Research Monitor (April)

5 April 2021

Treasury Research & Strategy
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Key Themes

1. **Financial markets continue to look to 2Q21 with broadening hopes of improved growth and reflation amid the ongoing Covid vaccine rollout.** The latest US labour market report, with nonfarm payrolls surging 916,000 in March, has reinforced US economic exceptionalism and frontloaded Fed rate hike expectations yet again. The 10-year UST bond yield is likely to re-attempt and overtake the 1.75% handle yet again. However, the front-end money market rates remained anchored amid the cash glut. US President Biden's next US$2.2 trillion infrastructure package is also supposed to add another 19 million jobs, so the question is if 2Q21 would be a replay of what transpired in 1Q21, namely risk-on appetite with stock market rotation and lower UST bonds, even if Fed chair Powell's narrative remains cautious. Note that US monetary market, equity and bond funds had already attracted a combined US$68 billion.

2. **Not quite a taper tantrum, but mind the gap - with the higher UST bond yields and firmer USD dynamics, EM assets have come under some pressure.** Global manufacturing PMI prints telegraph demand growth, trade recovery and mild inflationary pressure as capacity utilization and employment prospects reaccelerate. The recent Archegos-related block trades and the Suez Canal blockage were just brief speed-bumps. With the Fed shifting its focus to a post-Covid world through a gradual unwinding of unprecedented policy support (eg. the lifting of bank stock buybacks and dividend caps at end-June and allowing the SLR exemption to expire), albeit still far from policy "normalization", other EM central banks have come to the realization that the window for further monetary policy easing may have closed due to narrowing yield differentials and renewed upside bias to USD-Asian FX.

3. **The volatility in China's equity market extended into March, which was mainly driven by fears about the exit of easing policies.** Although China has reiterated that there will not be any U-turn of macro policy, the latest tone from government suggests that China is departing from crisis era stimulus. On monetary policy, PBoC removed the phrase "maintain continuity, stability and sustainability for monetary policy" in its statement from first quarter monetary policy committee meeting. Instead, it will focus more on flexibility and targeted measures. On fiscal policy, China's State Council also announced in March that China plans to lower government leverage ratio this year. Therefore, we expect China's stock market to consolidate in the near term as investors are digesting the implications of China's gradual shift in policy direction.

4. **OPEC+ to gradually increase supply from May onwards.** In a sign of rising confidence, OPEC+ has decided to gradually dial back on its supply curbs from May onwards. The coalition will increase output by 350kbpd in May and June each, and then 450kbpd in July. In addition, Saudi Arabia will ease its unilateral 1mbpd output cut from the same month, raising production by 250kbpd in May, 350kbpd in June and 400kbpd in July.

