Research Monitor (February)

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Key Themes

1. January 2019 was eventful as we witnessed a record 35-day US government partial shutdown, a tentative risk recovery, the U-turn by the US Federal Reserve which dropped its reference to the need for “some further gradual” increases in the Fed Funds Rate target and is “prepared to adjust any of the details for completing balance sheet normalization in light of economic and financial developments”, the IMF pared its 2019-2020 global growth forecast to 3.5% for 2019 and 3.6% in 2020, and US-China held trade talks but US president Trump signalled that there will be no final deal before he meets with Chinese president Xi. At this juncture, whilst the Fed’s turnaround is risk-supportive, nevertheless the longevity of this risk rally would require a bottoming out and subsequent stabilization in the China story.
2. Key events to watch for February include RBA (likely static at 1.5% on 5th), BOT (likely unchanged at 1.75% on 6th), BSP and RBI (both likely on hold on 7th), BOE (constrained on 7th by messy Brexit impasse), RBNZ (static at 1.75% on 13th), BI (on hold at 6% on 21st) and BOK (also static at 1.75% on 28th). We expect market funding conditions to normalise post-Chinese New Year holidays, but market trepidation may return ahead of the approaching 15 February deadline for the US government re-opening and the March deadlines for US-China’s 90-day truce and Brexit.
3. China continued to step up its policy support to stabilize the growth via unconventional monetary policy and proactive fiscal policy in January. PBoC injected more of longer term liquidity via unconventional tools such as TMLF, dynamic assessment on targeted RRR cut and the launch of central bank bills swap. Meanwhile, the issuance of local government bond has sped up after China allowed the local governments to issue earlier. The jump of local government bond issuance together with China’s unconventional monetary policy gave market hopes that the Chinese economy may stabilize sooner than later. RMB outperformed in January due to weaker dollar and positive headlines from the US-China trade talk. However, the narrowing China US interest rate differential may cap RMB’s gain. We expect the USDCNY to be traded in 6.7-6.8 range in the near term.
4. A risk-on January saw benchmark crude prices surge, with Brent and WTI climbing 22% and 26% respectively from their Christmas lows. Saudi Arabia is seen with serious intent on the most recent production cuts, publishing a detailed breakdown on the share of supply reductions each member in OPEC+ is expected to undertake. It remains to be seen, however, whether the likes of Russia will comply with the rate cut, given that it has more than one major oil player in the country (Rosneft, Gazprom, Lukoil) compared to Saudi Arabia’s sole state-owned Aramco. Even with OPEC+ members’ full compliance on the production cuts, the global oil market appears to be just finely balanced, which is hardly enough to spark a rally. The US is also struggling with record-high gasoline inventories, which has depressed crack spreads and has capped any potential rally in crude prices. We continue to expect crude prices to be subdued in 1H2019, with WTI trading in a large sideway range of $45-$60/bbl and Brent between $50-$70/bbl.

