Research Monitor (May)

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Key Themes

1. Sell in May and go away? There is lingering market uncertainty pertaining to ongoing trade and geopolitical tensions, notwithstanding that US corporate earnings have been relatively robust, especially for the tech stocks. Notably, North Korea played nice in its talks with South Korea with lots of photo opportunities, However, US-China trade tensions may persist as recent trade talks ended inconclusively amid a ticking clock for the end of the public comment period for US' proposed tariffs. This is reminiscent of Trade Representative Lighthizer's earlier comments that the two countries could "spend the next year developing how we deal with each other over a period of time". Market speculation remains rife that China could possibly weaken its currency. Elsewhere, the Trump administration said it would delay steel and aluminium tariffs on the EU, Mexico and Canada for a month, suggesting some wriggle room for partners to iron out trade disagreements while bolstering efforts to work together vis-à-vis China.
2. The 3-month LIBOR has stabilised around 2.36% in early May, and while the LIBOR-OIS spread also eased to hover around 51bps (around where it stood in mid-March 2018), suggesting a short-term reprieve. That said, the core PCE deflator, the preferred Fed inflation proxy, hit the 2% in March (also the highest since Feb 2017), suggesting that the inflation trajectory is picking up speed and may prompt the FOMC to press on with the next 25bp rate increment at the 14 June FOMC meeting. The futures market has fully priced in the June rate hike, but is tilting towards a potential fourth rate hike this year. The FOMC unanimously kept policy settings unchanged on 3 May and highlighted that "job gains have been strong, on average, in recent months" and "inflation on a 12-month basis is expected to run near the Committee's symmetric 2 percent objective over the medium term".
3. The May FOMC was interpreted as less than hawkish, and failed to impart significant upside impetus to the broad USD. Directionality may instead be drawn on technical grounds. Major currency pairs are near long term technical levels, and the success/failure in addressing these levels may determine near term movement. Also, watch for sustained consolidation above 2.95% for the 10y UST yield, and 92.00 for the DXY, to sustain the underlying broad USD momentum. However, be cautious not to oversell yield differential arguments as a driver for USD strength, as it has proved to be a fickle indication over the past six months.
4. The Chinese economy kicked off 2018 with a strong start growing by 6.8%. However, the economy is expected to slow down due to higher funding costs, decelerating credit growth and uncertainty from the US-China trade tension. With the US-China trade tension moving to unchartered territory after the Trump Administration stepped up to target at China's high-tech companies and investment, China has rolled out a number of pre-emptive measures, such as targeted RRR cut and re-highlight of boosting aggregate demand, to counter the impact of trade tension on China. On currency, PBoC guided the daily fixing weaker than expected for two consecutive weeks to slow the appreciation of RMB index. RMB is no longer the key concern due to more balanced flows.