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5 April 2021

Asset Class Views

<table>
<tr><th></th><th colspan="2">House View</th><th colspan="2">Trading Views</th></tr>
<tr><td rowspan="2">FX</td><td colspan="2">G10 FX: A number of pro-USD arguments has coalesced into a coherent strong-USD theme in March. At the root of it, we think, is the Fed's position on (1) growth outlook, which has turned much more positive compared to Jan, and (2) the higher back-end UST yields, where its laid-back approach contrasts with the active clamping down from the ECB and other major central banks. This gave credence to the growing yield differential arguments, allowing it to drive the USD higher in a convicted manner. Even during a dip in UST yields, yield differentials still moved in favour of the USD. On the margins, periodic setbacks on the risk front also gave the USD a haven bid. There may still be a US equities-centric risk-on bias, but broader, cross-asset market sentiment may have moved away from an outright risk-on mode to become somewhat more neutral. Overall, there is no good reason to stand in the way of USD strength, especially against the EUR and JPY. We will hold this view so long as back-end UST yields remain biased higher, and yield differentials continue to be supportive. The cyclical currencies, such as the AUD, may see a more muted response due to divergent drivers. Near term, risk sentiment is softer but there is no capitulation, and structurally the still-optimistic outlook on growth (although this has been pared back on the rise of pandemic cases in Europe) still supports.</td><td colspan="2">Stay long USD against EUR and JPY. Selectively long CAD on the crosses, as we continue to hold a favourable view on the CAD, expecting the Bank of Canada to lead the way out of excessive monetary stimulus.</td></tr>
<tr><td colspan="2">Asian FX and SGD: The USD-CNH staged the breakout of 6.5500 resistance, before consolidating around the 6.5700-6.5800 area. Note that the tight positive correlation between the CFETS RMB Index and the DXY index has broken down, removing an anchor of the USD-CNH amid USD strength. Thus, the USD-CNH may become more reactive higher going forward. For now, domestic RMB-positives will have to take a back-seat, as the market contend with a soft patch of data and fading equity inflow momentum. The long phase-in period for inclusion in the FTSE Russell WGBI also reduce the monthly passive bond inflows to levels unlikely to shift the RMB prospects in the near term. For the rest of Asia, the RMB may no longer be an anchor of stability. This leaves USD-Asia potentially more reactive to USD upside. The latest read on our FX pressure gauge shows greatest depreciation pressure in the TWD and THB. Focus on USD-THB for now, with the pair potentially targeting 31.50/70. Other USD-South pairs may also see catch-up moves higher, after being less reactive to USD strength over the past two weeks. Watch for the USD-IDR and USD-MYR to detach further northwards from the 14,500 and 4.1500 handles. On the SGD front, expect the MAS to hold policy parameters unchanged in the upcoming MPS, though there may be scope for them to sound more optimistic about growth and inflation prospects. The main question is whether any increased optimism will translate to a firming SGD NEER within the existing tolerance band.</td><td colspan="2">Long USD-SGD. Trade USD-CNH within range.</td></tr>
<tr><td rowspan="2">Commodities</td><td>Energy: We stay bullish on oil through 2021, aided by a slow rebalancing of supply against a backdrop of rapidly improving energy demand.</td><td colspan="2">OPEC+ decision to raise output was always a matter of when more than if. Its cautious stance year to-date has held to rebalance the global oil market. Despite higher oil prices, US shale supply has also been slow to respond to rising demand. We see demand outstripping supply through the rest of 2021, which is likely to continue lifting oil prices higher.</td><td>↑</td></tr>
<tr><td>Gold: Higher Treasury yields are likely to dim gold's appeal. We turn neutral on gold in the medium term, especially if the dollar continues to firm and yields continue to inch higher.</td><td colspan="2">Gold has been one of the worst performers among the commodity space in the past quarter. Funds have continued rotating out of the precious metal into other risky assets. Gold's bull run in 2020 looks over and we turn neutral on gold in the medium term.</td><td>↔</td></tr>
</table>

	House View	Trading Views[1]	
Rates	With firming US economic growth prospects, and acceleration in vaccine rollout, together with supply headwinds, the path of least resistance may be for UST bond yields to continue to test higher, albeit in fits and starts rather than a straight trajectory higher. The FOMC narrative has also tilted to a cautiously more upbeat one, albeit they continue to hold the line that a taper is not imminent and a rate hike is still some way off. Later in the year, there is also expectations for a more permanent fix in the SLR calculation. The US infrastructure plan is impacting the market through economic optimism, rather than a direct bearing on supply – given that it is a long-term project spanning over eight years and a large part of it is to be financed via tax hikes.	**USD rates**: Supply remains the key lingering headwind. Every auction will be scrutinized to assess if supply can be readily absorbed without pushing yields higher. Meanwhile, the still negative real yields point to room for nominal yields to move higher still, even without a further pick-up in inflation expectations.	↑
		Asian rates: SGS were sold off in March, with the 10-year yield briefly overtaking its UST counterpart. The recent re-opening of the 10-year SGS bond fetched a cut-off yield of 1.71% and a bid-cover ratio of 1.69x. With the persistent steepening of the UST yield curve, coupled with the upcoming 15-year SGS re-opening on 3 May, the longer-dated SGS bond may face selling pressure lingering into April at least. On the IRS side, we look for further narrowing at front-end **SGD-USD spreads**, including spot and short-dated forward start spreads.	↔
		MGS had a relief rally as Malaysia was removed from FSTE WGBI watchlist – eliminating the uncertainty which had lingered for two years. Looking ahead, risk to yields is to the upside, taking cue from rising global yields. That said, MGS is likely to revert to a lower beta response to US yield movements.	↑
		Recent **IndoGB** auctions did not went well. The funding gap needs to be filled by greenshoe option auctions with some misses still, suggesting that the adjustment of appropriate yield levels as seen by the government versus market levels is still a work in progress. This pattern of low acceptance at auctions may risk keeping investors on the sidelines.	↑
		The narrowing **CNY-USD rate spreads** suggest liquidity is supportive in the money market which shall alleviate some of the upward pressure on CNY points; we look for a peaking in CNY points.	↔

