

Highlights

Global	<p>Global risk appetite was held in check amid a quiet data calendar yesterday and as market players are awaiting further cues from key US' nonfarm payrolls and unemployment report this Friday. Wall Street ended little changed yesterday amid less than stellar personal spending data, with the Dow +0.11%, S&P500 +0.05% and Nasdaq -0.14%. VIX +3.39% to 15.24. The 1Q earnings season will kick off with Alcoa on 11 April. The 2- and 10-year US Treasury bond yields ended at 0.87% and 1.89% respectively. Today's market attention will focus on Fed chair Yellen's speech to the Economics Club of New York and it remains to be seen if she will echo the slightly hawkish tone emanating from other Fed speakers of late. Of particular interest will be her assessment of the US economy and if the April FOMC meeting is "live" in any sense as this may prompt a market recalibration of the April rate hike odds which currently stand at a miniscule 6% at this juncture. Other things to watch include US' S&P/CaseShillier house prices, HK's trade deficit, and BOK minutes.</p>
US	<p>Pending home sales surged more than expected by 3.5% mom (+5.1% yoy), the most in a year with three of the four regions enjoying increases, albeit the core PCE inflation was subdued at +0.1% mom (+1.7% yoy) in Feb. Personal income rose more than anticipated by 0.2% but spending only increased for the third month by 0.1% in Feb, with the Jan data also revised down to +0.1% (previously +0.5%), which suggests consumer caution at the start of the year amid a drop in wage and salary income and an uptick in household savings rate to 5.4% (highest in a year).</p>
Singapore	<p>The \$2.6b 2-year SGS bond re-opening for tender today should be well-received given the large \$7.3b SGS bonds maturing in April. The STI lost another 0.6% to close at 2830.29 yesterday, and may continue to consolidate today within a 2800-2840 range. Meanwhile, SGS bonds may also be sidelined ahead of the 2-year SGS bond re-opening today.</p>
China	<p>The state owned steelmaker Dongbei Special Steel Group failed to repay its CNY800 million 1-year commercial paper, due yesterday, becoming the latest victim of overcapacity. However, the default may have psychological impact as it shows government's reduced willingness to rescue state-owned companies with high debt burden.</p>
Indonesia	<p>Bank Indonesia's Deputy Governor, Hendar, said that FX hedging transactions by local companies have risen by 13% in 2015 compared to the year before, reaching USD41.6bn. Hedging actions by state-owned companies, in particular, appear to have led the charge, jumping by 237%yoy over the period.</p>

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Bond Market Updates

- **Market Commentary:** The entire SGD swap curve traded 1bp-2bps higher yesterday. In the broader dollar space, JACI IG corporates spread is level at 231bps, while the yield on the JACI HY corporates stayed flat at 7.80%. 10y UST increased by 1bp to 1.91%.
- **Rating Changes:** Fitch downgraded the long-term foreign and local currency Issuer Default Ratings (IDR) of Sime Darby Berhad (Sime Darby) to “BBB+” from “A”. This applies to Sime Darby’s senior unsecured USD1.5bn sukuk issue too. The downgrade reflects the extended period of high leverage, with the company taking longer than initially anticipated to deleverage due to the challenging environment for the industrial business and still-low but recovering crude palm oil (CPO) prices. Outlook is negative. S&P lowered the corporate rating on Mongolian Mining Corp to “D” from “CCC-“, following a missed payment on an amortizing bank loan and the cross default clauses in its debt agreements.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	95.943	-0.34%	USD-SGD	1.3699	-0.13%
USD-JPY	113.450	0.33%	EUR-SGD	1.5338	0.10%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2075	-0.49%
AUD-USD	0.7545	0.51%	GBP-SGD	1.9526	0.69%
GBP-USD	1.4254	0.86%	AUD-SGD	1.0334	0.30%
USD-MYR	4.0153	-0.54%	NZD-SGD	0.9209	0.39%
USD-CNY	6.5075	-0.13%	CHF-SGD	1.4064	0.20%
USD-IDR	13343	0.73%	SGD-MYR	2.9305	-0.49%
USD-VND	22295	-0.09%	SGD-CNY	4.7533	0.00%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3310	--	O/N	0.3745	--
2M	-0.2770	--	1M	0.4350	--
3M	-0.2420	--	2M	0.5195	--
6M	-0.1340	--	3M	0.6286	--
9M	-0.0720	--	6M	0.9109	--
12M	-0.0050	--	12M	1.2312	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.63	0.00	2.96
Italy	0.02	0.00	1.30
Ireland	-0.36	0.00	0.82
Greece*	9.70	0.00	8.77
Spain	0.03	0.00	1.52
Russia^	3.37	-0.50	5.57

