

## Highlights

Global	<p>Global risk sentiments recovered overnight – FOMC’s March meeting minutes revealed divided views with “several expressed the view that a cautious approach to raising rates would be prudent or noted their concern that raising the target range as soon as April would signal a sense of urgency they did not think appropriate...in contrast, some other participants indicated that an increase...might well be warranted. In addition, “a couple” including George (dissenter) wanted to hike in March. They noted that “global economic and financial situation still posed appreciable downside risks to the domestic economic outlook” and “several participants indicated that the persistence of global disinflationary pressures or the possibility that inflation expectations were moving lower continued to pose downside risks to the inflation outlook”. Interestingly, they also discussed the “asymmetry” that they have “little room to ease monetary policy through conventional means if economic activity or inflation turned out to be materially weaker than anticipated, but could raise rates quickly if the economy appeared to be overheating or if inflation was to increase significantly more rapidly than anticipated”, and decided it was “prudent to wait for additional information...before taking another step to reduce policy accommodation”. On balance, we reiterate our view that a June rate hike remains more plausible than April, but April FOMC will be critical to setting the stage if the economic data continues to hold up.</p> <p>Today’s economic data calendar is light, with only US’ initial jobless claims, ECB’s March minutes, and Malaysia’s foreign reserves data.</p>
US	<p>US equity markets rallied overnight as Fed meeting minutes reflected persistent concerns about a slowing global economy, and thus, signalling a slower pace of rate hikes. S&amp;P 500 +1.05%, Dow +0.64% and Nasdaq +1.59%, led by healthcare and energy stocks. VIX -8.93% retreated, closing at 14.09. US Treasury yields rose, with a steepening of the curve. 2-year and 10-year US Treasuries yield 0.73% and 1.75% respectively. Elsewhere, MBA mortgage applications rebounded 2.7%.</p>
EZ	<p>German industrial production fell less than expected by 0.5% mom (+1.3% yoy) in Feb, versus a revised +2.3% mom (+1.8% yoy) in Jan.</p>
Singapore	<p>The STI rose modestly by 0.37% to close at 2811.25 yesterday, and may attempt to extend gains today given positive overnight gains by Wall Street. However, morning cues from Nikkei and Kospi are mixed. The STI could see support and resistance at 2800 and 2840. Meanwhile, SGS bond yields may tick higher in line with the US bond market performance amid a quiet data calendar. Elsewhere, COE premiums for categories A, B and E rose in the latest tender.</p>
Indonesia	<p>The government is planning to require global technology companies such as Google and Facebook to set up locally registered entities. Jakarta Post cited, Ken Dwijugasteadi, director general of taxation at finance ministry, as saying that these companies must pay taxes in Indonesia after failing to do so for years despite operating profitably in the country.</p>
Malaysia	<p>Exports for February rose by 6.7%yoy, compared to estimates of 2.9%, with shipment to US growing by 21% yoy. Imports notched a gain of 1.6%yoy, against an estimated drop of 1.5%. Trade balance stayed at a surplus, of MYR7.35bn, compared to estimates of 6.8bn.</p>

