

Highlights

Global	Global equities mostly sank overnight despite better than expected US' non-manufacturing ISM data (54.5 in Mar versus 53.4 in Feb, with the new orders rising from 55.5 to 56.7) and RBI's measures to ease the liquidity squeeze in the Indian banking system in addition to cutting the RBI repurchase rate by 25bps to 6.5%. Crude oil prices stayed soft as IMF chief Lagarde warned that the global recovery remains too slow and too fragile, with a loss of growth momentum and setting the stage for IMF to potentially trim forecasts on 12 April. Meanwhile, Iceland's PM has quit following the Panama Papers leak. Elsewhere, Eurozone Retail sales rose by 0.2% mom (+2.4% yoy) in Feb. Today's economic data calendar will centre around China's Caixin services and composite PMIs, as well as the Nikkei counterparts for India and Hong Kong, Malaysia's trade data, German industrial production and S'pore's COE tender results. The 15-16 March FOMC minutes are also due for release which could shed some light on the extent of dovishness among the Fed members, especially given the divide between Yellen and the more hawkish ones. Speakers include ECB's Nouy, RBA's Kent, Fed's Mester, Bullard and Kaplan.
US	Other economic readings for the US were similarly upbeat, with the Markit services and composite PMIs both printing at 51.3 in Mar, albeit the IDB/TIPP economic optimism index for Apr retreated slightly from Mar's 46.8 to 46.3 amid concerns about the economic outlook and federal policy. Job openings eased from a revised 5.6m to 5.45m, but the number of hires rose to 5.42m (highest since Nov06) with the hiring rate improving from 3.6% to 3.8% and the quits rate edged up from 2% to 2.1%. The trade deficit also widened more than expected by 2.6% from US\$45.9b in Jan to \$47.1b in Feb.
Singapore	The Nikkei Singapore PMI improved from 51.6 in Feb to a 2-month high of 52.0 in Mar, signalling stronger output and new order growth, coupled with an increase in the work backlog, albeit employment declined in March. The STI extended losses by 1.21% to close at 2800.92 yesterday and looks set to crack the 2800 floor today amid the weak overnight cues from Wall Street. The STI could trade in a range of 2760-2820. Meanwhile, SGS bond yield curve may be supported amid the current risk-off sentiments.
CN	Shanxi Huayu Energy, a subsidiary of State owned China Coal flagged the risk of non-payment of its 1-year commercial paper due on 6 Apr.
Indonesia	Finance Minister Bambang Brodjonegoro was quoted by local daily, Kontan, as saying that Q1 2016's tax revenue was IDR4tn lower than the IDR198tn of the same period last year, due to weaker VAT and household consumption receipts. Separately, he has also reportedly said that the tax authority will scrutinize taxpayers who are named in the 'Panama Papers' leaked data, to chase their undeclared offshore assets.
Commodities	At least the fall in oil prices have stopped for now, as prices had already corrected lower over the last two consecutive trading days. With news that US refineries are working harder coupled with more costly oil sale price tag by Saudi Aramco to its US customers (+40 cents for light, medium and heavy crude, +75 cents for extra light crude), some gains in lost territories had been seen last night. Elsewhere, note that Kuwait OPEC governor commented that Iran's participation is not needed for a production freeze agreement in the upcoming Doha Talks.

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Major Market

- **US:** Economic releases overnight were mixed, with strong non-manufacturing data coupled with a weaker-than-expected export figures. Meanwhile, US equities continued to lose steam, with S&P 500 -1.01% posting the steepest loss in weeks. Dow -0.75% and Nasdaq -0.98% fell in line with the S&P 500. VIX +9.21% continued its rebound. US Treasuries gained amid renewed worries of a slowing global growth, with 2- and 10- US Treasury yields falling to 0.72% and 1.72% respectively.
- **Myanmar:** Aung San Suu Kyi has officially taken up the position of state counsellor, a newly created post similar to prime minister. At the same time, she has also dropped her education and energy portfolios, retaining 2 out of the 4 original cabinet posts (president's office and foreign affairs).

