OCBC TREASURY RESEARCH

OCBC Bank

Research Monitor (April)

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Key Themes

1. **Recent bank angst appears to be subsiding.** The rapid failures of SVB and Signature Bank in the US, accompanied by the UBS acquisition of Credit Suisse, had sent financial markets initially into a bit of a tailspin, but prompt policy reactions reassured investors that systemic contagion risk was unlikely. Consequently, the S&P500 still closed up 3.5% for March and 7.0% for the first quarter. The 2-year UST bond yield also rallied from a high of 5.07% on 8 March to a low of 3.77% by 24 March before closing back above the 4% handle at end March as risk appetite waxed and waned. Moreover, the Fed and ECB proceeded to hike rates shortly notwithstanding the market volatility. That said, there is likely to be greater regulatory scrutiny for banks and credit and liquidity conditions could tighten further. Looking ahead, the surprise announcement by OPEC to cut output by more than 1 million barrels from May gave oil prices a jumpstart and spurred inflationary concerns again, which could give major central banks more ammunition to persist with tightening monetary policy ahead. What is clear is that Fed rate cuts are unlikely to manifest in the near-term barring a sharp US recession materializing.

2. **Geopolitical risks remain front and centre.** US-China relations remain fragile, as illustrated by the US Commodity Futures Trading Commission (CFTC)'s lawsuit against Binance. The Taiwanese leader Tsai's upcoming meeting with US House Speaker McCartney may also ruffle Chinese feathers. Trump's potential indictment could also portend a greater polarization ahead of the 2024 elections. The US' debt ceiling deadline is also looming with no clarity on any negotiations.

3. **PBoC announced to cut the reserve requirement ratio by 25bps in March despite China's economic recovery gaining momentum.** This confirmed that growth tops the priority this year and eased initial market concerns about the conservative 2023 growth target of around 5%. Sentiment about China continued to improve. Domestically, the newly appointed Premier Li Qiang reiterated China's commitment to open up and support the private economy. The return of Jack Ma to China and China's cyberspace administration's pledge to punish illegal online information that damage the image and reputation of enterprises and entrepreneurs were also considered as positive market signals. China's Hang Seng tech index rose by 9.65% in March, outperforming Nasdaq. Ties between China and Europe also turned warmer again as more European leaders plan to visit China in April. In addition, the closer relationship between Saudi Arabia and China also revived hopes of a Petrol Yuan.

4. **Flash estimates* indicate that the OCBC SME Index could come in at 47.8 in Mar 2023, down from the 54.5 recorded in February.** Market sentiments remain cautious amidst rising uncertainty within the financial and banking sector, while weak external demand and persistent inflationary pressures continued to weigh down on growth of SMEs. The manufacturing PMI shrank in March after a brief foray above the 50 handle in February, while the electronics PMI remained in contraction territory for the eight straight month, suggesting that the second quarter outlook remains tepid.

5. **Oil prices to recover.** The selloff in March has subsided. OPEC's surprise decision to cut output by around 1.1 million barrels a day from May, with Saudi Arabia leading with 500,00 barrels cut a day, is likely to fuel crude oil prices higher in the interim and in turn potentially reignite inflationary pressures.

**Using data until 21st March*

Asset Class Views

	House View	Trading Views
FX	**G-10 FX:** The surprising market event in March was the sudden collapse of the 3 US banks within a week, which probably underscores how restrictive Fed's monetary policy is and potentially flag how other smaller, mid-sized US banks may be vulnerable. Fed urgently needs to strike a delicate balance between preserving financial stability, combating inflation and maintaining credibility. As much as it shows that Fed is adopting the stance that monetary policy and financial stability can be treated independently and policymakers have different tools in their policy toolkit for different problems. The **Fed has also paid attention to how the banking mess may potentially be tightening credit conditions**. Specifically, Fed Chair Powell said at the post-FoMC press conference that **tighter credit conditions and declining bank lending would have a similar impact as rate hikes would**. Powell did acknowledge that it is unclear how significant this credit tightening will be but could be "quite real". Bank credit growth is already slowing to sub-5%. This is way below the long-term average of ~7.5% and is often but not always associated with US recessions. Other Fed officials including Cook highlighted that recent banking turmoil could present a headwind to economic growth this year and if tighter financing conditions restrain the economy, the appropriate path of Fed fund rate may be lower than it would be in their absence. **With credit tightening possibly taking over, this also implies that current Fed tightening cycle could be getting closer to an end**. As we postured earlier, a **tamer Fed hike trajectory or "an end in sight" on Fed tightening can support sentiments and weigh on USD**. Similarly, **USD can also trade on the back foot if US growth slows while rest of the world (ROW) stays resilient**. For the quarter, DXY was down nearly 1% while on monthly change, DXY was down 2.28%. The risk is how market perceives this banking stress. As it stands, the speed at which 4 banks (including a Swiss institution) collapsed in 11 days with markets trying to suss out the next weakest link highlights how fragile sentiments can be. Risks can be 2-way. Global growth worries and lingering concerns of banking stresses may temporarily benefit safe-haven proxies such as JPY, gold and USD. But when these concerns recede, we should expect USD softness to return while risk proxy FX, including AxJs and other majors such as EUR, GBP and AUD to recover. The last week of March has somewhat seen an absence of negative news and the subsequent decline in the USD. This is in light of limited broader contagion risks so far. But bear in mind that the banking mess in US may still be far from over given the deposit flight from small/mid-sized banks to large US banks. A recently published paper highlighted that nearly 200 banks face the same type of risk that took down SVB. We had indicated that a **US-centric risk should typically weigh on the USD assuming contagion outside US is limited**. Another risk to be mindful of is the disconnect between markets and Fed on timing of rate cut. 30d Fed fund futures suggest that the first cut could come as soon as September while the Fed held to its ground that rate cuts this year is not a base case scenario. This temporary disconnect will cause market volatility and assuming if Fed's stubbornness prevails, then a market re-pricing could lend support to USD. Overall, we keep to our view for a moderate-to-soft USD profile as Fed tightening goes into late cycle, with an "end-in-sight" potentially on the horizon. A more entrenched disinflation trend would also support the "end-in-sight" view and likely to the USD to trade softer. An eventual case of slower pace of tightening across most central banks, including the Fed as well as China reopening, should help to partially mitigate against global growth concerns. Assuming that bank contagion risk is limited, a less severe global growth slowdown will also be supportive of pro-cyclical FX, including AxJs, AUD while counter-cyclical USD stays on the back foot. That said, we do not expect a one-way street for USD's decline. There will be instances of intermittent and sporadic USD upticks as USD still retain a yield advantage and is a safe haven proxy to some extent. The risk of USD rebound	Maintain view of a moderate to soft dollar profile. Expect range of 102 – 104 within wider range of 100.80 - 105.