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

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	House View	Trading Views	
Credit	US corporate credit issuance rose m/m in March to USD249.9bn. High yield bond issuance of USD59.0bn set a record for busiest quarter ever. Utilities and energy companies saw increased activity towards the end of the month as borrowing costs stayed low. The three telecom giants tapped the market to boost 5G network expansion, with Verizon Inc (USD25.0bn in nine tranches) seeing the most activity. The Bloomberg Barclays US Corporate High Yield Average OAS tightened 7bps m/m to 319bps and spreads of IG issuances widened 4bps m/m to 94bps. Asiadollar issuance started off slow before increasing each week in March. Markets remained under pressure as spreads widened and geopolitical tensions rose. March's issuance was up ~16% m/m to USD28.1bn and was anchored by the USD1.2bn offering from the Korea Development Bank across three tranches. PT Bank Negara Indonesia Persero Tbk priced a USD500mn 5-year Tier 2 subordinated bond at 3.75%, which was ~4.5x oversubscribed, making it the most popular deal by an Indonesian corporate in 2021. Meanwhile, Laos pulled its proposed USD bond issuance for the third time in recent months. The SGD space saw SGD2.1bn priced in March, anchored by Housing & Development Board (a SGD900mn 7-year bond at 1.37%) and CapitaLand Integrated Commercial Trust (a SGD460mn 7-year bond at 2.1%). Notably, CapitaLand Ltd announced plans to separate its investment and development arms. We expect minimal impact for bondholders and perpholders of the parent's sponsored REITs. Separately, the team published two special interest pieces on the transition to SORA and valuations of perpetuals.	**GUOLSP 4.6% PERPc23:** Housing market in Singapore remains firm, which should support continued sales for GuocoLand Ltd. We like the perpetuals as spreads for the curve (and in the market) have compressed, which boosts the chance of a call. As mentioned in our 7th publication on perpetuals, which covers valuations, perpetuals are more attractive than straight bonds as the former is structured with resets, which allow holders to take advantage of the rising rate environment.	↑
		CS 5.625% 'PERPc24: Recent developments have tarnished FY2020 and 2021 performance for Credit Suisse Group AG and we are wary of the longer term implications on its business and profitability. We expect further volatility on CS and turn Neutral on CS 5.625% 'PERPc24s as the sell-off has generated decent value for investors willing to be exposed to potential price volatility.	↓

