

Highlights

Global	<p>The Fed's Beige Book pointed to "modest to moderate pace" with "only modest" wage growth, but "contacts in various sectors including manufacturing, agriculture and transportation expressed concern about the newly imposed and/of proposed tariffs" (with the word "tariffs" appearing 36 times in the report). Wall Street paused, while US Treasury bond yields climbed (with the 5-30 year curve flattening to just 29bps, the narrowest since 2007, and the 2-10 curve at 44bps) amid relatively upbeat corporate earnings and rising crude oil prices.</p> <p>Asian bourses may range trade today. BI is widely expected to keep its 7-day benchmark rate unchanged at 4.25% today. The economic data calendar comprises US' initial jobless claims and Philadelphia Fed business index, UK' retail sales, and Australia's employment data. Speakers include Fed's Brainard, Quarles and Mester, and BOE's Cunliffe.</p>
US	<p>Fed's Dudley opined that "even though the unemployment rate is low, inflation remains below our 2 percent objective. As long as that is true, the case for tightening policy more aggressively does not seem compelling". Meanwhile, the IMF has tipped US debt-to-GDP ratio to widen to 116.9% by 2023, overtaking Italy.</p>
CA	<p>Bank of Canada kept its overnight rate unchanged at 1.25% as expected, following earlier hikes in Jul, Sep and Jan, and reiterated its "cautious" stance with monetary policy "expected to support economic activity over the projection horizon" and inflation to return to the 2% target in 2019.</p>
JP	<p>US president Trump and Japanese PM Abe have agreed to work closely on bilateral trade and start talks on free, fair and reciprocal trade deals.</p>
SG	<p>Finance Minister Heng said there's room for a review of the tight foreign manpower policy in the coming years, but the current policy will stay for now to encourage companies to transform and raise productivity. Meanwhile, the European Commission is aiming for EU FTA with Japan and S'pore to take effect by Nov19.</p>
CH	<p>PBoC continued to net inject about CNY150 billion liquidity into the banking system yesterday after the announcement of RRR cut, which will take effect on 25 April. In addition, China's central bank net purchased CNY7.8 billion worth of foreign currency in March, a sign that China's capital flow remained largely stable.</p>
CMD	<p>The surge in nickel futures to its 3-year high took headlines overnight. Market-watchers were essentially worried over potential sanctions against Russian nickel producer, Norilsk Nickel. Norilsk is also the world's largest producer of palladium, and including cobalt and aluminium as well. In the crude oil space, the unexpected fall in US crude oil inventories lifted crude oil futures overnight. Note US crude oil stocks reported by the Department of Energy fell 1.1 million barrels (vs market estimate of +650k) while overall increase in oil production at 15k barrels per day (bpd) was the smallest increase in 5 weeks. Notably, gasoline inventories also defied market-call for a 450k gain, falling by 2.9 million barrels. In a nutshell, the fall in inventories for the latest week suggest that US oil demand remain robust, a key aspect that is much needed to give crude oil prices a credible support at current levels.</p>

Major Market

- **US:** Equities ended mixed Wednesday on the back of a re-emergence of worries over higher interest rates despite the robust first quarter corporate earnings season. The S&P 500 and the Nasdaq composite added 0.08% and 0.19%, respectively. Meanwhile the Dow fell 0.16% to close down at 24,748.07. VIX rose to 15.60, up from 15.25 previously. For the treasury market, the 2y yield rose 3bps to close up at 2.429%. Similarly, the 10y yield rose 4bps to end higher at 2.873%.
- **Singapore:** The STI rallied 1.70% to close at 3557.82 yesterday, but may meander today amid tepid cues from Wall Street overnight and Kospi this morning. STI may trade in a 3525-3575 range today. With UST bond yields higher by up to 4bps, SGS bonds may also come under some pressure today. MAS is announcing the issue size for the new 10-year SGS bond due for auction on 26 Apr.
- **Malaysia:** Headline CPI moderated further to 1.3% yoy for March 2018 (Feb 2018: 1.4% yoy). This was the result of slower growth for the Food & Non-Alcoholic Beverages category that grew at 2.8% yoy (Feb 2018: 3.0% yoy) and a larger decline in transport prices at -1.5% yoy (Feb 2018: -0.3% yoy). For this year, we are expecting inflation to average lower as base effects wear off.
- **Indonesia:** BI's Board of Governors will release their monthly decision on its monetary policy stance today. We expect that the central bank would keep rates on hold as it continues to monitor situation. Inflation this year has so far been within target relieving the central bank of pressure to raise rates.