	could occur if markets unwind its overly dovish repricing of the Fed or a broader market sell-off ensues. On this risk, we continue to watch price-related data closely.	
	EUR had its fair share of choppy price action for the month of March before closing the month 2.5% higher (vs. USD). Bank fall outs in US and Switzerland had casted some concerns in Europe's banking sector. European banks (EURO STOXX Banks of 23 banks) fell nearly 20% at one point before a partial rebound of ~6.5%. Relative stability has somewhat been restored after comments from some European officials. ECB President Lagarde told EU leaders the euro area banking sector was resilient due to strong capital and liquidity positions post-GFC reforms. German Chancellor Scholz and French President Macron also weighed in to support how the European banking system is stable. There were also news reports that Friday's (24 Mar) sell-off in European banks was likely triggered by a single $5mio trade in a German bank's CDS (owing to poor liquidity). Fragile sentiments may still pose downside risks to EUR but if concerns on EU banking sector prove short-lived (i.e. no material sell-off), then we should expect EUR to recover. We turned mild-constructive on EUR's outlook. March sell-off in Euro-area banking stocks remains a risk to watch. If this is extended, we would review our outlook. But barring any extended global sell-off and assuming Euro-area banking sector stays resilient, then this dip in EUR could be seen as an opportunity to buy dips, on the back of still hawkish ECB amid inflationary pressures and resilient Euro-area growth. 1/ ECB likely the remaining few hawks in town. At the last Governing Council meeting (16 March), Lagarde shared that a "large majority" of ECB policymakers supported the decision as inflation is likely to remain too high for too long and policymakers aren't wavering on their commitment to combat inflation despite the bank sell-off then. Some notable ECB speaks over the last weeks include: Lane said that more hikes are needed if bank stress stays contained while Kazimir said hikes should persist but maybe at slower pace. He added core inflation will be key in rate decisions. Elsewhere, Schnabel said Eurozone banks have not seen a loss of deposits despite recent financial stability concerns, though there has been some shift from overnight deposits to time deposits. Nagel said further increases in borrowing costs necessary if the outlook for prices doesn't get derailed. He added that ECB's job is not done yet in taming inflation. Visco told Italian lawmakers that interest rates in real terms are still relatively low and the key thing is to avoid a price-wage spiral. He however added that he believes global uncertainty is such that central bank must follow a meeting-by-meeting approach on rates. Lagarde asserted that ECB will take a "robust" approach that allows it to respond to inflation risks as needed but also to aid in financial markets if threats emerge. She elaborated that bring inflation back to 2% over medium term is non-negotiable. Kazaks said that it is not possible to say that ECB stopped raising rates at this point. He added that there is no reason to compare today's situation with 2008 as the situation is significantly different, for example bank supervision is much stricter and bank capital is higher. He also shared that European banks are "well capitalised and financial resources and liquidity are available". Most recently, he sees need to hike rates in May but cannot yet judge how big a move that should be. Holzmann said ECB may need to increase rates by more than 100bps before it peaks above 4% while Rehn said euro-area inflation remains too fast and does not appear to be easing enough. Hawkish ECB rhetoric can also mitigate against further worsening in EU-UST yield differentials (2y at -134bps vs.-185bps in Feb) and provide some support to EUR. 2/ European Commission said that the EU economy is set to avoid recession even though headwinds persist. The commission also revised inflation forecast lower for 2023 and 2024. Softer energy prices (gas prices fell 85% since August and now trades around 14 months low of under EUR50/MWh) also helped as it improves the overall outlook. Businesses, households and government finances can cope better. On net, we opined some recession fears in Euro-area, banking sector concerns, energy woes and geopolitical concerns remain but resilient growth, hawkish ECB and potentially a moderate-to-soft USD profile should support EUR's recovery. Key risks to watch that may weigh on	Buy dips preferred. Look for 1.0700 – 1.0950 range, within wider perimeters of 1.0650 – 1.1030.

EUR outlook include (1) EU's growth momentum from here; (2) whether there will be further escalation in Russian-Ukraine tensions – poses risks to energy and inflation or would there be a ceasefire scenario; (3) if USD strength returns with a vengeance (i.e. global risk-off); (4) if ECB unexpectedly signals a dovish tilt; (5) if Euro-area banking sector comes under scrutiny.

GBP traded higher (+2.6% vs. USD) for the month of Mar. BoE Governor Andrew also sounded relatively hawkish in his remarks recently. While saying that rates should not be taken to the 2008 peak, he stressed how the UK banking system is in a sound position and that inflation remains the key focus, and that further rate hikes are possible if inflationary pressures persist. We are turning slightly neutral-mild constructive (from neutral) in our outlook on GBP as UK growth outlook may not be as bad as feared, BoE is still somewhat hawkish, domestic credibility is restored, post-Brexit EU-UK relations are on the mend while softer energy prices offer relief with government finances, businesses, and households. Release of 4Q GDP also confirmed that UK narrowly avoided entering a technical recession. OBR said in its report that the economic and fiscal outlook for UK had "brightened somewhat" since the previous forecast in Nov. It also noted that *"The near-term economic downturn is set to be shorter and shallower; medium-term output to be higher; and the budget deficit and public debt to be lower. But this reverses only part of the costs of the energy crisis, which are being felt on top of larger costs from the pandemic. And persistent supply-side challenges continue to weigh on future growth prospects,"* The OBR also forecast that UK would not enter a technical recession in 2023, as was previously anticipated. Inflation is also predicted to decline to just 2.9% by end-2023, from 10.7% (4q 2022). Earlier, a UK think tank, National Institute of Economic and Social Research (NIESR) predicted that UK is likely to avoid a recession this year. The think tank predicts the economy will grow by just 0.2% this year, and 1% in 2024. Even the BoE, which had earlier expected UK economy to contract this year and 1Q 2024 (due to high energy prices and higher borrowing costs weigh on spending) is the latest to join the bandwagon in not expecting a recession. On net, a moderate-to-soft USD profile, tentative signs of improvement in growth outlook, fading Brexit concerns should allow for GBP to recover though pockets of concerns in some aspects of domestic fundamentals (stagflation risk, consumer squeeze, etc.), and the prospect of BoE turning less hawkish remain and may at times restraint GBP's recovery.

We are biased to buy dips. In the interim, look for GBP to trade in 1.2150 – 1.2450 range within wider range of 1.1950 – 1.2650.