* 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	17,535.39	19.70
S&P	2,037.05	1.10
Nasdaq	4,766.79	-6.70
Nikkei 225	17,134.37	131.60
STI	2,830.29	-17.10
KLCI	1,702.41	-1.40
JCI	4,773.63	-53.50
Baltic Dry	406.00	--
VIX	15.24	0.50

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.91 (--)	0.87 (--)
5Y	1.69 (+0.02)	1.36 (-0.01)
10Y	2.00 (+0.01)	1.89 (-0.01)
15Y	2.37 (-0.01)	--
20Y	2.48 (--)	--
30Y	2.67 (--)	2.66 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	23.06	--
EURIBOR-OIS	8.10	-2.23
TED	36.41	1.53

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	39.39	-0.18%	Coffee (per lb)	1.286	0.78%
Brent (per barrel)	40.27	-0.42%	Cotton (per lb)	0.5780	0.14%
Heating Oil (per gallon)	1.180	-1.49%	Sugar (per lb)	0.1594	0.44%
Gasoline (per gallon)	1.47	0.14%	Orange Juice (per lb)	1.3510	-0.59%
Natural Gas (per MMBtu)	1.848	2.33%	Cocoa (per mt)	2,970	0.27%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,945.0	--	Wheat (per bushel)	4.7100	1.73%
Nickel (per mt)	8,622	--	Soybean (per bushel)	9.090	-0.16%
Aluminium (per mt)	1,469.3	--	Corn (per bushel)	3.7050	0.14%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,220.1	-0.12%	Crude Palm Oil (MYR/MT)	2,705.0	1.69%
Silver (per oz)	15.194	0.02%	Rubber (JPY/KG)	170.7	2.22%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised
03/28/2016 20:30	US Personal Income	Feb 0.10%	0.20%	0.50%	--
03/28/2016 20:30	US Personal Spending	Feb 0.10%	0.10%	0.50%	0.10%
03/28/2016 20:30	US PCE Core MoM	Feb 0.20%	0.10%	0.30%	--
03/28/2016 22:00	US Pending Home Sales MoM	Feb 1.20%	3.50%	-2.50%	-3.00%
03/28/2016 22:30	US Dallas Fed Manf. Activity	Mar -25.8	-13.6	-31.8	--
03/29/2016 07:30	JN Jobless Rate	Feb 3.20%	3.30%	3.20%	--
03/29/2016 07:30	JN Job-To-Applicant Ratio	Feb 1.29	1.28	1.28	--
03/29/2016 07:50	JN Retail Trade YoY	Feb 1.60%	--	-0.10%	-0.20%
03/29/2016 07:50	JN Retail Sales MoM	Feb -0.90%	--	-1.10%	-0.40%
03/29/2016 13:00	JN Small Business Confidence	Mar 49	--	47.9	--
03/29/2016 16:00	EC M3 Money Supply YoY	Feb 5.00%	--	5.00%	--
03/29/2016 16:00	IT Consumer Confidence Index	Mar 114	--	114.5	--
03/29/2016 16:00	IT Business Confidence	Mar 102.4	--	102	--
03/29/2016 16:30	HK Exports YoY	Feb -5.10%	--	-3.80%	--
03/29/2016 16:30	HK Imports YoY	Feb -7.00%	--	-9.00%	--
03/29/2016 16:30	HK Trade Balance	Feb -29.2b	--	-17.5b	--
03/29/2016 20:30	CA Industrial Product Price MoM	Feb -0.20%	--	0.50%	--
03/29/2016 20:30	CA Raw Materials Price Index MoM	Feb -0.90%	--	-0.40%	--
03/29/2016 22:00	US Consumer Confidence Index	Mar 94	--	92.2	--
03/29/2016	MU Unemployment Rate	Feb --	--	1.90%	--
03/28/2016 20:30	US Personal Income	Feb 0.10%	--	0.50%	--
03/28/2016 20:30	US Personal Spending	Feb 0.10%	--	0.50%	--
03/28/2016 20:30	US PCE Core MoM	Feb 0.20%	--	0.30%	--
03/28/2016 22:00	US Pending Home Sales MoM	Feb 1.10%	--	-2.50%	--
03/28/2016 22:30	US Dallas Fed Manf. Activity	Mar -26	--	-31.8	--

Source: Bloomberg

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