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Highlights

Global	<p>Global risk sentiments remain upbeat overnight despite weaker than expected US retail sales data which unexpectedly fell 0.3% mom (market forecast: +0.1%) in Mar whilst retail sales excluding auto and gas slowed from an upwardly revised +0.6% gain in Feb to +0.1% in Mar. The Fed's Beige Book painted a modest to moderate pace of expansion in the US economy being sustained, with the strongest contributors being construction, real estate and non-financial services, whereas foreign tourism was affected by the stronger USD. On the inflation front, price pressures remained continued even as a strengthening labour market saw some wage pressures in specific occupations. Separately, the Bank of Canada kept its policy rate unchanged at 0.5% as widely anticipated with BOC governor Poloz citing the recent CAD strength and his inclination to pare interest rates if not for budgetary stimulus from a C\$120b deficit spending. Expect Asian markets to attempt to sustain its positive momentum today amid economic optimism amid the US corporate earnings season. Today's economic data calendar is fairly light with US' CPI and initial jobless claims, Eurozone's CPI and BOE policy decision (likely bank rate and asset purchase program unchanged).</p>
Singapore	<p>GDP flash estimates growth printed 1.8% yoy in 1Q16, slightly above market expectations and managing to avoid a negative quarter-on-quarter growth print. Manufacturing continued its contraction trend into its 6th consecutive quarter, dragged by transport & precision engineering and electronics clusters. Elsewhere, although services growth decelerated to 1.9%, it is still supported by wholesale & retail, and finance & insurance sectors. More importantly, the Monetary Authority of Singapore (MAS) surprised the markets with a monetary easing move, setting the rate of appreciation of the S\$NEER policy band at zero percent, citing that growth activity this year will be slightly below potential. The central bank also mentioned that core inflation is still expected to rise gradually over the course of this year, although at a milder pace than previously anticipated below 2.0% over the medium term.</p>
China	<p>Exports in dollar terms grew by 11.5% yoy, the first positive growth in 9 months. The stronger than expected trade data in March was attributable to three factors in our view. First, sentiment in the global market recovered following further easing measures from ECB and BOJ and the delay of Fed tightening. Second, despite RMB stabilized against the dollar, RMB still weakened against the basket currency. Third, the diminishing excessive bearish sentiment against the RMB helped. Still, the foundation of the recovery is not solid yet and any hawkish signal from the Fed may reverse the optimism. Elsewhere PBoC injected CNY285.5bn worth of liquidity via 3 month and 6 month medium term lending facility (MLF). The interest rate remained unchanged at 2.75% for 3 month and 2.85% for 6 month.</p>
Commodities	<p>Both WTI and Brent retained above their coveted \$40/bbl handle. Having the Doha Talks just around the corner (Sunday April 17 to be precise), market-watchers would likely monitor rhetoric by key oil producers, including Iran. Note that Iranian media reported that its petroleum minister Bijan Namdar Zanganeh will not attend the upcoming Doha Talks, though an Iranian representative will be there. The absence of the Iranian ministerial authority at the talks will only reinforces expectations that Iran will not agree to a production freeze.</p>

Major Market

- **US:** Wall Street posted strong gains overnight, boosted by better-than-expected earnings and strong export growth figures in China. Indices closed at new 2016 highs, with S&P 500 +1.00%, Dow +1.06% and Nasdaq +1.55%. US Treasury yields continued to move higher, with 2-year and 10-year rates at 0.75% and 1.76% respectively. Elsewhere, volatility continued to subside, with the VIX - 6.8% ending lower at 13.84.
- **Singapore:** The STI gained 2.7% to close at 2890.41 yesterday amid a buoyant mood across Asian markets, and may continue to firm further today given the overnight Wall Street rally. The STI could see support and resistance at 2800 and 2840. Meanwhile, SGS bond yields rose 2-5bps yesterday, but could firm a little today in line with UST overnight action.
- **China:** Imports in dollar term fell also by 7.6%, but better than expectation. The contraction of import value was still the result of weak commodity prices. However, imports by volume continued to pick up, signalling the improving domestic demand. Imports from Hong Kong surged by 116%, raising the question on the possibility of fake trades. Trade surplus in March was at US\$29.86b.
- **Indonesia:** Chief Economics Minister, Darmin Nasution, said that the government supports Bank Indonesia's reported plan to adopt a new benchmark policy rate, since it needs an instrument that can influence market liquidity more effectively. He added that the central bank had spoken to the government about the plan. Previous reports suggest that BI is slated to announce tomorrow that it would utilize the 7-day reverse repo rate as the new reference rate.
- **Malaysia:** 1MDB said that it may be the victim of a fraud, as a USD3.5bn payment intended for an Abu Dhabi sovereign wealth fund did not make it there. How such a snafu could have occurred is unclear, but may potentially involve a routing of payment into an entity whose name is strikingly similar to that of the SWF's company.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened yesterday, with the short-end rates trading 2bps-4bps higher, while belly-to-long-end rates traded 5bps-7bps higher. In the broader dollar space, the spread on the JACI IG corporates tightened 2 bps to 230bps while the yield on the JACI HY corporates decreased by 6bps to 7.51%. 10y UST yield decreased by 1bp to 1.76% despite equity markets ending yesterday's sessions on a strong note.
- **New Issues:** China Vanke Co. Ltd issued HKD1.375bn in 2.5% guaranteed notes due 2019 with the notes rated "BBB/Baa2/BBB+". Central Nippon Expressway Co Ltd priced a two-part deal, with the USD250mn 5-year floating rate tranche priced at 3mL+107bps and the USD350mn 5-year fixed rate tranche priced at 2.293% (CT5+107bps). The initial guidance for the tranches are 3mL+110bps and CT5+110bps respectively, with an expected rating of "NR/A1/NR". Sunshine Life Insurance Corp priced a three-part deal, with the USD500mn 3-year tranche priced at CT3+165bps, the USD700mn 5-year tranche priced at CT5+197.5bps and the USD300mn 10-year tranche priced at CT10+282.5bps. The initial guidance for the tranches are CT3+190bps, CT5+220bps and CT10+310bps respectively, with the expected rating for the issue being "NR/Baa1/NR". Yunnan Energy Investment Finance Co. is holding investor meetings in Hong Kong, Singapore and London for a potential USD Reg S bond.
- **Rating Changes:** S&P downgraded AEON Credit Service Asia Co Ltd ("ACSA") to "BBB" from "BBB+", as S&P believes that the company's parent, AEON Financial Service ("AFS") Group, faces heightened economic risk following its growing exposure to developing countries over the past few