USDJPY had a wild ride in March, fell nearly as much as 5% at one point before retracing about half of its earlier decline into the month close. Risk-off trades owing to bank failures in US, Switzerland and fears of broader contagion saw USDJPY fell sharply, alongside the sharp decline in UST yields at first, but broader contagion risks proved limited (for now) and some of these risk-off trades was unwound, alongside the recovery in UST yields. We still expect BoJ to proceed with policy normalisation at some stage amid higher pressure on prices, wages. Japan's largest union (UA Zensen), which is the largest industrial union in Japan with 18 unions under its umbrella has unveiled that it has sealed a 5.28% average pay increase with employers during annual wage negotiations. We believe the "shunto" wage negotiations is a key input into BoJ policy deliberation process. Committee may do a policy assessment before committing to any decision and that puts 28 April or perhaps even 16 June MPC in focus. Possibly, a move/ tweak to policy stance could come on 16 June instead. Our house view continues to look for a removal of YCC regime. Sustained rise and broadening inflationary pressures supports our bias for the removal of YCC and or exit from NIRP. Overall, we expect USDJPY to trade lower on the back of a moderate-to-soft USD profile (as Fed tightening stretches into late cycle and that USD can fall when peak is priced) and expectation for further BoJ shift towards policy normalisation amid higher inflationary pressures in Japan.

Bias to lean against strength.

Look for USDJPY to trade 131.3 - 133.80 range within wider perimeters of 129.75 – 135.40.

AUD traded a lacklustre month, falling by 0.65% (vs. USD). Bank stresses in US, Europe and global growth concerns provided a basis to be cautious while expectations for potential RBA pause at April MPC also weighed on AUD. Slow recovery in China property market, slow infrastructure spending also somewhat contributed to subdued demand for commodities, weighing on AUD. Near term, we

Expect AUD to recover. Near term range of 0.6560 –

	remain watchful as high-beta FX such as AUD can be subjected to sell-off on any signs of contagion or global risk off. Beyond the near term and looking out, we still favour AUD to trade higher on the back of China reopening, possibly warmer ties between Australia and China, and a more moderate-to-soft USD profile (as Fed nears end tightening cycle). On AU-China relations, recent development has been promising. Chinese ambassador to Australia Xiao Qian had said that relations with Australia had a "turnaround" and a "very positive year". Australia PM Albanese is anticipating Beijing trip this year as talks resume. Earlier this year, China has effectively ended a ban on Australian coal. This is a positive for commodities and AUD. China's top steelmaker and 3 central government-backed utilities have been given the green light to resume coal imports from Australia. The easing of import ban could just be the beginning of more to come. Tourism, education and property sectors in Australia could benefit if relations between China and Australia further warm up. Key downside risk factors that may affect AUD view are 1/ extent of CNH swings; 2/ if USD strength or aggressive Fed tightening returns; 3/ global growth outlook – if DM's slowdown deteriorates; 4/ any market risk-off event.	0.6750 within wider perimeters of 0.65 – 0.68.
FX	**Asian FX and SGD:** USDCNH fell 1.2% for the month of Mar. Much stronger than expected China PMI for Mar brought cheers to China reopening narrative and lend a boost to momentum and sentiments. Non-mfg PMI came in at 58.2 for Mar (vs. 55 expected vs. 56.3 prior) while manufacturing PMI was a touch softer than prior but still stronger than expected (actual 51.9 vs. 51.6 expected vs. 52.6 prior). This continues to support China reopening optimism narrative. In the last week of Mar, there were also some positive developments onshore: 1/ Alibaba's break up into 6 main units (may potentially give capital markets a jolt); 2/ Jack Ma's return to China (an indication that regulatory crackdown in private sector could be nearing an end); 3/ Big 3 – Baidu, Alibaba and Tencent reported better than expected earnings. Equities in the region continued to hold up well with Hang Seng clocking in over 7% gains in second half of the month of March. Taken together, receding broader contagion risks, positive developments in China, stronger PMIs and expectations that Fed is nearing end of tightening cycle should continue to keep sentiments broadly supported. We still believe the Chinese reopening story has yet to fully play out. Gradual recovery, led by consumers should remain the name of the game. We also noted that China is also planning to launch "invest in China" to attract foreign investments. Economic data in coming weeks is also a focus. A continuation of good data should disappoint China bears and result in reallocation flows to underweight Chinese assets; benefiting RMB. A sustained pickup in economic activity should also bode well for China and regional growth. One of the main risks we have to keep in view is ongoing geopolitical tensions between UIS and China over tech. Deterioration of relations here could undermine RMB. Another emerging risk to watch is the recent jump in oil prices as that may pose fresh risks to inflation, UST yields and may undermine AxJ FX, including CNH.	Sideways trade in 6.82 – 6.92 range within wider perimeters of 6.78 - 6.95
	USDSGD fell 1.3% for the month of March as markets re-price for a tamer Fed tightening profile following the banking mess in US while there are still expectations for MAS tightening. As of 3 April, S$NEER is trading 1.41% above model-implied mid. MAS policy decision is expected in the week of 10 – 14 April, alongside the release of 1Q GDP. We believe further tightening is appropriate given that price pressures remain elevated. In particular, core CPI remains elevated at 5.5% and is way above MAS projection for 3.5% to 4.5%. We do however note some divergence with headline CPI moderating while some components such as services, private transport and food prices have also seen price increases paused. But headline CPI at 6.3% is still closer to MAS' upper bound expectation of 5.5% – 6.5% and the recent surge in oil prices owing to unexpected production cut by OPEC+ members still pose upward risks to price pressures. It may be too soon for MAS to pause tightening cycle at this point. MAS MD Ravi Menon did highlight on 9 March in his speech that *inflation remains well above targets and that tightening cycle as some ways to go.* While this is in a global context, SG inflation trend is also somewhat similar. He also touched on *complex spill over effects from synchronised policy tightening across countries. These effects could help dampen inflation domestically to the extent they reduce imported inflation. But they could also exacerbate inflation if the domestic exchange rate weakens.* We believe MAS can still afford to tighten at this MPC so as to maintain some degree of relative SGD strength to reduce imported inflation. A re-centering of	Near term consolidation. Bias to sell rallies. Range of 1.32 – 1.34 within wider perimeters of 1.30 - 1.36.