<table>
<tr><th></th><th colspan="3">House View</th><th>Trading Views</th></tr>
<tr><td rowspan="2">FX</td><td colspan="3">G7: At the January FOMC, Fed effectively abandoned is hiking bias but stopped short of inciting bearish expectations. Front-end curve dynamics may continue to dominate and on the FX front, this has translated into a significant deterioration of aggregated rate differential support for USD. Expect near term positivity (however transient) in asset markets in the interim, with the cyclical currencies perceived to be relative outperformers. The EUR and GBP (expect the EU to remain less than charitable with respect to the UK) may however remain relative laggards given their respective baggage. Overall, the DXY continue to contemplate a break of its 200-day MA (95.314). However, the potential counterweights to implicit broad dollar weakness are numerous, ranging from Sino-US trade tensions to markets revisiting the unpleasantness of the global macro deceleration. Note that global central banks bar none in January set the tone by releasing downgraded growth and inflation forecasts. In this latter scenario, expect the USD to once again gain traction as investors vacate the cyclical currencies.</td><td>We are bearish on the USD-CAD, bullish on XAU-USD, while a bullish GBP-AUD may have legs yet.</td></tr>
<tr><td colspan="3">Asian FX: The Jan FOMC outcome may continue to engender positive appetite for regional equities and resultant support for selected regional currencies. Meanwhile, short-end EM FX vols in aggregate are hovering at levels not seen since December 2017. Structurally, this may continue to engender risk/yield seeking behavior. For China, we do not think there is an official discretionary intent to incite secular appreciation of the basket, and the basket may revisit 94.50 and then 95.00 while still maintaining a multi-month range. Asian central bank behavior in the coming weeks/months with regards to interest rate policy posture will be telling, especially with the Fed now expected to be off their backs for 2019. If policy neutrality is gradually replaced by hints of dovishness, a moderating front end may soften the anchor for the back-end (predicated of course on core inflation developments). We however do not expect this to impinge on investor appetite for EM/Asian assets, including FX. Given the still soft macro underpinnings in Asia (the Asian Macro Surprise Indices remain in negative territory with no sight of bottoming just yet), expect Asian central banks to attempt to resist undue appreciation of their domestic currencies). On the SGD, the SGD NEER is expected to keep the extreme strong end of its fluctuation band at arm's length, especially if doubts of further tightening by the MAS in April continue to mount.</td><td>We remain bullish on the renminbi complex and for the USD-CNH, the 6.7000 support may remain pivotal and if this is punctured, next key support only kicks in at the 200-week MA (6.6099). On a relative basis, continue to favor the CNH, IDR, THB, and SGD at the expense of the INR.</td></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">Fed capitalisation as we predicted: The Fed has turned neutral, and is under pressure to also turn dovish. This capitulation will provide markets with some appetite for turning risk-on in the short-term as other central banks also fold their tightening cards.</td><td>US: The Fed essentially conceded that it is "prepared to adjust any of the details for completing balance sheet normalization in light of economic and financial developments", in addition to reiterating its "patient" stance as it determines what future rate adjustments may be appropriate "in light of global economic and financial developments and muted inflation pressures". The Fed unanimously kept its Fed Funds rate static at 2.25-2.5% as widely expected and dropped the references to "roughly balanced" risks and the need for "some further gradual" increases in the Fed Funds Rate target, albeit it "continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective as the most likely outcomes". The futures market is now essentially flat for the year and starting to price in a possible rate cut next year. The 3-month LIBOR has eased marginally from its recent 2.82375% high seen on 20 December to around 2.73625%. The 10-year UST bond yield is likely to bounce around the 2.55-3.0% range in the interim.</td><td>↑</td><td></td></tr>
<tr><td>SG: The 3-month SOR has retreated to 1.93524% down from the recent 2.02526% high seen on 23 January, but the 3-month SIBOR remains fairly stable around 1.89142%, notwithstanding the recent Fed capitulation. Note the 2-10 year SGS bond yield curve has collapsed further to just 16bps and is nearing the 14bps tights last seen on 27 December. The recent auction of $2.9b of new 5-year notes, of which MAS took $200m, fetched a bid-cover ratio of 2.08x (or 2.23x excluding the $200m) and a cut-off yield of 2.06. The front end of the yield curve is currently very flat and fixed income investors are likely to extend duration beyond the belly of the curve for the yield pick-up. There are two other 5-year bond re-openings scheduled for 1 April and 1 August this year. Next up is a 30-year re-opening on 1 March, with the size announcement on 19 February and auction on 26 February.</td><td>↑</td><td></td></tr>