Macroeconomic Views

	House View	Key Themes
US	Vaccine rollout has been relatively successful so far with Biden doubling his vaccination target to 200 million shots. Covid new infection levels, however, has risen yet again across nearly half of the country with the CDC warning of a potential fourth virus resurgence which may cap some of growth upside for the US economy in 2021. Upticks in inflation expectations will also be key in the coming weeks given the recent rise in Treasury yields.	The Fed kept its Fed Fund rate static at 0-0.25% and left all policy tools settings unchanged as widely expected, but revised its GDP, inflation and unemployment forecasts to reflect a firmer outlook underpinned by a vaccine-aided recovery and fiscal stimulus support. The updated dot plots did see a tilt by some more FOMC committee members now seeing a rate rise by end-2022 or end-2023, signalling a slight hawkish tilt. Nonetheless, the Fed narrative remains one of no change in the Fed's stance until "substantial further progress" has been made to its dual mandates and the central bank will not "act pre-emptively based on forecasts". Biden's US$2.2 trillion upcoming infrastructure package is likely to boost growth outlook further and possibly higher inflation over the medium to long term, albeit tax hikes are being planned to finance a large part of the bill.
EU	While the ECB revised up its 2021 growth outlook marginally to 4.1% from 3.9% previously, optimism for a firm recovery is likely to wane if domestic conditions deteriorate further with the slow vaccine rollout and renewed lockdowns. Boosting the vaccination programme remain as the key priority for the bloc in the coming months, but watch for potential vaccine nationalism which could pose as a headwind for the bloc's recovery.	The ECB has left its benchmark rates unchanged but ramped up its bond purchase under the PEPP at a "significantly higher pace" over the coming quarters in response to the recent rise in yields. While the duration and size (EUR1.85tn) remained unchanged, the current amount is sufficient for the ECB to run its programme until March 2022. Meanwhile, Covid infections levels have risen once more despite tightening containment measures in the prior months. The vaccination rollout has been sluggish, exacerbated by manufacturing issues and supply shortages as pharmaceutical companies fall back on their delivery target. To boost vaccine supplies, the bloc has implemented a temporary Covid vaccine export restriction on drug makers such as Pfizer and Moderna until they have met their contractual obligations.
Japan	Given that the state of emergency has been lifted albeit some restriction measures remain in place, Japan's economic recovery is likely to gain some traction in the coming months. While the vaccination programme has been rolled out, the pace so far lags its Asian counterparts. The goal of proceeding with the summer Olympics, albeit with only a domestic audience, is unlikely to aid the growth recovery significantly.	In its March'21 meeting, the BOJ kept its benchmark rates static at -0.100% as widely expected. Following a three-month policy review with the aim of conducting monetary operations in a more sustainable manner, the BOJ has scrapped its annual JPY6tn ETF purchase target but will continue its annual equity purchase of up to JPY12tn linked to the broader Topix index. The central bank has also widened its policy band around the 10Y JGB bond yield target of 0.00% to +/-0.25% from the perceived +/-0.20% previously to allow for more fluctuation, alongside an interest lending scheme which corresponds to the changes in interest rates. With greater flexibility, it may provide an easier exit for the BOJ from its stimulus program while opening more upside room for longer end yields to run in the foreseeable future, even though stasis is expected near-term.
Singapore	Given better than expected January-February economic data, we have upgraded our full-year GDP growth forecast to 6% yoy. Our headline and core CPI forecasts stand at 1.0% and 0.5% yoy respectively. With fiscal policy still expansionary, monetary policy is unlikely to prematurely recalilbrate yet, even if the dovish rhetoric is rolled back.	With the global economy gaining traction, the S'pore economy should also benefit from the vaccine roll-out, further relaxation of WFH and other social restrictions, and improved confidence going ahead. The overall and resident unemployment rates have stabilised for the third month in January. Consumer loans also reverted to positive on-year growth for the first time since March 2019, supported by housing loans. Expect some economic data volatility ahead due to the low base in 2Q20, but full-year growth prospects appear brighter. While headline and core inflation have normalised and reverted to positive on-year territory, they remain muted and do not warrant a premature recalibration of monetary policy settings at the upcoming April review yet, even if dovish rhetoric is rolled back.

