

Highlights

Global	<p>Risk sentiment was weaker overnight ahead of tonight's FOMC decision as investors believed the Fed is unlikely to take tightening out of equation despite rising volatility in the global financial market. The Bank of Japan's gloomier outlook on economy and inflation added no support to fragile sentiment with Japanese equity market led the global equity market down on Tuesday. As widely expected, the BOJ kept its policy intact yesterday after stunning market with negative interest rate in January. The key change from yesterday's statement is that BOJ dropped a reference that it will cut negative rate further, which was viewed as part of damage control by market. However, given the BOJ is likely to lower its growth and inflation forecast at its quarterly review in April, market still expect more easing from BOJ probably in form of larger asset purchase. GBP fell by more than 1% against the dollar on Tuesday after the latest daily Telegraph poll shows that 49% vote for leave EU, 2% ahead of Remain vote.</p>
Singapore	<p>Retail sales beat market expectations, printing a stellar growth of 7.5% yoy (-1.2% momsa) in January. Excluding motor vehicle sales which grew 50.9%, retail sales managed to print a positive 1.4% yoy growth, a phenomenon not seen since Aug 2015. Aside from the traditionally strong motor vehicle sales, sales in departmental stores rose 11.9%, while medical goods surged 16.3%.</p>
China	<p>Bloomberg reported that China is preparing for Tobin tax on currency transaction to curb speculation. In October 2015, PBoC deputy Governor Yi Gang wrote in the article that China will study three price measures to curb currency speculation including Tobin tax, no interest bearing margin deposit and extra commission charges for foreign exchange transaction. Since September 2015, China has rolled out two of three measures including no interest bearing margin deposit for long dollar forward position and extra commission charges for some foreign banks conduction cross border RMB to curb speculative FX transaction. The Tobin tax is unlikely to be used as short term measures to curb speculative measures but more like a long term measure to support China's capital account opening.</p>
Thailand	<p>The Thai Chamber of Commerce is reportedly planning to propose easing of rules on work permits and new incentives to attract skilled foreign workers. Elsewhere, the Thai Cabinet has approved the bill that would make government budget to be more 'disciplined and transparent', according to Finance Minister Apisak Tantivorawong.</p>
Commodities	<p>Crude fell despite some gains in the last few hours of yesterday's trading, with WTI and Brent closing \$36.34/bbl and \$38.74/bbl respectively. Gold continued its descent to \$1,231/oz as we approach the FOMC meeting announcement tonight (SGT: 2am), where the central bank's economic projection and median dot plot expectation will be closely watched. Elsewhere, India's gold imports printed its lowest on record at 23 tonnes in February. This is after its stellar import print of 83 tonnes back in January, suggesting that much of January's imports were a front-loading behaviour ahead of its FY17 budget where gold dore import taxes and jewellery excise taxes were tweaked higher.</p>

Treasury Advisory

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Major Market

- **US:** Wall Street closed mostly lower as markets continue to await for the Fed's statement tonight. Dow at +0.13%, S&P500 -0.18% and Nasdaq at -0.45%. VIX -0.47% to 16.84. The UST bond market edged higher with 2- and 10 year bond yields at 0.97% (+1bps) and 1.97% (+1bps).
- **Singapore:** The STI fell on Tuesday, dropping by 0.27% to close at 2839.44. Top gainers include Yangzijiang Shipbuilding (+3.06%), SATS Ltd (+1.54) and Thai Beverage PCL (+0.68) while offshore and marine names Sembcorp Marine Ltd and Keppel Corp Ltd fell 2.04% and 1.82% respectively. In addition, the STI was weighed down by Genting Singapore PLC, which erased Monday's gain with a 3.05% drop on closing. For today, expect STI to range between 2830 and 2855.
- **Indonesia:** The World Bank downgraded Indonesia's growth forecast to 5.1%, from a previous estimate of 5.3%. The agency also expects Indonesia's fiscal deficit to touch 2.8% of GDP this year.
- **Thailand:** The Thai Cabinet has approved a bill to make the government budget to be more 'disciplined and transparent'. The bill will require the government to follow fiscal discipline framework for revenue, expenditure, debt creation, asset management, fiscal budget creation and off-budget debt management. Statistically, the off-budget debt component will now adhere to a maximum 5% of total budget should there be expenditure on that front, while central budget must not exceed 3 – 4% of the total budget. Elsewhere, a special work permit for highly-skilled foreign workers in biochemical and digital economy industries is in proposal plans, which would also extend providing permanent residency and opportunity for these skilled foreign workers to purchase property.
- **Myanmar:** Following November's election, Myanmar's parliament has decided to elect Htin Kyaw as its head of state. Htin Kyaw is a close confidant to Nobel Prize winner Aung San Suu Kyi and would act as a proxy for her due to her being disqualified from candidacy due to constitutional laws.

