yoy to 0.5-1.5% yoy, but kept its MAS core inflation forecast unchanged at 1.5-2.5%. Conviction levels for a further tightening (via a S$NEER slope steepening) is rapidly evaporating for the April MPS. Our 2019 growth forecast is only 2.3% yoy.	Leading indicators point to decelerating momentum for 1Q19. The Nikkei Singapore PMI fell for the third straight month into contraction territory at 49.8 (-0.3 points) in Feb, due to weaker new business growth and new export orders and companies have shed jobs for the second straight month. Both the manufacturing and electronics PMIs also retreated further to 50.4 and 49.5 (4th consecutive month of contraction). Unsurprisingly, we tip 1Q19 manufacturing growth at -0.5% yoy, and cut our 2019 full-year GDP growth forecast from 2.7% yoy to 2.3% yoy. Budget 2019 is mildly expansionary with a planned budget deficit of 0.7% of GDP.
Indonesia	GDP growth for 2018 came out at 5.2% yoy, in line with our expectations. Growth was mainly driven by strong private consumption, investment and government expenditure. For 2019, we see growth coming out at 5.3% yoy. Growth should be supported by robust government consumption, strong investment growth and strengthening private consumption. We believe BI would most likely stay pat for 2019.	Trade data for January reported a wider deficit even though imports had contracted. Exports continued to contract possibly due to lingering US – China trade tensions and a global slowdown. We though expect that the deficit should persist in the near term as it doesn't appear that the global environment will see pick-up so soon. Bank Indonesia also held the rate this month and they have announced that they will be adopting accommodative macro prudential measures but did not disclose details on this. The IDR has continued to hover around the 14,000 level against the USD and occasionally broke below it this month. The currency will probably remain around this level going into the Presidential elections in April 2019. Government bond auctions at the same time have continued to attract a strong level of interest.

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China	The Chinese economy decelerated to 6.6% yoy in 2018, in line with market expectation. The economy is expected to slow down further to around 6.2-6.3% due to weak demand amid external uncertainties.	Risk sentiment improved significantly in China as the US delayed the deadline to hike tariff on Chinese goods to 25%. China's equity market outperformed in February on the back of capital inflows and reform commitment in addition to positive headline from the US China trade war. MSCI announced to increase the inclusion factor for China A share to 20% from 5% in three steps. This may attract more than US$60 billion foreign inflows. In addition, China also unveiled the new regulatory details on the Science and Innovation board. China's bond bull run paused due to concerns that PBoC may correct the excessive easing liquidity. RMB appreciated and recouped all the losses from the trade war. The currency is supported by the capital inflows and widening China US rate differential. Market will watch for details at the upcoming National People's Congress.
Hong Kong	We expect GDP growth will decelerate from 3.0% yoy in 2018 to 2.4% yoy (down from the previous forecast of 2.7% yoy)in 2019 as the economy has been facing multiple headwinds including global economic slowdown and lingering trade tension. Housing market may continue to cool down amid increasing supply as well as weaker demand on muted salary prospects and negative wealth effect. Both HKD and HIBORs are expected to see two-way volatility.	HK's budget surplus for FY2018 shrank by over 60% yoy to HK$58.7 billion (2.1% of GDP) as government revenue fell by 3.8% yoy and government spending expanded by 14.2% yoy for FY2018. Due to the sharp decrease in fiscal surplus, the government proposes to cut the total spending on one-off relief measures by 18.2% for FY2019. Instead, the government will increase the operating expenditure by 15.4% yoy with the recurrent expenditure on education, social welfare and healthcare to exceed HK$250 billion in total in 2019-20. As such, though we expect GDP growth will decelerate from 3% yoy in 2018 to 2.4% yoy in 2019, the fiscal stimulus may help to cushion HK's slowdown. The Greater Bay Area Plan proposes to promote cross-border investments and may help Hong Kong benefit from the increasing demand for wealth management. Finally, wide yield differential will likely push USDHKD to 7.85 soon.
Macau	With a strong MOP and Asia's muted economic outlook on trade war concerns, the growth of exports of goods and services may decelerate. On the other hand, the VIP-segment may succumb to policy risks. Adding on sluggish private investment and a high base effect, we expect GDP to grow by 5% in 2018 and by 2%-3% in 2019.	As Chinese government tightened the grip on illegal FX activities, this together with other lingering policy risks and China's economic slowdown may deter some high-stake gamblers. On the other hand, though infrastructure improvement gave a boost to the tourism sector, it did little to help the retail sector (per capita spending of visitors dropped for the first time since 2Q 2016 by 11% yoy in 4Q 2018) or mass-market gaming activities due to a strong MOP, fears of trade war risks and faltering global growth. Adding on seasonality, gross gaming revenue slid for the first time since July 2016 by 5% yoy in January 2019. Despite easing trade tension and China's stimulus, gaming growth is expected to slow down.
Malaysia	For 2019, we expect growth to slow to 4.4% yoy amid a deceleration in global activity, compared to 4.7% in 2018. BNM should stay pat for at least 1H2019.	January saw deflation at 0.7% yoy but this could just be transitory in nature as it was driven mainly by lower fuel and broad band prices, and the replacement of GST with SST. Core inflation remained positive though. The government will replace toll charges with congestion charges for four highways that they are acquiring and RON95 prices to be capped at RM2.08 per liter.
Thailand	Thailand is expected to keep key rates at 1.75% but the Bank of Thailand's MPC appears more hawkish than initially expected, with 2 of 6 MPC members in favour of a rate hike in January's policy meeting. Any hike in 1H 2019 is highly unlikely, but Thailand may probably be the first in the region to raise rates later this year if inflation creeps up to 1.5%.	Princess Ubolratana's failed attempt to register as PM candidate and the high possibility of a complete ban on the Thai Rak Chart party are the only highlights of what is an otherwise quiet election campaign so far. With elections less than a month away, there appears to be little risks of the street demonstrations that we witnessed in 2013/14. We remain cautious on political risks as we enter the last leg of campaigning; we also note that demonstrations may occur post-elections. Meanwhile, Thailand 4Q GDP shows the country's export growth reeling under the weight of US-China trade tensions. Export growth in 4Q only registered 0.5% and overall in 2H clocked a contraction of -0.2% to drag overall 2018 GDP to 4.2%, a disappointing end to the year after 1H saw overall GDP growth of 4.8%.

