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### Highlights

Global	Financial markets traded water overnight with many different swirling headwinds, comprising of UK Parliament's 412-202 vote to delay Brexit (implying another vote on PM May's deal next week is likely which if it passes by 20 Mar will seek a Brexit extension till 30 June), news of a potential delay to the Trump-Xi summit to at least April, the US Senate's rejection of Trump's national border emergency (setting the stage for a presidential veto), and mixed China economic data. S&P500 slipped while UST bond yields were generally lower. For the day ahead, BOJ's policy decision will be key to watch, but is unlikely to spring any surprises albeit governor Kuroda will speak. Asian markets may range trade in the interim. Today's economic data calendar comprises of Indonesia's Feb trade, Eurozone's CPI, and US' University of Michigan sentiments, industrial production and Empire manufacturing. ECB's Rehn is also speaking.
US	US' Feb import prices surged 0.6% in its largest increase since May, up from a 0.1% rise in Jan. Initial jobless claims rose more than expected by 6k to 229k, while new home sales fell 6.9% to 607k annual rate in Jan, albeit the Dec pace was revised higher to 652k. These data pointed to slowing momentum but still subdued inflation at this juncture, so they are unlikely to alter the Fed's narrative of patience at the upcoming FOMC meeting.
EU	Germany's growth forecast was slashed from 1.1% to 0.6% for 2019 amid weaker external demand and rising exporter headwinds, but should rebound to 1.8% in 2020, according to the IFO institute.
CH	The weaker than expected industrial production was in line with the picture painted by the PMI that supply weakened probably due to the concerns over the US-China trade war and a slowdown in the global economy. On the positive note, demand looks resilient for now. The reacceleration of fixed asset investment shows that China's proactive fiscal policy is taking effect. I think there is a good chance that fixed asset investment growth may have bottomed out. Property market is unlikely to be the weakest link for China's growth this year. Despite the deceleration of property sales, the jump of land purchases last year is expected to support the property investment this year. Last thing, China's surveyed unemployment rate increased to 5.3% from 4.9% last year. Although it is still lower than government target of 5.5%, the increase of unemployment rate shows the rising pressure from the US-China trade war on China's job stability.
SG	Total employment surged 38.3k in 2018, which is a reversal from the -10.7k seen in 2017, and was largely driven by local employment (72%, which was also the highest percentage since 2014) whilst foreign employment also rose after two straight years of declines. Looking ahead, hiring activity in the Education, Health & Social services, F&B services and retail trade is likely to remain supportive in 1Q19, but outward-oriented services like finance & insurance and wholesale trade is likely to moderate. Hiring is also likely to remain modest for manufacturing (weighed down by electronics slowdown, but some anticipated improvement in the Marine Shipyard segment) and potentially some rebound in the construction sector. Meanwhile, Malaysia and Singapore agreed to de-escalate the dispute on port limits.

## Major Markets

- **US:** Wall Street ended lower on Thursday, with the S&P500 declining 0.1% and the Nasdaq composite tumbling 0.2%.
- **Singapore:** The services sector contributed the bulk (74.2%) of the jobs created in 2018, the highest since at least 2008, which was attributable to hiring in health & social services, transportation & storage, financial services, information & communications and professional services. However, employment continued to decline for the manufacturing (-2.4k) and construction (-7.1k). Retrenchments fell 27% yoy to 10,730 last year, as recruitment rate picked up from 2.1% in 2017 to 2.3% in 2018 and the job vacancy to unemployed ratio also rose from 1.05 to 1.10. The annual average resident long-term unemployment rate also improved from 0.8% in 2017 to 0.7% in 2018, but the rates for residents in the 30s, 50s & over, and those with secondary education were higher than a year ago. Notably, 79% of retrenched residents were PMETs; by age 34.0% were aged 40-49 and 33.6% were 50 & over, while by educational qualification, 58% were degree holders.  
The STI closed nearly flat (+0.07%) at 3197.92 yesterday and may consolidate between 3175-3220 for today. With the 5-30 UST bond yield curve at its steepest (62bps) since Feb18, after the 30-year tenor led the sell-off overnight with the yield up 3bps, the SGS bond yield curve may also extend its steepening streak today. The 3-month LIBOR had fixed higher at 2.61463% whereas SOFR was set at 2.4%, and the sale of 4-week bills fetched just 2.43x bid-cover (lowest since Jul08).
- **Malaysia:** IPI expansion slowed to 3.2% yoy for the month of January 2019 (Dec 2018: 3.4% yoy) whilst manufacturing sales was at 7.0% yoy for the month too (Dec 2018: 7.5% yoy). For the IPI, the electricity and manufacturing indicator continued to expand by 7.8% yoy and 4.2% yoy respectively. However, the mining index contracted by 0.9% yoy, which was mainly due to a decline in the crude oil index.
- **Indonesia:** Fitch affirmed the country's sovereign rating at 'BBB' and stated that the ratings balance a favourable GDP growth outlook and a small government debt burden. They expect the government debt ratio to remain broadly stable in the next few years whilst they also see growth to slightly decelerate to 5.0% yoy in 2019 and headline inflation to average 3.4% yoy in 2019. They added, "There is little indication in Fitch's view that the presidential and parliamentary elections on 17 April 2019 will lead to major changes in the direction of economic policy."

