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Highlights

Global	<p>Global risk sentiments should stabilise as geopolitical concerns ebb, and Asian markets could trade on a slightly firmer but modest tone today. The Fed's Beige Book flagged a modest-to-moderate expansion pace through end-Mar. Meanwhile, Fed's Rosengren said that the "exit from a large balance sheet should be conducted in ways that maintain the primacy of using short-term interest rates to either slow down or stimulate the economy" and while it could "begin relatively soon", "the tightening of short-term interest rates should not need to be much different than it would be in the absence of shrinking the balance sheet". Separately, Fischer said that "I expect the Fed's removal of accommodation will be driven by a continued expansion of the US economy" and "foreign economies are likely to benefit from the developments that induce" Fed tightening.</p> <p>BI is expected to keep its policy settings static at 4.75% today. Today's economic data calendar comprises of US' initial jobless claims, Philadelphia Fed business index and leading index, Eurozone's consumer confidence, and Taiwan's export orders. Speakers include BOE's Carney and Fed's Powell.</p>
US	US Secretary of State Tillerson criticised a 2015 nuclear deal with Iran saying "this deal represents the same failed approach of the past" and "the Trump administration has no intention of passing the buck to a future administration".
EZ	Eurozone's CPI inflation moderated from a 4-year high of 2% in Feb to 1.5% yoy (0.8% mom) in Mar, but this still beat market expectations. Whilst core inflation was 0.7% yoy (Feb: 0.9%). Ahead of the 27 April ECB meeting, Coeure argued that "I think it's fair to say that the balance of economic risk in Europe is by and large balanced, by and large flat, I personally don't see risks as tilted to the downside anymore", whereas Praet sounded more cautious and opined that "we would say that risks are still tilted to the downside".
JP	Exports surged for a fourth straight month by 12% yoy whilst imports jumped 15.8%, bringing the trade surplus to JPY614.7b and flagged a supportive 1Q.
SG	MAS will issue \$800m of the 20-year SGS bond re-opening for auction on 26 Apr.
CH	According to the media, China have eased previous tightening measures for cross border RMB payments under the current account, which no longer requires outflows to be matched with inflows. The latest easing signals showed that China is more confident in the RMB and concerns about disorderly outflows have subsided.
MA	Headline CPI inflation hit an 8-year high of 5.1% yoy in Mar, up from Feb's 4.5%, but is unlikely to sway BNM's resolve to hold OPR steady this year.
Commodities	There were some bouts of dollar strength amid renewed concerns over global inventory overhang which left crude oil trending starkly lower after Asian trading hours yesterday. Empirically, although US crude oil inventories fell by less than expected by 1.0 million barrels for the week ended 14 Apr, the unexpected surge in gasoline inventories by 1.5 million barrels and higher US crude oil production levels (20 months high at 9.25 mbpd) were likely the key driver behind the 4.0% fall in crude oil prices. Moreover, OECD oil stocks printed 3.06 billion (-8.1 million) barrels in February, according to recent IEA data, highlighting that stocks are still worryingly above its five-year average.

