

Highlights

Global	Some profit-taking interest emerged in Wall Street and the USD, with Treasury bonds seeing a firmer session overnight as global risk appetite ran out of steam. Key developments were BI keeping its policy rate unchanged at 4.75% as expected and the Malaysian economy printing a slightly improved 4Q GDP growth of 4.5% yoy (+1.4% qoq sa). Expect Asian markets to also trade sideways today while awaiting further market cues. Today's economic calendar comprises of US' leading index, UK retail sales, Thai foreign reserves and S'pore's Jan NODX (our forecast: +3.1% yoy and -7.5% mom sa, following Dec16 reading of +9.4% yoy and +1.0% mom sa).
US	Initial jobless claims rose 5k to 239k in early Feb, with the 4-week average steady at 245k, and continuing claims also at 2.076m. Meanwhile, housing starts unexpectedly fell 2.6% to 1.246m in Jan, but building permits saw its fastest pace since Nov15 by growing 4.6% mom to 1.285m amid a pickup in apartment buildings. Separately, the Philadelphia Fed business index jumped from 23.6 in Jan to 43.3 in Feb, the highest since Jan 1984, possibly attributable to optimism about Fed's fiscal and economic reform plans.
SG	4Q16 GDP growth prints were revised to 2.9% yoy (12.3% qoq saar), up from the flash estimate of 1.8% yoy (9.1% qoq saar), and better than our forecast of 2.3% yoy (+12.6% qoq saar). This brought the full-year 2016 GDP growth to 2% yoy, which is a marginal improvement from 2015's 1.9% growth, as manufacturing, reversed the 5.1% slide in 2015 to expand by 3.6% yoy as electronics and biomedical clusters rebounded. Both construction and services saw slower growth momentum last year at 0.2% yoy and 1.0% yoy respectively, down from the 3.9% yoy and 3.2% yoy seen in 2015. MTI kept its official 2017 growth forecast unchanged at 1-3% yoy, citing that "uncertainties and downside risks in the global economy remain", namely Brexit, anti-globalisation sentiments, lack of policy clarity in the new US administration, and potential for China's monetary conditions to tighten further. At the sectoral level, the manufacturing pickup should sustain into 2017 due to a continued recovery in global semiconductor and semiconductor equipment demand, while transportation & storage should also benefit from the global trade flow improvement. Infocomms and education, health & social services are also tipped to be resilient, but construction, marine & offshore, retail and food services sectors are not out of the woods yet.
ID	Bank Indonesia kept its 7-day reverse repo policy rate unchanged at 4.75% yesterday, as widely expected. It cited concerns about potential for higher inflation in the coming months due to administered price changes. The central bank also stated that it is on guard against higher than expected US rates.
MA	Q4 GDP data shows that the economy grew by 4.5% yoy, better than the 4.4% that market pencilled in, and the 4.3% that we expected. Looking at the components, it should come as little surprise that private consumption has remained a key pillar of support. At 6.2% yoy in Q4, it is a tad lower than 6.4% in Q3, but is nonetheless strong enough to justify the idea that consumption growth will remain supported by labour market strength and fiscal support measures.
SK	The Constitutional Court plans to wrap up hearings over the parliament's impeachment of President Park Geun-Hye a week from now on Feb 24, according to Yonhap News Agency.