	House View	Key Themes
Indonesia	The Covid-19 pandemic would continue to present an overhang on Indonesia's recovery for some time to come, with FinMin signalling that Q1 GDP will still languish in negative territory, with growth of -0.1 to -1.0% yoy. Still, some silver linings might just be seen, with daily increment coming down to around 5000, compared to over 13000 early this year. Moreover, vaccination pace has also increased with more and more shots given throughout the country, with private-sector efforts for parallel imports of up to 20mn doses potentially coming through later this year.	Given the potential pressure on foreign bond fund inflows into Indonesia from global bond market jitters, BI unsurprisingly left its policy rate unchanged on March 18th. While there are now market chatters about how BI's next move might well have to be rate hike, rather than rate cut, we believe it remains premature at this stage, unless Rupiah volatility picks up markedly because of global factors. Elsewhere, BI kept mom on press queries regarding the second round of proposal to amend BI law. Despite some watering-down of key clauses, it comes at a tricky time of global bond market gyrations, hence deserves to be watched closely. While Indonesia cannot control what happens on the global stage, including the gyrations of US Treasuries market and the US dollar movement, it has done an excellent job in terms of preparing for such eventuality. For instance, BI has helped to build a stronger buffer in the form of foreign exchange reserves. Indeed, our foreign reserves rose to a fresh record-high level of USD138.79bn in February, compared to 138bn in January. This should help to offer the authorities more ammunition to contain overt market volatility.
China	The Chinese economy grew at a faster than expected pace of 2.3% yoy in 2020. The strong growth in the first two months of 2021 reinforced our view that the Chinese economy is likely to grow by about 20% yoy in 1Q21. We revised up our 2021 GDP forecast for China to 9.2% from previously 8.2%. We expect the USDCNY to test 6.30 in 2021.	China delivered a strong set of growth indicators for the first two months of 2021. Both export growth (60.6% yoy) and industry production growth (35.1% yoy) marked a record high since data began in the 1990s. Retail sales growth was also the highest since January 1995 while fixed investment growth was near a 17-year high. However, the underlying consumption and investment growth are not as strong as the headline indicates. As such, there is no urgency for U-turn of macro policy in China. Although China has reiterated that there will not be any U-turn of macro policy, China is departing from crisis-era stimulus. PBoC removed the phrase "maintain continuity, stability and sustainability for monetary policy" from its first quarter monetary policy committee meeting statement. Instead, it will focus more on flexibility and targeted measures. On fiscal policy, China's State Council also announced in March that China plans to lower government leverage ratio this year.
Hong Kong	GDP may rebound 4.1% in 2021 amid low base effect, targeted relief measures and vaccine rollouts which may support border reopening in 2H. As compared to the resilient financial sector and the reviving trade sector, the sectors hit hard by Covid-19 may take longer to recover amid a weak labour market and the unwinding of broad-based relief measures. HKD rates may stay low, but downside may be capped by any large IPO, equity inflows or any additional bill issue of HKMA.	The economy is showing signs of recovery as the PMI for private sector rose to a nearly 3-year high of 50.2 in Feb. Should vaccination program pick up pace and support border re-opening in 2H, tourism-related sectors and public transport sector may rebound. Meanwhile, the e-consumption vouchers to be rolled out for local adults during summer holiday may help support domestic demand. As such, the jobless rate, which rose to nearly 17-year high of 7.2% during three months to Feb, may peak around 7%-8% in 1H and retrace lower gradually in 2H. Elsewhere, financial market has been volatile with southbound equity inflows slowing down and response to IPOs softening. This however does not stop companies from mulling a HK IPO or secondary listing. The active IPO market and the further financial integration of GBA combined reinforces that Hong Kong's financial market remains resilient despite the potential political concerns.

	House View	Key Themes
Macau	The economy is expected to rebound by about 65% yoy in 2021 amid low base and hopes of international travel resumption on vaccine rollout. Gaming revenue may more than double in 2021 after plunging 79.3% in 2020. However, neither the gaming revenue nor the economy will likely return to the pre-virus levels anytime soon.	Visitor arrivals and gaming revenue both surged by over 100% yoy in Feb amid low base effect. Any strong recovery of the tourism and gaming sectors looks unlikely until the travel restriction measures are eased further on successful vaccine rollout. GDP shrank for the second straight year by record 56.3% yoy in 2020. Given the low base, the extension of expansionary fiscal policy (MOP29.2 billion third round of relief measures were just announced), an improving labor market and the prospect of border reopening in 2H, we expect the GDP to expand about 65% yoy this year, which however will still be about 28% lower than the level of 2019.
Malaysia	PM Muhyiddin Yassin announced a MYR20bn (USD4.9bn) package to help stimulate Malaysia's economic growth. He said that the plan will include at MYR11bn fiscal injection. The PM said there will be no more blanket lockdown and any restrictions will be placed at the level of localities and clusters instead. The stimulus package includes a MYR3bn to 5bn to accelerate the immunization target to Dec 2021, compared to the initial target of Feb 2022.The fiscal injection would cause the deficit to rise from the 5.4% that was originally expected to 6.0% of GDP. The finance minister said the country's statutory direct debt limit is expected to be at 58.5 % of GDP, which is still below the statutory direct debt limit of 60 per cent.	Malaysia's Feb exports data came much better than expected, at 17.6%yoy vs. 7.1% median consensus. Shipment of electrical & electronic products continue to shine, at 24.4% yoy, powered by chips demand. Imports saw sizable strength too, with growth of 12.7% yoy vs. 3.5% expected, signalling some nascent strength in consumption and investment potentially. Overall, the trade data would bolster BNM's recent refrains about how recovery is taking place. BNM lowered Malaysia's 2021 growth forecast to 6.0-7.5%; a lower floor to the range vs. 6.5-7.5% before. While the outlook might have brightened overall with exports recovery and virus downtick combining with vaccination uptick to instill more business and consumer confidence, BNM appears to be nonetheless very cognizant of continued downside risks. While the growth revision is not necessarily a signal of potential easing ahead, it nonetheless marks a more wide-eyed acknowledgement that "we are not completely out of the woods" yet, as the Governor Nor Shamsiah Yunus said herself. Elsewhere, FTSE Russell has finally removed the watchlist overhang from Malaysia this morning. In its latest review of the World Government Bond Index, the index provider said that Malaysia will remain on the index, providing an anchor to sentiment and an acknowledgement of the recent FX liberalization moves by the authorities.
Thailand	Synonymous with global central banks, the BoT is unlikely to further ease monetary policy via its key benchmark rate.	As widely expected, the Bank of Thailand left its key benchmark rate at 0.50% in the March meeting and reduced its GDP growth forecast for 2021 to 3.2%. Virus cases have stabilised and the vaccination drive continues, which is helping the market overlook some of the recent softness in economic numbers. We estimate Thailand's 2021 GDP growth at 3.2% yoy.
South Korea	Chips and ships – South Korea's economy has been revived by these two sectors. There is now little reason for further loosening of monetary policy by the BoK.	South Korea received a huge slice of good fortune in its economic turnaround. The global chip shortage had already propelled the electronics-manufacturing economy forward. In March, the Suez Canal blockage appears to have raised the appeal of Korean-manufactured vessels, with orders for Korean ships increasing. We think the BoK will likely look the least dovish central bank if economic recovery continues at this current pace.
Philippines	The BSP is likely to hold its rate constant for now as it attempts to balance weakening growth prospects against rising domestic inflation.	The BSP continues to maintain that the upswing in inflation is transitory, which provides justification for them to continue holding rates constant. Unless growth prospects take a sharp dive in the coming months, we do not expect any movement from the BSP this year. It will, however, appear to be the most dovish central bank in the region, in our opinion.