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Credit			
Credit	January risk sentiments were a stark reversal of December as credit markets started the year on a bullish run. Following a consistent widening in spreads through 4Q2018 that peaked at an almost three year high on the first few trading days of 2019, both the Bloomberg Barclays Asia USD IG Bond Index and the Bloomberg Barclays Asia USD HY Bond Index have since retraced some 18bps and 132bps respectively. Technical and fundamental considerations were at play with the 2018 credit correction (particularly in high yield) and lower expectations of further rate hikes in 2019 mixing with confidence that the Chinese government will continue to support both the slowing economy and corporate liquidity through various measures, including extending the validity of foreign bond issuance quotas and encouraging bond sales to strategically important sectors. This drove improved onshore demand for Chinese high yield property bonds amidst falling government bond yields that consequently fed into demand for Chinese property offshore bonds and hence the tightening in the Bloomberg Barclays Asia USD HY Bond Index. This all came despite a general consensus that China's property market will face slowing sales, price pressures and regulatory risk in 2019 and there is a significant amount of supply from China HY property issuers in 2019 to meet refinancing and put commitments. All up, Asia dollar issuance in January of USD29bn was the second highest volume for the month on record on conducive market conditions and a rush to issue before Chinese New Year. Both investment grade and high yield issuers took advantage although investor demand remains skewed towards better grade paper. Issuance trends were somewhat similar in the SGD primary space with SGD3.5bn issued mostly across high grade names. Issuance volumes were anchored by Land Transport Authority of Singapore's SGD1.5bn LTAZSP 3.38%'59s, following on from its SGD4.0bn in long tenor issuances in 2018, while Housing & Development Board also issued SGD600mn, continuing the dominance of government linked issuers in overall volumes seen in 2018. The remainder of issues were very diverse and included bank capital (BNP 4.35% '29c24s Tier 2s), perpetuals (SINTEC 5.0% PERPc24s), a high yield exchange (CENSP 5.5% '22s), subordinated to existing senior (ESRCAY 6.75% '22s) and supported by a Standby Letter of Credit (CQBNEP 4.35% '21s; SBLC from Shanghai Pudong Development Bank/Hong Kong). Trends so far have played into our Singapore Credit Outlook 2019 expectations and we expect these trends to continue on broadly stable to positive earnings results and still manageable risk events. Investors' conviction appears to be on the rise on firming market signals that the Fed will moderate its rate hike path with stronger bids pushing yields tighter. Issuance will be muted given the Chinese new-year holidays which may provide further support to prices. That said, elevated debt maturities in both the Asia dollar and SGD space should still keep issuance activity moving and spreads in check.	**IG Pick: ARTSP 4.68%-PERP (Offer YTC 4.08%):** Ascott Residence Trust ("ARTSP") is a hospitality REIT focused on serviced residences and rental housing properties. As at 30 September 2018, ART's portfolio consists of 73 properties with 11,430 units across 37 cities in 14 countries. By value, 60% of assets are located in the Asia-Pacific region. ART is Sponsored by CapitaLand Ltd who holds a ~45%-stake in the REIT. In January 2019, ART announced the proposed sale of Ascott Raffles Place for ~SGD353mn (64% above book value). As at 30 September 2018, ART's aggregate leverage was 36.4%. Assuming completion of the sale of Ascott Raffles Place (where proceeds are used to pare down debt) and including the debt funding of lyf at one-North, we estimate that ART's aggregate leverage may fall to ~33% before the REIT goes shopping again for more assets. **IG Pan: FCOTSP 2.625% 28/02/2020 (Offer YTW 2.60%):** Frasers Commercial Trust ("FCOT") holds office and business park assets and is sponsored by Frasers Property Ltd ("FPL", which holds a 26.8% interest in FCOT). FCOT reported a portfolio value of SGD2.13bn as at 30 September 2018 which comprises China Square Central ("CSC") and Alexandra Technopark ("ATP") in Singapore, and 357 Collins Street, Melbourne Caroline Chisholm Centre, Canberra and 50% of Central Park, Perth in Australia and 50% of Farnborough Business Park in the UK. Aggregate leverage for FCOT is lower than its peers at 28.4%. We see better value elsewhere and think that FCOT's bonds of other tenors also offer better spread pickups relative to FCOTSP '20s.	↑ ↓