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Major Markets

- **US:** Equities ended mixed as indices traded within a narrow range from Wednesday's closing. Winners turned losers and vice versa as financials and energy stocks led losses, while utilities gained. Retreating 10-yr US Treasury yields proved a drag to financials, while gave high-yield stocks some breather. Energy stocks were also hampered by crude price movements, which has settled into a narrow range since Dec 2016. VIX fell 1.8% to close at 11.76. Meanwhile, US Treasuries rebounded after a five-day sell-off, although gains were capped by a strong print in the Philadelphia Fed's business outlook survey. Yields fell 4-5 bps, as the 2- and 10-yr benchmark yields traded at 1.20% and 2.45%.
- **Singapore:** The STI rose a modest 0.27% to close at 3096.69, but may fall short of the 3100 resistance today as Wall Street's overnight cues was soft. STI support is tipped at 3080 followed by 3060. The SGS bond yield curve steepened yesterday, but could benefit from the overnight rally in UST bonds. The issue size for the 10-year SGS re-opening will be announced today.
- **China:** China's outward direct investment fell by 35.7% yoy in January to US\$7.73 billion due to tighter control on foreign currency purchase and remittance. Since late November, China's regulator has tightened FX purchase and outward remittance. All capital item transaction with FX purchase and outward remittance more than US\$5 million needs to report to SAFE. Any overseas direct investment above US\$50 million needs to get approval from the relevant government department. Onshore banks cannot provide SBLC to offshore loan without getting ODI permission. Those measures are likely to curb irrational investments but it may also postpone the payment to future.
- **Macau:** The Health Bureau announced a proposal to retain smoking lounges in casinos and increase the technical requirements for the lounges, instead of imposing full smoking ban. This means that some policy risks on the VIP segment are likely to be eased.
- **Commodities:** Crude oil prices were mixed, with Brent falling 0.18% while WTI gained 0.47%. Importantly, prices continued to point north this morning, as market-watchers shrugged off recent EIA data. Elsewhere, gold prices remained strong, and touching a new psychological level of \$1,240/oz (+0.67%) yesterday night as dollar weakness was seen. In the Asian markets, palm oil futures fell to its lowest in the year to MYR3,151/MT yesterday, after touching its MYR3,300 handle earlier this week. The weakness was likely to higher palm oil production estimates of about 14% growth in Southern Peninsular Malaysia, according to Bloomberg News. Lower vegetable oils and CBOT soy prices could also be reasons that pressure palm oil lower.

Bond Market Updates

- **Market Commentary:** The SGD dollar swap curve was range bound yesterday, with the shorter and medium tenors trading 1bps higher, while the longer end of the curve traded lower by 1bps. In the broader dollar space, the spread on JACI IG Corporates rose 1bps to 189bps while the yield on JACI HY Corporates fell 1bps to 6.72%. 10y UST yields fell 4bps to 2.46%, as the risk rally eased, causing prices to rebound after a 5-day slide that drove yields to 2017 highs.
- **New Issues:** FCL Treasury Pte. priced a SGD348mn 10-year bond (guaranteed by Frasers Centrepoint Ltd.) at 4.15%, tightening from initial guidance of 4.5%. Sri Lanka is planning investor meetings for a potential USD1.5bn bond sale. China Reinsurance Group Corp is planning for a potential debut USD dollar bond issuance.
- **Rating Changes:** Moody's withdrew its 'Ba2' long-term ratings on Australian rail freight provider Genesee & Wyoming Australia Pty Ltd.

Key Financial Indicators

Foreign Exchange						Equity and Commodity		
	Day Close	% Change		Day Close	% Change	Index	Value	Net change
DX	100.440	-0.73%	USD-SGD	1.4166	-0.16%	DJIA	20,619.77	7.91
USD-JPY	113.240	-0.81%	EUR-SGD	1.5121	0.53%	S&P	2,347.22	-2.03
EUR-USD	1.0674	0.69%	JPY-SGD	1.2510	0.66%	Nasdaq	5,814.90	-4.54
AUD-USD	0.7694	-0.21%	GBP-SGD	1.7691	0.06%	Nikkei 225	19,347.53	-90.45
GBP-USD	1.2489	0.22%	AUD-SGD	1.0899	-0.38%	STI	3,096.69	8.21
USD-MYR	4.4540	0.11%	NZD-SGD	1.0213	-0.34%	KLCI	1,707.59	-2.20
USD-CNY	6.8530	-0.26%	CHF-SGD	1.4208	0.69%	JCI	5,378.00	-2.67
USD-IDR	13322	0.04%	SGD-MYR	3.1421	0.47%	Baltic Dry	710.00	22.00
USD-VND	22763	0.04%	SGD-CNY	4.8305	0.05%	VIX	11.76	-0.21