FX/Rates Forecast

USD Interest Rates	2Q21	3Q21	4Q21	2022	2023
Fed Funds Target Rate	0-0.25%	0-0.25%	0-0.25%	0-0.25%	0-0.25%
1-month LIBOR	0.13%	0.13%	0.13%	0.16%	0.20%
2-month LIBOR	0.17%	0.17%	0.18%	0.24%	0.30%
3-month LIBOR	0.23%	0.27%	0.28%	0.30%	0.40%
6-month LIBOR	0.24%	0.28%	0.30%	0.33%	0.45%
12-month LIBOR	0.32%	0.36%	0.38%	0.42%	0.54%
1-year swap rate	0.22%	0.26%	0.28%	0.32%	0.45%
2-year swap rate	0.30%	0.33%	0.38%	0.50%	0.75%
3-year swap rate	0.42%	0.44%	0.46%	0.53%	0.57%
5-year swap rate	1.09%	1.14%	1.22%	1.40%	1.55%
10-year swap rate	1.82%	1.92%	2.02%	2.12%	2.22%
15-year swap rate	2.09%	2.18%	2.27%	2.37%	2.45%
20-year swap rate	2.20%	2.30%	2.39%	2.48%	2.55%
30-year swap rate	2.25%	2.32%	2.41%	2.50%	2.59%
SGD Interest Rates	**2Q21**	**3Q21**	**4Q21**	**2022**	**2023**
1-month SIBOR	0.28%	0.29%	0.29%	0.30%	0.37%
1-month SOR	0.34%	0.34%	0.35%	0.36%	0.40%
3-month SIBOR	0.44%	0.44%	0.44%	0.47%	0.55%
3-month SOR	0.36%	0.36%	0.37%	0.38%	0.43%
6-month SIBOR	0.59%	0.59%	0.59%	0.63%	0.67%
6-month SOR	0.36%	0.37%	0.38%	0.40%	0.45%
1-year swap rate	0.36%	0.37%	0.37%	0.37%	0.45%
2-year swap rate	0.52%	0.53%	0.58%	0.62%	0.68%
3-year swap rate	0.63%	0.65%	0.67%	0.76%	0.86%
5-year swap rate	1.16%	1.19%	1.22%	1.24%	1.28%
10-year swap rate	1.80%	1.88%	1.95%	2.05%	2.15%
15-year swap rate	1.97%	2.07%	2.12%	2.22%	2.32%
20-year swap rate	1.92%	1.98%	2.05%	2.18%	2.30%
30-year swap rate	1.95%	2.05%	2.15%	2.27%	2.37%
MYR forecast	**2Q21**	**3Q21**	**4Q21**	**2022**	**2023**
OPR	1.75%	1.75%	1.75%	1.75%	1.75%
1-month KLIBOR	1.87%	1.87%	1.87%	1.90%	2.05%
3-month KLIBOR	1.95%	1.95%	1.95%	2.00%	2.15%
6-month KLIBOR	2.07%	2.07%	2.07%	2.10%	2.25%
12-month KLIBOR	2.21%	2.22%	2.23%	2.25%	2.40%
1-year swap rate	1.98%	2.00%	2.05%	2.10%	2.25%
2-year swap rate	2.11%	2.13%	2.15%	2.20%	2.35%
3-year swap rate	2.50%	2.55%	2.60%	2.65%	2.72%
5-year swap rate	2.78%	2.83%	2.90%	3.00%	3.10%
10-year swap rate	3.25%	3.32%	3.42%	3.45%	3.52%
15-year swap rate	3.56%	3.59%	3.65%	3.68%	3.72%
20-year swap rate	3.77%	3.82%	3.90%	3.92%	3.98%