	policy band upwards would open up room for S$NEER appreciation and with S$NEER trading ~0.6ppts away from our model-implied upper bound, this move can operationally help to alleviate some intervention pressure. Potentially, we believe policymakers can replay the playbook of April 2011 policy decision by re-centering to *below prevailing level*. This can also signal a "step-down" in pace of tightening but still achieve some degree of SGD appreciation. This calibrated adjustment will also take into account the tighter policy stance that has been adopted since October 2021, which will continue to have a restraining effect on the economy and prices. Beyond the near term, we still retain a slight bullish outlook on SGD due to resilient macro-fundamentals and China's reopening optimism (supportive of sentiments and regional growth).	
	USDMYR fell 1.6% for the month of March amid 1/ softer USD and UST yields due to expectations of a tamer Fed tightening profile; 2/ China reopening optimism received another boost after China PMIs surprised to the upside; 3/ broader contagion worries receded; 4/ still room for BNM to tighten in 2Q. In the recently published BNM's economic and monetary review (9 Mar), BNM expects both headline and core CPI to average between 2.8% and 3.8%. BNM expects Inflation to moderate, driven by the lower prices of key commodities but outlook for inflation in 2023 remains tilted to the upside. In particular, the plan to float chick and eggs price in Jul 2023 is another upward risk for inflation. Other upside risks highlighted by BNM include worsening geopolitical conflict leading to higher commodity prices, extreme weather conditions, stronger-than-expected demand from China and higher input costs due to exchange rate developments. Separately, in BNM MPS (9 Mar), statement indicated that *further normalisation to the degree of monetary policy accommodation would be informed by the evolving conditions and their implications to the domestic inflation and growth outlook.* In consideration of the above factors, we continue to maintain a constructive outlook on MYR.	Near term range of 4.38 – 4.48 within wider range of 4.30 – 4.53.
	THB was an outperformer against regional FX as it rose 3.3% (vs. USD) in Mar. THB appreciation was due to a few factors including: 1/ tracking gains in gold prices, up nearly 7.8% for the month (strong correlation between THB and gold); 2/ a softer USD and falling UST yields as markets reprice for a tamer Fed tightening profile after US banking turmoil; 3/ China reopening story which is expected to benefit Thai tourism recovery; 4/ softer oil prices to help Thailand import bill as Thailand is net oil importer; 5/ still room for BoT to hike. We believe these factors highlighted remain intact and should continue to underpin THB strength. The last policy decision in which BoT hiked rate by 25bps for the 5th consecutive time to 1.75%, its highest level since Jul 2019. Policymakers touched on rate normalisation to continue and there is room for lenders and borrowers to cope with higher cost of interest rates. On Gold-THB relationship, the 1y correlation coefficient is very significant at 0.93 (out of max of 1) while sensitivity of THB to gold prices high at about 0.71. Thailand is the largest OTC gold trading hub in ASEAN (3rd largest in Asia after China and India) and typically the rise in gold prices tend to see profit-taking and subsequent conversion demand for THB. Our view on gold is that prices can continue to stay supported on 1/ as a risk-off hedge (safe haven proxy) against slowing global growth or risk-off market event like the recent banking turmoil that saw a surge in gold prices; 2/ gold prices typically can outperform at end of Fed tightening cycle period; 3/ falling real yields will imply that the opportunity cost of holding gold falls. 10y TIPS yield has fallen to 1.16% low from a peak of 1.65% in Mar. (YTD correlation coefficient between gold and 10y TIPS yield is significant -0.87 (i.e. gold rises, TIPS yield fall). One risk to watch going forward is the Thailand General Elections (14 May). The risk of leadership transition may imply potential delay to policy implementation, budget and or spending plans. Uncertainty on this front may temporarily restraint THB bulls but this is likely to be temporary.	Near term range of 33.80 – 34.80 within wider range of 33 – 35.
	IDR gained 1.7% (vs. USD) for the month of Mar, breaching 15,000 psychological support for the first time in nearly 2 months. The key drivers underpinning IDR strength include: 1/ renewed foreign inflows into domestic bond markets in Mar; 2/ softer USD and UST yields due to expectations of a tamer Fed tightening profile; 3/ supported market sentiments. We reckon sustained foreign inflows in search of higher carry would be a key driver of IDR strength, assuming our view of Fed tightening cycle is nearing an end.	Near term range of 14,920 – 15,080 within wider range of 14,840 – 15,150.

	House View	Trading Views[1]	
Rates	Our base-case is one final 25bp hike by the FOMC in current tightening cycle, which will bring the Fed funds rate target range to 5.00%-5.25%. For now, we maintain our expectation for the easing cycle to start in early 2024, as inflation remains a hurdle. We do note risk is to the downside to our expected Fed funds rate trajectory, depending on the extent to which the banking sector stresses affect credit conditions – which will essentially do part of the tightening job. While the FOMC acknowledged that the recent developments are likely to result in tighter credit conditions for households and businesses, it has nevertheless left the option of additional tightening on the table. The median dot on the Fed's dot-plot did not change, remaining at 5.125% corresponding to a target range of 5.00%-5.25%, but there were mild upward shifts in some of the individual dots. The distribution of individual dots is skewed to the upside around the median dot for both 2023 and 2024, meaning the hurdle is high for the median dots to move lower. On balance, monetary policy remains highly data dependent, but the development in the banking/financial sector comes into play via the implications on credit conditions and economic activities. As for the ECB, we maintain our call for two more 25bp hikes in this cycle, and for the QT pace to quicken beyond June – beyond June simply because the ECB has planned for a monthly amount of EUR15bn through June already, where our view is this amount could have been bigger in the first place.	**USD rates**: UST yields rebounded from intra-month lows and were trading at levels seen at the start of February, before the strong economic data prints and Powell's hawkish comments. Key that drives short-end bond yields is the rate cut expectation. Between market priced and our base-case profiles of the Fed funds rate, we expect the 2Y UST yield to trade in a range of 3.90%-4.30%. The curve has steepened over the past month, and we maintain our curve steepening view from here, noting such potential around the end of the tightening cycle and beyond.	→
		Asian rates: SGD rates have moved more in tandem with USD rates than some other Asian market did in the recent bond rally. Still, front-end SGD rates underperformed their USD counterparts, leaving rate spreads less deeply negative. We maintain our view for SGD-USD rates spreads to become less negative over the course of the year, as the tightening cycle is coming to an end. Impact of any MAS policy action on SGD rates is likely to be limited as spot may take more of the reaction, i.e. the usual factor that push SGD rates down may not be present.	↑
		IndoGBs underperformed USTs in March, as USTs were boosted by safe-haven flows amid a largely US-centric issue. Bonds were issued as per indicative targets (amount) at each of the auctions in March, in line with our expectation. The Q2 target has been set lower than Q1 target even adjusting for the different numbers of auctions in the respective quarter. There is no funding pressure given the comfortable fiscal position thus far this year, while budget financing is mildly ahead of schedule. The sanguine supply outlook is supportive of IndoGBs, but room for yields to go lower is limited given still compressed yield differentials with USTs and continued operation twist.	↑
		MGS underperformed USTs as MGS stayed stable amid the global bond rally. MYR IRS underperformed MGS of late, upon some hawkish remarks from BNM. We maintain our call for a final 25bp hike in the OPR, and for limited reaction in short-end MGS and KLIBOR as the yield and rate are already trading ahead of the policy rate. 1Y MYR IRS at 3.65% and 1Y1Y MYR IRS at 3.55% look roughly fair to a tad too high.	→
		CNY rates and CGBs have been pretty much insulated from the volatility in DM bonds. PBoC cut the RRR by 25bp in view of liquidity demand. The small cut suggests that room for further cut is limited. We maintain an upward bias to CNY rates over the course of the year on growth recovery and bond supply, although this expected upward move may only come slowly.	↑