Asset Class Views

<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">DXY and majors: Going ahead, the shelf life of this latest episode of USD resilience may have to be predicated on several factors: Firstly, it remains to be seen if US 10y yields can continue to hold at 2.95% and above. If so, it may continue to grant the USD support. On the flip side, if the 10y decays below 2.95%, expect the recent USD rally to fizzle and retrace. Secondly, remain cautious towards overselling absolute yield and yield differentials arguments as a source of USD strength. Note that since late 2017, the dollar has had a dismal track record of benefitting from favourable rate differential developments. Given the rhetoric from companion central banks, such as the ECB last week and RBA this week, remained confident in their economic/inflation prognosis, yield differential arguments in favour of the USD may eventually be crimped, and we may revisit a weak USD scenario. Thirdly, on purely technical grounds, the DXY may need to surmount the 92.00 handle to keep the USD afloat. However, base building behaviour within 91.00-92.00 may suffice in the coming weeks. Any failure on this front may well confine the broad USD lower once again. Finally, potential global trade tensions may dilute the above arguments, and instead shackle global currency pairs in a range. Note that risk sentiments are broadly neutral at this stage.</td><td colspan="2">Barring a revival of trade tensions, favour the broad USD if the 10y UST yield can sustain above the 2.95% and the DXY can successfully consolidate above the 91.00. If trade tensions re-occur, expect the majors to part ways. The USD may turn weaker against the EUR and GBP, while prospects for the JPY and the cyclicals/EM FX would be dependent on the resultant impact on global risk sentiments.</td></tr>
<tr><td colspan="2">Asian FX and SGD: Despite the generalized moderation of net inflows, and some countries flipping to outflow territory, Asian currencies have outperformed the G10 currencies in the recent bout of USD strength. We think this is due to the relatively sanguine risk appetite levels. Note that our risk appetite indicator has ventured back into Risk-Neutral territory despite firmer US yields. Another spike in risk aversion, especially if due to another bout of trade tensions between the US and China, could well see sentiment towards EM/Asia (and the SGD) unravel rapidly. In this context, continue to look for the SGD to outperform the likes of the EUR, GBP, and the AUD in the near term.</td><td colspan="2">Asian currencies may be on the defensive in the near term following the exhaustion of net portfolio flows. Slight preference for the KRW on relatively resilient inflow dynamics and inter-Korea optimism.</td></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">Monetary policy normalisation expectations have been somewhat dented by growing trade war concerns, but may refocus back on the rising inflation trajectory. A retest of the 3% handle for the 10-year looks likely and will renew fears of another global bond market rout.</td><td colspan="2">US: 1Q18 GDP growth disappointed at 2.3% yoy, which marked a slowdown from the 2.9% in 4Q17, amid a softening in private consumption following an outsized increase the previous quarter. That said, the tax reform, fiscal stimulus and a solid jobs market makes a full-year 2018 GDP growth of 3% still plausible. Even as a mildly hawkish FOMC continues with its one hike per quarter pace for now, they will probably still reserve final judgement for the fourth hike when they can see and smell the growth and inflation dynamics for 2H18. Meanwhile the 10-year UST bond yield touched a high of 3.03% on 25 April but closed below the 3% handle due to month-end positioning. Still, another break higher appears to be in order given the impending FOMC rate hike in June, resilient crude oil prices, higher fiscal requirements and the upward drift in US wage-inflation dynamics.</td><td>↓</td></tr>
<tr><td colspan="2">SG: The post-MAS MPS dip in SOR did not last and both the 3-month SIBOR and SOR are currently hugging the 1.5% handle, The 2-10 year SGS bond yield curve flattened by 10bps in April, but at 84bs is still significantly wider than the 46bps seen in the US Treasury bond yield curve. The $3b new 10-year bond auction fetched a cut-off yield of 2.65% with a bid-cover ratio of 1.57x. Next is a re-opening of the 5-year SGS bond on 1 June. We think May will still be a choppy period for SGD rates given the upward creep in inflationary prints, a softer SGD and a more accommodative monetary policy stance. Core inflation could surpass the 2% yoy handle by end-2018.</td><td>↓</td></tr>
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	House View	Trading Views	
