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**Highlights**

<b>Global</b>	<p>With the hint of a “phenomenal” tax plan to be announced soon, Wall Street and the USD took flight again while pressuring US Treasury bonds despite the lack of any details. He simply commented that his plans mean “lowering the overall tax burden of American business, big league”. Market attention will likely revolve around today’s US-Japan summit, but hopes of any currency manipulation discussion may be disappointed as Japanese PM Abe is bringing goodwill offerings of infrastructure investments.</p> <p>Expect that the Asian markets to trade on a Trump-fuelled optimism for today. Today’s economic data calendar comprises of US’ University of Michigan sentiment and import price index, China’s trade data, industrial production for UK, Malaysia and India. Speakers include ECB’s Mersch and Weidmann.</p>
<b>US</b>	<p>Initial jobless claims unexpectedly fell 12k to 234k, the lowest since Nov, while the four-week average slipped to 244.25k (lowest since 3 Nov 1973) and suggesting that the labour market conditions remained healthy. Continuing claims rose 15k to 2.08m. Meanwhile, wholesale inventories rose 1% as , and Japan’s Jan preliminary machine tool orders</p> <p>Fed’s Evans said that a “slow pace” of rate hikes is appropriate.</p>
<b>PH</b>	<p>BSP kept its benchmark interest rates static yesterday even as inflation rose to 2.6% in Dec 2016 (highest since Dec 2014) amid higher transport fares in some cities.</p>
<b>SG</b>	<p>The CFE recommendations outlined seven mutually-reinforcing strategies to innovate, deepen its capabilities and skills, remain connected and stay relevant to the world. These efforts should enable Singapore to grow 2-3% pa over the next decade.</p>
<b>ID</b>	<p>Moody’s has changed the outlook from neutral to positive yesterday for state-owned oil and gas company, Pertamina, following similar outlook change on the sovereign credit rating the day before. Separately, search committee for head of the Financial Services Authority (known as OJK in Indonesian) has submitted as many as 107 names to the anti-corruption agency for background checks. The search committee is headed by Finance Minister Sri Mulyani and includes Economics Minister Darmin Nasution and BI Governor Agus Martowardojo.</p>
<b>MA</b>	<p>Second Finance Minister Johari Abdul Ghani reportedly said that the government has no reservations if DRB-Hicom decides to sell 51% or more of national carmaker Proton to prospective foreign partners.</p>
<b>Commodities</b>	<p>Gold finally snapped its many days of consecutive gains, albeit marginally with a fall by 0.2% to \$1,235.1/oz. Still, the yellow metal remains relatively strong, printing a 6.2% gain since the year started as risk aversion continues to be felt. At the very least, gold continued to fall this morning, likely on some risk-taking due to Trump’s promise to provide “phenomenal” tax proposals within two to three weeks. Elsewhere, watch out for Malaysia’s palm oil data later this afternoon.</p>

## Major Markets

- **US:** Equities had a good day on Thursday as all three major indices rose to record highs on positive unemployment data and an increased emphasis on the strong corporate earnings. Energy producers and financials led the charge after being the main laggards the whole week. Overall, the Dow rose 0.59% to 20172.4, while the S&P 500 and Nasdaq both gained 0.58% to 2307.87 and 5715.18 respectively. VIX ended lower by 5.0%, closing at 10.88. Meanwhile, a new auction of 30-year Treasuries drew a yield of 3.005%, the highest since Dec 2016. Overall, US Treasury yields traded higher on Trump's hint that a new tax announcement may be released in the forthcoming weeks. 2- and 10-year benchmark yields stood at 1.18% and 2.40% respectively.
- **Singapore:** The STI gained 0.44% to close up at 3079.96 yesterday, and may make a run for the 3100 resistance today given market sentiments saw an overnight lift from US president Trump's hints of a "phenomenal" tax plan. Morning leads from Kospi are also positive. STI support is tipped at 3060. With the overnight sell-off in UST bonds, expect SGS bonds to follow suit today with the longer-dated bonds likely to bear the brunt of the selling pressure.