UST bond yields	2Q21	3Q21	4Q21	2022	2023
2-year UST bond yield	0.18%	0.22%	0.27%	0.40%	0.65%
5-year UST bond yield	0.97%	1.02%	1.10%	1.30%	1.45%
10-year UST bond yield	1.80%	1.90%	2.00%	2.10%	2.20%
30-year UST bond yield	2.50%	2.55%	2.60%	2.65%	2.70%
SGS bond yields	**2Q21**	**3Q21**	**4Q21**	**2022**	**2023**
2-year SGS yield	0.53%	0.55%	0.59%	0.65%	0.75%
5-year SGS yield	0.96%	1.00%	1.05%	1.18%	1.28%
10-year SGS yield	1.78%	1.85%	1.90%	2.00%	2.08%
15-year SGS yield	2.10%	2.12%	2.15%	2.22%	2.27%
20-year SGS yield	2.12%	2.15%	2.22%	2.34%	2.39%
30-year SGS yield	2.12%	2.16%	2.24%	2.36%	2.41%
MGS forecast	**2Q21**	**3Q21**	**4Q21**	**2022**	**2023**
3-year MSG yield	2.20%	2.30%	2.40%	2.55%	2.65%
5-year MGS yield	2.70%	2.75%	2.83%	2.95%	3.05%
10-year MGS yield	3.30%	3.37%	3.45%	3.48%	3.52%

FX	Spot	Apr-21	Jun-21	Sep-21	Dec-21	Mar-22
USD-JPY	110.76	111.76	112.40	112.75	112.57	112.38
EUR-USD	1.1716	1.1623	1.1550	1.1599	1.1734	1.1870
GBP-USD	1.3755	1.3607	1.3631	1.3584	1.3869	1.4155
AUD-USD	0.7536	0.7489	0.7441	0.7536	0.7709	0.7881
NZD-USD	0.6952	0.6910	0.6874	0.6952	0.7164	0.7376
USD-CAD	1.2599	1.2494	1.2391	1.2440	1.2423	1.2406
USD-CHF	0.9457	0.9526	0.9579	0.9374	0.9296	0.9218
USD-SGD	1.3476	1.3544	1.3544	1.3588	1.3323	1.3058
USD-CNY	6.5753	6.5920	6.5430	6.5214	6.4463	6.3711
USD-THB	31.31	31.55	31.74	31.63	31.07	30.50
USD-IDR	14,575	14,672	14,777	14,575	14,258	13,942
USD-MYR	4.1485	4.1604	4.1727	4.1102	4.0597	4.0092
USD-KRW	1132.90	1142.39	1141.90	1118.97	1101.45	1083.94
USD-TWD	28.527	28.578	28.622	28.371	28.170	27.970
USD-HKD	7.7744	7.7750	7.7800	7.7600	7.7550	7.7500
USD-PHP	48.53	48.62	48.68	48.53	48.32	48.10
USD-INR	73.11	73.29	72.75	72.52	71.92	71.33
EUR-JPY	129.76	129.91	129.83	130.78	132.09	133.40
EUR-GBP	0.8518	0.8542	0.8473	0.8539	0.8461	0.8386
EUR-CHF	1.1080	1.1072	1.1064	1.0873	1.0908	1.0942
EUR-SGD	1.5788	1.5743	1.5644	1.5760	1.5633	1.5499
GBP-SGD	1.8536	1.8430	1.8462	1.8457	1.8477	1.8483
AUD-SGD	1.0156	1.0143	1.0079	1.0240	1.0270	1.0291
NZD-SGD	0.9368	0.9359	0.9310	0.9446	0.9544	0.9632
CHF-SGD	1.4249	1.4218	1.4139	1.4495	1.4331	1.4165
JPY-SGD	1.2167	1.2119	1.2050	1.2051	1.1835	1.1619
SGD-MYR	3.0786	3.0717	3.0808	3.0249	3.0472	3.0703
SGD-CNY	4.8794	4.8670	4.8308	4.7996	4.8386	4.8791