[1] Arrows point to direction of interest rates and bond yields

	House View	Trading Views	
Credit	Risk off sentiments took hold in March as the consequences of the previous rate hike path to contain inflation begin to take effect. A relatively one-way upward trajectory in UST 10Y yields through February gave way to a highly volatile month with two weeks of noticeable swings in the middle of the month. The twin effects of a potential US banking crisis along with entrenched inflation whipsawed investors' expectations on the path of US rates. Overall, USD10Y yields were down around 45bps m/m. US bond issuances dried up in the middle of the month. New investment grade issues in March totalled USD99.2bn according to Bloomberg, down from more than USD140bn priced in each of February and January 2023. The largest investment grade deals were by Johnson & Johnson (USD7.75bn) and UnitedHealth Group Inc (USD6.5bn). HSBC Holdings PLC priced a three tranche USD9bn total loss absorbing capacity deal at the start of the month. As expected with the risk off sentiments, high yield issuance volumes slowed dramatically with USD6.8bn priced in March 2023, down from USD13.8bn and USD21.1bn priced in February and January 2023 respectively. On a relative basis, the Asiadollar market was quiet. The Bloomberg Asia USD IG Bond Index average OAS widened ~19bps m/m to 141bps, while the Bloomberg Asia USD HY Index average OAS widened 125bps m/m to 1012bps as at time of writing although still remain well below the levels seen at the end of October to mid-November 2022 when concerns in the China property space accelerated. A total of USD7.9bn was priced in March, down from USD13.3bn in February and USD32.8bn in January. While primary issuance volumes declined, developments in the debt restructuring process of China property have begun to increase. The SGD space was not immune to prevailing global credit influences although remained somewhat resilient, with just over SGD3.0bn priced from a variety of issuers including City Development Limited, a property developer with a strong sustainability focus, pricing a SGD470mn 5Y bond at 4.139%, National University of Singapore pricing a SGD340mn 10Y green bond at 3.268%, Mapletree Pan Asia Commercial Trust pricing a SGD150mn 7Y green bond at 4.25%, Sembcorp Industries Ltd pricing a SGD350mn 7Y green bond at 4.6% and Hotels Properties Limited pricing SGD125mn of 5Y senior unsecured bonds at 5.25%. The bulk of issuances however came from Financial Institutions who priced in the first week of March, with HSBC Holdings PLC pricing a SGD1bn 10NC5 Tier 2 at 5.3%, Barclays PLC pricing a SGD400mn of AT1 NC-June 2028 (first reset is three months later in September 2028) at 7.3% and several other Financial Institutions pricing 1Y senior papers. Liquidity in the bank capital space remains constrained and price discovery challenging, particularly within the European Additional Tier 1 space following the writedown of the SGD750mn CS 5.625% PERP. That said, the market is continuing to thaw albeit slowly. For non-European names, we are moving our bond level recommendations on SGD bank capital instruments to neutral. We expect that issuance from Financial Institutions will take a breather for now. With sentiments remaining shaky and rising concerns of recession, the focus going forward may well be on credit spread widening rather than rising interest rates. This raises again the spectre of call risk within overall structural risks for both bank capital instruments and corporate perpetuals.	**SPHRSP 4.1% PERP:** • PARAGON REIT's perpetual which trades at ~6% YTC looks interesting. • We think there is a potential for the perpetual to be redeemed on the first call date in 2024 given that the REIT's aggregate leverage is below 30%, which leaves enough room for the perpetual to be refinanced via debt. • If the perpetual is not redeemed, the distribution rate is expected to high 5%, based on today's rates. **METRO 4.3% '24s:** • We like METRO as it provides 4.57% yield for a short tenor. • We remain comfortable with METRO keeping sufficient cash of SGD333.3mn as of 30 September 2022, which exceeds its short-term borrowings of SGD142.7mn.	↑ ↑

Macroeconomic Views

	House View	Key Themes
US	The Fed delivered another 25bp rate hike at its March FOMC despite the recent banking sector turmoil. The Fed's dots plot remains largely unchanged at a median 5.1% for end-2023, but the 2024 forecast rose from 4.1% to 4.3%. The Fed's Chair Powell reiterated that "rate cuts are not in our base case" and we expect a final 25bps rate hike from the Fed in the current tightening cycle, which will bring the Fed funds rate target range to 5.00%-5.25%.	Headline inflation cooled further from 6.4% in January to 6.0% YoY in February, while core CPI also moderated to 5.5% YoY, from 5.6% in January. Average hourly earnings rose a slower-than-expected 0.2% MoM (the smallest increase in a year) and the unemployment rate also edged up to 3.6% amid higher labour force participation rate of 62.5% (highest since March 2020), despite February nonfarm payrolls beating market expectations and printing at 311K. The upcoming March NFP may see a further moderation to 240K but the unemployment rate may hold at 3.6%. The services ISM has rebounded strongly to around the 55.1-55.2 region for January-February 2023, from its December low.
EU	ECB delivered a well-flagged 50bp hike, with the deposit rate and MRO rising to 3% and 3.5% respectively as expected. However, this surprised markets given concern about the developments surrounding Credit Suisse and Deutsche Bank. The ECB no longer provides a concrete forward guidance for upcoming policy decisions. There will be 2 more inflation readings to watch out for before the next ECB MPC meeting (4 May), and we are calling for another two 25bp rate hikes.	Headline CPI eased to 8.5% in February 2023, down from the recent peak of 10.6% in October 2022, as energy prices stabilized. However, core CPI hit a record 5.6% YoY in February and may continue to accelerate to 5.7% in March. Meanwhile, the services PMI jumped from 52.7 to 55.6 in March, marking the fourth straight month of improvement and the third month of expansion. With the pressure in Europe's banking sector, triggered by the failure of Credit Suisse followed by the turbulence of Deutsche Bank, lending conditions is likely to tighten further. Consumer confidence deteriorated to -19.2 in March from February's -19.1.
Japan	BoJ has left its policy rate and its 10-year JGB yield target control unchanged at its March MPC meeting. However, we still expect BoJ to proceed with policy normalisation at some stage amid higher pressure on prices and wages. Committee may do a policy assessment before committing to any decision and that puts 28 Apr or perhaps even 16 Jun MPC in focus. Our house view continues to look for a removal of YCC regime, which could possibly come on 16 Jun.	Japan's inflation cooled slightly with February CPI easing to 3.3% YoY, from 4.3% in January. However, the core CPI (excluding fresh food and energy) picked up to 3.5% YoY in February, as compared to 3.2% in the prior month. Japan's February industrial production grew by 4.5% MoM (-5.3% in Jan) and retail sales also accelerated by 6.6% YoY, as compared to 6.3% in January. The March manufacturing PMI also improved to 48.6 from 47.7, albeit remaining in contraction. We believe the "shunto" wage negotiations is a key input into BoJ policy deliberation process. UA Zensen, which is Japan's largest industrial union with 18 unions under its umbrella, has unveiled that it has sealed a 5.28% average pay increase with employers during annual wage negotiations.
Singapore	Recent economic indicators suggest 1H23 growth momentum is likely to remain tepid. Our full year 2023 growth forecast remains at 1.8% YoY. However, inflation may remain sticky, hence the April MPS may remain open, albeit market views are diverse on whether MAS will tighten (via a recentering or slope steepening) or hold static.	The manufacturing PMI slipped back into contraction territory in March after briefly resurfacing at 50.0 in February, due to softer new orders, new export orders, and output. While the electronics PMI remained in contraction territory for the eighth consecutive month, it edged up by 0.1 point, aided by modest improvements in the new orders and new export order gauges. Looking ahead, it would be key to see if the electronics PMI makes further headway in the coming months, however gradual, towards the 50 handle that separates contraction from expansion. Our baseline view that the manufacturing sector will stay in the doldrums in 1H23 and only gradually stabilise in 2H23.