Macroeconomic Views

	House View	Key Themes
US	The Federal Reserve held rates static after hiking rates nine times since 2015 and removed the use of hawkish language in its statement. The fed also signalled that it will be flexible in unwinding its balance sheet. This marked a shift from its stance of conducting tighter monetary policy just last month. Overall, the Fed's statement is perceived to be dovish by the market. The downgrade in the Fed's language suggested waning prospects for a rate hike this year and a higher probability of a cut in 2020.	The Fed changed its tone and described the US economic growth as "solid" instead of "strong", a change from the previous session. A stronger focus on global risk is observed with Powell highlighting slower growth in China and Europe. The FOMC cited "muted inflation pressures", indicating that the case for hiking rates had "weakened". Patience is also a recurring theme in recent Fed speeches, and it was reiterated with Powell saying "The situation now calls for patience". With regards to the unwinding of balance sheet, the Fed admitted that the normalization process will be completed "sooner and with a larger balance sheet". Hence, it is likely that the Fed would end up with more assets than previously estimated. January also marked the longest US government shutdown of 35 days. While Trump conceded to re-open the government, another shutdown on Feb 15 is impending if Trump still fails to receive wall funding by then. He also threatened to declare a national emergency to build the border wall.
EU	ECB holds interest rate steady after a series of unexpectedly weak data surfaced from the region. The change in the ECB's language prompted expectations that the Central Bank is positioning for another period of easy money instead of normalization. Anticipation of the first hike since 2011 is also further delayed after the ECB double-down on dovishness. PM May's Brexit deal fell through overwhelmingly in Parliament. May's "Plan B" was discussed in Parliament and MPs voted for amendments. She will return to the Commons and put a revised deal, after negotiating with the EU, to the vote by 13 January.	ECB president Draghi opined that "at this point in time, we don't see such contingency as likely to materialize, certainly this year" even though "softer external demand and some country and sector-specific factors" have contributed to a slowdown in the Eurozone economy. He also expressed confidence in the underlying strength of the economy, despite stating that global outlook risks have shifted to the downside. Italy is currently facing a recession and Germany lost significant economic momentum, which possibly explained ECB's decision to remain static. Geopolitical factors and the possibility of protectionism were singled out as factors that dampened market sentiment. In UK, the Parliament voted to replace Irish backstop with unspecified "alternative arrangements". However, within minutes of the Commons result, EU announced that they were not ready to renegotiate the Brexit deal. Given the impending deadline on 29 March, a no-deal Brexit seems highly probable.
Japan	BOJ is expected to maintain its accommodative policy stance and stand pat at -0.10% policy balance rate throughout 2019. In view of the deteriorating global outlook, the central bank still has some way to go before it can put a stop to its stimulus programme	Japan is exposed to a series of downside risks in 2019, which includes impacts from US macroeconomic policies, US-China trade tensions as well as Brexit. Amidst the mounting pressure from a slowing global demand, Japan's December exports experienced the largest fall in 2 years. December inflationary pressures were cold, at 0.3% yoy, down from Nov's 0.8% yoy and further way from BOJ's 2% inflation target. At the policy-setting meeting in January, BOJ maintained short-term interest rate target at -0.10% due to the stubbornly weak inflation. BOJ also cut the inflation forecast for 2018 to 0.8%, down from 0.9% yoy, and lowered projection for 2019 from 1.5% yoy to 1.4% yoy. With a tepid inflation rate and growing uncertainty over the global economy, BOJ is expected to stick to its loose monetary policy. On top of maintaining rates, BOJ also extended the deadline for lending schemes by a year to encourage financial intermediaries to increase loans.

	House View	Key Themes
Singapore	The Singapore economy is likely to decelerate to 2.7% in 2019 versus 3.3% in 2018. The 2019 Budget on 18 Feb may incorporate a slightly looser fiscal stance to accommodate any downside growth risks, but if core inflation stays shy of the 2% yoy handle in the run-up to the April MPS, MAS may also hold off since the global monetary policy tide has turned to one of greater caution.	Bank loans grew by a stronger 3.0% yoy (-0.02% mom) in December 2018, bring the average expansion to 4.7% for the full-year of 2018 which is a moderation from 6.0% yoy pace in 2017. Business loans growth also stabilised at a 3-month high of 4.1% yoy in December (November: 3.3% yoy), whereas consumer loans growth continued to moderate to 1.5% yoy (-0.01% mom) in December 2018 and the slowest since September 2006 (1.4% yoy). Bank loans growth may remain soft in the coming months amid cautious business and market sentiments. The latest business expectations survey for both manufacturers and services firms point to more tepid conditions for 1H 2019, with a net 14% and 4% respectively anticipating a less favourable business outlook for the next six months. The main manufacturing drags were from electronics industry (-45%), followed by the precision engineering (-24%), chemicals (-10%) and general manufacturing (-4%), whereas biomedical (+6%) and transport engineering (+4%) were still slightly upbeat.
Indonesia	We see growth coming out at 5.2% yoy for 2018 and 5.3% yoy for 2019. The final quarter of 2018 is unlikely to see any pick-up as we see few factors that could result in an acceleration. The 2019 growth should be supported by robust government consumption, strong investment growth and strengthening private consumption. We believe BI will likely undertake one more hike of at least 25bps for 2019.	BI held the benchmark rate in January as Governor Perry Warjiyo stated that it had “almost reached its peak”. However, he also highlighted that it is “difficult to say” if a cut would occur. We believe BI will undertake one hike of 25bps for 2019 if the dot plots still indicate two hikes as Perry has also stated that the November hike already factored “Fed fund rate hikes in December and March”. However, if the dot plots indicate a pause for 2019, we don’t believe BI would consider a cut unless there are clear signs that the current account deficit is narrowing and growth falls below trend. Meanwhile, December trade data continued to show a deficit of US$1.1bn as December exports further declined by 4.6% yoy (Nov 2018: -2.8% yoy) and imports growth slowed to 1.2% yoy (Nov 2018: 11.8% yoy). The import growth slowdown was driven by lower raw materials import growth whilst exports were possibly affected by the China slowdown and trade tensions. Going forward, a deficit may still persist in the short – term given that import pressures may remain especially related to consumer goods and that exports could still be weighed down by the China factor and the trade war. .
China	The Chinese economy decelerated to 6.6% yoy in 2018, in line with market expectation. The economy is expected to slow down further to around 6.2-6.3% due to weak demand amid external uncertainties. China’s rates may continue to go down further as China has turned more decisive to support the growth via both monetary and fiscal policies.	The Chinese economy decelerated to 6.6% yoy in 2018 from 6.8% yoy in 2017, in line with market expectation. From expenditure method perspective, contribution from consumption to growth increased further in 2018 accounting for about 76% of growth, highest in record. PBoC unveiled more unconventional monetary policy tools such as TMLF, dynamic assessment on targeted RRR cut and the launch of central bank bills swap to support the growth. Although the PBoC withdrew the short end liquidity from the system via the suspension of open market operation, the central bank injected the longer term liquidity instead to encourage banks to lend to the real economy.