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## Bond Market Updates

- **Market Commentary:** The SGD swap curve bull steepened yesterday, with the short-end rates trading 2bps-3bps lower while the belly-to-long-end rates traded 1bp lower. In the broader dollar space, the spread on the JACI IG corporates tightened by 1bp to 233bps, while the yield on the JACI HY corporates increased by 1bp to 7.62%. 10y UST increased by 3bps to 1.75% reflecting strong oil price gains of 5% after Russia came out to say it sees USD45-50 per barrel as “acceptable”.
- **New Issues:** Orix Corporation priced a USD500mn 5-year bond at CT5+150bps, tightening from an initial guidance of CT5+170bps. Mizuho Financial Group priced a three part USD debt offering, pricing a USD1.75bn 5-year fixed rate bond at 2.632%, a USD500mn 5-year bond at 3mL+148bps and a USD1.75bn 10-year fixed rate bond at 3.477%. The debt offering tightened from an initial guidance of CT5+150bps, 5 year FRN Libor equivalent and CT10+180bps respectively. The expected ratings for the issue is “A-/A1/NR”. CK Hutchison sold EUR2bn of bonds, comprising of EUR1.35bn 7-year bonds at 110 bps and EUR650m 12-year bonds at 138 bps. Both bonds priced within range of initial guidance.
- **Rating Changes:** S&P affirmed Sime Darby Bhd’s “BBB+” long-term issue rating with a negative outlook. This reflects the company’s earnings from diversified operations across Asia, entrenched market share in most business lines, and exposure to cyclical industries and volatile palm oil prices. Subsequently, S&P withdrew all the ratings at Sime Darby’s request. Sime Darby had been reported earlier by the media that it is exploring various options to pare down debt, including possible sale of its property assets. S&P downgraded Mingfa Group International Co Ltd, a China-based property developer, to “CCC+” from “B-” in light of heightened refinancing and liquidity risk. This rating action was post auditor PwC’s statement that they were unable to opine on some of the company’s recent transactions. S&P placed all ratings on Mingfa on CreditWatch with negative implications. S&P downgraded China Oilfield Services to “BBB+” from “A-”, as S&P expects the company’s financial performance to weaken over the next two years. Outlook is stable. Moody’s assigned its first ever long term rating of “Aa1” to PSA Treasury Pte Ltd, a subsidiary of Singapore’s PSA International Pte Ltd. Moody’s has assigned an “A1” rating to USD senior unsecured bonds issued by Mizuho Financial Group. The rating assigned were a higher rating than the standard guideline provided in Moody’s Bank Methodology, reflecting three notches of government support uplift for its main operating bank subsidiary, Mizuho Bank. Outlook is stable.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	94.430	-0.21%	<b>USD-SGD</b>	1.3473	-0.69%
<b>USD-JPY</b>	109.790	-0.50%	<b>EUR-SGD</b>	1.5356	-0.58%
<b>EUR-USD</b>	1.1132	0.00%	<b>JPY-SGD</b>	1.2272	-0.12%
<b>AUD-USD</b>	0.7599	0.74%	<b>GBP-SGD</b>	1.9028	-0.91%
<b>GBP-USD</b>	1.4123	-0.27%	<b>AUD-SGD</b>	1.0239	0.05%
<b>USD-MYR</b>	3.9188	-0.12%	<b>NZD-SGD</b>	0.9196	-0.30%
<b>USD-CNY</b>	6.4809	0.06%	<b>CHF-SGD</b>	1.4098	-0.59%
<b>USD-IDR</b>	13238	0.12%	<b>SGD-MYR</b>	2.8894	-0.10%
<b>USD-VND</b>	22300	0.01%	<b>SGD-CNY</b>	4.7950	0.45%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3390	--	<b>O/N</b>	0.3777	--
<b>2M</b>	-0.2850	--	<b>1M</b>	0.4385	--
<b>3M</b>	-0.2480	--	<b>2M</b>	0.5231	--
<b>6M</b>	-0.1320	--	<b>3M</b>	0.6266	--
<b>9M</b>	-0.0690	--	<b>6M</b>	0.8919	--
<b>12M</b>	-0.0040	--	<b>12M</b>	1.2053	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
<b>Portugal</b>	0.62	1.50	3.18
<b>Italy</b>	-0.00	0.40	1.29
<b>Ireland</b>	-0.31	0.20	0.77
<b>Greece*</b>	11.58	1.80	9.08
<b>Spain</b>	0.02	0.70	1.51
<b>Russia^</b>	3.23	-5.90	5.24

\* 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

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	17,716.05	112.70
<b>S&amp;P</b>	2,066.66	21.50
<b>Nasdaq</b>	4,920.72	76.80
<b>Nikkei 225</b>	15,715.36	-17.50
<b>STI</b>	2,811.25	10.30
<b>KLCI</b>	1,717.01	-1.10
<b>JCI</b>	4,868.23	10.20
<b>Baltic Dry</b>	500.00	13.00
<b>VIX</b>	14.09	-1.30

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	0.89 (+0.03)	0.73 (+0.01)
<b>5Y</b>	1.50 (+0.03)	1.20 (+0.02)
<b>10Y</b>	1.88 (+0.02)	1.75 (+0.03)
<b>15Y</b>	2.26 (+0.02)	--
<b>20Y</b>	2.36 (+0.01)	--
<b>30Y</b>	2.53 (+0.01)	2.58 (+0.04)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	24.76	-0.30
<b>EURIBOR-OIS</b>	9.65	0.17
<b>TED</b>	40.17	-1.13

