

### Highlights

<b>Global</b>	<p>While awaiting to see how the US Trump administration will target China's investments into strategic technology sectors, S&amp;P fell for a second session yesterday, led by tech stocks as Amazon lost US\$53b in market cap on the back of a Axios report that President Trump is "obsessed" with regulating the company. With the lingering risk-off tone and news that the US trade deficit had widened more than expected to US\$75.4b in Feb, the 10-year UST bond yield also closed below the 2.8% support at 2.77%. Meanwhile, President Trump heralded the revised US FTA with South Korea as "a great deal for American and Korean workers", but market perception is that the concessions given were modest and this could bode well for the 1 May deadline for other trading partners including, Argentina, Australia, Brazil and the EU to reach similar agreements or face higher steel and aluminium tariffs. Elsewhere, the North Korea-Japan summit talk may occur as early as early June, according to an Asahi report, while BOT kept its policy rate unchanged at 1.5% in a 6-1 vote with the sole dissenter calling for a 25bp rate hike on the rationale that "prolonged monetary accommodation might induce households and businesses to underestimate potential changes in financial conditions". Asian bourses are likely to range trade today ahead of the long Easter holiday weekend. Today's economic data calendar will comprise US' personal spending and income, initial jobless claims, core PCE deflator, Chicago PMI and University of Michigan sentiments, final 4Q17 GDP prints from UK, German CPI and unemployment rate, and S'pore bank loans growth. Fed's Harker is also speaking on the economic outlook.</p>
<b>US</b>	<p>Final 4Q17 GDP growth printed at 2.9% qoq annualised, exceeding the previous estimate of 2.5% and market expectations for 2.7%. Meanwhile, pending home sales also rebounded more than expected to grow for the first time in three months by 3.1% mom (-4.4% yoy nsa) in Feb. Wholesale inventories also edged up 1.1% mom in Feb versus a revised 1.0% in Jan.</p>
<b>SG</b>	<p>Bank loans growth may have moderated further in Feb from the 5.4% yoy print in Jan, given the Chinese New Year festive season timing. Business sentiments may have also taken a bit of a hit from the Jan sell-off in financial markets.</p>
<b>CH</b>	<p>China will cut its value added tax for manufacturing sector to 16% from 17% effective from 1 May '18. In addition, profit for state owned companies rose by 25.3% in the first two months of 2018. Global times, a main government linked newspaper, said China is about to complete the list of US products for additional tariff.</p>
<b>ID</b>	<p>Incoming BI Governor Perry Warjiyo made mention that Indonesia should pursue a growth rate above 6.0% in the next five years and that the country should find ways to ensure borrowers benefitted from reductions in the central bank's interest rate. Warjiyo also said that the central bank should not hesitate to intervene in the market to stabilize the currency. Perry Warjiyo was elected the BI governor yesterday after the House Commission XI conducted a fit and proper test on him for five hours earlier in the day.</p>

## Major Market

- **US:** The decline seen in equities overnight was relatively calm compared to previous four sessions. The Nasdaq Composite led losses with a 0.85% decline, compounded by further pressure on the tech mega-caps. The S&P 500 was down 0.29%, while the Dow was only lower by 0.04%. Continue to watch for headlines surrounding the tech mega-caps, as they may spill-over to broader market sentiment. Amazon took the latest hit, with Trump said to be “obsessed” with impact. VIX continued to climb, closing at 22.87 compared to 22.50 previously. US Treasury yields were also higher across the board, with the 2y and 10y benchmark yields standing at 2.284% and 2.781% respectively.
- **Singapore:** The STI declined 1.64% to close below the 3400 support at 3382.78 yesterday amid the sea of red ink across Asian bourses, but may attempt to regain the 3400 resistance today amid more positive morning cues from Nikkei. STI could still trade in a range of 3380-3420. With the UST bond yields higher by 1-2bps amid a lacklustre 7-year auction overnight, SGS bonds may also unwind yesterday’s rally today.
- **Malaysia:** Parliament passed the re-delineation bill yesterday despite heavy protests from both opposition lawmakers and NGOs. The government is also looking to pass a fake news bill this week that will impose up to 10 years imprisonment and/or fine of up to RM500,000 for those found guilty of creating, publishing or disseminating fake news. It seems that once the fake news bill is also passed, the government is likely to dissolve parliament and call for elections. Meanwhile, BNM raised its growth forecast to 5.5-6.0% for 2018.