Commodities	**Crude Oil:** Crude oil fundamentals improved into early 2018, while global inventories narrowed. Geopolitical tensions and/or policy uncertainties could sway prices quickly, while OPEC's soft-deadline to extend oil curbs by another 9 months injects uncertainty to future supply trajectory. We keep our year-end outlook for WTI and Brent at $65/bbl and $70/bbl respectively.	Crude oil prices rallied substantially on higher risk premiums as concerns over geopolitical tensions sustained. Our call for WTI to have a formidable resistance at $70/bbl is unchanged; any rise above this level would persuade US shale oil production higher, which would cap future price rally. Beyond fundamentals, the ebbing geopolitical concerns could rob oil bulls the reason to push prices higher, although uncertainties surrounding the Iranian nuclear deal could provide some uplift if it intensifies further.	↓
	Gold: We upgrade our gold outlook to $1,400/oz into end-year given the recent uptick in geopolitical tensions amid a flattening US treasury yield curve. Moreover, the dollar weakness expected into end-year would further exacerbate gold's climb, especially if the ECB initiates a stop/taper of its asset purchase programme at end Sept 2018.	Ebbing tensions in the geopolitical space led gold prices lower of late. Note that gold has breached its $1,350/oz handle in recent weeks, suggesting that risk aversion can spook investors into safe haven assets, notably gold. Uncertainties still remain, including trade tariff concerns (note US' 60-days notice to China) and the Iranian nuclear issue. These uncertainties, amid a likely weaker dollar, could rally gold prices into the month ahead.	↑
	Crude Palm Oil: A relatively weak La Nina has been seen in early 2018, while Asia's CPO production levels seasonally declines into early 2Q18. Strong MYR could eventually cap CPO's rally. We keep our CPO outlook at MYR2,400/MT with downside risk.	Palm oil prices benefited from the onset of trade war concerns, given its substitutability to soybeans. The ebbing concerns, coupled with stronger production and relatively weaker demand of late dragged prices. Expect fundamentals to overshadow price movements unless geopolitical issues dominate sentiments.	↓
Credit	April saw markets sway with prevailing event risk and movements in US treasuries. 10-yr US treasuries were volatile in the first half of the month as US-China trade tensions and geopolitical concerns were mixed. The second half however saw a one way trajectory in yields as positive news on the US economy and better than expected economic data heightened inflation concerns and market expectations for a fourth rate hike in 2018. This drove 10Y US Treasuries to break 3.0% before retracing. AxJ G3 bond issuance trends were influenced in kind as on-going interest rate uncertainty muted issuance in the early part of April. This though gave way to the busiest two week issuance period so far in 2018 as the risk-off respite in the middle of the month and primary deals still providing attractive new issue concessions. Issuance volume thereafter fell as treasuries spiked and issuers (Huawei Technologies Co., Mongolyn Alt Corp.) postponed deals. Still, the middle of the month bump in activity pushed monthly issuance above market expectations and drove year to date issuance volumes 7% higher than last year's record. Chinese issuers continue to support volumes with property companies active through April.	**IG Switch trade idea: Switch from HPLSP 3.95% '19s (2.59% bid) to HPLSP 4.65% PERP (4.56% YTC):** Hotel Properties Ltd ("HPL") develops properties and owns, manages and operates hotels and resorts. Full year 2017 results were strong, with sale of completed units at Tomlinson Heights in Singapore and completion of Burlington Gate and Holland Park Villas in London. Net gearing is moderate at 0.36x with HPL repaying debt on the back of strong operating cashflow. With a 3.5 points pullback since Nov 2017, we think HPLSP 4.65% PERP-c'22s looks attractive offering a ~200bps yield pickup over HPLSP 3.95% '19s, which we think more than compensates for the difference in structure and potential ~3Y extension in tenor.	↑
		HY Switch trade idea: Switch from CACHE 5.50% PERP (Ask YTC: 5.32%) to EREIT 4.60% PERP (Ask YTC: 5.59%): ESR-REIT ("EREIT") is an Industrial REIT focused on assets in Singapore. As at 31 March 2018, EREIT's total assets were SGD1.7bn though has announced a proposed acquisition of a logistics facility for SGD95.8mn. Additionally, EREIT is also in exclusive discussions with a peer, VIVA Industrial Trust ("VIT"), for an all-script merger. We like the proposed merger and have assumed completion of the deal in our base case. A combined entity will see a REIT with total assets of SGD3.1bn emerge. The CACHE 5.5%-PERP has a call date that is three months later than the EREIT 4.6%-PERP though is trading tighter by 30bps. Both perps are similarly structured, without step-up at first call.	↑