Bond Market Updates

- **Market Commentary:** The short-end rates of the SGD curve traded 1bp-2bps higher while the belly to long-end rates up to 2bps lower yesterday. In the broader dollar space, JACI IG corporates spread widened by 2bps to 232bps, while the yield on the JACI HY corporates increased by 1bp to 7.9%. 10y UST increased by 1bp to 1.97%.
- **New Issues:** BOCOM (Macau Branch) priced a dual-tranche USD-benchmark bond, with the USD400mn 3-year bond at 2.125%, tightening from an initial guidance of CT3+140bps. The USD600mn 5-year bond is priced at 2.625%, tightening from an initial guidance of CT5+160bps. The expected rating for the issue is "A-/A2/NR". Axiata Bhd priced a USD500mn 10-year Sukuk at CT10+240bps, tightening from an initial guidance of CT10+260bps. The expected rating for the issue is "BBB/Baa2/NR". Both the BOCOM as well the Axiata issue are expected to be priced today.
- **Rating Changes:** Fitch upgraded Future Land Development Holdings Ltd ("FUTLAN") to "BB-" from "B+". The upgrade is due mainly to effective mitigation of structural subordination through substantially large shareholders loans that rank pari passu with its subsidiary's senior unsecured creditors and a joint-venture mechanism to maintain senior unsecured claims on its subsidiary. The rating remains constrained by profitability and loose discipline in land acquisition which may pressure leverage. Outlook is stable. Moody's changed the outlook on Car Inc's "Ba1" corporate family and senior unsecured debt ratings to negative from stable. The outlook change follows CAR's announcement on 14 Mar 2016 that executive director, chairman and CEO of CAR, Mr Charles Lu had entered into an agreement to sell his entire 15.47% stake in CAR to UCAR Technology Inc. After the sale, Mr Lu will remain the executive director, chairman and CEO of CA

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.633	0.01%	USD-SGD	1.3818	0.39%
USD-JPY	113.180	-0.56%	EUR-SGD	1.5351	0.44%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2207	0.91%
AUD-USD	0.7457	-0.77%	GBP-SGD	1.9553	-0.68%
GBP-USD	1.4151	-1.06%	AUD-SGD	1.0306	-0.36%
USD-MYR	4.1370	0.78%	NZD-SGD	0.9120	-0.77%
USD-CNY	6.5145	0.22%	CHF-SGD	1.3996	0.37%
USD-IDR	13164	0.82%	SGD-MYR	3.0007	0.48%
USD-VND	22287	-0.04%	SGD-CNY	4.7176	-0.08%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3110	--	O/N	0.3743	--
2M	-0.2650	--	1M	0.4413	--
3M	-0.2260	--	2M	0.5235	--
6M	-0.1310	--	3M	0.6396	--
9M	-0.0690	--	6M	0.9104	--
12M	-0.0080	--	12M	1.2312	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.69	1.90	2.98
Italy	-0.02	3.60	1.37
Ireland	-0.34	-0.10	0.91
Greece*	8.15	94.80	8.73
Spain	0.04	3.40	1.52
Russia^	3.41	2.60	5.67

* 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
DJIA	17,251.53	22.40
S&P	2,015.93	-3.70
Nasdaq	4,728.67	-21.60
Nikkei 225	17,117.07	-116.70
STI	2,839.44	-7.60
KLCI	1,690.92	-9.40
JCI	4,849.78	-27.80
Baltic Dry	396.00	3.00
VIX	16.84	-0.10

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.02 (-0.03)	0.96 (+0.01)
5Y	1.83 (+0.04)	1.49 (+0.01)
10Y	2.24 (+0.03)	1.97 (+0.01)
15Y	2.60 (+0.03)	--
20Y	2.71 (+0.04)	--
30Y	2.85 (+0.02)	2.73 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	22.56	-0.18
EURIBOR-OIS	11.48	0.05
TED	31.13	-1.29