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	37.75	5.18%	Coffee (per lb)	1.215	0.50%
Brent (per barrel)	39.84	5.20%	Cotton (per lb)	0.5875	-0.25%
Heating Oil (per gallon)	1.140	6.11%	Sugar (per lb)	0.1462	-0.14%
Gasoline (per gallon)	1.39	1.23%	Orange Juice (per lb)	1.4490	1.15%
Natural Gas (per MMBtu)	1.911	-2.20%	Cocoa (per mt)	2,900	0.62%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,786.0	0.23%	Wheat (per bushel)	4.6300	-2.32%
Nickel (per mt)	8,556	1.28%	Soybean (per bushel)	9.080	0.36%
Aluminium (per mt)	1,499.3	-0.35%	Corn (per bushel)	3.5800	0.35%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,222.5	-0.48%	Crude Palm Oil (MYR/MT)	2,681.0	-1.32%
Silver (per oz)	15.054	-0.41%	Rubber (JPY/KG)	175.4	0.06%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
<b>04/06/2016 08:00</b>	<b>NZ QV House Prices YoY</b>	<b>Mar</b>	<b>--</b>	<b>11.40%</b>	<b>11.60%</b>	<b>--</b>
04/06/2016 09:45	CH Caixin China PMI Services	Mar	--	52.2	51.2	--
04/06/2016 09:45	CH Caixin China PMI Composite	Mar	--	51.3	49.4	--
04/06/2016 10:30	HK Nikkei Hong Kong PMI	Mar	--	45.5	46.4	--
04/06/2016 12:00	MA Exports YoY	Feb	2.90%	6.70%	-2.80%	--
04/06/2016 12:00	MA Trade Balance MYR	Feb	6.80b	7.35b	5.39b	--
04/06/2016 13:00	IN Nikkei India PMI Services	Mar	--	54.3	51.4	--
04/06/2016 13:00	IN Nikkei India PMI Composite	Mar	--	54.3	51.2	--
04/06/2016 13:00	JN Leading Index CI	Feb P	99.8	99.8	101.8	--
<b>04/06/2016 14:00</b>	<b>GE Industrial Production SA MoM</b>	<b>Feb</b>	<b>-1.80%</b>	<b>-0.50%</b>	<b>3.30%</b>	<b>2.30%</b>
04/06/2016 14:00	GE Industrial Production WDA YoY	Feb	0.40%	1.30%	2.20%	1.80%
04/06/2016 15:30	GE Markit GE Construction PMI	Mar	--	55.8	59.6	--
04/06/2016 16:00	SI COE Open Bid Cat	Apr-06	--	46009	45504	--
04/06/2016 16:00	SI COE Open Bid Cat B	Apr-06	--	47000	46502	--
04/06/2016 16:10	GE Markit Germany Retail PMI	Mar	--	54.1	52.5	--
04/06/2016 16:10	EC Markit Eurozone Retail PMI	Mar	--	49.2	50.1	--
04/06/2016 16:10	FR Markit France Retail PMI	Mar	--	45.5	48.1	--
04/06/2016 16:10	IT Markit Italy Retail PMI	Mar	--	46.6	49.4	--
<b>04/06/2016 19:00</b>	<b>US MBA Mortgage Applications</b>	<b>Apr-01</b>	<b>--</b>	<b>2.70%</b>	<b>-1.00%</b>	<b>--</b>
04/07/2016 07:50	JN Foreign Buying Japan Stocks	Apr-01	--	--	-¥358.5b	--
<b>04/07/2016 08:30</b>	<b>TA CPI YoY</b>	<b>Mar</b>	<b>1.40%</b>	<b>--</b>	<b>2.40%</b>	<b>--</b>
04/07/2016 11:00	PH Budget Balance PHP	Jan	--	--	-75.1b	--
04/07/2016 14:45	FR Trade Balance	Feb	-3700m	--	-3712m	--
<b>04/07/2016 15:30</b>	<b>UK Halifax House Prices MoM</b>	<b>Mar</b>	<b>0.90%</b>	<b>--</b>	<b>-1.40%</b>	<b>--</b>
04/07/2016 17:00	SI Foreign Reserves	Mar	--	--	\$244.01b	--
04/07/2016 18:00	MA Foreign Reserves	Mar-31	--	--	\$96.1b	--
04/07/2016 20:30	CA Building Permits MoM	Feb	4.00%	--	-9.80%	--
<b>04/07/2016 20:30</b>	<b>US Initial Jobless Claims</b>	<b>Apr-02</b>	<b>270k</b>	<b>--</b>	<b>276k</b>	<b>--</b>
04/07/2016 20:30	US Continuing Claims	Mar-26	2170k	--	2173k	--
04/07/2016 21:45	US Bloomberg Consumer Comfort	Apr-03	--	--	42.8	--
04/07/2016	HK Foreign Reserves	Mar	--	--	\$359.9b	--
04/07/2016	CH Foreign Reserves	Mar	\$3196.0b	--	\$3202.3b	--
<b>04/07/2016</b>	<b>ID Foreign Reserves</b>	<b>Mar</b>	<b>--</b>	<b>--</b>	<b>\$104.54b</b>	<b>--</b>
04/07/2016	PH Foreign Reserves	Mar	--	--	\$81.3b	--
<b>04/07/2016 04/14</b>	<b>SI GDP YoY</b>	<b>1Q A</b>	<b>1.60%</b>	<b>--</b>	<b>1.80%</b>	<b>--</b>
<b>04/07/2016 04/14</b>	<b>SI GDP SAAR QoQ</b>	<b>1Q A</b>	<b>0.00%</b>	<b>--</b>	<b>6.20%</b>	<b>--</b>
<b>04/06/2016 04/13</b>	<b>VN Domestic Vehicle Sales YoY</b>	<b>Mar</b>	<b>--</b>	<b>--</b>	<b>16.30%</b>	<b>--</b>

Source: Bloomberg

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