

## Highlights

Global	<p>Global risk appetite paused ahead of the key FOMC policy meeting, with market players preferring to tread water even though markets have priced in a negligible probability of a rate hike in April. The US economic data were mostly disappointing with durable goods orders expanding less than expected by 0.8% (forecast: +1.9%) in March, following a revised 3.1% slump in February, while the durable goods orders excluding transportation unexpectedly shrank 0.2% (forecast: +0.5%) as the lift came largely from increased orders for military aircraft (+48.4%). Bookings for non-defense capital goods excluding aircraft rose a modest 0.3% after a revised 1.8% decline. With the soft investment theme, it looks like US' 1Q16 GDP growth could be pared further. Consumer confidence also dipped from 96.1 to 94.2 (forecast: 95.8), with the 6-month expectations gauge also falling to its lowest since Feb 2014, albeit the current conditions gauge hit a 3-month high.</p> <p>All eyes on FOMC and the statement could strike a careful balance between calling for gradual policy normalisation and making sense of the recent spate of mixed economic data amid slightly stronger crude oil prices. RBNZ is also likely to keep its 2.25% official cash rate on hold, whereas BOJ could be potentially interesting as market speculation is very mixed if further stimulus is on tap. Other data to watch today include US' pending home sales and UK' 1Q16 GDP growth.</p>
US	<p>The Markit services and composite PMIs strengthened to 52.1 and 51.7 in April, up from 51.3 respectively in March. The Case-Shiller 20-city home price index rose 5.4% yoy (+0.7% mom) in February, the slowest in four months, albeit still gradually climbing higher. Meanwhile, the Richmond Fed manufacturing index also slumped from 22 in March to 14 in April.</p> <p>Meanwhile, Wall Street traded sideways within a narrow band as investors waited on the latest update from the Fed. The S&amp;P 500 (+0.19%) and Dow (+0.07%) edged upwards, while the Nasdaq slid 0.15%. US Treasury yields continued its recent uptrend, with 2-year and 10-year Treasuries yielding 0.86% and 1.92% respectively. VIX closed down 0.85% as volatility subsides.</p>
Singapore	<p>Industrial production fell less than expected by 0.5% yoy (+1.0% mom sa) in March, as the volatile biomedical surged 23.1% yoy and electronics also turned the corner with +5.8% growth (previously -4.4%), albeit chemicals, transport engineering and precision engineering remain weak. With the slightly improved March industrial production data, the flash 1Q16 GDP growth estimates could be revised up from 1.8% yoy to 2.0% yoy.</p> <p>Elsewhere, the STI slid 0.19% to close at 2894.66 yesterday, and may continue to stall around the 2900 resistance today, while awaiting for further cues from FOMC and BOJ. Meanwhile, SGS bonds may be sidelined ahead of the 7-year SGS bond re-opening tender today.</p>
Hong Kong	<p>Total export value fell for the 11th consecutive month, falling by 7.0% yoy in March. The soft export figures were attributed to the slack in external demand amid a global economic slowdown. Value of exports to China also slipped further by 11% yoy, with the net export gap between China and HK remaining prominent. Meanwhile, import value dipped by 5.8% yoy in March to HK\$322.4 billion, also marking its 14th consecutive month of decline. Looking forward, we expect trade growth to continue to sag in the coming months due to weak external demand amid a global economic slowdown.</p>