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, as most tenors traded 1-2bps higher, with the exception of the 30-year swap rate trading 3bps higher. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 137bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 9bps to 474bps. 10Y UST yields rose 1bps to close the session at 2.63%, as the heavy pipeline of corporate issuances this week and in the upcoming weeks pressured the treasuries' sell-off, in a bid to push prices lower. The end of the Japanese fiscal year also induced Japanese investors to bolster their balance sheets by selling foreign bonds.
- **New Issues:** Sunny Express Enterprises Corp has priced a USD500mn 3-year bond (guarantor: China National Travel Service Group Corporation Ltd) at CT3+110bps,

tightening from IPT of +140bps area. Xinjiang Financial Investment Co Ltd has priced a USD200mn 3-year bond at 7.5%, in line with the final guidance. Yango (Cayman) Investment Ltd has priced a USD150mn 1.5-year bond (parent guarantor: Fujian Yango Group Co Ltd) at 12.75%, tightening from IPT of 13.25% area. Chengdu Communications Investment Group Co Ltd has priced a USD100mn re-tap of its existing CDCOMM 5.125%'21s at 100.954 (yield 4.75%). Mapletree Industrial Trust Treasury Company Pte Ltd has priced a SGD125mn 10-year bond (guarantor: DBS Trustee Limited) at 3.58%. Joint Stock Company Bank of Georgia has scheduled investor meetings from 18 March for its potential USD AT1 bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DX</b>	96.785	0.24%	<b>USD-SGD</b>	1.3558	0.25%
<b>USD-JPY</b>	111.700	0.48%	<b>EUR-SGD</b>	1.5326	0.05%
<b>EUR-USD</b>	1.1304	-0.20%	<b>JPY-SGD</b>	1.2135	-0.25%
<b>AUD-USD</b>	0.7064	-0.42%	<b>GBP-SGD</b>	1.7952	-0.48%
<b>GBP-USD</b>	1.3242	-0.72%	<b>AUD-SGD</b>	0.9578	-0.17%
<b>USD-MYR</b>	4.0905	0.09%	<b>NZD-SGD</b>	0.9254	-0.22%
<b>USD-CNY</b>	6.7230	0.24%	<b>CHF-SGD</b>	1.3506	0.25%
<b>USD-IDR</b>	14278	0.09%	<b>SGD-MYR</b>	3.0176	0.07%
<b>USD-VND</b>	23200	0.00%	<b>SGD-CNY</b>	4.9580	0.12%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3680	--	<b>O/N</b>	2.3901	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.4838	--
<b>3M</b>	-0.3100	--	<b>2M</b>	2.5685	--
<b>6M</b>	-0.2320	--	<b>3M</b>	2.6109	--
<b>9M</b>	-0.1940	--	<b>6M</b>	2.6764	--
<b>12M</b>	-0.1090	--	<b>12M</b>	2.8590	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
03/20/2019	0.0%	2.3%	0.0%	2.3%	97.7%
05/01/2019	0.0%	4.3%	0.0%	4.3%	95.7%
06/19/2019	0.0%	9.7%	0.3%	9.4%	90.3%
07/31/2019	0.0%	11.8%	0.5%	11.3%	88.2%
09/18/2019	0.0%	17.5%	1.2%	16.3%	82.5%
10/30/2019	0.0%	20.4%	1.7%	18.6%	79.6%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,709.94	7.05
<b>S&amp;P</b>	2,808.48	-2.44
<b>Nasdaq</b>	7,630.91	-12.49
<b>Nikkei 225</b>	21,287.02	-3.22
<b>STI</b>	3,197.92	2.33
<b>KLCI</b>	1,674.52	-3.72
<b>JCI</b>	6,413.27	35.69
<b>Baltic Dry</b>	677.00	23.00
<b>VIX</b>	13.50	0.09

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.96 (-)	2.46 (-)
<b>5Y</b>	2.04 (+0.01)	2.43 (-)
<b>10Y</b>	2.21 (+0.01)	2.63 (+0.01)
<b>15Y</b>	2.47 (+0.02)	--
<b>20Y</b>	2.53 (+0.03)	--
<b>30Y</b>	2.67 (+0.02)	3.05 (+0.03)

#### Financial Spread (bps)

	Value	Change
<b>EURIBOR-OIS</b>	5.10	-0.03
<b>TED</b>	35.36	--

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	58.61	0.6%	Corn (per bushel)	3.6150	1.2%
Brent (per barrel)	67.23	-0.5%	Soybean (per bushel)	8.895	0.1%
Heating Oil (per gallon)	1.9849	-0.4%	Wheat (per bushel)	4.4825	1.8%
Gasoline (per gallon)	1.8495	-0.4%	Crude Palm Oil (MYR/MT)	1,950.0	-0.3%
Natural Gas (per MMBtu)	2.8550	1.2%	Rubber (JPY/KG)	180.3	-0.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,473	--	Gold (per oz)	1,295.1	-1.1%
Nickel (per mt)	13,210	--	Silver (per oz)	15.101	-1.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
03/14/2019 14:30	IN Wholesale Prices YoY	Feb 2.80%	2.93%	2.76%	--
03/14/2019 20:30	US Import Price Index MoM	Feb 0.30%	0.60%	-0.50%	0.10%
03/14/2019 20:30	US Initial Jobless Claims	Mar-09 225k	229k	223k	--
03/14/2019 22:00	US New Home Sales	Jan 622k	607k	621k	652k
03/15/2019 12:00	ID Exports YoY	Feb -4.40%	--	-4.70%	--
03/15/2019 15:30	TH Foreign Reserves	Mar-08 --	--	\$211.7b	--
03/15/2019 18:00	EC CPI YoY	Feb F 1.50%	--	1.40%	1.40%
03/15/2019 21:15	US Industrial Production MoM	Feb 0.40%	--	-0.60%	--
03/15/2019 22:00	US U. of Mich. Sentiment	Mar P 95.7	--	93.8	--
03/15/2019	JN BOJ Policy Balance Rate	Mar-15 -0.10%	--	-0.10%	--
03/15/2019	IN Exports YoY	Feb --	--	3.70%	--

Source: Bloomberg

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