

## Highlights

Global	<p>It was only a modest increase on Wall Street overnight as energy stocks were supported by a rise in oil prices to a five month high. <b>On Brexit, the pound fell as the House of Commons Speaker John Bercow has more or less banned the government from undertaking another Brexit vote unless there are significant changes to the deal.</b> With time running out to the 29th March when the UK has to officially leave the EU, the question is now how the EU would react to this development and whether they would grant a long or short extension aside any potential changes they could still offer regarding the deal. Meanwhile, regarding the US – China trade negotiations, US Agriculture Secretary Sonny Perdue has said that “if we are able to come to a trade resolution, a doubling or tripling” of agriculture purchases by China from the US could occur in a period of two to five years. Aside that though, there remains limited news at this point still on the progress of the trade talks. On the oil front, OPEC and its allies reaffirmed their commitment to output cuts but will decide in June instead whether to extend the curbs into the second half of 2019. Asian markets are likely to trade cautiously today as they still await statements and decisions from various central banks this week including the FOMC, BI, BSP and the BoT. Data releases today include UK’s job data, Italy trade balance, US factory orders and the European ZEW survey results.</p>
UK	<p>Prime Minister Theresa May is reportedly expected to request a long extension to the UK’s EU membership at the EU summit set to occur this Thursday. At the same time, the UK has reached a temporary deal with Norway and Iceland should the scenario of a hard Brexit occur at the end of March. Previously, the UK has also sign agreements with Liechtenstein and Switzerland.</p>
CH	<p>The Chinese banks net purchased US\$15 billion foreign currency in February, a sign of return of demand for foreign currency despite RMB appreciation in the beginning of the year. The rising divergent currency outlook after the USDCNY approached 6.70 may continue to cap the upside for RMB.</p>
CMD	<p><b>Energy:</b> OPEC numbers last week showed Saudi Arabia keeping to its commitment of reducing its country’s oil output to 9.8m bpd by end of this month. Saudi produced about 10m bpd in Feb, down 200k bpd from Jan, and is on course to cut another 200k bpd in Mar. The report also showed Iraq and Nigeria being consistent dissidents to the OPEC+ Dec deal, with both countries overproducing for a second straight month. MoM, OPEC production fell another 200k bpd, which has lifted WTI from \$57/bbl two weeks ago to the current \$59/bbl.</p> <p><b>Gold:</b> Gold has been fluctuating around the \$1,300/oz level for the past week, with the market seemingly on pause as it weighs a poor nonfarm payrolls report against the ever-changing outlook on the US-China trade talks. It found technical support at \$1,280/oz in early March but renewed confusion on how close the US and China are to a trade agreement have kept prices supported. Gold prices are likely to be influenced by the potential of President Trump and President Xi conducting a joint summit in the coming month – if that does not materialise, gold prices may rally back to its \$1,350/oz level.</p>