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## Major Market

- **China:** It was announced that Huirong Fund currently holds a 99% stake of China City Construction Holding Group Co Ltd. The group was previously wholly owned by the China Academy of Urban Development Group Co Ltd. Therefore, given that the equity interest has decreased from 100% to 1%, China City Construction Holding Group Co Ltd is no longer a government-owned company. Given the recent concerns about escalating credit risks, such an announcement has further raised market concerns about moral hazard risks and end of implicit government support.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve slightly steepened yesterday, with the short-end rates trading 6bps-7bps higher, while the belly-to-long-end rates traded 7bps-9bps higher. Flows in the SGD corporates were moderate with activity mostly in the bank capital and corporate perpetuals space. We saw better buyers in ABNANV 4.75%'26s, STANLN 4.4%'26s and mixed interests in GENSSP 5.125%'49s, SCISP 4.75%'49s, ABNANV 4.7%'22s and GALVSP 5.9%'17s post the company's divestment of interests in a Shanghai project. In the broader dollar space, the spread on the JACI IG corporates tightened by 1bp to 225bps, while the yield on the JACI HY corporates was level at 7.57%. 10y UST yield increased by 2bps to 1.93% ahead of the release of the FOMC statement later tonight.
- **New Issues:** Fantasia Holdings Group Co Ltd priced a CNH600mn 3-year bond at 9.5%, from an initial guidance of 9%. The expected rating for the issue is "B/B3/NR". Tianjin Rail Transit Group scheduled investor meetings starting today for a potential USD bond issue.
- **Rating Changes:** S&P revised the outlook on Wan Hai Lines Ltd's "BB+" long-term corporate credit rating to negative from stable. The outlook revision reflects the material likelihood that a prolonged industry downturn and rising competition from long-haul peers in the intra-Asia and Middle East trade routes would substantially weaken Wan Hai's competitive position and profitability. Fitch downgraded Evergrande Real Estate Group Ltd to "B+" from "BB-", due to persistently high leverage which leaves Evergrande with limited financial flexibility to face potential headwinds in the domestic property markets. Outlook is negative. Meanwhile, S&P initiated a "A-" long-term corporate credit rating on Tianjin Rail Transit Group ("TRT"), primarily reflecting the creditworthiness of the Tianjin Municipal People's government. The rating is six notches higher than the company's stand-alone credit profile, which S&P assesses as "bb-". Outlook is stable. Along the same theme, Fitch has initiated ratings on Tianjin Rail Transit Group with an "A" long-term issuer default rating. The link between TRT and Tianjin Municipality reflects strong oversight and supervision of TRT by the municipal government. Outlook is stable.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	94.573	<b>-0.28%</b>	<b>USD-SGD</b>	1.3516	<b>-0.03%</b>
<b>USD-JPY</b>	111.310	0.10%	<b>EUR-SGD</b>	1.5271	0.25%
<b>EUR-USD</b>	1.1132	0.00%	<b>JPY-SGD</b>	1.2143	<b>-0.12%</b>
<b>AUD-USD</b>	0.7749	0.44%	<b>GBP-SGD</b>	1.9709	0.65%
<b>GBP-USD</b>	1.4582	0.69%	<b>AUD-SGD</b>	1.0474	0.42%
<b>USD-MYR</b>	3.9290	0.55%	<b>NZD-SGD</b>	0.9325	0.60%
<b>USD-CNY</b>	6.4935	0.01%	<b>CHF-SGD</b>	1.3884	0.12%
<b>USD-IDR</b>	13205	0.05%	<b>SGD-MYR</b>	2.9063	0.65%
<b>USD-VND</b>	22290	<b>-0.05%</b>	<b>SGD-CNY</b>	4.8032	<b>-0.04%</b>

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	17,990.32	13.10
<b>S&amp;P</b>	2,091.70	3.90
<b>Nasdaq</b>	4,888.28	<b>-7.50</b>
<b>Nikkei 225</b>	17,353.28	<b>-86.00</b>
<b>STI</b>	2,894.66	<b>-5.60</b>
<b>KLCI</b>	1,692.50	<b>-22.00</b>
<b>JCI</b>	4,814.09	<b>-64.80</b>
<b>Baltic Dry</b>	704.00	14.00
<b>VIX</b>	13.96	<b>-0.10</b>

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3430	--	<b>O/N</b>	0.3812	--
<b>2M</b>	-0.2880	--	<b>1M</b>	0.4370	--
<b>3M</b>	-0.2500	--	<b>2M</b>	0.5230	--
<b>6M</b>	-0.1440	--	<b>3M</b>	0.6339	--
<b>9M</b>	-0.0780	--	<b>6M</b>	0.9104	--
<b>12M</b>	-0.0130	--	<b>12M</b>	1.2389	--

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.06 (+0.04)	0.86 (+0.03)
<b>5Y</b>	1.73 (+0.04)	1.39 (+0.01)
<b>10Y</b>	2.05 (+0.06)	1.93 (+0.01)
<b>15Y</b>	2.44 (+0.07)	--
<b>20Y</b>	2.51 (+0.06)	--
<b>30Y</b>	2.66 (+0.04)	2.75 (+0.02)

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
<b>Portugal</b>	0.65	<b>-1.10</b>	3.22
<b>Italy</b>	<b>-0.01</b>	0.50	1.54
<b>Ireland</b>	<b>-0.32</b>	1.50	0.98
<b>Greece*</b>	10.34	51.30	8.60
<b>Spain</b>	<b>-0.02</b>	<b>-0.10</b>	1.64
<b>Russia^</b>	3.14	0.10	4.92

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	24.17	<b>-0.31</b>
<b>EURIBOR-OIS</b>	9.30	<b>-0.45</b>
<b>TED</b>	39.03	0.56