	House View	Key Themes
Korea	Poor exports, inflation, employment and growth prospects mean it is almost certain that South Korea will keep rates on hold at 1.75% through 2019; if the macroeconomic data takes a turn for the worse, expect BoK to potentially do one rate cut in 2H 2019.	There have been almost no bright spots in South Korea's economy since the start of 2019. Exports have recorded contractions for two consecutive months; unemployment is at its highest since 2009; PMI has shown contractions since November; inflation is benign at 0.8%, the lowest in a year; and growth has been revised downwards by BoK to 2.6%, the lowest since 2012. The board was unanimous in its rate decision in Feb's meeting, suggesting that the accommodative monetary stance is unlikely to change in the time being.
Philippines	President Duterte has insisted the next BSP governor carry on with the current policies laid forth by the late governor Nestor Espenilla. This means a high probability of a cut in RRR this year and a data-dependent doctrine on rate policies.	Philippines inflation in January clocked 4.4% and if the downtrend continues, inflation should be comfortably within BSP's inflation target range of 2-4%. BSP has largely adopted a data-dependent approach in their rate policies but late governor Espenilla has made it one of his top priorities during his tenure to further lower the RRR, which supposedly is one of the highest in the region. Despite the data-dependency approach by BSP, the determination to reduce RRR signifies a slight dovish environment within the central bank and there could be some talks of a rate cut as we enter 2H 2019.
Myanmar	Myanmar continues to be a hotbed for investment opportunities in the long-term; in the short-run there is some uncertainty whether the country will face trade sanctions over the Rohingya crisis, as well as continued security issues internally.	Other than the continued investigation by the UN into the Rohingya crisis, thousands of people are protesting against the continued involvement of the military in policy making. Many gathered in support of constitutional reform amid recent changes to a charter that increases the army's role in politics.