Bond Market Updates

- **Market Commentary:** The SGD swap curve twisted, with shorter tenors traded 1-2bps higher while the longer tenors traded 1-2bps lower. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 1.26% while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 2bps to 347bps. 10Y UST yield rose 4bps to 2.87%, as investors warmed to the idea the Federal Reserve could raise interest rate four times in 2018. This was due to Wednesday's Beige Book report which stated that robust business borrowing, rising consumer spending and tight labour markets indicated that the US economy remains on track for continued growth.
- **New issues:** Vertex Capital Investment Ltd has priced a USD500mn 364-day bond (guaranteed by Guangzhou Industrial Investment Fund Management Co Ltd) at 4.15%, tightening from its initial price guidance of 4.5%. Logan Property Holdings Co Ltd has priced a USD300mn 3NC2 bond (guaranteed by certain offshore subsidiaries of the issuer) at 7%, tightening from its initial price guidance of 7.125%. New Metro Global Ltd has priced a USD300mn 3NC2 bond (guaranteed by Future Land Holdings Co Ltd) at 6.8%, in line with its initial price guidance. CICC Hong Kong Finance 2016 MTN Ltd has priced a USD600mn 3-year FRN (guaranteed by China International Capital Corp (HK) Ltd) at 3mL+120bps, tightening from its initial price guidance of 3mL+150bps. Samsonite Finco Sarl has priced a EUR350mn 8NC3 bond at 3.5%. Tongyi (BVI) Ltd has scheduled for investor meetings from 19 Apr for its potential USD bond issuance (guaranteed by Tongyi Industrial Group Co Ltd, Tongyi Group (HK) Ltd). MCC Holding (HK) Corp Ltd has scheduled for investor meetings from 18 Apr for its potential USD bond issuance (guaranteed by Metallurgical Corp of China Ltd). Proven Glory Capital Ltd has scheduled for investor meetings from 18 Apr for its potential USD 10-year/EUR

5-7 year bond issuance (guaranteed by Huawei Investment & Holding Co Ltd). KDB Life Insurance Co Ltd has scheduled for investor meetings from 19 Apr for its potential USD bond issuance. Harvest Operations Corp has scheduled for investor meetings from 19-20 Apr for its potential USD 5-year/7-year bond issuance (guaranteed by Korea National Oil Corp).

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	89.623	0.12%	USD-SGD	1.3099	-0.11%
USD-JPY	107.230	0.21%	EUR-SGD	1.6209	-0.08%
EUR-USD	1.2374	0.03%	JPY-SGD	1.2215	-0.33%
AUD-USD	0.7784	0.23%	GBP-SGD	1.8605	-0.70%
GBP-USD	1.4203	-0.59%	AUD-SGD	1.0196	0.12%
USD-MYR	3.8895	-0.02%	NZD-SGD	0.9588	-0.42%
USD-CNY	6.2744	-0.13%	CHF-SGD	1.3523	-0.36%
USD-IDR	13776	0.07%	SGD-MYR	2.9658	-0.11%
USD-VND	22773	0.15%	SGD-CNY	4.7899	-0.06%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.7038	--
2M	-0.3410	--	1M	1.8956	--
3M	-0.3280	--	2M	2.0419	--
6M	-0.2700	--	3M	2.3554	--
9M	-0.2190	--	6M	2.5013	--
12M	-0.1890	--	12M	2.7461	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.75-2	2-2.25	2.25-2.5	2.5-2.75
05/02/2018	27.8%	27.8%	0.0%	0.0%	0.0%
06/13/2018	88.6%	65.2%	23.4%	0.0%	0.0%
08/01/2018	89.3%	61.9%	26.0%	1.5%	0.0%
09/26/2018	95.9%	30.2%	48.2%	16.6%	0.9%
11/08/2018	96.4%	27.4%	46.2%	20.1%	2.6%
12/19/2018	97.7%	18.6%	39.2%	29.8%	9.1%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	68.47	2.93%	Copper (per mt)	7,014.0	2.53%
Brent (per barrel)	73.48	2.65%	Nickel (per mt)	15,244.0	7.46%
Heating Oil (per gallon)	2.0911	1.65%	Aluminium (per mt)	2,548.0	5.64%
Gasoline (per gallon)	2.0683	1.33%			
Natural Gas (per MMBtu)	2.7390	0.04%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,408.0	--
			Rubber (JPY/KG)	182.3	1.17%
Precious Metals	Futures	% chg			
Gold (per oz)	1,353.5	0.30%			
Silver (per oz)	17.248	2.75%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	24,748.07	-38.56
S&P	2,708.64	2.25
Nasdaq	7,295.24	14.14
Nikkei 225	22,158.20	310.61
STI	3,557.82	59.62
KLCI	1,879.32	-1.17
JCI	6,320.01	34.24
Baltic Dry	1,052.00	--
VIX	15.60	0.35