	House View	Key Themes
Hong Kong	We expect GDP growth will decelerate from 3.4% yoy in 2018 to 2.7% yoy in 2019 as the economy has been facing multiple headwinds including China's slowdown, global monetary tightening and trade war. Housing market may continue to cool down amid increasing supply and weaker demand on lower wealth effect, higher rates, muted salary prospects and China's slowdown. Both HKD and HIBORs are expected to see two-way volatility.	Housing market showed some signs of rebound, probably due to a dovish Fed, US-China trade truce, China's stimulus and the reducing prices of secondary and primary homes. However, should China's growth continue to slow down and interest rates remain on uptrend, adding on the government's promise to increase public housing supply, private housing transactions may see limited upside. We expect overall price index to fall by 6.5% and the prices of smaller flats to drop by 8% in 2019. Elsewhere, flushed HKD liquidity continued to support carry trade. Adding on gradual equity net outflows, USDHKD spot will likely grind gradually to 7.85 and prompt further liquidity withdrawal by the HKMA. However, dovish central banks, eased trade tensions and China's stimulus may help to contain HK's capital outflow risks. As such, HIBOR and HKD may continue to see two-way volatility.
Macau	With a strong MOP and Asia's muted economic outlook on trade war concerns, the growth of exports of goods and services may decelerate. On the other hand, the VIP-segment may succumb to policy risks. Adding on sluggish private investment and a high base effect, we expect GDP to grow by 5% in 2018 and by 2%-3% in 2019.	Visitor arrivals increased to a record high of 3.56 million in Dec 2018, mainly led by the strong growth of same-day visitors (+28.9% yoy to a record high) owing to year-end holiday effect and infrastructure improvement. In the near term, dovish central banks, China's supportive measures, the easing tension between the US and China as well as the infrastructure improvement may lend some support to the tourism and gaming sectors. However, we remain cautious about the medium-term outlook of the tourism and gaming sectors due to the lingering uncertainty from trade war and the lack of much more new hotels or casinos.
Malaysia	We expect the 2018 growth forecast to come out at 4.5% yoy with a further slowdown in 4Q 2018 given the front-loading of consumer expenditure in earlier quarters and weaker industrial activity. For 2019, we expect growth to slow to 4.4% yoy amid a deceleration in global activity. For now, we still expect that BNM should stay pat for 2019 even as inflation would probably average 2.0% yoy for 2019. However, we are not ruling out a cut if certain conditions prevail.	Bank Negara Malaysia (BNM) kept the benchmark interest rate on hold following their January policy meeting. However, the central bank has highlighted that risks to Malaysia's growth are "tilted to the downside". They also believe that inflation in 2019 would "average moderately higher" than 2018 (~1.0%). For the meantime, it appears that BNM is adopting a wait and see approach before deciding to take any further action. However, we are not ruling out a cut as growth may come out below trend and inflation may be benign. Regardless, BNM may still want to wait to get more certainty of the Fed's tones and actions this year. More certainty of a dovish Fed stance would create increased room for BNM to undertake a rate cut. We though see that any rate cut that occurs would probably only come in the second half of 2019.
Thailand	Thailand will hold general elections on Mar 24, with the long-awaited royal decree officially confirming the date. Changes in the Thai constituency – set forth by the current junta – mean that the military occupies most of the Upper House, leaving only seats in the Lower House up for grabs.	Despite the excitement that the Thai elections are set to bring – it is after all, the first elections since the junta ousted Yingluck Shinawatra in 2014 – we expect this to be a non-event. With almost the entire Upper House already staffed with military personnel, the military-aligned Palang Pracharath party only requires 126 out of 377 seats in the Lower House to give the military the overall majority in parliament and re-elect incumbent Prayut Chan-ocha to continue being the PM. The new-look junta is expected to carry on where it has left off economically – meaning there will be no wholesale changes to expect in terms of growth or the Eastern Economic Corridor.