	House View	Trading Views
	The SGD corporate bonds market was also heavy as the bear flattening of the SGD swap curve put consistent downward pressure on cash prices of bonds. Primary activity was soft with new issuance at just ~SGD917mn, 70% below April 2017 issuance volumes. This includes SGD122.5mn of Ezion Holdings Ltd's refinancing bonds. Similar to AxJ G3 issuance trends, China property companies made up a meaningful proportion of supply with Central China Real Estate Ltd and Logan Property Holdings Co Ltd pricing short dated bonds. Looking ahead, we expect credit markets to remain heavy with ongoing upward pressure on USD rates.	

Macroeconomic Views

	House View	Key Themes
US	Fed remains finely balanced between 3 or 4 rate hikes this year. Some signs of softening economic momentum may be mitigated by tax reforms and fiscal stimulus, and a pickup in inflation data may give the Fed more ammunition to press on.	The fed left interest rates static as widely expected. Note that the language in the recent FOMC statement was also roughly identical to the previous press release, in that the Fed expects that "economic conditions will evolve in a manner that will warrant further gradual increases in the federal funds rate", while also stating that inflation is near its 2.0% goal. According to the implied probability for future rate hikes, market-watchers appear to be looking at a 100% chance for the Fed to initiate another hike in June. The statement also highlighted several positive economic trends, including the labour market which has continued to strengthen while job gains have been strong and unemployment stayed low.
EU	ECB is looking more upbeat on growth, but less so on inflation for 2018. That said, June or July will be key for watching if the ECB hardens its rhetoric to guide market that asset purchases would wind down after Sep18.	The ECB kept policy settings static as Draghi signalled that an ample degree of stimulus remains necessary as data points towards moderation after several quarters of higher than expected growth, while remaining consistent with solid and broad-based expansion. He also flagged that risks to growth are broadly balanced, but downside risks are mostly global with more pronounced protectionism risk. Nevertheless, the ECB remains confident that inflation will converge towards the goal, even though there are still "no convincing signs of a sustained upward trend". He clarified that ECB policymakers refrained from discussing the QE exit or even the stronger euro. Additionally, 1Q18 GDP print came in at 2.5% yoy, in line with market-expectations while EU unemployment rate remained unchanged at 8.5% (the lowest since '08).
Japan	With JPY strength, soft inflation prints, and BOJ leadership continuity, market expectations for any BOJ policy exit have been pushed back yet again. Near-term, the Abe scandal will be the market's focus.	BOJ maintained policy settings but dropped the timeframe reference to achieving the 2% inflation around FY2019, suggesting downside inflation risk and less confidence going ahead given that the timing had already been delayed six times previously. As PM Abe continues to be embroiled in a cronyism scandal, some are left wondering if this sixth year in power could potentially be his last and are concerned about the policy continuity surrounding Abenomics.

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Singapore	MAS chose to slightly steepen the S$NEER slope at the April MPS amid expectations that headline and core inflation will come in at the upper half of their 2018 forecast ranges, While 2Q18 GDP growth momentum remains intact, the 2H18 outlook is likely more modest.	The economy remains in a sweet spot. A weighted 13% of manufacturers tip a favourable outlook for April-September 2018, led by precision engineering (+39%) and electronics (+14%) clusters. Services firms had also turned more upbeat with a net weighted 8% anticipating more favourable conditions, led by financial & insurance (+16%), wholesale trade (+10%) and real estate (+9%). Bank loans growth also reaccelerated to 5.4% yoy (0.6% mom) in Mar, up from 3.7% yoy (0% mom) in Feb, led by business loans.
Indonesia	There is now a risk that BI could raise rates earlier than expected to mitigate further weakness in the IDR. Moody's earlier upgrade of Indonesia's long-term issuer and senior unsecured ratings to Baa2 from Baa3, with stable outlook had little benefit to the IDR.	Any eventual decision by BI to raise rates due to IDR weaknesses would really depend upon the momentum of the USD strengthening. BI and the Indonesian government have several measures they can undertake such as utilizing foreign reserves and undertaking FX swap auctions. However, it still has to be seen if such measures would be sufficient and whether the central bank would have to resort to a rate hike. Monitoring external factors would be key.
China	The economy is expected to slow down to 6.5% yoy in 2018 from 6.9% in 2017 due to higher funding costs, decelerating credit growth and uncertainty from the US-China trade tension. As capital outflow is no longer the concern, China is likely to re-open outflow channels under the capital account such as QDII, RQDII etc.	The US-China tension is no longer restricted to trade after the US stepped up to target China's high-tech companies and investment, such as ZTE and Huawei. Market will continue to monitor the development of bilateral negotiation. The economy kicked off 2018 with a strong start growing by 6.8%. Meanwhile, the country cut RRR as a pre-emptive move to counter the impact of trade tension on growth. Nevertheless, the mini liquidity crunch before RRR took effect showed that China is unlikely to deviate from prudent monetary policy path. In addition, China's CPC added expanding aggregate demand back to the policy statement in its politburo meeting, a sign that the country is ready to provide support should trade tensions deteriorate further. On currency, PBoC guided the daily fixing weaker than expected for two consecutive weeks to slow the appreciation of RMB index. RMB is no longer the key concern due to more balanced flows. As such, China announced to re-open the outflow channels under the capital account via increasing quota for QDLP and QDIE as well as approval of new quota for QDII.
Hong Kong	Fiscal stimulus, a stable labour market, improved tourism activities and resilient external demand may continue to support the economy. However, due to high base effect and potential impact of global monetary tightening and trade conflicts, GDP growth may moderate to 2.9% in 2018. As we expect HIBOR to tick up gradually, especially with a shrunk interbank liquidity, banks are likely to lift prime rate in 2H 2018.	USD/HKD touched 7.85 on 12 Apr, the first since 2005 when the band was introduced. This round of HKD weakness is mainly driven by carry trade activities amid a wide yield differential between the HKD and the USD. With HKD touching the weak end, the HKMA bought HKD consecutively to defend the currency peg system. This led to a 28.5% reduction in aggregate balance (HK$128.5 billion) and pushed 3-month HIBOR to its nine-year high. Adding on month-end effect and Ping An Good Doctor's IPO, rising concerns about tight liquidity propelled short HKD traders to take profit in advance and supported a mini bout of HKD rebound. This allows HKMA to take a breather. After month-end and large IPO, HKD may retreat again towards the weak end and prompt renewed intervention by the HKMA. On a positive note, sizeable foreign exchange reserve assets and twin surpluses will allow the HKMA to well maintain the currency peg system.