FX/Rates Forecast

USD Interest Rates	1Q19	2Q19	3Q19	4Q19
Fed Funds Target Rate	2.50%	2.50%	2.50%	2.50%
1-month LIBOR	2.48%	2.49%	2.51%	2.52%
2-month LIBOR	2.58%	2.59%	2.60%	2.61%
3-month LIBOR	2.62%	2.64%	2.67%	2.69%
6-month LIBOR	2.70%	2.72%	2.73%	2.75%
12-month LIBOR	2.90%	2.92%	2.93%	2.95%
1-year swap rate	2.68%	2.69%	2.71%	2.72%
2-year swap rate	2.69%	2.70%	2.72%	2.73%
3-year swap rate	2.70%	2.72%	2.73%	2.75%
5-year swap rate	2.72%	2.73%	2.74%	2.76%
10-year swap rate	2.78%	2.79%	2.79%	2.80%
15-year swap rate	2.90%	2.90%	2.89%	2.89%
20-year swap rate	2.92%	2.93%	2.93%	2.94%
30-year swap rate	2.93%	2.94%	2.95%	2.96%
SGD Interest Rates	**1Q19**	**2Q19**	**3Q19**	**4Q19**
1-month SIBOR	1.83%	1.91%	2.00%	2.10%
1-month SOR	1.97%	2.06%	2.16%	2.25%
3-month SIBOR	1.98%	2.08%	2.19%	2.30%
3-month SOR	2.00%	2.11%	2.22%	2.35%
6-month SIBOR	2.00%	2.11%	2.22%	2.37%
6-month SOR	2.03%	2.15%	2.28%	2.40%
12-month SIBOR	2.15%	2.23%	2.31%	2.45%
1-year swap rate	2.00%	2.16%	2.32%	2.48%
2-year swap rate	2.01%	2.17%	2.34%	2.50%
3-year swap rate	2.03%	2.19%	2.35%	2.51%
5-year swap rate	2.12%	2.25%	2.39%	2.52%
10-year swap rate	2.40%	2.45%	2.50%	2.55%
15-year swap rate	2.61%	2.62%	2.64%	2.65%
20-year swap rate	2.69%	2.71%	2.73%	2.75%
30-year swap rate	2.70%	2.73%	2.77%	2.80%
Malaysia	**1Q19**	**2Q19**	**3Q19**	**4Q19**
OPR	3.25%	3.25%	3.25%	3.25%
1-month KLIBOR	3.43%	3.44%	3.44%	3.45%
3-month KLIBOR	3.69%	3.70%	3.71%	3.72%
6-month KLIBOR	3.80%	3.81%	3.82%	3.83%
12-month KLIBOR	3.90%	3.92%	3.93%	3.95%
1-year swap rate	3.69%	3.69%	3.70%	3.70%
2-year swap rate	3.70%	3.71%	3.72%	3.73%
3-year swap rate	3.71%	3.72%	3.74%	3.75%
5-year swap rate	3.81%	3.82%	3.84%	3.85%
10-year swap rate	4.12%	4.13%	4.14%	4.15%
15-year swap rate	4.28%	4.30%	4.33%	4.35%
20-year swap rate	4.42%	4.43%	4.44%	4.45%

UST bond yields	1Q19	2Q19	3Q19	4Q19
2-year UST bond yield	2.55%	2.58%	2.62%	2.65%
5-year UST bond yield	2.55%	2.60%	2.65%	2.70%
10-year UST bond yield	2.75%	2.76%	2.77%	2.78%
30-year UST bond yield	3.10%	3.12%	3.13%	3.15%
SGS bond yields	**1Q19**	**2Q19**	**3Q19**	**4Q19**
2-year SGS yield	2.00%	2.04%	2.08%	2.12%
5-year SGS yield	2.10%	2.13%	2.17%	2.20%
10-year SGS yield	2.30%	2.33%	2.37%	2.40%
15-year SGS yield	2.50%	2.52%	2.53%	2.55%
20-year SGS yield	2.55%	2.57%	2.58%	2.60%
30-year SGS yield	2.70%	2.72%	2.73%	2.75%
MGS forecast	**1Q19**	**2Q19**	**3Q19**	**4Q19**
6-month yield	3.30%	3.31%	3.32%	3.33%
5-year MGS yield	3.72%	3.73%	3.74%	3.75%
10-year MGS yield	3.90%	3.91%	3.93%	3.94%