	House View	Key Themes
Korea	For the rest of 2019, benchmark rates are likely to remain at 1.75%. Any increase this year is nearly impossible given the way the economy has unfolded; conversely, the BoK has warned against prematurely cutting rates.	Last quarter's better-than-expected GDP growth of 3.1% was largely fuelled by government expenditure which grew 7.1% yoy, higher than the average 4.5% the SK government normally spends. This masked the slump in exports, but the boost in the arm from fiscal spending cannot go on indefinitely. Weakness in the SK economy will begin to show more signs of stress this year and the base case is for a 2.5% growth – the worst since 2012. Prolonged trade disputes between the US and China will drag this number lower. 2019 looks like a year of limited upside for South Korea growth, but with much downside risks present.
PH	Philippines headline inflation sunk to 5.1% in Dec from its high of 5.7% in Oct. Coupled with the dovish stance that global central banks are adopting, it is unlikely that the BSP will consider hiking rates further in the next 3 months at least.	The PH economy grew 6.2% in 2018 – its slowest in three years. With taming inflation this year and also increased government spending due to the general elections, we can expect growth to rebound higher. We are estimating full year 2019 growth at 6.7% and expect Philippines to be one of the outperformers in the region, together with Vietnam and Indonesia.
Myanmar	Myanmar continues to be a hotbed for investment opportunities in the long-term; in the short-run there is some uncertainty whether the country will face trade sanctions over the Rohingya crisis.	A UN fact-finding mission has concluded Myanmar of performing genocide against the Rohingya people and has called for involved military top brass to be prosecuted, which Myanmar has rejected. The EU is considering trade sanctions on Myanmar and could be imposing trade sanctions on Myanmar, in addition to stripping tariff-free privileges to the EU. Many foreign investors have reportedly delayed final approval of projects until the EU has made its decision, which is probably the wiser thing to do at this point despite Myanmar's allure as an investment hotbed.

FX/Rates Forecast

USD Interest Rates	1Q19	2Q19	3Q19	4Q19
Fed Funds Target Rate	2.50%	2.50%	2.50%	2.50%
1-month LIBOR	2.53%	2.55%	2.58%	2.60%
2-month LIBOR	2.64%	2.66%	2.68%	2.70%
3-month LIBOR	2.81%	2.80%	2.80%	2.80%
6-month LIBOR	2.89%	2.91%	2.93%	2.95%
12-month LIBOR	3.03%	3.05%	3.08%	3.10%
1-year swap rate	2.85%	2.93%	3.02%	3.10%
2-year swap rate	2.80%	2.91%	3.03%	3.15%
3-year swap rate	2.76%	2.90%	3.04%	3.18%
5-year swap rate	2.76%	2.91%	3.05%	3.20%
10-year swap rate	2.88%	3.00%	3.13%	3.25%
15-year swap rate	2.95%	3.06%	3.17%	3.28%
20-year swap rate	2.97%	3.08%	3.19%	3.30%
30-year swap rate	2.98%	3.11%	3.23%	3.35%
SGD Interest Rates	**1Q19**	**2Q19**	**3Q19**	**4Q19**
1-month SIBOR	1.78%	1.91%	2.05%	2.18%
1-month SOR	1.79%	1.93%	2.06%	2.20%
3-month SIBOR	1.91%	2.02%	2.12%	2.23%
3-month SOR	1.95%	2.05%	2.15%	2.25%
6-month SIBOR	1.96%	2.07%	2.19%	2.30%
6-month SOR	1.98%	2.12%	2.26%	2.40%
12-month SIBOR	2.14%	2.24%	2.35%	2.45%
1-year swap rate	2.00%	2.15%	2.31%	2.46%
2-year swap rate	2.00%	2.16%	2.32%	2.48%
3-year swap rate	2.03%	2.19%	2.34%	2.50%
5-year swap rate	2.08%	2.24%	2.39%	2.55%
10-year swap rate	2.33%	2.44%	2.54%	2.65%
15-year swap rate	2.60%	2.63%	2.67%	2.70%
20-year swap rate	2.74%	2.76%	2.78%	2.80%
30-year swap rate	2.75%	2.80%	2.85%	2.90%
Malaysia	**1Q19**	**2Q19**	**3Q19**	**4Q19**
OPR	3.25%	3.25%	3.25%	3.25%
1-month KLIBOR	3.50%	3.57%	3.63%	3.70%
3-month KLIBOR	3.74%	3.78%	3.83%	3.87%
6-month KLIBOR	3.83%	3.87%	3.90%	3.93%
12-month KLIBOR	3.92%	3.95%	3.97%	3.99%
1-year swap rate	3.71%	3.74%	3.76%	3.78%
2-year swap rate	3.72%	3.75%	3.78%	3.81%
3-year swap rate	3.75%	3.78%	3.81%	3.84%
5-year swap rate	3.84%	3.87%	3.89%	3.91%
10-year swap rate	4.15%	4.19%	4.22%	4.29%
15-year swap rate	4.38%	4.40%	4.43%	4.45%
20-year swap rate	4.57%	4.60%	4.62%	4.64%