Major Markets

- **US:** Equities ended mixed on Wednesday after opening on a high. The S&P 500 and Dow were down 0.17% and 0.58% respectively, while the Nasdaq bucked trend to end higher by 0.23%. A bank rally faded over the course of the day, and utilities softened alongside higher US Treasury yields. Meanwhile, healthcare led gains. VIX ended higher by 3.5% at 14.93. US Treasury yields lifted off year-to-date lows, with 2- and 10-year yields standing at 1.18% and 2.21%. Investors appear to take a breather from the bond rally, but it remains to be seen if the rally has been exhausted.
- **Singapore:** STI ended lower by 0.36% to close at 3126.28 yesterday, but may trade in a range of 3120-3140 today given soft cues from Wall Street overnight and small gains in Nikkei and Kospi this morning. The backup in UST bond yields overnight may also set the tone for the SGS bond market today despite the latter closing some 1-2bps lower in yield terms yesterday.
- **Macau:** VIP revenue marked a double digit growth (+16.8% yoy) for a second consecutive quarter and its share in gross gaming revenue (GGR) rose further to 55.9% in 1Q. The housing boom and economic stabilization in Mainland China, combined with continuous credit extensions offered by junket operators, have boosted VIP demand. The return of high rollers has appeared to be the main factor contributing to the strong performance of the gaming sector. This also reinforces that the mass-market segment have been less supportive to the sector due to the low betting amount of leisure gamblers. For the mass-market segment, its revenue increased by 7.9% yoy and its share dipped to its lowest since 1Q 2015 at 39%. Moving forward, as China's economic growth is expected to decelerate in 2H, both VIP and low-end demands in the gaming centers are likely to be suppressed. A stronger MOP could also undermine the recovery in tourism activities and the mass-market segment. Adding on a waning base effect, we expect the GGR's growth to peak in 1H and print around 10% yoy over 2017.
- **Commodities:** Despite the said data, the IEA further commented that OECD oil demand had outpaced supply by about 0.2 mbpd between January and March this year, highlighting crude oil's rebalancing act into year. In our view, the volatility seen in the crude oil space continues to suggest that the current rally remains extremely fragile. Moreover, the reminder of elevated global oil stocks should reinforce OPEC's decision to extend its production cut deal into 2H17.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards yesterday, with swap rates trading 1-4bps lower across all tenors. Flows in SGD corporates were heavy, with better buying seen in GENSSP 5.13%'49s, better selling in MFCCN 3.85%'26s, ABNAV 4.7%'22s, and mixed interest in BNP 3.65%'24s, IOCLIN 4.1%'22s. In the broader dollar space, the spread on JACI IG corporates was rose 1bps to 206bps, while the yield on JACI HY remained flattish at 6.55%. 10y UST yields rose 4bps yesterday to 2.21%, as safe haven flows sparked by geopolitical concerns faded.
- **New Issues:** Industrial and Commercial Bank of China Ltd. (Singapore Branch) priced a USD2bn 2-tranche deal; with the USD550mn 3-year piece at 3mL+77bps, tightening from initial guidance of 3mL+100bps, and the USD1.45bn 5-year piece at 3mL+95bps, tightening from initial guidance of 3mL+115bps. The expected issue ratings is 'A/NR/NR'. Halcyon Agri Corporation Ltd. priced a USD150mn Perp NC2 at 4.5%, tightening from initial guidance of 4.75%. Times Property Holdings Ltd. priced a USD225mn 5NC3 bond at 5.75%, tightening from initial guidance of 6%. The expected issue ratings are 'B/B2/B+'. QBE Insurance Group Ltd. has mandated banks for a potential USD 5.5-year green bond issuance. Japan International Cooperation Agency has set initial price guidance for USD500mn 10-year bond (guaranteed by the government of Japan) at MS+65bps. The expected

issue ratings are 'A+/NR/NR'.

- **Rating Changes:** S&P affirmed China-based gas distributor ENN Energy Holdings Ltd.'s (ENN) 'BBB' corporate credit rating and 'BBB' issue rating on the company's senior unsecured notes yesterday. In addition, S&P revised ENN's outlook to positive from stable. The rating action reflects S&P's expectations for ENN's credit profile to improve modestly on higher gas sales, stable profitability, and disciplined capital spending.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	99.738	0.24%	USD-SGD	1.3984	0.19%
USD-JPY	108.860	0.40%	EUR-SGD	1.4981	0.02%
EUR-USD	1.0711	-0.18%	JPY-SGD	1.2848	-0.20%
AUD-USD	0.7497	-0.83%	GBP-SGD	1.7868	-0.31%
GBP-USD	1.2777	-0.50%	AUD-SGD	1.0485	-0.63%
USD-MYR	4.4006	-0.24%	NZD-SGD	0.9797	-0.32%
USD-CNY	6.8880	0.09%	CHF-SGD	1.4012	0.01%
USD-IDR	13319	0.16%	SGD-MYR	3.1471	-0.18%
USD-VND	22739	-0.03%	SGD-CNY	4.9261	0.02%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.9300	--
2M	-0.3420	--	1M	0.9928	--
3M	-0.3310	--	2M	1.0367	--
6M	-0.2500	--	3M	1.1562	--
9M	-0.1840	--	6M	1.3977	--
12M	-0.1220	--	12M	1.7612	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.40	-0.50	3.81
Italy	-0.03	0.40	2.28
Ireland	-0.36	1.40	0.91
Greece	7.28	-7.60	6.69
Spain	-0.23	-1.80	1.68
Russia	2.07	-1.50	4.05