## Bond Market Updates

- **Market Commentary:** Yesterday, the SGD swap curve bull flattened, with the shorter tenors trading 1-3bps lower while the longer tenors traded 4-5bps lower. Flows in SGD corporates remained moderate, with better buying in UOBSP 4.9% PERP. The Bloomberg Barclays Asia USD IG Bond Index average OAS traded 1bp higher at 125bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS compressed 23bps to 357bps. 10Y UST traded around 2.75%-2.78% region and ended the day unchanged at 2.78% (lowest in over six weeks), supported by safe haven flows amidst risk-off sentiments.
- **New issues:** Shougang Group Co Ltd priced a USD500mn 360-day bond at 3.95%, tightening from its initial price guidance of 4%-4.1%. Jiangxi Copper Co Ltd is proposing to issue USD800mn to USD1bn of bonds, either on one-off basis or in tranches.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	90.058	0.77%	<b>USD-SGD</b>	1.3120	0.15%
<b>USD-JPY</b>	106.850	1.43%	<b>EUR-SGD</b>	1.6151	-0.60%
<b>EUR-USD</b>	1.2308	-0.77%	<b>JPY-SGD</b>	1.2282	-1.25%
<b>AUD-USD</b>	0.7662	-0.22%	<b>GBP-SGD</b>	1.8470	-0.42%
<b>GBP-USD</b>	1.4077	-0.57%	<b>AUD-SGD</b>	1.0052	-0.09%
<b>USD-MYR</b>	3.8647	-0.32%	<b>NZD-SGD</b>	0.9463	-0.71%
<b>USD-CNY</b>	6.2980	0.24%	<b>CHF-SGD</b>	1.3715	-0.90%
<b>USD-IDR</b>	13764	0.16%	<b>SGD-MYR</b>	2.9520	-0.39%
<b>USD-VND</b>	22825	0.05%	<b>SGD-CNY</b>	4.8095	0.19%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	1.6975	--
<b>2M</b>	-0.3410	--	<b>1M</b>	1.8769	--
<b>3M</b>	-0.3290	--	<b>2M</b>	1.9944	--
<b>6M</b>	-0.2710	--	<b>3M</b>	2.3020	--
<b>9M</b>	-0.2210	--	<b>6M</b>	2.4530	--
<b>12M</b>	-0.1910	--	<b>12M</b>	2.6714	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	1.75-2	2-2.25	2.25-2.5	2.5-2.75
05/02/2018	25.7%	25.7%	0.0%	0.0%	0.0%
06/13/2018	79.4%	60.9%	18.6%	0.0%	0.0%
08/01/2018	80.7%	58.4%	21.2%	1.2%	0.0%
09/26/2018	91.5%	36.6%	41.9%	12.3%	0.6%
11/08/2018	92.2%	34.3%	41.5%	14.8%	1.6%
12/19/2018	95.1%	24.3%	38.8%	24.9%	6.6%

#### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	64.38	-1.33%	Copper (per mt)	6,618.3	0.05%
Brent (per barrel)	69.53	-0.83%	Nickel (per mt)	13,086.0	1.01%
Heating Oil (per gallon)	2.0148	-0.38%	Aluminium (per mt)	2,011.8	-0.76%
Gasoline (per gallon)	2.0116	-0.09%			
Natural Gas (per MMBtu)	2.6980	0.26%			
			<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	Crude Palm Oil (MYR/MT)	2,418.0	-0.53%
Gold (per oz)	1,330.0	-1.33%	Rubber (JPY/KG)	180.2	0.45%
Silver (per oz)	16.253	-1.74%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	23,848.42	-9.29
<b>S&amp;P</b>	2,605.00	-7.62
<b>Nasdaq</b>	6,949.23	-59.58
<b>Nikkei 225</b>	21,031.31	-286.01
<b>STI</b>	3,382.78	-56.57
<b>KLCI</b>	1,857.87	-4.58
<b>JCI</b>	6,140.84	-68.51
<b>Baltic Dry</b>	1,117.00	--
<b>VIX</b>	22.87	0.37

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.80 (-0.03)	2.28 (+0.02)
<b>5Y</b>	2.08 (-0.06)	2.60 (+0.03)
<b>10Y</b>	2.32 (-0.06)	2.78 (+0.01)
<b>15Y</b>	2.60 (-0.06)	--
<b>20Y</b>	2.65 (-0.06)	--
<b>30Y</b>	2.80 (-0.05)	3.02 (-0.01)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	58.67	0.91
<b>EURIBOR-OIS</b>	3.23	0.14
<b>TED</b>	54.27	--