UST bond yields	1Q19	2Q19	3Q19	4Q19
2-year UST bond yield	2.54%	2.60%	2.65%	2.70%
5-year UST bond yield	2.58%	2.66%	2.73%	2.80%
10-year UST bond yield	2.76%	2.84%	2.92%	3.00%
30-year UST bond yield	3.07%	3.13%	3.19%	3.25%
SGS bond yields	**1Q19**	**2Q19**	**3Q19**	**4Q19**
2-year SGS yield	2.01%	2.07%	2.13%	2.12%
5-year SGS yield	2.03%	2.10%	2.18%	2.20%
10-year SGS yield	2.20%	2.30%	2.40%	2.50%
15-year SGS yield	2.45%	2.51%	2.58%	2.64%
20-year SGS yield	2.51%	2.57%	2.64%	2.70%
30-year SGS yield	2.63%	2.67%	2.71%	2.75%
MGS forecast	**1Q19**	**2Q19**	**3Q19**	**4Q19**
6-month yield	3.31%	3.36%	3.40%	3.45%
5-year MGS yield	3.82%	3.84%	3.85%	3.87%
10-year MGS yield	4.24%	4.24%	4.24%	4.24%

FX	Spot	1Q19	2Q19	3Q19	4Q19
USD-JPY	108.84	108.13	106.91	106.09	105.27
EUR-USD	1.1441	1.148	1.1551	1.1658	1.1764
GBP-USD	1.3096	1.316	1.3247	1.3377	1.3507
AUD-USD	0.7238	0.7263	0.7299	0.7372	0.7446
NZD-USD	0.691	0.6975	0.7021	0.7098	0.7174
USD-CAD	1.3149	1.3055	1.301	1.292	1.283
USD-CHF	0.9947	0.9968	0.9872	0.9756	0.9639
USD-SGD	1.3489	1.3413	1.3359	1.3312	1.3266
USD-CNY	6.7338	6.6853	6.6268	6.5853	6.5438
USD-THB	31.39	31.15	30.84	30.61	30.38
USD-IDR	13945	13793	13694	13611	13528
USD-MYR	4.0953	4.0768	4.0501	4.0128	3.9754
USD-KRW	1118.8	1114	1107.89	1100.22	1092.56
USD-TWD	30.776	30.613	30.458	30.304	30.151
USD-HKD	7.8459	7.8383	7.8268	7.8153	7.8038
USD-PHP	52.265	52.08	51.86	51.64	51.42
USD-INR	71.1	71	70.13	69.43	68.73
EUR-JPY	124.52	124.13	123.49	123.68	123.85
EUR-GBP	0.8736	0.8723	0.872	0.8715	0.871
EUR-CHF	1.1381	1.1443	1.1404	1.1373	1.134
EUR-SGD	1.5435	1.5398	1.5431	1.5519	1.5606
GBP-SGD	1.7667	1.7651	1.7696	1.7807	1.7917
AUD-SGD	0.9764	0.9741	0.9751	0.9814	0.9877
NZD-SGD	0.9321	0.9355	0.9379	0.9449	0.9517
CHF-SGD	1.3562	1.3456	1.3532	1.3646	1.3763
JPY-SGD	1.2394	1.2405	1.2496	1.2548	1.2601
SGD-MYR	3.036	3.0395	3.0318	3.0144	2.9968
SGD-CNY	4.9927	4.9843	4.9606	4.9468	4.933