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Macau	A weaker MOP, upcoming completion of mega projects and Hong Kong-Zhuhai-Macau Bridge and strong growth across Asia together are likely to support tourism activities and mass-market segment. VIP segment may be succumbed to liquidity and policy risks. Given high base effect, we expect GDP to expand 7% in 2018.	Mass-market segment's revenue grew 21% yoy in 1Q 2018 while its share in total revenue rose slightly to 38.9%. Factors such as Asia's resilient growth, a weak MOP, new hotel opening as well as the effect of Lunar New Year Holiday have been the major factors boosting mass-market segment. Moving forward, infrastructure improvement and a new wave of hotel openings will provide more impetus for the mass-market segment. Nevertheless, gaming growth driven by mass-market could be moderate as compared to that led by VIP demand. Adding on high base effect, we hold our view that total gaming revenue growth will slow to 10%-15% in 2018.
Malaysia	Our GDP growth forecast currently stands at 5.5% yoy for 2018. We expect that consumption should grow at 6.0% yoy whilst investment growth should come out at 6.2% yoy. Trade growth is expected be slower but still strong. We see exports of goods and services to be at 7.1% yoy and growth imports of goods and services to be at 8.1% yoy. We also do not expect BNM to further raise interest rates this year as the central bank has pre-emptively raised rates in January and it will probably be on monitoring mode for this year to see if high growth rates will be sustained.	Malaysia gears up for polling day on May 9th where elections would be fiercely contested between the ruling Barisan Nasional (BN) and main opposition Pakatan Harapan (PH). Financial markets do not appear to have factored in too much negativity from elections this time around. The FBM KLCI can be said to overall be experiencing a strong period with a high close of 1895.18 on April 19th 2018. The USD-MYR value seems to be more affected by movement in the USD as the correlation between USD-MYR and DXY appears strong. 10y Government Securities Yields is fairly stable being in the range between 3.80% and 4.20% since November last year. Historically, the 2008 and 2013 elections did not mark any significant structural break in financial market trends. It may be the case that those election results were not a significant shock as there was no change in government. However, the 2008 election did see the government lose its two-thirds majority and the major economic states of Penang and Selangor fall to the opposition. Meanwhile, we expect BNM to hold rates at 3.25% next week as the central bank remains in monitoring mode.
Thailand	Official call for growth stands at 3.6 - 4.6% in 2018. Growth outlook remains positive, and underpinned by both private and public investments, tourism, manufacturing, and trade. We tip growth & inflation at 3.5% and 1.4%, respectively.	Further moderation in trade activities was seen: Exports grew at its slowest pace in 13 months to 7.1% y/y in March. Exports across industries showed that the recovery is not broad-based, but concentrated in the manufacturing and industrial sectors. Elsewhere, Thailand MPC minutes highlighted that the "private demand may not be as strong as expected", while "some agricultural sectors was affected by a decline in agricultural prices" and "household debt remained elevated".
Korea	We remain cautiously optimistic on Korea; growth may print at a respectable 3.0% in 2018 following easing geopolitical tensions. Inflation is likely to stay tame at ~2.0%. BOK will likely stand pat at 1.50% for the year ahead.	Korea's 1Q18 GDP advance growth disappointed at 2.8% yoy (vs market estimate of 2.9%), though qoq growth rebounded to 1.1%, up from -0.2% in 4Q17. Note that growth remains below BOK and government growth outlook of 3.0%. Growth isn't broad-based: industrials rebounded but services growth remained lackluster. With growth below 3.0%, it is vital to watch incoming data, especially 2Q18 GDP, to decipher if overall economic growth could touch BOK's target.
Philippines	A rate hike by the BSP may be impending as inflationary pressures continue to run hotter than should be tolerated. The 10 May BSP meeting will be live.	Inflation printed 4.3% in March, higher than the 4% top end of the tolerance band, and the April reading may further accelerate. The BSP may be preparing the ground for a rate hike in its 10 May meeting, with Governor Espenilla vowing to make "immediate and appropriate" policy response to ensure price stability, and that the economic momentum is sufficiently robust to "absorb some policy tightening". Note that the PHP has appreciated in response.
Myanmar	Retain a general sense of optimism around Myanmar. Keep close watch on legislative and reform developments to find opportunities.	A new development company was formed by the Yangon Regional Government to develop a new city, Yangon Myothit. The new city may span an area twice the size of Singapore. The first phase of the development will focus on infrastructure projects, although a concrete timeline for its construction has not been finalized.