## Major Markets

- **US:** Wall Street ended higher on Monday, with the S&P500 jumping 0.4%. The DJIA rose 0.3%, and the Nasdaq composite increased 0.3%.
- **Malaysia:** The government has announced that it has completed the issuance of 200 billion yen worth of Samurai bonds of which they also claimed was 1.6 times oversubscribed.  
Finance Minister Lim Guan Eng also said the Malaysian government will seriously consider future issuance of yen-denominated or Samurai bonds if the country is able to obtain rates similar to or lower than the 0.63% annual cost achieved for the recent issuance.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with the shorter tenors trading 2-3bps lower, while the belly and longer tenors traded 4-5bps lower. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 2bps to 135bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 14bps to 456bps. 10Y UST yields rose 1bps to close the session at 2.60%, after a modest treasuries selloff due to the new investment-grade corporate notes priced yesterday. The selloff occurred amidst a muted trading session where investors avoided placing large positions ahead of the conclusion of the Federal Reserve's policy-setting meeting on Wednesday. In light of the soft employment, manufacturing and factory activity data published recently, the US central bank is expected to hold rates steady.
- **New Issues:** Poly Real Estate Finance Ltd has priced a USD500mn 5-year bond (guarantor: Hengli (Hong Kong) Real Estate Ltd) at CT5+160bps, tightening from IPT of +190bps area. Yunnan Provincial Energy has priced a USD400mn re-tap of its existing YUNAEN 6.25%'21s (guarantor: Yunnan Energy Investment Overseas Finance Co Ltd) at 5.5%, tightening from IPT of 6.1% area. Canara Bank has scheduled investor meetings from 19 March for its potential USD 5-year bond issuance. Mongolian Mining Corporation has scheduled investor meetings from 18 March for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	96.524	-0.07%	<b>USD-SGD</b>	1.3512	-0.14%
<b>USD-JPY</b>	111.430	-0.04%	<b>EUR-SGD</b>	1.5320	-0.03%
<b>EUR-USD</b>	1.1337	0.10%	<b>JPY-SGD</b>	1.2126	-0.06%
<b>AUD-USD</b>	0.7104	0.27%	<b>GBP-SGD</b>	1.7910	-0.40%
<b>GBP-USD</b>	1.3255	-0.26%	<b>AUD-SGD</b>	0.9599	0.15%
<b>USD-MYR</b>	4.0765	-0.34%	<b>NZD-SGD</b>	0.9260	0.01%
<b>USD-CNY</b>	6.7130	-0.01%	<b>CHF-SGD</b>	1.3494	-0.02%
<b>USD-IDR</b>	14239	-0.16%	<b>SGD-MYR</b>	3.0155	-0.15%
<b>USD-VND</b>	23205	0.01%	<b>SGD-CNY</b>	4.9662	0.06%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
<b>1M</b>	-0.3680	--	<b>O/N</b>	2.3904	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.4818	--
<b>3M</b>	-0.3090	--	<b>2M</b>	2.5584	--
<b>6M</b>	-0.2320	--	<b>3M</b>	2.6253	--
<b>9M</b>	-0.1940	--	<b>6M</b>	2.6718	--
<b>12M</b>	-0.1090	--	<b>12M</b>	2.8405	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
03/20/2019	0.8%	0.0%	0.0%	0.0%	99.2%
05/01/2019	0.7%	4.1%	0.0%	4.1%	95.2%
06/19/2019	0.7%	10.3%	0.3%	10.0%	89.0%
07/31/2019	0.7%	13.3%	0.6%	12.7%	86.0%
09/18/2019	0.6%	18.8%	1.4%	17.4%	80.6%
10/30/2019	0.6%	23.3%	2.3%	20.9%	76.1%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,914.10	65.23
<b>S&amp;P</b>	2,832.94	10.46
<b>Nasdaq</b>	7,714.48	25.95
<b>Nikkei 225</b>	21,584.50	133.65
<b>STI</b>	3,212.96	12.78
<b>KLCI</b>	1,690.94	10.40
<b>JCI</b>	6,509.45	48.26
<b>Baltic Dry</b>	721.00	-9.00
<b>VIX</b>	13.10	0.22

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.95 (-0.01)	2.45 (+0.01)
<b>5Y</b>	1.99 (-0.03)	2.41 (+0.02)
<b>10Y</b>	2.16 (-0.03)	2.60 (+0.02)
<b>15Y</b>	2.40 (-0.05)	--
<b>20Y</b>	2.46 (-0.05)	--
<b>30Y</b>	2.62 (-0.04)	3.02 (+0.01)

#### Financial Spread (bps)

	Value	Change
<b>EURIBOR-OIS</b>	5.17	-0.03
<b>TED</b>	35.36	--

#### Secured Overnight Fin. Rate

<b>SOFR</b>	2.46
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#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	59.09	1.0%	Corn (per bushel)	3.7150	-0.5%
Brent (per barrel)	67.54	0.6%	Soybean (per bushel)	9.058	-0.4%
Heating Oil (per gallon)	1.9690	0.1%	Wheat (per bushel)	4.5675	-1.2%
Gasoline (per gallon)	1.8828	1.4%	Crude Palm Oil (MYR/MT)	2,025.0	3.8%
Natural Gas (per MMBtu)	2.8500	2.0%	Rubber (JPY/KG)	175.8	-0.1%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,431	--	Gold (per oz)	1,301.5	-0.1%
Nickel (per mt)	12,930	--	Silver (per oz)	15.251	0.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
03/18/2019 07:50	JN Trade Balance	Feb	¥305.1b	¥339.0b	-¥1415.2b	-¥1415.6b
03/18/2019 08:30	SI Non-oil Domestic Exports YoY	Feb	-1.60%	4.90%	-10.10%	--
03/18/2019 12:30	JN Industrial Production MoM	Jan F	--	-3.40%	-3.70%	--
03/18/2019 12:30	JN Capacity Utilization MoM	Jan	--	-4.70%	-1.90%	--
03/19/2019 16:30	HK Unemployment Rate SA	Feb	2.80%	--	2.80%	--
03/19/2019 17:30	UK Jobless Claims Change	Feb	--	--	14.2k	--
03/19/2019 18:00	EC ZEW Survey Expectations	Mar	--	--	-16.6	--
03/19/2019 22:00	US Factory Orders	Jan	0.30%	--	0.10%	--
03/19/2019 22:00	US Durable Goods Orders	Jan F	0.40%	--	0.40%	--
03/19/2019 22:00	US Durables Ex Transportation	Jan F	-0.10%	--	-0.10%	--
03/19/2019	HK Composite Interest Rate	Feb	--	--	0.83%	--
03/19/2019	PH BoP Overall	Feb	--	--	\$2704m	--

Source: Bloomberg

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