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	36.34	-2.26%	Coffee (per lb)	1.241	-1.19%
Brent (per barrel)	38.74	-2.00%	Cotton (per lb)	0.5824	-0.09%
Heating Oil (per gallon)	1.178	-1.57%	Sugar (per lb)	0.1532	-0.65%
Gasoline (per gallon)	1.41	-1.01%	Orange Juice (per lb)	1.2860	0.98%
Natural Gas (per MMBtu)	1.851	1.76%	Cocoa (per mt)	2,999	-1.45%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,949.0	0.06%	Wheat (per bushel)	4.7725	1.22%
Nickel (per mt)	8,533	-0.48%	Soybean (per bushel)	8.920	0.45%
Aluminium (per mt)	1,519.3	-0.61%	Corn (per bushel)	3.6850	0.48%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,231.0	-1.13%	Crude Palm Oil (MYR/MT)	2,540.0	0.43%
Silver (per oz)	15.255	-1.69%	Rubber (JPY/KG)	153.9	-2.29%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
03/15/2016 08:30	AU New Motor Vehicle Sales MoM	Feb	--	-0.10%	0.50%	0.40%
03/15/2016 08:30	AU New Motor Vehicle Sales YoY	Feb	--	2.30%	5.10%	5.20%
03/15/2016 12:03	ID Exports YoY	Feb	-14.80%	-7.18%	-20.72%	-20.87%
03/15/2016 12:29	ID Trade Balance	Feb	\$100m	\$1136m	\$51m	\$14m
03/15/2016 12:30	JN Industrial Production MoM	Jan F	--	3.70%	3.70%	--
03/15/2016 12:30	JN Industrial Production YoY	Jan F	--	-3.80%	-3.80%	--
03/15/2016 12:30	JN Capacity Utilization MoM	Jan	--	2.60%	-1.00%	--
03/15/2016 12:30	JN Tertiary Industry Index MoM	Jan	0.30%	1.50%	-0.60%	--
03/15/2016 13:00	SI Retail Sales SA MoM	Jan	1.90%	-1.20%	-2.10%	-1.10%
03/15/2016 13:00	SI Retail Sales YoY	Jan	3.10%	7.50%	2.90%	2.80%
03/15/2016 14:29	PH Overseas Remittances YoY	Jan	3.50%	3.40%	4.90%	--
03/15/2016 14:29	PH Overseas Workers Remittances	Jan	\$2050m	\$2022m	\$2470m	--
03/15/2016 15:45	FR CPI EU Harmonized MoM	Feb F	0.30%	0.30%	0.30%	--
03/15/2016 15:45	FR CPI EU Harmonized YoY	Feb F	-0.10%	-0.10%	-0.10%	--
03/15/2016 15:45	FR CPI MoM	Feb F	0.20%	0.30%	0.20%	--
03/15/2016 15:45	FR CPI YoY	Feb F	-0.20%	-0.20%	-0.20%	--
03/15/2016 17:00	IT CPI EU Harmonized YoY	Feb F	-0.20%	-0.20%	-0.20%	--
03/15/2016 20:23	IN Imports YoY	Feb	--	-5.00%	-11.00%	--
03/15/2016 20:26	IN Exports YoY	Feb	--	-5.70%	-13.60%	--
03/15/2016 20:30	US Retail Sales Advance MoM	Feb	-0.20%	-0.10%	0.20%	-0.40%
03/15/2016 20:30	US Retail Sales Ex Auto MoM	Feb	-0.20%	-0.10%	0.10%	-0.40%
03/15/2016 20:30	US Retail Sales Ex Auto and Gas	Feb	0.20%	0.30%	0.40%	-0.10%
03/15/2016 20:30	US PPI Final Demand MoM	Feb	-0.20%	-0.20%	0.10%	--
03/15/2016 20:30	US PPI Ex Food and Energy MoM	Feb	0.10%	0.00%	0.40%	--
03/15/2016 20:30	US PPI Final Demand YoY	Feb	0.10%	0.00%	-0.20%	--
03/15/2016 20:30	US PPI Ex Food and Energy YoY	Feb	1.20%	1.20%	0.60%	--
03/15/2016 20:30	US Empire Manufacturing	Mar	-10.5	0.62	-16.64	--
03/16/2016 04:00	US Total Net TIC Flows	Jan	--	\$118.4b	-\$114.0b	-\$106.8b
03/16/2016 04:00	US Net Long-term TIC Flows	Jan	--	-\$12.0b	-\$29.4b	--
03/16/2016 05:45	NZ BoP Current Account Balance	4Q	-2.875b	-2.614b	-4.749b	-4.742b
03/16/2016 07:00	SK Unemployment rate SA	Feb	3.60%	4.10%	3.50%	--
03/16/2016 07:30	AU Westpac Leading Index MoM	Feb	--	-0.15%	-0.04%	0.12%
03/16/2016 14:00	JN Machine Tool Orders YoY	Feb F	--	--	-22.60%	--
03/16/2016 17:30	UK Claimant Count Rate	Feb	2.20%	--	2.20%	--
03/16/2016 17:30	UK Jobless Claims Change	Feb	-9.1k	--	-14.8k	--
	ILO Unemployment Rate					
03/16/2016 17:30	UK 3Mths	Jan	5.10%	--	5.10%	--
03/16/2016 19:00	US MBA Mortgage Applications	Mar-11	--	--	0.20%	--
03/16/2016 20:30	CA Manufacturing Sales MoM	Jan	0.50%	--	1.20%	--
03/16/2016 20:30	US Housing Starts	Feb	1150k	--	1099k	--
03/16/2016 20:30	US Building Permits	Feb	1200k	--	1202k	--
03/16/2016 20:30	US CPI MoM	Feb	-0.20%	--	0.00%	--
03/16/2016 20:30	US CPI Ex Food and Energy MoM	Feb	0.20%	--	0.30%	--
03/16/2016 20:30	US CPI YoY	Feb	0.90%	--	1.40%	--
03/16/2016 20:30	US CPI Ex Food and Energy YoY	Feb	2.20%	--	2.20%	--
03/16/2016 20:30	CA Int'l Securities Transactions	Jan	--	--	-1.41b	--
03/16/2016 21:15	US Industrial Production MoM	Feb	-0.30%	--	0.90%	--
03/16/2016 21:15	US Capacity Utilization	Feb	76.90%	--	77.10%	--
03/18/2016 03/16	PH Budget Balance PHP	Dec	--	--	6.0b	--

Source: Bloomberg

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