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	50.44	-3.76%	Coffee (per lb)	1.380	-3.43%
Brent (per barrel)	52.93	-3.57%	Cotton (per lb)	0.7767	1.11%
Heating Oil (per gallon)	1.5813	-2.50%	Sugar (per lb)	0.1642	-1.68%
Gasoline (per gallon)	1.6590	-3.04%	Orange Juice (per lb)	1.6615	1.53%
Natural Gas (per MMBtu)	3.1850	1.27%	Cocoa (per mt)	1,894	-1.76%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,587.6	0.22%	Wheat (per bushel)	4.1900	-0.83%
Nickel (per mt)	9,296.0	0.33%	Soybean (per bushel)	9.503	0.45%
Aluminium (per mt)	1,894.0	0.65%	Corn (per bushel)	3.6175	--
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,281.4	-0.80%	Crude Palm Oil (MYR/MT)	2,584.0	-0.50%
Silver (per oz)	18.162	-0.60%	Rubber (JPY/KG)	229.0	-7.10%

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

Equity and Commodity

Index	Value	Net change
DJIA	20,404.49	-118.79
S&P	2,338.17	-4.02
Nasdaq	5,863.03	13.56
Nikkei 225	18,432.20	13.61
STI	3,126.28	-11.26
KLCI	1,738.95	-1.65
JCI	5,606.52	--
Baltic Dry	1,278.00	-16.00
VIX	14.93	0.51

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.20 (+0.02)	1.18 (+0.02)
5Y	1.59 (-0.01)	1.74 (+0.04)
10Y	2.09 (-0.02)	2.21 (+0.05)
15Y	2.22 (-0.03)	--
20Y	2.29 (-0.02)	--
30Y	2.32 (-0.03)	2.87 (+0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	21.72	0.30
EURIBOR-OIS	2.90	--
TED	35.58	--