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
03/28/2018 07:00	SK GDP YoY	4Q F	3.00%	2.80%	3.00%	--
03/28/2018 08:00	NZ ANZ Business Confidence	Mar	--	-20	-19	--
03/28/2018 10:19	PH Bank Lending YoY	Feb	--	17.60%	18.30%	18.40%
03/28/2018 14:00	GE GfK Consumer Confidence	Apr	10.7	10.9	10.8	--
03/28/2018 14:45	FR Consumer Confidence	Mar	100	100	100	--
03/28/2018 15:05	TH BoT Benchmark Interest Rate	Mar-28	1.50%	1.50%	1.50%	--
03/28/2018 16:00	IT Industrial Orders MoM	Jan	--	-4.50%	6.50%	4.60%
03/28/2018 19:00	US MBA Mortgage Applications	Mar-23	--	4.80%	-1.10%	--
03/28/2018 20:30	US GDP Annualized QoQ	4Q T	2.70%	2.90%	2.50%	--
03/28/2018 20:30	US Personal Consumption	4Q T	3.80%	4.00%	3.80%	--
03/28/2018 20:30	US GDP Price Index	4Q T	2.30%	2.30%	2.30%	--
03/28/2018 20:30	US Core PCE QoQ	4Q T	1.90%	1.90%	1.90%	--
03/28/2018 20:30	US Wholesale Inventories MoM	Feb P	0.50%	1.10%	0.80%	1.00%
03/28/2018 22:00	US Pending Home Sales MoM	Feb	2.00%	3.10%	-4.70%	-5.00%
03/29/2018 05:00	SK Business Survey Manufacturing	Apr	--	78	82	--
03/29/2018 05:45	NZ Building Permits MoM	Feb	--	5.70%	0.20%	0.00%
03/29/2018 07:01	UK GfK Consumer Confidence	Mar	-10	-7	-10	--
03/29/2018 07:50	JN Retail Trade YoY	Feb	1.70%	1.60%	1.60%	1.50%
03/29/2018 07:50	JN Japan Buying Foreign Bonds	Mar-23	--	¥790.1b	¥853.8b	--
03/29/2018 07:50	JN Foreign Buying Japan Bonds	Mar-23	--	¥2174.1b	¥352.3b	--
03/29/2018 07:50	JN Foreign Buying Japan Stocks	Mar-23	--	¥2161.6b	¥1153.2b	--
03/29/2018 08:30	AU Private Sector Credit MoM	Feb	0.30%	0.40%	0.30%	--
03/29/2018 10:00	SK Department Store Sales YoY	Feb	--	--	-9.60%	--
03/29/2018 10:00	SK Discount Store Sales YoY	Feb	--	--	-20.20%	--
03/29/2018 10:00	VN Exports YTD YoY	Mar	21.60%	--	22.90%	--
03/29/2018 10:00	VN CPI YoY	Mar	3.25%	--	3.15%	--
03/29/2018 10:00	VN GDP YTD YoY	1Q	5.60%	--	6.81%	--
03/29/2018 14:00	UK Nationwide House PX MoM	Mar	0.20%	--	-0.30%	--
03/29/2018 15:55	GE Unemployment Change (000's)	Mar	-15k	--	-22k	--
03/29/2018 16:00	IT PPI MoM	Feb	--	--	0.80%	--
03/29/2018 16:30	UK Mortgage Approvals	Feb	66.0k	--	67.5k	--
03/29/2018 16:30	UK Money Supply M4 MoM	Feb	--	--	1.50%	--
03/29/2018 16:30	UK M4 Money Supply YoY	Feb	--	--	4.30%	--
03/29/2018 16:30	UK GDP QoQ	4Q F	0.40%	--	0.40%	--
03/29/2018 20:00	GE CPI YoY	Mar P	1.70%	--	1.40%	--
03/29/2018 20:00	GE CPI EU Harmonized YoY	Mar P	1.60%	--	1.20%	--
03/29/2018 20:30	CA GDP MoM	Jan	0.10%	--	0.10%	--
03/29/2018 20:30	US Initial Jobless Claims	Mar-24	230k	--	229k	--
03/29/2018 20:30	CA Industrial Product Price MoM	Feb	--	--	0.30%	--
03/29/2018 20:30	US Continuing Claims	Mar-17	1870k	--	1828k	--
03/29/2018 20:30	CA Raw Materials Price Index MoM	Feb	--	--	3.30%	--
03/29/2018 20:30	US Personal Income	Feb	0.40%	--	0.40%	--
03/29/2018 20:30	US Personal Spending	Feb	0.20%	--	0.20%	--
03/29/2018 20:30	US PCE Core MoM	Feb	0.20%	--	0.30%	--
03/29/2018 21:45	US Chicago Purchasing Manager	Mar	62	--	61.9	--
03/29/2018 21:45	US Bloomberg Consumer Comfort	Mar-25	--	--	56.8	--
03/29/2018 22:00	US U. of Mich. Sentiment	Mar F	102	--	102	--
03/29/2018	MU Hotel Occupancy Rate	Feb	--	--	90.3	--

Source: Bloomberg

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