FX/Rates Forecast

USD Interest Rates	2Q18	3Q18	4Q18	2019	2020
Fed Funds Target Rate	2.00%	2.00%	2.25%	3.00%	3.25%
1-month LIBOR	2.01%	2.15%	2.28%	2.80%	3.10%
2-month LIBOR	2.15%	2.22%	2.29%	2.85%	3.17%
3-month LIBOR	2.47%	2.63%	2.80%	3.25%	3.62%
6-month LIBOR	2.55%	2.70%	2.85%	3.35%	3.70%
12-month LIBOR	2.85%	2.90%	2.95%	3.40%	3.75%
1-year swap rate	2.65%	2.83%	3.00%	3.55%	3.80%
2-year swap rate	2.85%	2.95%	3.04%	3.65%	4.00%
3-year swap rate	2.95%	3.02%	3.09%	3.70%	4.10%
5-year swap rate	3.00%	3.13%	3.25%	3.75%	4.20%
10-year swap rate	3.05%	3.20%	3.35%	3.98%	4.38%
15-year swap rate	3.10%	3.25%	3.40%	3.75%	4.43%
20-year swap rate	3.13%	3.29%	3.45%	4.00%	4.50%
30-year swap rate	3.17%	3.34%	3.50%	3.90%	4.55%
SGD Interest Rates	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
1-month SIBOR	1.49%	1.61%	1.73%	2.28%	2.80%
1-month SOR	1.50%	1.68%	1.63%	2.30%	2.83%
3-month SIBOR	1.61%	1.71%	1.81%	2.33%	2.85%
3-month SOR	1.65%	1.78%	1.90%	2.35%	2.87%
6-month SIBOR	1.77%	1.90%	2.02%	2.40%	2.88%
6-month SOR	1.74%	1.91%	2.07%	2.50%	2.89%
12-month SIBOR	1.92%	2.01%	2.10%	2.55%	2.92%
1-year swap rate	1.95%	2.07%	2.18%	2.58%	3.00%
2-year swap rate	2.10%	2.28%	2.45%	2.85%	3.20%
3-year swap rate	2.25%	2.38%	2.50%	2.90%	3.26%
5-year swap rate	2.45%	2.53%	2.60%	3.00%	3.38%
10-year swap rate	2.75%	2.90%	3.05%	3.22%	3.50%
15-year swap rate	3.00%	3.05%	3.10%	3.40%	3.60%
20-year swap rate	3.05%	3.13%	3.20%	3.45%	3.70%
30-year swap rate	3.10%	3.18%	3.25%	3.49%	3.80%
Malaysia	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
OPR	3.25%	3.25%	3.25%	3.50%	3.50%
1-month KLIBOR	3.46%	3.50%	3.57%	3.70%	3.75%
3-month KLIBOR	3.73%	3.77%	3.85%	3.88%	3.95%
6-month KLIBOR	3.83%	3.86%	3.91%	3.95%	4.00%
12-month KLIBOR	3.92%	3.93%	3.96%	3.98%	4.05%
1-year swap rate	3.79%	3.82%	3.88%	3.90%	4.02%
2-year swap rate	3.83%	3.87%	3.90%	4.00%	4.10%
3-year swap rate	3.86%	3.91%	3.95%	4.09%	4.17%
5-year swap rate	3.95%	3.98%	4.00%	4.20%	4.35%
10-year swap rate	4.25%	4.28%	4.30%	4.50%	4.67%
15-year swap rate	4.45%	4.45%	4.45%	4.59%	4.75%