## Bond Market Updates

- **Market Commentary:** The SGD dollar swap curve was range-bound yesterday, with the shorter tenors trading 1-2bps higher, while the longer end of the swap curve traded 1-2bps lower. The medium-term swap rates changed little yesterday. In the broader dollar space, the spread on JACI IG Corporates fell 1bps to 196bps while the yield on JACI HY Corporates held steady at 6.73%. 10y UST yield rose 6bps to 2.39% after U.S President Trump promised a "phenomenal" tax plan and said action on taxes would be forthcoming in two or three weeks. President Trump's promises reignited inflation concerns and reflation trades.
- **New Issues:** Future Land Development Holdings Ltd. priced a USD350mn 3-year bond at 5.125%, tightening from initial guidance of 5.625%. The expected issue ratings are 'BB-/Ba3/BB-'. Industrial & Commercial Bank of China Ltd. (ICBC) is in talks with banks for a potential USD bond issuance. Oil India Ltd. is planning for a potential USD800mn bond issuance and has hired banks for proceedings.
- **Rating Changes:** S&P downgraded NEC Corp.'s ('NEC') long term ratings by one notch to 'BBB-' from 'BBB', with a stable outlook. The rating action reflects S&P's view that an expected drop in the sales of NEC's main businesses is likely to further erode its profitability in FY2016, causing key financial metrics for the company to fall short of S&P's previous assumptions. Moody's revised the ratings outlook of eight Indonesian banks to positive from stable, following the affirmation of Indonesia's 'Baa3' sovereign rating and the change in outlook for Indonesia's rating to positive from stable two days ago. The affected banks are: (1) Bank Mandiri (P.T.); (2) Bank Rakyat Indonesia (P.T.) (BRI); (3) Bank Central Asia Tbk (P.T.); (4) Bank Negara Indonesia TBK (P.T.) (BNI); (5) PT Bank CIMB Niaga Tbk; (6) Bank Tabungan Negara (P.T.) (BTN); (7) Bank Danamon Indonesia TBK (P.T.); and (8) Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank). Moody's also revised the ratings outlook of Indonesian government-related infrastructure issuers (GRIs) to positive from stable. The affected companies include: (1) Perusahaan Gas Negara (P.T.) (PGN); (2) Perusahaan Listrik Negara (P.T.) (PLN); and (3) Pelabuhan Indonesia II (Persero) (P.T.) (Pelindo II). Moody's withdrew Daimler Australia/Pacific Pty. Ltd.'s '(P)A2' senior unsecured debt rating.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DX</b>	100.650	0.37%	<b>USD-SGD</b>	1.4205	0.28%
<b>USD-JPY</b>	113.250	1.18%	<b>EUR-SGD</b>	1.5136	-0.13%
<b>EUR-USD</b>	1.0655	-0.40%	<b>JPY-SGD</b>	1.2544	-0.87%
<b>AUD-USD</b>	0.7625	-0.26%	<b>GBP-SGD</b>	1.7751	-0.08%
<b>GBP-USD</b>	1.2497	-0.35%	<b>AUD-SGD</b>	1.0831	0.02%
<b>USD-MYR</b>	4.4395	--	<b>NZD-SGD</b>	1.0208	-0.81%
<b>USD-CNY</b>	6.8691	0.08%	<b>CHF-SGD</b>	1.4182	-0.42%
<b>USD-IDR</b>	13295	-0.24%	<b>SGD-MYR</b>	3.1361	0.10%
<b>USD-VND</b>	22670	0.07%	<b>SGD-CNY</b>	4.8417	-0.09%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3730	--	<b>O/N</b>	0.6867	--
<b>2M</b>	-0.3420	--	<b>1M</b>	0.7717	--
<b>3M</b>	-0.3280	--	<b>2M</b>	0.8383	--
<b>6M</b>	-0.2420	--	<b>3M</b>	1.0337	--
<b>9M</b>	-0.1610	--	<b>6M</b>	1.3379	--
<b>12M</b>	-0.1010	--	<b>12M</b>	1.7001	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.07	1.40	4.05
<b>Italy</b>	-0.04	-1.80	2.17
<b>Ireland</b>	-0.41	3.50	1.05
<b>Greece</b>	10.03	66.50	7.81
<b>Spain</b>	-0.28	0.90	1.63
<b>Russia</b>	2.11	-7.70	4.23

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	20,172.40	118.06
<b>S&amp;P</b>	2,307.87	13.20
<b>Nasdaq</b>	5,715.18	32.73
<b>Nikkei 225</b>	18,907.67	-99.93
<b>STI</b>	3,079.96	13.43
<b>KLCI</b>	1,688.50	--
<b>JCI</b>	5,372.08	10.99
<b>Baltic Dry</b>	707.00	5.00
<b>VIX</b>	10.88	-0.57