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
04/19/2017 05:00	SK	PPI YoY	Mar	--	4.20%	4.20%	4.30%
04/19/2017 06:30	NZ	Performance Services Index	Mar	--	59	58.8	58.7
04/19/2017 08:30	AU	Westpac Leading Index MoM	Mar	--	0.08%	-0.07%	--
04/19/2017 09:30	AU	New Motor Vehicle Sales MoM	Mar	--	1.90%	-2.70%	--
04/19/2017 09:30	AU	New Motor Vehicle Sales YoY	Mar	--	-3.00%	-4.10%	-4.00%
04/19/2017 12:00	MA	CPI YoY	Mar	5.20%	5.10%	4.50%	--
04/19/2017 13:53	PH	BoP Overall	Mar	--	-\$550m	-\$436m	--
04/19/2017 14:00	EC	EU27 New Car Registrations	Mar	--	11.20%	2.20%	--
04/19/2017 16:04	IT	Trade Balance Total	Feb	--	1884m	-574m	-575m
04/19/2017 16:04	IT	Trade Balance EU	Feb	--	168m	317m	315m
04/19/2017 17:00	EC	Trade Balance SA	Feb	18.0b	19.2b	15.7b	--
04/19/2017 17:00	EC	Trade Balance NSA	Feb	16.2b	17.8b	-0.6b	--
04/19/2017 17:00	EC	CPI MoM	Mar	0.80%	0.80%	0.40%	--
04/19/2017 17:00	EC	CPI YoY	Mar F	1.50%	1.50%	1.50%	--
04/19/2017 17:00	EC	CPI Core YoY	Mar F	0.70%	0.70%	0.70%	--
04/19/2017 19:00	US	MBA Mortgage Applications	Apr-14	--	-1.80%	1.50%	--
04/20/2017 02:00	US	U.S. Federal Reserve Releases					
04/20/2017 06:45	NZ	CPI QoQ	1Q	0.80%	1.00%	0.40%	--
04/20/2017 06:45	NZ	CPI YoY	1Q	2.00%	2.20%	1.30%	--
04/20/2017 07:50	JN	Trade Balance	Mar	¥608.0b	--	¥813.4b	¥813.5b
04/20/2017 07:50	JN	Trade Balance Adjusted	Mar	¥172.0b	--	¥680.3b	--
04/20/2017 07:50	JN	Exports YoY	Mar	6.20%	--	11.30%	--
04/20/2017 07:50	JN	Imports YoY	Mar	10.00%	--	1.20%	--
04/20/2017 07:50	JN	Japan Buying Foreign Bonds	Apr-14	--	--	¥2176.8b	--
04/20/2017 07:50	JN	Japan Buying Foreign Stocks	Apr-14	--	--	¥82.9b	--
04/20/2017 07:50	JN	Foreign Buying Japan Bonds	Apr-14	--	--	¥586.8b	--
04/20/2017 07:50	JN	Foreign Buying Japan Stocks	Apr-14	--	--	¥441.0b	--
04/20/2017 09:30	AU	RBA FX Transactions Government	Mar	--	--	-\$333m	--
04/20/2017 09:30	AU	RBA FX Transactions Market	Mar	--	--	A\$282m	--
04/20/2017 09:30	AU	RBA FX Transactions Other	Mar	--	--	A\$60m	--
04/20/2017 09:30	AU	NAB Business Confidence	1Q	--	--	5	--
04/20/2017 10:00	CH	FX Net Settlement - Clients CNY	Mar	--	--	-69.2b	--
04/20/2017 13:30	JN	Nationwide Dept Sales YoY	Mar	--	--	-1.70%	--
04/20/2017 13:30	JN	Tokyo Dept Store Sales YoY	Mar	--	--	-3.10%	--
04/20/2017 14:00	GE	PPI MoM	Mar	0.20%	--	0.20%	--
04/20/2017 14:00	GE	PPI YoY	Mar	3.20%	--	3.10%	--
04/20/2017 15:00	JN	Convenience Store Sales YoY	Mar	--	--	-1.70%	--
04/20/2017 16:00	TA	Export Orders YoY	Mar	8.80%	--	22.00%	--
04/20/2017 17:00	EC	Construction Output MoM	Feb	--	--	-2.30%	--
04/20/2017 17:00	EC	Construction Output YoY	Feb	--	--	-6.20%	--
04/20/2017 20:30	US	Initial Jobless Claims	Apr-15	240k	--	234k	--
04/20/2017 20:30	US	Continuing Claims	Apr-08	2024k	--	2028k	--
04/20/2017 20:30	US	Philadelphia Fed Business	Apr	25.5	--	32.8	--
04/20/2017 21:45	US	Bloomberg Consumer Comfort	Apr-16	--	--	51	--
04/20/2017 21:45	US	Bloomberg Economic Expectations	Apr	--	--	54	--
04/20/2017 22:00	EC	Consumer Confidence	Apr A	-4.8	--	-5	--
04/20/2017 22:00	US	Leading Index	Mar	0.20%	--	0.60%	--
04/20/2017	ID	BI 7D Reverse Repo	Apr-20	4.75%	--	4.75%	--
04/20/2017	JN	Monthly Economic Report for Apr					

Source: Bloomberg

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