UST	2Q18	3Q18	4Q18	2019	2020
2-year	2.60%	2.66%	2.72%	3.32%	3.80%
5-year	2.90%	2.99%	3.08%	3.43%	3.90%
10-year	3.10%	3.15%	3.20%	3.75%	4.10%
30-year	3.20%	3.31%	3.42%	3.83%	4.24%
SGS	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
2-year	2.05%	2.15%	2.25%	2.55%	2.91%
5-year	2.25%	2.35%	2.45%	2.75%	3.10%
10-year	2.60%	2.70%	2.80%	2.95%	3.30%
15-year	2.85%	2.93%	3.00%	3.15%	3.40%
20-year	2.90%	3.00%	3.10%	3.25%	3.50%
30-year	3.00%	3.08%	3.15%	3.35%	3.60%
MGS	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
6-month	3.31%	3.33%	3.35%	3.40%	3.50%
5-year	3.82%	3.86%	3.89%	4.03%	4.13%
10-year	4.13%	4.16%	4.19%	4.33%	4.45%
FX	**Spot**	**2Q18**	**3Q18**	**4Q18**	**1Q19**
USD-JPY	109.14	110.43	111.10	111.70	112.30
EUR-USD	1.1977	1.1825	1.1938	1.2138	1.2338
GBP-USD	1.3570	1.3403	1.3514	1.3716	1.3918
AUD-USD	0.7535	0.7433	0.7504	0.7652	0.7801
NZD-USD	0.7021	0.6920	0.6985	0.7120	0.7255
USD-CAD	1.2852	1.2970	1.2854	1.2681	1.2508
USD-CHF	0.9985	1.0088	1.0023	0.9884	0.9746
USD-SGD	1.3313	1.3390	1.3326	1.3199	1.3072
USD-CNY	6.3510	6.4301	6.4086	6.3640	6.3198
USD-THB	31.67	31.93	31.74	31.36	30.98
USD-IDR	13940	14020	13994	13911	13828
USD-MYR	3.9375	3.9735	3.9434	3.8811	3.8188
USD-KRW	1076.82	1087.50	1078.89	1062.22	1045.56
USD-TWD	29.685	29.850	29.722	29.456	29.189
USD-HKD	7.8498	7.8474	7.8451	7.8429	7.8407
USD-PHP	51.605	51.28	51.11	50.98	50.84
USD-INR	66.77	67.15	66.93	66.38	65.83
EUR-JPY	130.72	130.58	132.63	135.59	138.56
EUR-GBP	0.8826	0.8823	0.8834	0.8850	0.8865
EUR-CHF	1.1959	1.1928	1.1966	1.1998	1.2025
EUR-SGD	1.5945	1.5834	1.5908	1.6021	1.6129
GBP-SGD	1.8066	1.7946	1.8009	1.8104	1.8194
AUD-SGD	1.0031	0.9952	0.9999	1.0100	1.0197
NZD-SGD	0.9347	0.9266	0.9308	0.9398	0.9484
CHF-SGD	1.3333	1.3274	1.3295	1.3353	1.3413
JPY-SGD	1.2198	1.2126	1.1994	1.1816	1.1640
SGD-MYR	2.9576	2.9675	2.9593	2.9405	2.9213
SGD-CNY	4.7705	4.8022	4.8092	4.8216	4.8345