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
02/01/2019 07:30	JN	Jobless Rate	Dec	2.50%	--	2.50%	--
02/01/2019 16:50	FR	Markit France Manufacturing PMI	Jan F	51.2	--	51.2	--
02/01/2019 21:30	US	Change in Nonfarm Payrolls	Jan	165k	--	312k	--
02/01/2019 23:00	US	ISM Manufacturing	Jan	54	--	54.1	54.3
02/01/2019 23:00	US	U. of Mich. Sentiment	Jan F	90.7	--	90.7	--
02/04/2019 18:00	IT	CPI EU Harmonized YoY	Jan P	--	--	1.20%	--
02/05/2019 11:30	AU	RBA Cash Rate Target	Feb-05	1.50%	--	1.50%	--
02/06/2019 15:05	TH	BoT Benchmark Interest Rate	Feb-06	--	--	1.75%	--
02/06/2019	ID	GDP YoY	4Q	--	--	5.17%	--
02/07/2019 15:00	GE	Industrial Production SA MoM	Dec	--	--	-1.90%	--
02/07/2019 16:00	PH	BSP Overnight Borrowing Rate	Feb-07	--	--	4.75%	--
02/07/2019 17:00	IN	RBI Repurchase Rate	Feb-07	--	--	6.50%	--
02/07/2019 20:00	UK	Bank of England Bank Rate	Feb-07	--	--	0.75%	--
02/07/2019 21:30	US	Initial Jobless Claims	Feb-02	--	--	--	--
02/08/2019 07:50	JN	BoP Current Account Balance	Dec	--	--	¥757.2b	--
02/11/2019 17:30	UK	GDP QoQ	4Q P	--	--	0.60%	--
02/11/2019 17:30	UK	GDP YoY	4Q P	--	--	1.50%	--
02/12/2019 16:00	TA	CPI YoY	Jan	--	--	-0.05%	--
02/13/2019 09:00	NZ	RBNZ Official Cash Rate	Feb-13	--	--	1.75%	--
02/13/2019 17:30	UK	CPI MoM	Jan	--	--	0.20%	--
02/13/2019 17:30	UK	CPI YoY	Jan	--	--	2.10%	--
02/13/2019 21:30	US	CPI MoM	Jan	--	--	-0.10%	--
02/14/2019 07:50	JN	GDP SA QoQ	4Q P	--	--	-0.60%	--
02/14/2019 07:50	JN	GDP Annualized SA QoQ	4Q P	--	--	-2.50%	--
02/14/2019 21:30	US	Initial Jobless Claims	Feb-09	--	--	--	--
02/15/2019 09:30	CH	CPI YoY	Jan	--	--	1.90%	--
02/15/2019 12:30	JN	Industrial Production MoM	Dec F	--	--	--	--
02/15/2019 23:00	US	U. of Mich. Sentiment	Feb P	--	--	--	--
02/18/2019 07:50	JN	Core Machine Orders MoM	Dec	--	--	0.00%	--
02/18/2019 08:30	SI	Non-oil Domestic Exports YoY	Jan	--	--	-8.50%	--
02/19/2019 17:30	UK	Jobless Claims Change	Jan	--	--	20.8k	--
02/19/2019 18:00	GE	ZEW Survey Current Situation	Feb	--	--	27.6	--
02/19/2019 18:00	GE	ZEW Survey Expectations	Feb	--	--	-15	--
02/21/2019 08:30	AU	Employment Change	Jan	--	--	21.6k	--
02/21/2019 08:30	AU	Unemployment Rate	Jan	--	--	5.00%	--
02/21/2019 15:45	FR	CPI YoY	Jan F	--	--	--	--
02/21/2019 16:15	FR	Markit France Manufacturing PMI	Feb P	--	--	--	--
02/21/2019 17:00	IT	CPI EU Harmonized YoY	Jan F	--	--	--	--
02/21/2019 21:30	US	Initial Jobless Claims	Feb-16	--	--	--	--
02/22/2019 17:00	GE	IFO Business Climate	Feb	--	--	99.1	--
02/22/2019 18:00	EC	CPI YoY	Jan F	--	--	1.60%	1.60%
02/25/2019 13:00	SI	CPI YoY	Jan	--	--	0.50%	--
02/26/2019 23:00	US	Conf. Board Consumer Confidence	Feb	--	--	--	--
02/27/2019 17:00	IT	Manufacturing Confidence	Feb	--	--	--	--
02/27/2019 21:30	CA	CPI YoY	Jan	--	--	2.00%	--
02/28/2019 07:50	JN	Industrial Production MoM	Jan P	--	--	--	--
02/28/2019 15:45	FR	CPI YoY	Feb P	--	--	--	--
02/28/2019 18:00	IT	CPI EU Harmonized YoY	Feb P	--	--	--	--

Source: Bloomberg

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