Research Monitor (April)

4 April 2023

	House View	Key Themes
Indonesia	BI kept the benchmark rate at 5.75% for the second straight month, as we expected. The decision aligns with the view that there is no need to raise rates as inflation expectations remain well anchored. Headline inflation is anticipated to fall back into the central bank's 2-4% target range in 2H2023, while the core print is expected to remain below 4% throughout the year. On growth, we maintain our view for an FY2023 GDP growth of 4.8% YoY, with domestic consumption and investment pick-up expected to minimize the drag from normalising commodity prices.	Seeking to reassure confidence in the market, Governor Perry Warjiyo commented that BI's stress test suggests domestic bank conditions are resilient, with a low non-performing loan and high capital adequacy ratios, as well as diverse funding sources. Loan growth remained stable in the first two months of 2023, with February's print slightly accelerating to 10.4% YoY from 10.2% in January. Based on loan types, investment loans, working capital loans, and consumer loans managed to grow by 11.8% YoY, 10.1% YoY and 9.5% YoY, respectively. February's trade surplus rose to US$5.48bn from US$3.8bn in January, marking 34 consecutive months of trade surplus. Export growth decelerated from 16.43% YoY in January to 4.51% due to lower raw material imports, while imports fell 4.32% YoY.
China	The share of the contribution from private consumption to GDP fell sharply to 32.8% in 2022, lowest on record (except for 2020) since China began publishing the data in 2009. Nevertheless, we expect retail sales to rebound sharply in 2023 thanks to China's exit from its zero-Covid policy. As such, we expect China's growth to reaccelerate to 5.3% in 2023 from 3% in 2022.	China successfully concluded its 2023 two sessions in March. As expected, President Xi kicked off his third term as Chinese President. The newly appointed Premier Li Qiang reassured China's plans to commit to opening up and supporting the private sector. Li also said China will continue to roll out measures to increase market access and improve the business environment for both state-owned and private owned firms as well as foreign businesses. In addition, the return of Jack Ma to China and China's cyberspace Administration's pledge to punish illegal online information that damage the image and reputation of enterprises and entrepreneurs were considered as positive signs to support the private sector. China's Hang Seng tech index rose by 9.65% in March, outperforming Nasdaq. China's recovery also gained momentum in March with the continued recovery of its service sector.
Hong Kong	The "catch up growth" theme saw follow through with retail sales and PMI readings all showing visible improvements lately. Sentiment in the housing market had also visibly improved, with the bottoming out of housing prices and a rebound in trading activities. While the picture has certainly turned rosier, we are of the view that the increased supply in the primary market and elevated mortgage rate may still cap the extent of rebound in housing price this year. However, with more developers launching their primary projects to avoid further inventory pile, trading activities are likely to rebound.	The lifting of all social-distancing measures helped set the stage for the revival of domestic consumption and inbound tourism which are considered the main economic drivers for this year. The number of visitor arrivals to Hong Kong jumped notably, while packaged tours from Mainland China also resumed. The value of total retail sales surged 31.3% YoY in February, surprising on the upside, while PMI for February rose to 53.9, up from 51.2 in January and marking the the second consecutive month of expansion. The housing market saw further signs of recovery - the residential property price index rose further by 2.2% MoM in February. In the first two months of 2023, the housing price grew 3.3% cumulatively over the level at end-2022. Separately, HKMA raised its base rate by 25bps to 5.25%, following the Fed's rate hike. Yet local banks kept their HKD prime rate unchanged, in the face of market volatility and weak loan demand. The USDHKD has been hovering near the 7.85 mark, without triggering the weak-side convertibility undertaking. Given the still-wide HK-US rates spreads, we believe foreign exchange intervention has yet to fully run its course.

Research Monitor (April)

4 April 2023

	House View	Key Themes
Macau	We expect the gross gaming revenue in Macau to rebound by around 75%-85% this year. With the faltering VIP segment, casinos are set to chase the premium mass segment. The casino concessionaires have pledged to invest MOP12-30bn in gaming and non-gaming attractions over the course of next 10 years (MOP 1-3bn per year). Nonetheless, the Mainland's stepped-up scrutiny of frequent travellers to Macau continued to hinder the gaming sector's recovery. Alongside the rebound in inbound tourism sector, Macau's labour market should tighten markedly. We forecast the average unemployment rate at 3.0%.	Macau's GDP plunged further by 23.4% YoY in 4Q22, extending the contraction seen in previous quarters (Q1-Q3: -27.9%). This was largely due to Covid restrictions and the worsening pandemic situation in Mainland China which is the largest source of tourists for the gambling hub. For the whole of 2022, Macau's economy shrank by 26.8%, marking the third year of contraction in the last four years. Exports of services recorded a sharp year-on-year decline of 27.1%, as exports of gaming services and tourism services plummeted by 46.6% YoY and 30.5% YoY respectively. More recently, Macau's gambling sector saw a robust recovery after the full-fledged reopening, particularly in the premium mass market. In the first two months of the year, Macau's gross gaming revenue soared by 55% over last year to MOP21.9bn, though it is still down by 56% as compared to the pre-pandemic level.
Malaysia	BNM's 2022 Annual Report tips growth to be between 4% and 5% this year, broadly in line with our house view of 4.4%. Domestic consumption will remain the key driver for growth, partly supported by continued improvement in the labour market conditions, while China's reopening is expected to boost tourism activities. The still relatively elevated inflation readings would pressure the central bank to keep domestic price pressure in check, following its decision to keep the policy rate unchanged at 2.75% in its January and March MPC meeting.	Deputy Finance Minister Steven Sim commented that domestic banks' exposure to the collapse of several US regional banks is 'minimal and limited.' Indeed, the national banking system remains resilient with sound credit fundamentals - Capital Adequacy Ratio, Liquidity Coverage Ratio, and Net Stable Funding Ratio were at 18.8%, 154% and 118%, respectively, in 2022. As of January 2023, excess capital buffers amounted to RM141.5bn, and gross non-performing loan remains stable at 1.7%. Meanwhile, industrial production growth slowed to 1.8% YoY in January from 2.8% in December. February's headline and core prints were unchanged at 3.7% YoY and 3.9%, respectively.
Thailand	Inflation has shown clearer signs of easing, putting inflation slightly above BoT's 1-3% inflation target range. As widely expected, BoT raised its policy rate by 25bps to 1.75% at its March MPC and we believe that this should be the last rate hike. Nevertheless, there are still have two more CPI data points that can provide more indicative direction before the next MPC meeting.	As reflected in the consumer confidence survey, business sentiment index, and manufacturing PMI, general sentiments and confidence continued to improve in February. Thailand's economy should continue to gain strength and expand, with key drivers of economic growth mainly by tourism and private consumption. Thailand's headline CPI and core CPI also eased further from 5.02% YoY and 3.04% YoY in January to 3.79% YoY (-0.12% MoM) and 1.93% YoY (+0.11% MoM) in February, respectively.