\* 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)	44.04	3.28%	Coffee (per lb)	1.253	1.75%
Brent (per barrel)	45.74	2.83%	Cotton (per lb)	0.6346	<b>-2.02%</b>
Heating Oil (per gallon)	1.333	3.27%	Sugar (per lb)	0.1577	0.90%
Gasoline (per gallon)	1.57	3.50%	Orange Juice (per lb)	1.2325	<b>-2.76%</b>
Natural Gas (per MMBtu)	2.032	<b>-1.50%</b>	Cocoa (per mt)	3,181	2.18%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,962.0	<b>-0.72%</b>	Wheat (per bushel)	4.7975	1.80%
Nickel (per mt)	9,163	0.66%	Soybean (per bushel)	10.178	1.80%
Aluminium (per mt)	1,645.5	<b>-0.27%</b>	Corn (per bushel)	3.8225	1.39%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,242.2	0.27%	Crude Palm Oil (MYR/MT)	2,654.0	0.72%
Silver (per oz)	17.110	0.59%	Rubber (JPY/KG)	192.6	1.58%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/26/2016 07:00	SK GDP YoY	1Q P	2.70%	2.70%	3.10%	--
04/26/2016 07:00	SK GDP SA QoQ	1Q P	0.40%	0.40%	0.70%	--
04/26/2016 09:00	PH Imports YoY	Feb	12.00%	1.20%	30.80%	--
04/26/2016 09:00	PH Trade Balance	Feb	-\$1500m	-\$1104m	-\$2638m	--
04/26/2016 13:00	SI Industrial Production SA MoM	Mar	0.30%	1.00%	-4.80%	-4.70%
04/26/2016 13:00	SI Industrial Production YoY	Mar	-2.00%	-0.50%	-4.70%	-3.80%
04/26/2016 16:30	UK BBA Loans for House Purchase	Mar	46500	45096	45892	45646
04/26/2016 16:30	HK Exports YoY	Mar	-6.70%	-7.00%	-10.40%	--
04/26/2016 16:30	HK Imports YoY	Mar	-6.90%	-5.80%	-10.10%	--
04/26/2016 16:30	HK Trade Balance	Mar	-40.5b	-47.0b	-33.1b	--
04/26/2016 20:30	US Durable Goods Orders	Mar P	1.90%	0.80%	-3.00%	-3.10%
04/26/2016 20:30	US Durables Ex Transportation	Mar P	0.50%	-0.20%	-1.30%	--
04/26/2016 21:45	US Markit US Services PMI	Apr P	52	52.1	51.3	--
04/26/2016 21:45	US Markit US Composite PMI	Apr P	--	51.7	51.3	--
04/26/2016 22:00	US Consumer Confidence Index	Apr	95.8	94.2	96.2	96.1
04/26/2016 22:00	US Richmond Fed Manufact. Index	Apr	12	14	22	--
04/27/2016 06:45	NZ Trade Balance	Mar	401m	117m	339m	367m
04/27/2016 06:45	NZ Exports	Mar	4.65b	4.20b	4.25b	4.24b
04/27/2016 06:45	NZ Imports	Mar	4.28b	4.09b	3.91b	3.87b
04/27/2016 09:30	AU CPI QoQ	1Q	0.20%	--	0.40%	--
04/27/2016 09:30	AU CPI YoY	1Q	1.70%	--	1.70%	--
04/27/2016 09:30	AU CPI Trimmed Mean QoQ	1Q	0.50%	--	0.60%	--
04/27/2016 09:30	AU CPI Trimmed Mean YoY	1Q	2.00%	--	2.10%	--
04/27/2016 12:30	JN All Indust Activity Index MoM	Feb	-1.30%	--	2.00%	--
04/27/2016 13:00	JN Small Business Confidence	Apr	48.5	--	48.8	--
04/27/2016 14:00	GE Import Price Index MoM	Mar	0.30%	--	-0.60%	--
04/27/2016 14:00	GE Import Price Index YoY	Mar	-6.20%	--	-5.70%	--
04/27/2016 14:00	GE GfK Consumer Confidence	May	9.4	--	9.4	--
04/27/2016 14:45	FR Consumer Confidence	Apr	95	--	94	--
04/27/2016 16:00	EC M3 Money Supply YoY	Mar	5.00%	--	5.00%	--
04/27/2016 16:00	IT Consumer Confidence Index	Apr	115	--	115	114.8
04/27/2016 16:00	IT Business Confidence	Apr	102.5	--	102.2	--
04/27/2016 16:30	UK GDP QoQ	1Q A	0.40%	--	0.60%	--
04/27/2016 16:30	UK GDP YoY	1Q A	2.00%	--	2.10%	--
04/27/2016 19:00	US MBA Mortgage Applications	Apr-22	--	--	1.30%	--
04/27/2016 22:00	US Pending Home Sales MoM	Mar	0.50%	--	3.50%	--
04/27/2016	MU Unemployment Rate	Mar	--	--	1.90%	--
04/27/2016 04/30	VN Exports YTD YoY	Apr	4.10%	--	4.10%	--

Source: Bloomberg

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