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.89 (-)	2.43 (+0.04)
5Y	2.05 (-)	2.73 (+0.04)
10Y	2.37 (-0.01)	2.87 (+0.04)
15Y	2.62 (-0.03)	--
20Y	2.65 (-0.04)	--
30Y	2.79 (-0.04)	3.06 (+0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	57.37	-0.69
EURIBOR-OIS	2.20	-1.15
TED	57.82	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
04/18/2018 07:50	JN Trade Balance	Mar	¥499.2b	¥797.3b	¥3.4b	¥2.6b
04/18/2018 07:50	JN Trade Balance Adjusted	Mar	¥104.0b	¥119.2b	-¥201.5b	-¥212.2b
04/18/2018 07:50	JN Exports YoY	Mar	5.20%	2.10%	1.80%	--
04/18/2018 08:30	AU Westpac Leading Index MoM	Mar	--	-0.22%	0.29%	0.43%
04/18/2018 12:00	MA CPI YoY	Mar	1.60%	1.30%	1.40%	--
04/18/2018 14:00	EC EU27 New Car Registrations	Mar	--	-5.30%	4.30%	--
04/18/2018 16:00	IT Industrial Sales MoM	Feb	--	0.50%	-2.80%	-2.90%
04/18/2018 16:00	IT Industrial Orders MoM	Feb	--	-0.60%	-4.50%	-4.60%
04/18/2018 16:00	SI Automobile COE Open Bid Cat A	Apr-18	--	38510	37000	--
04/18/2018 16:00	SI Automobile COE Open Bid Cat B	Apr-18	--	37330	37605	--
04/18/2018 16:00	SI Automobile COE Open Bid Cat E	Apr-18	--	38389	38039	--
04/18/2018 16:30	UK CPI YoY	Mar	2.70%	2.50%	2.70%	--
04/18/2018 16:30	UK CPI Core YoY	Mar	2.50%	2.30%	2.40%	--
04/18/2018 16:30	UK Retail Price Index	Mar	278.8	278.3	278.1	--
04/18/2018 16:30	UK RPI MoM	Mar	0.30%	0.10%	0.80%	--
04/18/2018 16:30	UK RPI Ex Mort Int.Payments (YoY)	Mar	3.60%	3.40%	3.60%	--
04/18/2018 16:30	UK PPI Input NSA YoY	Mar	4.30%	4.20%	3.40%	3.80%
04/18/2018 16:30	UK PPI Output NSA MoM	Mar	0.10%	0.20%	0.00%	--
04/18/2018 16:30	UK PPI Output Core NSA YoY	Mar	2.20%	2.20%	2.40%	2.50%
04/18/2018 17:00	EC CPI Core YoY	Mar F	1.00%	1.00%	1.00%	--
04/18/2018 17:00	EC CPI YoY	Mar F	1.40%	1.30%	1.40%	1.10%
04/18/2018 19:00	US MBA Mortgage Applications	Apr-13	--	4.90%	-1.90%	--
04/18/2018 22:00	CA Bank of Canada Rate Decision	Apr-18	1.25%	1.25%	1.25%	--
04/19/2018 05:00	SK PPI YoY	Mar	--	1.40%	1.30%	--
04/19/2018 06:45	NZ CPI QoQ	1Q	0.40%	0.50%	0.10%	--
04/19/2018 06:45	NZ CPI YoY	1Q	1.10%	1.10%	1.60%	--
04/19/2018 07:50	JN Japan Buying Foreign Bonds	Apr-13	--	--	-¥609.4b	--
04/19/2018 07:50	JN Japan Buying Foreign Stocks	Apr-13	--	--	¥149.3b	--
04/19/2018 07:50	JN Foreign Buying Japan Bonds	Apr-13	--	--	¥818.9b	--
04/19/2018 07:50	JN Foreign Buying Japan Stocks	Apr-13	--	--	¥332.9b	--
04/19/2018 09:30	AU Employment Change	Mar	20.0k	--	17.5k	--
04/19/2018 09:30	AU Unemployment Rate	Mar	5.50%	--	5.60%	--
04/19/2018 09:30	AU Full Time Employment Change	Mar	--	--	64.9k	--
04/19/2018 09:30	AU Part Time Employment Change	Mar	--	--	-47.4k	--
04/19/2018 09:30	AU Participation Rate	Mar	65.70%	--	65.70%	--
04/19/2018 09:30	AU NAB Business Confidence	1Q	--	--	6	--
04/19/2018 09:30	AU RBA FX Transactions Market	Mar	--	--	A\$310m	--
04/19/2018 16:00	EC ECB Current Account SA	Feb	--	--	37.6b	--
04/19/2018 16:00	IT Current Account Balance	Feb	--	--	-1266m	--
04/19/2018 16:30	UK Retail Sales Ex Auto Fuel MoM	Mar	-0.40%	--	0.60%	--
04/19/2018 16:30	UK Retail Sales Inc Auto Fuel MoM	Mar	-0.60%	--	0.80%	--
04/19/2018 16:30	HK Unemployment Rate SA	Mar	2.90%	--	2.90%	--
04/19/2018 20:30	US Initial Jobless Claims	Apr-14	230k	--	233k	--
04/19/2018 20:30	US Continuing Claims	Apr-07	1845k	--	1871k	--
04/19/2018 20:30	US Philadelphia Fed Business Outlook	Apr	21	--	22.3	--
04/19/2018 22:00	US Leading Index	Mar	0.30%	--	0.60%	--
04/19/2018	HK Composite Interest Rate	Mar	--	--	0.37%	--
04/19/2018	ID Bank Indonesia 7D Reverse Repo	Apr-19	4.25%	--	4.25%	--
04/19/2018	PH BoP Overall	Mar	--	--	-\$429m	--
04/19/2018 04/24	TH Car Sales	Mar	--	--	75466	--

Source: Bloomberg

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