years. S&P views ACSA as a core subsidiary of AFS, and the ratings on ACSA continues to hinge on S&P's rating expectations for the parent group. Outlook is stable.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.744	0.84%	USD-SGD	1.3507	0.54%
USD-JPY	109.340	0.74%	EUR-SGD	1.5228	-0.45%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2354	-0.19%
AUD-USD	0.7653	-0.40%	GBP-SGD	1.9186	0.05%
GBP-USD	1.4204	-0.50%	AUD-SGD	1.0335	0.12%
USD-MYR	3.8723	-0.20%	NZD-SGD	0.9347	0.48%
USD-CNY	6.4784	0.22%	CHF-SGD	1.3970	-0.67%
USD-IDR	13158	0.33%	SGD-MYR	2.8718	-0.44%
USD-VND	22310	0.07%	SGD-CNY	4.7929	-0.26%

Equity and Commodity

Index	Value	Net change
DJIA	17,908.28	187.00
S&P	2,082.42	20.70
Nasdaq	4,947.42	75.30
Nikkei 225	16,381.22	452.40
STI	2,890.41	75.80
KLCI	1,723.11	8.10
JCI	4,853.01	23.40
Baltic Dry	567.00	7.00
VIX	13.84	-1.00

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3420	--	O/N	0.3792	--
2M	-0.2850	--	1M	0.4372	--
3M	-0.2490	--	2M	0.5208	--
6M	-0.1360	--	3M	0.6296	--
9M	-0.0730	--	6M	0.8942	--
12M	-0.0120	--	12M	1.2091	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.93 (+0.05)	0.75 (+0.01)
5Y	1.55 (+0.03)	1.21 (--)
10Y	1.93 (+0.04)	1.76 (-0.01)
15Y	2.29 (+0.03)	--
20Y	2.37 (+0.03)	--
30Y	2.55 (+0.03)	2.58 (-0.02)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.80	-11.20	3.23
Italy	-0.01	-1.20	1.30
Ireland	-0.31	0.50	0.84
Greece*	12.31	115.30	9.29
Spain	-0.01	-1.40	1.46
Russia^	3.11	-1.00	4.94

Financial Spread (bps)