FX	Spot	1Q19	2Q19	3Q19	4Q19
USD-JPY	111.73	112.5	112.58	110.98	109.37
EUR-USD	1.1373	1.143	1.14	1.1549	1.1673
GBP-USD	1.3255	1.338	1.347	1.356	1.365
AUD-USD	0.7093	0.7058	0.7132	0.7199	0.7266
NZD-USD	0.6817	0.6845	0.6844	0.6918	0.6991
USD-CAD	1.3152	1.3048	1.298	1.2913	1.2845
USD-CHF	0.9986	0.9941	0.9923	0.9809	0.9696
USD-SGD	1.3516	1.347	1.34	1.3357	1.3314
USD-CNY	6.6971	6.669	6.6229	6.5768	6.5307
USD-THB	31.64	31.85	31.34	30.88	30.41
USD-IDR	14114	14150	13867	13767	13667
USD-MYR	4.0728	4.057	4.0244	3.9928	3.9611
USD-KRW	1124.4	1128.9	1122.44	1110.28	1098.11
USD-TWD	30.77	30.7	30.562	30.389	30.216
USD-HKD	7.8497	7.8456	7.8331	7.8207	7.8083
USD-PHP	51.765	51.53	51.25	50.97	50.69
USD-INR	70.9	70.6	69.8	69.2	68.6
EUR-JPY	127.07	128.59	128.34	128.16	127.67
EUR-GBP	0.858	0.8543	0.8463	0.8517	0.8552
EUR-CHF	1.1357	1.1363	1.1312	1.1329	1.1318
EUR-SGD	1.5372	1.5396	1.5275	1.5426	1.5542
GBP-SGD	1.7916	1.8023	1.805	1.8112	1.8174
AUD-SGD	0.9587	0.9507	0.9557	0.9616	0.9674
NZD-SGD	0.9214	0.922	0.9171	0.924	0.9308
CHF-SGD	1.3536	1.355	1.3504	1.3617	1.3732
JPY-SGD	1.2098	1.1973	1.1902	1.2036	1.2174
SGD-MYR	3.0132	3.0119	3.0034	2.9893	2.975
SGD-CNY	4.9547	4.951	4.9426	4.9238	4.905