	House View	Key Themes
South Korea	South Korea has seen price pressures moderate in February. Inflation cooled to 4.8% YoY in February, from January's 5.2%. The import and export price also moderated by 0.5% YoY (1.7% growth in Jan) and 2.7% YoY (-1.3% in Jan), respectively. The BoK held their policy rate unchanged in February and we expect it to continue to hold the rate at 3.5% at its April MPC, in view of the cooling price pressure.	South Korea's economy grew 1.3% YoY (-0.4% QoQ SA) in 4Q22, which was slower than expected, leaving full year GDP growth unchanged at 2.6%. February's exports and imports both disappointed at -7.5% YoY and 3.6% YoY, respectively, resulting in a trade deficit of US$5.3bn. However, February's retail sales (comprising of both online and offline sales) grew 7.9% YoY to KRW13.1tn. Consumer confidence rose to 92.0 in March, while business sentiments in the non-manufacturing and manufacturing also improved to 75 and 69 respectively in April.
Philippines	With supply-side measures yet to provide its intended relief, February's inflation print continues to remain elevated and exhibit signs of stickiness. BSP's latest baseline projection continues to point to an elevated path over the near term but have made a minor downward adjustment to their inflation forecast for 2023 and 2024 to 6.0% and 2.9%, from 6.1% and 3.1%. Nevertheless, they continued to reassure the public on their readiness to respond against inflation risk. We expect another 25bp hike in May MPC.	January's unemployment rate edged slightly higher to 4.8%, from 4.3%. This is not surprising as holiday-related jobs were (generally) widely available during the fourth quarter of the year. Against this backdrop, the scaling back of such job opportunities is as expected, therefore contributing to the slight uptick in January's unemployment rate. CPI also edged slightly lower to 8.6% YoY (+0.0% MoM) in February, from 8.7% YoY in January. Core CPI, on the other hand, rose 7.8% YoY (+0.5% MoM) in February, from 7.4% YoY in January. As widely expected, BSP raised its overnight borrowing rate, standing overnight deposit and lending facility rate by 25bps to 6.25%, 5.75%, 6.75% respectively.

FX/Rates Forecast

USD Interest Rates	Current	Q223	Q323	Q423	Q124
FFTR upper	5.00	5.25	5.25	5.25	4.75
SOFR	4.87	5.05	5.05	5.05	4.55
1Y SOFR OIS	4.73	4.75	4.75	4.60	4.10
2Y SOFR OIS	4.03	4.20	4.20	4.05	3.65
5Y SOFR OIS	3.29	3.55	3.55	3.45	3.25
10Y SOFR OIS	3.13	3.35	3.35	3.25	3.15
15Y SOFR OIS	3.15	3.35	3.35	3.25	3.20
20Y SOFR OIS	3.12	3.30	3.30	3.20	3.15
30Y SOFR OIS	2.93	3.10	3.10	3.00	3.05
SGD Interest Rates	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
SORA	3.34	3.85	3.85	3.85	3.55
1M SIBOR	4.04	4.35	4.35	4.35	3.85
1M SOR	3.86	3.91	3.98	4.05	3.69
3M SIBOR	4.19	4.45	4.45	4.45	3.80
3M SOR	4.09	4.06	4.13	4.20	3.84
6M SOR	4.06	4.16	4.23	4.30	3.94
1Y SGD OIS	3.29	3.55	3.60	3.60	3.24
2Y SGD OIS	3.05	3.35	3.35	3.35	3.05
3Y SGD OIS	2.93	3.25	3.30	3.30	3.08
5Y SGD OIS	2.83	3.15	3.25	3.25	3.10
10Y SGD OIS	2.81	3.10	3.15	3.15	3.05
15Y SGD OIS	2.78	3.12	3.17	3.17	3.10
20Y SGD OIS	2.76	3.14	3.19	3.19	3.15
MYR Interest Rates	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
OPR	2.75	3.00	3.00	3.00	3.00
1M MYR KLIBOR	2.96	3.15	3.15	3.15	3.15
3M MYR KLIBOR	3.62	3.65	3.65	3.40	3.35
6M MYR KLIBOR	3.72	3.70	3.70	3.60	3.50
12M MYR KLIBOR	3.79	3.75	3.75	3.60	3.60
1Y MYR IRS	3.70	3.55	3.55	3.55	3.50
2Y MYR IRS	3.62	3.55	3.55	3.55	3.50
3Y MYR IRS	3.63	3.60	3.60	3.60	3.55
5Y MYR IRS	3.70	3.70	3.70	3.70	3.65
10Y MYR IRS	3.92	4.00	4.10	4.20	4.15
15Y MYR IRS	4.01	4.20	4.30	4.40	4.35
20Y MYR IRS	4.28	4.35	4.40	4.45	4.40
HKD Interest Rates	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
1M HKD HIBOR	3.00	3.70	3.85	3.85	3.40
3M HKD HIBOR	3.63	4.25	4.35	4.35	3.90
2Y HKD IRS	3.70	3.70	3.70	3.60	3.40
5Y HKD IRS	3.38	3.50	3.60	3.60	3.60
10Y HKD IRS	3.40	3.65	3.80	3.80	3.75

UST yields	Current	Q223	Q323	Q423	Q124
2Y UST	3.99	4.10	4.10	3.90	3.55
5Y UST	3.52	3.65	3.65	3.60	3.40
10Y UST	3.42	3.65	3.65	3.65	3.55
30Y UST	3.63	3.85	3.85	3.85	3.75
SGS yields	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
2Y SGS	3.04	3.25	3.25	3.05	2.75
5Y SGS	2.86	3.00	3.00	3.00	2.80
10Y SGS	2.82	3.20	3.25	3.25	3.15
15Y SGS	2.72	3.30	3.45	3.50	3.50
20Y SGS	2.61	3.00	3.05	3.05	2.95
30Y SGS	2.40	2.65	2.75	2.75	2.70
MGS yields	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
3Y MGS	3.37	3.55	3.55	3.55	3.50
5Y MGS	3.55	3.70	3.80	3.80	3.80
10Y MGS	3.91	4.10	4.15	4.20	4.20
IndoGB yields	**Current**	**Q223**	**Q323**	**Q423**	**Q124**
2Y IndoGB	6.16	6.35	6.50	6.50	6.40
5Y IndoGB	6.32	6.50	6.65	6.75	6.65
10Y IndoGB	6.73	6.85	7.00	7.00	7.00