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
05/01/2018 12:30	AU	RBA Cash Rate Target	May-01	1.50%	1.50%	1.50%	--
05/01/2018 22:00	US	ISM Manufacturing	Apr	58.5	57.3	59.3	--
05/02/2018 15:50	FR	Markit France Manufacturing PMI	Apr F	53.4	--	53.4	--
05/03/2018 02:00	US	FOMC Rate Decision	May-02	1.75%	--	1.75%	--
05/03/2018 16:30	HK	Retail Sales Value YoY	Mar	10.90%	--	29.80%	--
05/03/2018 20:30	US	Initial Jobless Claims	Apr-28	225k	--	209k	--
05/04/2018 20:30	US	Change in Nonfarm Payrolls	Apr	191k	--	103k	--
05/07/2018	ID	GDP YoY	1Q	--	--	5.19%	--
05/08/2018 16:00	TA	CPI YoY	Apr	1.80%	--	1.57%	--
05/10/2018 05:00	NZ	RBNZ Official Cash Rate	May-10	1.75%	--	1.75%	--
05/10/2018 07:50	JN	BoP Current Account Balance	Mar	¥2900.0b	--	¥2076.0b	--
05/10/2018 09:30	CH	CPI YoY	Apr	1.90%	--	2.10%	--
05/10/2018 16:00	PH	BSP Overnight Borrowing Rate	May-10	--	--	3.00%	--
05/10/2018 19:00	UK	Bank of England Bank Rate	May-10	0.50%	--	0.50%	--
05/10/2018 20:30	US	CPI MoM	Apr	0.30%	--	-0.10%	--
05/10/2018 20:30	US	Initial Jobless Claims	May-05	--	--	--	--
05/15/2018 17:00	GE	ZEW Survey Expectations	May	--	--	-8.2	--
05/16/2018 07:50	JN	GDP SA QoQ	1Q P	0.00%	--	0.40%	--
05/16/2018 12:30	JN	Industrial Production MoM	Mar F	--	--	1.20%	--
05/16/2018 15:05	TH	BoT Benchmark Interest Rate	May-16	--	--	1.50%	--
05/16/2018 17:00	EC	CPI YoY	Apr F	--	--	1.30%	1.40%
05/17/2018 09:30	AU	Employment Change	Apr	--	--	4.9k	--
05/17/2018 09:30	AU	Unemployment Rate	Apr	--	--	5.50%	--
05/17/2018 20:30	US	Initial Jobless Claims	May-12	--	--	--	--
05/18/2018 20:30	CA	CPI YoY	Apr	--	--	2.30%	--
05/23/2018 13:00	SI	CPI YoY	Apr	--	--	0.20%	--
05/23/2018 15:00	FR	Markit France Manufacturing PMI	May P	--	--	--	--
05/23/2018 16:30	UK	CPI YoY	Apr	--	--	2.50%	--
05/24/2018 20:30	US	Initial Jobless Claims	May-19	--	--	--	--
05/24/2018	SK	BoK 7-Day Repo Rate	May-24	--	--	1.50%	--
05/25/2018 16:00	GE	IFO Business Climate	May	--	--	102.1	--
05/25/2018 16:30	UK	GDP QoQ	1Q P	--	--	0.10%	--
05/25/2018 16:30	UK	GDP YoY	1Q P	--	--	1.20%	--
05/29/2018 07:30	JN	Jobless Rate	Apr	--	--	2.50%	--
05/29/2018 16:00	IT	Manufacturing Confidence	May	--	--	107.7	--
05/30/2018 20:30	US	GDP Annualized QoQ	1Q S	--	--	2.30%	--
05/30/2018 22:00	CA	Bank of Canada Rate Decision	May-30	1.38%	--	1.25%	--
05/31/2018 07:50	JN	Industrial Production MoM	Apr P	--	--	--	--
05/31/2018 16:30	HK	Retail Sales Value YoY	Apr	--	--	--	--
05/31/2018 20:30	US	Initial Jobless Claims	May-26	--	--	--	--

Source: Bloomberg

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