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
03/01/2019 07:30	JN	Jobless Rate	Jan	2.40%	2.50%	2.40%	--
03/01/2019 16:50	FR	Markit France Manufacturing PMI	Feb F	51.4	--	51.4	--
03/01/2019 21:30	CA	Quarterly GDP Annualized	4Q	1.00%	--	2.00%	--
03/01/2019 23:00	US	ISM Manufacturing	Feb	55.8	--	56.6	--
03/01/2019 23:00	US	U. of Mich. Sentiment	Feb F	95.9	--	95.5	--
03/05/2019 07:00	SK	GDP YoY	4Q F	--	--	3.10%	--
03/05/2019 11:30	AU	RBA Cash Rate Target	Mar-05	1.50%	--	1.50%	--
03/05/2019 16:30	HK	Retail Sales Value YoY	Jan	--	--	0.10%	--
03/06/2019 08:30	AU	GDP SA QoQ	4Q	0.40%	--	0.30%	--
03/06/2019 23:00	CA	Bank of Canada Rate Decision	Mar-06	1.75%	--	1.75%	--
03/07/2019 20:45	EC	ECB Main Refinancing Rate	Mar-07	0.00%	--	0.00%	--
03/07/2019 21:30	US	Initial Jobless Claims	Mar-02	--	--	225k	--
03/08/2019 07:50	JN	GDP SA QoQ	4Q F	--	--	0.30%	--
03/08/2019 07:50	JN	GDP Annualized SA QoQ	4Q F	--	--	1.40%	--
03/08/2019 07:50	JN	BoP Current Account Balance	Jan	¥150.8b	--	¥452.8b	--
03/08/2019 16:00	TA	CPI YoY	Feb	0.20%	--	0.20%	--
03/08/2019 21:30	US	Change in Nonfarm Payrolls	Feb	185k	--	304k	--
03/09/2019 09:30	CH	CPI YoY	Feb	1.50%	--	1.70%	--
03/11/2019 15:00	GE	Industrial Production SA MoM	Jan	--	--	-0.40%	--
03/12/2019 20:30	US	CPI MoM	Feb	0.20%	--	0.00%	--
03/13/2019 07:50	JN	Core Machine Orders MoM	Jan	--	--	-0.10%	--
03/14/2019 15:45	FR	CPI YoY	Feb F	--	--	1.30%	--
03/14/2019 20:30	US	Initial Jobless Claims	Mar-09	--	--	--	--
03/15/2019 18:00	EC	CPI YoY	Feb F	--	--	1.40%	1.40%
03/15/2019 18:00	IT	CPI EU Harmonized YoY	Feb F	--	--	1.20%	--
03/15/2019 22:00	US	U. of Mich. Sentiment	Mar P	--	--	--	--
03/18/2019 08:30	SI	Non-oil Domestic Exports YoY	Feb	--	--	-10.10%	--
03/18/2019 12:30	JN	Industrial Production MoM	Jan F	--	--	-3.70%	--
03/19/2019 17:30	UK	Jobless Claims Change	Feb	--	--	14.2k	--
03/19/2019 18:00	GE	ZEW Survey Current Situation	Mar	--	--	15	--
03/19/2019 18:00	GE	ZEW Survey Expectations	Mar	--	--	-13.4	--
03/20/2019 15:05	TH	BoT Benchmark Interest Rate	Mar-20	--	--	1.75%	--
03/20/2019 17:30	UK	CPI MoM	Feb	--	--	-0.80%	--
03/20/2019 17:30	UK	CPI YoY	Feb	--	--	1.80%	--
03/21/2019 02:00	US	FOMC Rate Decision (Upper Bound)	Mar-20	2.50%	--	2.50%	--
03/21/2019 05:45	NZ	GDP SA QoQ	4Q	--	--	0.30%	--
03/21/2019 08:30	AU	Employment Change	Feb	--	--	39.1k	--
03/21/2019 08:30	AU	Unemployment Rate	Feb	--	--	5.00%	--
03/21/2019 16:00	PH	BSP Overnight Borrowing Rate	Mar-21	--	--	4.75%	--
03/21/2019 20:00	UK	Bank of England Bank Rate	Mar-21	--	--	0.75%	--
03/21/2019 20:30	US	Initial Jobless Claims	Mar-16	--	--	--	--
03/22/2019 16:15	FR	Markit France Manufacturing PMI	Mar P	--	--	--	--
03/22/2019 20:30	CA	CPI YoY	Feb	--	--	1.40%	--
03/25/2019 13:00	SI	CPI YoY	Feb	--	--	0.40%	--
03/25/2019 17:00	GE	IFO Business Climate	Mar	--	--	98.5	--
03/26/2019 22:00	US	Conf. Board Consumer Confidence	Mar	--	--	131.4	--
03/27/2019 09:00	NZ	RBNZ Official Cash Rate	Mar-27	--	--	1.75%	--
03/27/2019 17:00	IT	Manufacturing Confidence	Mar	--	--	101.7	--
03/28/2019 20:30	US	GDP Annualized QoQ	4Q T	--	--	2.60%	--
03/28/2019 20:30	US	Initial Jobless Claims	Mar-23	--	--	--	--
03/29/2019 07:30	JN	Jobless Rate	Feb	--	--	2.50%	--
03/29/2019 07:50	JN	Industrial Production MoM	Feb P	--	--	--	--
03/29/2019 15:45	FR	CPI YoY	Mar P	--	--	--	--
03/29/2019 17:30	UK	GDP QoQ	4Q F	--	--	0.20%	--
03/29/2019 17:30	UK	GDP YoY	4Q F	--	--	1.30%	--
03/29/2019 18:00	IT	CPI EU Harmonized YoY	Mar P	--	--	--	--
03/29/2019 22:00	US	U. of Mich. Sentiment	Mar F	--	--	--	--

Source: Bloomberg

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