FX	End-Month Close	Jun-23	Sep-23	Dec-23	Mar-24
USD-JPY	132.86	130.00	128.00	125.00	124.00
EUR-USD	1.0839	1.1000	1.1100	1.1200	1.1200
GBP-USD	1.2337	1.2400	1.2500	1.2600	1.2600
AUD-USD	0.6685	0.7000	0.7100	0.7200	0.7200
NZD-USD	0.6258	0.6300	0.6400	0.6500	0.6600
USD-CAD	1.3516	1.3400	1.3200	1.3200	1.3100
USD-CHF	0.9153	0.9100	0.9000	0.9000	0.8900
USD-SEK	10.404	10.200	10.200	10.000	9.9000
DXY	102.51	101.21	100.19	99.180	98.920
USD-SGD	1.3309	1.3250	1.3150	1.3040	1.3000
USD-CNY	6.8736	6.8000	6.7000	6.6500	6.6000
USD-CNH	6.8703	6.8000	6.7000	6.6500	6.6000
USD-THB	34.198	35.000	34.800	34.600	34.200
USD-IDR	14995	14920	14850	14800	14750
USD-MYR	4.4152	4.4000	4.3800	4.3600	4.3200
USD-KRW	1301.9	1285.0	1275.0	1265.0	1260.0
USD-TWD	30.451	30.400	30.300	30.200	30.100
USD-HKD	7.8498	7.8500	7.8400	7.8300	7.8200
USD-PHP	54.367	54.000	54.000	53.900	53.800
USD-INR	82.183	82.000	81.500	81.000	81.000
USD-VND	23471	23400	23200	23200	23000
EUR-JPY	144.09	143.00	142.08	140.00	138.88
EUR-GBP	0.8790	0.8871	0.8880	0.8889	0.8889
EUR-CHF	0.9922	1.0010	0.9990	1.0080	0.9968
EUR-SGD	1.4433	1.4575	1.4597	1.4605	1.4560
GBP-SGD	1.6420	1.6430	1.6438	1.6430	1.6380
AUD-SGD	0.8899	0.9275	0.9337	0.9389	0.9360
NZD-SGD	0.8329	0.8348	0.8416	0.8476	0.8580
CHF-SGD	1.4544	1.4560	1.4611	1.4489	1.4607
JPY-SGD	1.0030	1.0192	1.0273	1.0432	1.0484
SGD-MYR	3.3203	3.3208	3.3308	3.3436	3.3231
SGD-CNY	5.1653	5.1321	5.0951	5.0997	5.0769
SGD-IDR	11272	11260	11293	11350	11346
SGD-THB	25.662	26.415	26.464	26.534	26.308
SGD-PHP	40.902	40.755	41.065	41.334	41.385
SGD-CNH	5.1614	5.1321	5.0951	5.0997	5.0769
SGD-TWD	22.919	22.943	23.042	23.160	23.154
SGD-KRW	981.36	969.81	969.58	970.09	969.23
SGD-HKD	5.8973	5.9245	5.9620	6.0046	6.0154
SGD-JPY	99.757	98.113	97.338	95.859	95.385

**End-Month Close refers to 31st March close*

Macroeconomic Calendar

Date Time	C	Event	Period	Survey	Actual	Prior
03/04 10:00	ID	CPI YoY	Mar	5.07%	--	5.47%
04/04 07:00	SK	CPI YoY	Mar	4.30%	--	4.80%
05/04 09:00	PH	CPI YoY 2018=100	Mar	8.00%	--	8.60%
05/04 11:30	TH	CPI YoY	Mar	3.26%	--	3.79%
10/04 09:00	SI	GDP YoY	1Q A	--	--	2.10%
11/04 09:30	CH	CPI YoY	Mar	--	--	1.00%
11/04 16:00	TA	CPI YoY	Mar	--	--	2.43%
12/04 20:00	IN	CPI YoY	Mar	--	--	6.44%
12/04 20:30	US	CPI YoY	Mar	--	--	6.00%
13/04 14:00	GE	CPI YoY	Mar F	--	--	7.40%
18/04 10:00	CH	GDP YoY	1Q	--	--	2.90%
18/04 20:30	CA	CPI YoY	Mar	--	--	5.20%
19/04 14:00	UK	CPI YoY	Mar	--	--	10.40%
19/04 17:00	EC	CPI YoY	Mar F	--	--	--
20/04 06:45	NZ	CPI QoQ	1Q	--	--	1.40%
21/04 07:30	JN	Natl CPI YoY	Mar	--	--	3.30%
21/04 16:30	HK	CPI Composite YoY	Mar	--	--	1.70%
24/04 13:00	SI	CPI YoY	Mar	--	--	6.30%
25/04 07:00	SK	GDP YoY	1Q A	--	--	1.30%
25/04 07:00	SK	GDP SA QoQ	1Q A	--	--	-0.40%
25/04 10:00	VN	CPI YoY	Apr	--	--	3.35%
26/04 09:30	AU	CPI QoQ	1Q	--	--	1.90%
26/04 09:30	AU	CPI YoY	1Q	--	--	7.80%
27/04 20:30	US	GDP Annualized QoQ	1Q A	--	--	2.60%
28/04 07:30	JN	Tokyo CPI Ex-Fresh Food YoY	Apr	--	--	3.20%
28/04 16:00	TA	GDP YoY	1Q A	--	--	-0.41%
28/04 17:00	EC	GDP SA QoQ	1Q A	--	--	0.00%
28/04 17:00	EC	GDP SA YoY	1Q A	--	--	1.80%
28/04 20:00	GE	CPI YoY	Apr P	--	--	--
28/04 20:00	GE	CPI EU Harmonized YoY	Apr P	--	--	--

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Survey	Actual	Prior
04/04 12:30	AU	RBA Cash Rate Target	Apr-04	3.60%	--	3.60%
04/05 10:00	NZ	RBNZ Official Cash Rate	Apr-05	5.00%	--	4.75%
04/06 12:30	IN	RBI Repurchase Rate	Apr-06	6.75%	--	6.50%
04/11 08:00	SK	BoK 7-Day Repo Rate	Apr-11	--	--	3.50%
04/12 22:00	CA	Bank of Canada Rate Decision	Apr-12	4.50%	--	4.50%
04/18 15:20	ID	Bank Indonesia 7D Reverse Repo	Apr-18	--	--	5.75%
04/20 09:15	CH	1-Year Loan Prime Rate	Apr-20	3.65%	--	3.65%
04/28 08:00	JN	BOJ Policy Balance Rate	Apr-28	--	--	-0.10%

Source: Bloomberg

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