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.21 (+0.01)	1.18 (+0.04)
<b>5Y</b>	1.61 (--)	1.87 (+0.06)
<b>10Y</b>	2.23 (--)	2.39 (+0.06)
<b>15Y</b>	2.46 (-0.02)	--
<b>20Y</b>	2.52 (-0.02)	--
<b>30Y</b>	2.56 (-0.02)	3.00 (+0.06)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	35.23	-0.36
<b>EURIBOR-OIS</b>	2.00	0.02
<b>TED</b>	50.07	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.00	1.26%	Coffee (per lb)	1.452	1.61%
Brent (per barrel)	55.63	0.93%	Cotton (per lb)	0.7558	0.44%
Heating Oil (per gallon)	1.6415	0.34%	Sugar (per lb)	0.2065	-0.53%
Gasoline (per gallon)	1.5702	1.13%	Orange Juice (per lb)	1.7400	0.58%
Natural Gas (per MMBtu)	3.1410	0.48%	Cocoa (per mt)	1,974	-0.95%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	5,822.0	-1.24%	Wheat (per bushel)	4.4350	2.54%
Nickel (per mt)	10,234.0	-2.04%	Soybean (per bushel)	10.505	-0.78%
Aluminium (per mt)	1,835.5	0.27%	Corn (per bushel)	3.6950	-0.34%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,235.1	-0.20%	Crude Palm Oil (MYR/MT)	3,301.0	--
Silver (per oz)	17.741	0.20%	Rubber (JPY/KG)	331.4	0.45%

Source: Bloomberg, Reuters  
(Note that rates are for reference only)