Research Monitor (April)

5 April 2021

Macroeconomic Calendar

Date Time	C	Event	Period	Surv(M)	Actual	Prior
01/04 20:30	US	Initial Jobless Claims	Mar-27	--	--	--
02/04 20:30	US	Change in Nonfarm Payrolls	Mar	625k	--	379k
07/04 19:00	US	MBA Mortgage Applications	Apr-02	--	--	--
08/04 07:50	JN	BoP Current Account Balance	Feb	--	--	¥646.8b
09/04 09:30	CH	CPI YoY	Mar	--	--	-0.20%
12/04 14:00	UK	Industrial Production MoM	Feb	--	--	-1.50%
08/04 15:00	GE	Industrial Production SA MoM	Jan	--	--	0.00%
10/04 21:30	US	CPI MoM	Feb	--	--	0.30%
12/04 23:00	US	U. of Mich. Sentiment	Mar P	--	--	--
13/04 20:30	US	CPI MoM	Mar	--	--	0.40%
15/04 09:30	AU	Unemployment Rate	Mar	--	--	5.80%
15/04 20:30	US	Retail Sales Advance MoM	Mar	--	--	-3.00%
16/04 08:30	SI	Non-oil Domestic Exports YoY	Mar	--	--	4.20%
16/04 10:00	CH	GDP YoY	1Q	--	--	6.50%
19/04 12:30	JN	Industrial Production MoM	Feb F	--	--	--
19/04 08:30	AU	Retail Sales MoM	Feb P	--	--	--
23/04 13:00	SI	CPI YoY	Mar	--	--	--
26/04 16:00	GE	IFO Business Climate	Apr	--	--	--
27/04 07:00	SK	GDP YoY	1Q P	--	--	-1.20%
26/04 20:30	US	GDP Annualized QoQ	1Q A	--	--	--
30/04 09:00	CH	Manufacturing PMI	Apr	--	--	--
30/04 17:00	EC	GDP SA QoQ	1Q A	--	--	-0.70%

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Surv(M)	Actual	Prior
06/04 12:30	AU	RBA Cash Rate Target	Apr-06	--	--	0.10%
07/04 12:30	IN	RBI Repurchase Rate	Apr-07	--	--	4.00%
14/04 10:00	NZ	RBNZ Official Cash Rate	Apr-14	--	--	0.25%
15/04 08:00	SK	BoK 7-Day Repo Rate	Apr-15	--	--	0.50%
17/04 09:00	HK	Composite Interest Rate	Mar	--	--	--
20/04 09:30	CH	1-Year Loan Prime Rate	Apr-20	--	--	--
20/04 09:30	CH	5-Year Loan Prime Rate	Apr-20	--	--	--
20/04 15:20	ID	Bank Indonesia 7D Reverse Repo	Apr-20	--	--	3.50%
21/04 22:00	CA	Bank of Canada Rate Decision	Apr-21	0.25%	--	0.25%
22/04 19:45	EC	ECB Main Refinancing Rate	Apr-22	--	--	0.00%
22/04 19:45	EC	ECB Deposit Facility Rate	Apr-22	--	--	-0.50%
22/04 19:45	EC	ECB Marginal Lending Facility	Apr-22	--	--	0.25%
27/04 08:00	JN	BOJ Policy Balance Rate	Apr-27	--	--	--

Source: Bloomberg

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