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded 2bps-4bps higher at the short-end yesterday while the belly-to-long-end rates traded flat to 2bps lower. In the broader dollar space, the spread on JACI IG corporates widened by 3bps to 234bps, while the yield on the JACI HY corporates fell by 2bps to 7.61%. 10y UST decreased by 4bps to 1.72% amidst an equity sell-off in major markets.
- **New Issues:** PSA International Ltd priced a USD500mn 10-year bond at CT10+87.5bps, tightening from an initial guidance of CT10+105bps. The expected rating for the issue is "NR/Aa1/NR". Korea National Oil Corp ("KNOC") priced a two-part deal, namely a USD500mn 5-year bond at CT5+95bps and a USD500mn 10-year bond at CT10+95, tightening from an initial guidance of CT5+115bps and CT10+120bps respectively. The expected rating for the issue is "AA-/Aa2/AA-". Olam international Ltd priced a USD300mn 5-year bond at 4.5%, tightening from an initial guidance of 4.65%. The issue is unrated. Meanwhile, Mizuho Financial is scheduled for investor meetings as of 5 Apr 2016 and Sunshine Life has scheduled for investor meetings from 6 Apr 2016 for a potential USD bond issuance.
- **Rating Changes:** S&P lowered Central China Real Estate's long-term corporate credit rating to "B+" from "BB-". The rating action was due to S&P's expectation that the company's margin will recover only mildly over the next one to two years after a substantial decline in 2015. Outlook is stable. S&P lowered China-based online entertainment company YY Inc to "BB" from "BB+", due to an expectation that the company's profitability will further weaken over the next 24 months following a significant margin dip in 2015. Outlook is stable. S&P placed Golden Eagle Retail Group Ltd's "BB-" long-term corporate credit rating on CreditWatch with negative implications, due to Golden Eagle's negotiation for a consent waiver for its covenant breach taking longer than expected. Moody's placed on review for downgrade Golden Eagle Retail Group Ltd's "Ba3" corporate family rating, following Golden Eagle's disclosure on 30 Mar 2016 that it breached certain financial covenants of its 2015 syndicated loan. Moody's confirmed the CNPC Captive Insurance Company Ltd's "A1" insurance financial strength rating with a negative outlook, in line with the negative outlook of parent China National Petroleum Corporation ("CNPC").

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.631	0.13%	USD-SGD	1.3567	0.35%
USD-JPY	110.340	-0.90%	EUR-SGD	1.5445	0.29%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2287	1.19%
AUD-USD	0.7543	-0.82%	GBP-SGD	1.9203	-0.42%
GBP-USD	1.4161	-0.72%	AUD-SGD	1.0234	-0.48%
USD-MYR	3.9235	0.59%	NZD-SGD	0.9224	-0.18%
USD-CNY	6.4771	-0.07%	CHF-SGD	1.4182	0.58%
USD-IDR	13222	0.24%	SGD-MYR	2.8922	0.29%
USD-VND	22297	0.00%	SGD-CNY	4.7734	-0.41%

Equity and Commodity

Index	Value	Net change
DJIA	17,603.32	-133.70
S&P	2,045.17	-21.00
Nasdaq	4,843.93	-47.90
Nikkei 225	15,732.82	-390.50
STI	2,800.92	-34.40
KLCI	1,718.08	-7.20
JCI	4,858.07	7.90
Baltic Dry	487.00	16.00
VIX	15.42	1.30

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3390	--	O/N	0.3794	--
2M	-0.2820	--	1M	0.4402	--
3M	-0.2460	--	2M	0.5225	--
6M	-0.1320	--	3M	0.6301	--
9M	-0.0680	--	6M	0.9041	--
12M	-0.0010	--	12M	1.2215	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.86 (+0.03)	0.72 (-0.02)
5Y	1.47 (+0.02)	1.18 (-0.03)
10Y	1.85 (-)	1.72 (-0.04)
15Y	2.25 (+0.01)	--
20Y	2.34 (+0.01)	--
30Y	2.52 (-)	2.54 (-0.05)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.60	4.60	3.15
Italy	-0.01	1.60	1.27
Ireland	-0.31	0.50	0.72
Greece*	11.56	88.60	9.04
Spain	0.01	1.10	1.49
Russia^	3.29	-0.20	5.28

Financial Spread (bps)