	Value	Change
LIBOR-OIS	25.16	0.13
EURIBOR-OIS	9.80	-0.10
TED	40.46	-0.12

* 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)	41.76	-0.97%	Coffee (per lb)	1.218	-2.29%
Brent (per barrel)	44.18	-1.14%	Cotton (per lb)	0.6163	0.20%
Heating Oil (per gallon)	1.266	-0.81%	Sugar (per lb)	0.1401	-0.43%
Gasoline (per gallon)	1.53	-0.31%	Orange Juice (per lb)	1.4095	3.68%
Natural Gas (per MMBtu)	2.036	1.60%	Cocoa (per mt)	2,918	-0.48%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,830.0	1.33%	Wheat (per bushel)	4.6150	1.99%
Nickel (per mt)	8,952	1.41%	Soybean (per bushel)	9.558	2.08%
Aluminium (per mt)	1,549.0	1.54%	Corn (per bushel)	3.7350	2.96%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,246.8	-1.00%	Crude Palm Oil (MYR/MT)	2,628.0	0.69%
Silver (per oz)	16.325	0.63%	Rubber (JPY/KG)	186.5	1.91%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/13/2016 02:00	US Monthly Budget Statement	Mar	-\$104.0b	-\$108.0b	-\$52.9b	--
04/13/2016 06:45	NZ Food Prices MoM	Mar	--	0.50%	-0.60%	--
04/13/2016 07:50	JN Money Stock M2 YoY	Mar	3.10%	3.20%	3.10%	3.20%
04/13/2016 07:50	JN Money Stock M3 YoY	Mar	2.50%	2.60%	2.50%	2.60%
04/13/2016 07:50	JN PPI YoY	Mar	-3.50%	-3.80%	-3.40%	--
04/13/2016 08:30	AU Westpac Cons Conf SA MoM	Apr	--	-4.00%	-2.20%	--
04/13/2016 10:22	CH Trade Balance	Mar	\$34.95b	\$29.86b	\$32.59b	--
04/13/2016 10:22	CH Exports YoY	Mar	10.00%	11.50%	-25.40%	--
04/13/2016 10:22	CH Imports YoY	Mar	-10.10%	-7.60%	-13.80%	--
04/13/2016 14:45	FR CPI EU Harmonized MoM	Mar F	0.70%	0.80%	0.70%	--
04/13/2016 14:45	FR CPI EU Harmonized YoY	Mar F	-0.10%	-0.10%	-0.10%	--
04/13/2016 14:45	FR CPI MoM	Mar F	0.70%	0.70%	0.70%	--
04/13/2016 14:45	FR CPI YoY	Mar F	-0.20%	-0.10%	-0.20%	--
04/13/2016 17:00	EC Industrial Production SA MoM	Feb	-0.70%	-0.80%	2.10%	1.90%
04/13/2016 19:00	US MBA Mortgage Applications	Apr-08	--	10.00%	2.70%	--
04/13/2016 20:30	US Retail Sales Advance MoM	Mar	0.10%	-0.30%	-0.10%	0.00%
04/13/2016 20:30	US Retail Sales Ex Auto MoM	Mar	0.40%	0.20%	-0.10%	0.00%
04/13/2016 20:30	US Retail Sales Ex Auto and Gas	Mar	0.30%	0.10%	0.30%	0.60%
04/13/2016 20:30	US PPI Final Demand MoM	Mar	0.20%	-0.10%	-0.20%	--
04/13/2016 20:30	US PPI Ex Food and Energy MoM	Mar	0.10%	-0.10%	0.00%	--
04/13/2016 20:30	US PPI Final Demand YoY	Mar	0.30%	-0.10%	0.00%	--
04/13/2016 20:30	US PPI Ex Food and Energy YoY	Mar	1.30%	1.00%	1.20%	--
04/13/2016 22:00	CA Bank of Canada Rate Decision	Apr-13	0.50%	0.50%	0.50%	--
04/14/2016 06:30	NZ BusinessNZ Mftg PMI	Mar	--	54.7	56	55.9
04/14/2016 07:01	UK RICS House Price Balance	Mar	50%	42%	50%	--
04/14/2016 08:00	SI GDP YoY	1Q A	1.70%	1.80%	1.80%	--
04/14/2016 08:00	SI GDP SAAR QoQ	1Q A	0.00%	0.00%	6.20%	--
04/14/2016 09:30	AU Employment Change	Mar	17.0k	--	0.3k	--
04/14/2016 09:30	AU Unemployment Rate	Mar	5.90%	--	5.80%	--
04/14/2016 09:30	AU Participation Rate	Mar	65.00%	--	64.90%	--
04/14/2016 14:00	JN Tokyo Condo Sales YoY	Mar	--	--	-13.90%	--
04/14/2016 16:00	IT CPI EU Harmonized YoY	Mar F	-0.30%	--	-0.30%	--
04/14/2016 17:00	EC CPI MoM	Mar	1.20%	--	0.20%	--
04/14/2016 17:00	EC CPI YoY	Mar F	-0.10%	--	-0.10%	-0.20%
04/14/2016 17:00	EC CPI Core YoY	Mar F	1.00%	--	1.00%	--
04/14/2016 19:00	UK Bank of England Bank Rate	Apr-14	0.50%	--	0.50%	--
04/14/2016 19:00	UK BOE Asset Purchase Target	Apr	375b	--	375b	--
04/14/2016 20:30	US Initial Jobless Claims	Apr-09	270k	--	267k	--
04/14/2016 20:30	US Continuing Claims	Apr-02	2183k	--	2191k	--
04/14/2016 20:30	US CPI MoM	Mar	0.20%	--	-0.20%	--
04/14/2016 20:30	US CPI Ex Food and Energy MoM	Mar	0.20%	--	0.30%	--
04/14/2016 20:30	US CPI YoY	Mar	1.10%	--	1.00%	--
04/14/2016 20:30	US CPI Ex Food and Energy YoY	Mar	2.30%	--	2.30%	--
04/13/2016 04/15	CH New Yuan Loans CNY	Mar	1100.0b	--	726.6b	--
04/13/2016 04/15	CH Money Supply M2 YoY	Mar	13.50%	--	13.30%	--

Source: Bloomberg

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