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	Relevance	
02/09/2017 04:00	NZ	RBNZ Official Cash Rate	Feb-09	1.75%	1.75%	1.75%	--	97.9592
02/09/2017 05:45	NZ	Building Permits MoM	Dec	--	-7.20%	-9.20%	-9.60%	85.7143
02/09/2017 07:50	JN	Machine Orders YoY	Dec	4.50%	6.70%	10.40%	--	69.7917
02/09/2017 07:50	JN	Japan Buying Foreign Bonds	Feb-03	--	¥126.6b	¥1359.3b	¥1356.7b	47.9167
02/09/2017 07:50	JN	Japan Buying Foreign Stocks	Feb-03	--	¥332.8b	¥124.9b	¥127.2b	40.625
02/09/2017 07:50	JN	Foreign Buying Japan Bonds	Feb-03	--	¥239.8b	¥446.2b	--	48.9583
02/09/2017 07:50	JN	Foreign Buying Japan Stocks	Feb-03	--	¥248.0b	¥143.9b	--	52.0833
02/09/2017 08:00	AU	HIA New Home Sales MoM	Dec	--	0.20%	6.10%	--	58.8235
02/09/2017 14:00	JN	Machine Tool Orders YoY	Jan P	--	3.50%	4.40%	--	70.8333
02/09/2017 15:00	GE	Trade Balance	Dec	20.5b	18.7b	22.6b	22.7b	59.322
02/09/2017 15:00	GE	Current Account Balance	Dec	24.8b	24.0b	24.6b	25.0b	50.8475
02/09/2017 15:00	GE	Exports SA MoM	Dec	-1.30%	-3.30%	3.90%	--	57.6271
02/09/2017 16:00	PH	BSP Overnight Borrowing Rate	Feb-09	3.00%	3.00%	3.00%	--	95.8333
02/09/2017 21:30	CA	New Housing Price Index MoM	Dec	0.20%	0.10%	0.20%	--	68.8889
02/09/2017 21:30	US	Initial Jobless Claims	Feb-04	249k	234k	246k	--	98.4733
02/09/2017 21:30	US	Continuing Claims	Jan-28	2058k	2078k	2064k	2063k	68.9313
02/09/2017 22:45	US	Bloomberg Consumer Comfort	Feb-05	--	47.2	46.6	--	68.7023
02/09/2017 23:00	US	Wholesale Inventories MoM	Dec F	1.00%	1.00%	1.00%	--	81.6794
02/10/2017 07:50	JN	PPI YoY	Jan	0.00%	--	-1.20%	--	92.7083
02/10/2017 08:30	AU	Home Loans MoM	Dec	1.00%	--	0.90%	--	83.8235
02/10/2017 09:00	PH	Imports YoY	Dec	10.70%	--	19.70%	--	50
02/10/2017 09:00	PH	Exports YoY	Dec	2.90%	--	-7.50%	--	79.1667
02/10/2017 09:00	PH	Trade Balance	Dec	-\$2200m	--	-\$2566m	--	66.6667
02/10/2017 12:00	MA	Industrial Production YoY	Dec	4.00%	--	6.20%	--	71.4286
02/10/2017 12:30	JN	Tertiary Industry Index MoM	Dec	-0.20%	--	0.20%	--	90.625
02/10/2017 15:30	TH	Foreign Reserves	Feb-03	--	--	\$177.6b	--	80.7692
02/10/2017 15:45	FR	Industrial Production YoY	Dec	1.40%	--	1.80%	--	91.6667
02/10/2017 15:45	FR	Manufacturing Production YoY	Dec	0.60%	--	1.40%	--	63.8889
02/10/2017 15:45	FR	Wages QoQ	4Q P	--	--	0.20%	--	30.5556
02/10/2017 15:45	FR	Non-Farm Payrolls QoQ	4Q P	0.30%	--	0.30%	--	50
02/10/2017 17:00	IT	Industrial Production NSA YoY	Dec	--	--	3.20%	--	50
02/10/2017 17:00	IT	Industrial Production WDA YoY	Dec	3.20%	--	3.20%	--	71.0526
02/10/2017 17:00	IT	Industrial Production MoM	Dec	-0.10%	--	0.70%	--	92.1053
02/10/2017 17:30	UK	Visible Trade Balance GBP/Mn	Dec	£11,450	--	£12,163	--	63.9535
02/10/2017 17:30	UK	Trade Balance Non EU GBP/Mn	Dec	£3,300	--	£3,577	--	62.7907
02/10/2017 17:30	UK	Trade Balance	Dec	£3,500	--	£4,167	--	72.093
02/10/2017 17:30	UK	Industrial Production YoY	Dec	3.20%	--	2.00%	--	68.6047
02/10/2017 17:30	UK	Manufacturing Production YoY	Dec	1.70%	--	1.20%	--	60.4651
02/10/2017 20:00	IN	Industrial Production YoY	Dec	1.20%	--	5.70%	--	90
02/10/2017 21:30	CA	Unemployment Rate	Jan	6.90%	--	6.90%	--	91.1111
02/10/2017 21:30	US	Import Price Index MoM	Jan	0.30%	--	0.40%	--	79.3893
02/10/2017 21:30	CA	Net Change in Employment	Jan	-10.0k	--	53.7k	46.1k	86.6667
02/10/2017 21:30	CA	Full Time Employment Change	Jan	--	--	81.3	70.9	37.7778
02/10/2017 21:30	US	Import Price Index YoY	Jan	3.40%	--	1.80%	--	37.4046
02/10/2017 21:30	CA	Participation Rate	Jan	65.8	--	65.8	--	35.5556
02/10/2017 23:00	UK	NIESR GDP Estimate	Jan	--	--	0.50%	--	52.3256
02/10/2017 23:00	US	U. of Mich. Sentiment	Feb P	98	--	98.5	--	93.8931
02/10/2017 23:00	US	U. of Mich. 1 Yr Inflation	Feb P	--	--	2.60%	--	10.687
02/10/2017 23:00	US	U. of Mich. 5-10 Yr Inflation	Feb P	--	--	2.60%	--	12.9771
02/10/2017	CH	Trade Balance CNY	Jan	307.25b	--	275.40b	--	5.71429
02/10/2017	CH	Exports YoY CNY	Jan	5.20%	--	0.60%	--	14.2857
02/10/2017	CH	Imports YoY	Jan	10.00%	--	3.10%	--	68.5714
02/10/2017	CH	Exports YoY	Jan	3.20%	--	-6.10%	-6.20%	74.2857
02/10/2017	CH	Trade Balance	Jan	\$48.50b	--	\$40.82b	\$40.71b	77.1429
02/10/2017	ID	BoP Current Account Balance	4Q	-\$3000m	--	-\$4493m	--	47.8261
02/10/2017 02/12	VN	Domestic Vehicle Sales YoY	Jan	--	--	18.50%	--	77.7778
02/10/2017 02/15	CH	Money Supply M2 YoY	Jan	11.30%	--	11.30%	--	82.8571
02/10/2017 02/15	CH	Money Supply M0 YoY	Jan	8.90%	--	8.10%	--	40
02/10/2017 02/15	CH	New Yuan Loans CNY	Jan	2440.0b	--	1040.0b	--	65.7143
02/10/2017 02/18	CH	FDI YoY CNY	Jan	1.40%	--	5.70%	--	11.4286

Source: Bloomberg

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