	Value	Change
LIBOR-OIS	25.06	0.25
EURIBOR-OIS	9.68	0.28
TED	41.30	-2.38

* Greece's bond yields data reflect 3-year (instead of 2-year) tenor

^ Russia's bond yields data reflects 3-year and 15-year tenors instead

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	35.89	0.53%	Coffee (per lb)	1.209	-1.55%
Brent (per barrel)	37.87	0.48%	Cotton (per lb)	0.5890	-0.10%
Heating Oil (per gallon)	1.075	-1.31%	Sugar (per lb)	0.1464	--
Gasoline (per gallon)	1.38	0.06%	Orange Juice (per lb)	1.4325	-0.31%
Natural Gas (per MMBtu)	1.954	-2.20%	Cocoa (per mt)	2,882	0.38%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,775.0	0.30%	Wheat (per bushel)	4.7400	-0.16%
Nickel (per mt)	8,447	1.40%	Soybean (per bushel)	9.048	-0.96%
Aluminium (per mt)	1,504.5	-1.12%	Corn (per bushel)	3.5675	0.63%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,228.4	0.85%	Crude Palm Oil (MYR/MT)	2,717.0	-0.80%
Silver (per oz)	15.116	1.15%	Rubber (JPY/KG)	175.3	1.45%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/05/2016 05:00	SK Foreign Reserves	Mar	--	\$369.84b	\$365.76b	--
04/05/2016 08:00	JN Labor Cash Earnings YoY	Feb	0.20%	0.90%	0.40%	0.00%
04/05/2016 09:00	NZ ANZ Commodity Price	Mar	--	-1.30%	0.40%	0.50%
04/05/2016 09:00	PH CPI YoY	Mar	1.10%	1.10%	0.90%	--
04/05/2016 09:30	AU Trade Balance	Feb	-2500m	-3410m	-2937m	-3156m
04/05/2016 10:00	JN Nikkei Japan PMI Services	Mar	--	50	51.2	--
04/05/2016 10:00	JN Nikkei Japan PMI Composite	Mar	--	49.9	51	--
04/05/2016 12:30	AU RBA Cash Rate Target	Apr-05	2.00%	2.00%	2.00%	--
04/05/2016 13:30	IN RBI Cash Reserve Ratio	Apr-05	4.00%	4.00%	4.00%	--
04/05/2016 13:30	IN RBI Repurchase Rate	Apr-05	6.50%	6.50%	6.75%	--
04/05/2016 13:30	IN RBI Reverse Repo Rate	Apr-05	5.50%	6.00%	5.75%	--
04/05/2016 14:00	GE Factory Orders MoM	Feb	0.30%	-1.20%	-0.10%	0.50%
04/05/2016 14:00	GE Factory Orders WDA YoY	Feb	2.20%	0.50%	1.10%	0.40%
04/05/2016 15:45	IT Markit/ADACI Italy Services PMI	Mar	53.9	51.2	53.8	--
04/05/2016 15:45	IT Markit IT Composite PMI	Mar	--	52.4	53.7	--
04/05/2016 15:50	FR Markit France Services PMI	Mar F	51.2	49.9	51.2	--
04/05/2016 15:50	FR Markit France Composite PMI	Mar F	51.1	50	51.1	--
04/05/2016 15:55	GE Markit Germany Services PMI	Mar F	55.5	55.1	55.5	--
04/05/2016 15:55	GE Markit GE Composite PMI	Mar F	54.1	54	54.1	--
04/05/2016 16:00	EC Markit Eurozone Services PMI	Mar F	54	53.1	54	--
04/05/2016 16:00	EC Markit EZ Composite PMI	Mar F	53.7	53.1	53.7	--
04/05/2016 16:30	UK Markit/CIPS UK Services PMI	Mar	53.5	53.7	52.7	--
04/05/2016 17:00	EC Retail Sales MoM	Feb	0.00%	0.20%	0.40%	0.30%
04/05/2016 17:00	EC Retail Sales YoY	Feb	1.90%	2.40%	2.00%	--
04/05/2016 18:02	ID Consumer Confidence Index	Mar	--	109.8	110	110
04/05/2016 20:30	US Trade Balance	Feb	-\$46.2b	-\$47.1b	-\$45.7b	-\$45.9b
04/05/2016 20:30	CA Int'l Merchandise Trade	Feb	-0.90b	-1.91b	-0.66b	-0.63b
04/05/2016 21:45	US Markit US Services PMI	Mar F	51.2	51.3	51	--
04/05/2016 21:45	US Markit US Composite PMI	Mar F	--	51.3	51.1	--
04/05/2016 22:00	US ISM Non-Manf. Composite	Mar	54.2	54.5	53.4	--
04/06/2016 08:00	NZ QV House Prices YoY	Mar	--	--	11.60%	--
04/06/2016 09:45	CH Caixin China PMI Services	Mar	--	--	51.2	--
04/06/2016 09:45	CH Caixin China PMI Composite	Mar	--	--	49.4	--
04/06/2016 10:30	HK Nikkei Hong Kong PMI	Mar	--	--	46.4	--
04/06/2016 12:00	MA Exports YoY	Feb	2.90%	--	-2.80%	--
04/06/2016 12:00	MA Trade Balance MYR	Feb	6.80b	--	5.39b	--
04/06/2016 13:00	IN Nikkei India PMI Services	Mar	--	--	51.4	--
04/06/2016 13:00	IN Nikkei India PMI Composite	Mar	--	--	51.2	--
04/06/2016 13:00	JN Leading Index CI	Feb P	99.8	--	101.8	--
04/06/2016 14:00	GE Indust Pdn SA MoM	Feb	-1.80%	--	3.30%	--
04/06/2016 14:00	GE Industrial Production WDA YoY	Feb	0.40%	--	2.20%	--
04/06/2016 15:30	GE Markit GE Construction PMI	Mar	--	--	59.6	--
04/06/2016 16:00	SI COE Open Bid Cat A	Apr-06	--	--	45504	--
04/06/2016 16:00	SI COE Open Bid Cat B	Apr-06	--	--	46502	--
04/06/2016 16:10	GE Markit Germany Retail PMI	Mar	--	--	52.5	--
04/06/2016 16:10	EC Markit Eurozone Retail PMI	Mar	--	--	50.1	--
04/06/2016 16:10	FR Markit France Retail PMI	Mar	--	--	48.1	--
04/06/2016 16:10	IT Markit Italy Retail PMI	Mar	--	--	49.4	--
04/06/2016 19:00	US MBA Mortgage Applications	Apr-01	--	--	-1.00%	--
04/06/2016 04/13	VN Domestic Vehicle Sales YoY	Mar	--	--	16.30%	--

Source: Bloomberg

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