Interbank Offer Rates (%)						Government Bond Yields (%)		
Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change	Tenor	SGS (chg)	UST (chg)
1M	-0.3730	--	O/N	0.6856	--	2Y	1.21 (-)	1.20 (-0.04)
2M	-0.3410	--	1M	0.7722	--	5Y	1.62 (-0.02)	1.94 (-0.06)
3M	-0.3280	--	2M	0.8511	--	10Y	2.26 (+0.02)	2.45 (-0.05)
6M	-0.2410	--	3M	1.0418	--	15Y	2.50 (+0.03)	--
9M	-0.1640	--	6M	1.3441	--	20Y	2.47 (+0.03)	--
12M	-0.1040	--	12M	1.7240	--	30Y	2.52 (+0.03)	3.05 (-0.03)

Eurozone & Russia Update						Financial Spread (bps)		
	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread			Value	Change	
Portugal	0.00	-2.90	3.98	-10.50	3.63	LIBOR-OIS	30.76	-2.40
Italy	-0.03	0.20	2.16	-8.60	1.81	EURIBOR-OIS	2.10	-0.05
Ireland	-0.43	-1.40	1.07	-2.60	0.72	TED	50.88	--
Greece	9.81	-9.00	7.79	3.30	7.44			
Spain	-0.26	1.10	1.60	-8.00	1.25			
Russia	1.93	-8.00	4.16	-3.20	3.81			

Commodities Futures					
	Futures	% chg		Futures	% chg
Energy			Soft Commodities		
WTI (per barrel)	53.36	0.47%	Coffee (per lb)	1.463	1.25%
Brent (per barrel)	55.65	-0.18%	Cotton (per lb)	0.7501	-0.92%
Heating Oil (per gallon)	1.6291	-0.09%	Sugar (per lb)	0.2036	-0.59%
Gasoline (per gallon)	1.5247	-1.50%	Orange Juice (per lb)	1.7450	0.87%
Natural Gas (per MMBtu)	2.8540	-2.43%	Cocoa (per mt)	2,072	2.47%
Base Metals			Grains		
Copper (per mt)	6,000.0	-1.10%	Wheat (per bushel)	4.4775	-1.54%
Nickel (per mt)	11,031.8	1.29%	Soybean (per bushel)	10.438	-1.65%
Aluminium (per mt)	1,887.8	-0.88%	Corn (per bushel)	3.7350	-1.39%
Precious Metals			Asian Commodities		
Gold (per oz)	1,240.0	0.67%	Crude Palm Oil (MYR/MT)	3,151.0	-4.69%
Silver (per oz)	18.074	0.62%	Rubber (JPY/KG)	347.1	0.03%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
02/16/2017 05:00	US	Net Long-term TIC Flows	Dec	--	-\$12.9b	\$30.8b	\$34.4b
02/16/2017 05:00	US	Total Net TIC Flows	Dec	--	-\$42.8b	\$23.7b	\$30.2b
02/16/2017 07:50	JN	Japan Buying Foreign Bonds	Feb-10	--	-¥297.4b	-¥126.6b	-¥126.4b
02/16/2017 07:50	JN	Japan Buying Foreign Stocks	Feb-10	--	-¥96.7b	¥332.8b	¥332.9b
02/16/2017 07:50	JN	Foreign Buying Japan Bonds	Feb-10	--	-¥99.2b	¥239.8b	¥244.4b
02/16/2017 07:50	JN	Foreign Buying Japan Stocks	Feb-10	--	¥175.6b	-¥248.0b	-¥247.8b
02/16/2017 08:30	AU	Employment Change	Jan	10.0k	13.5k	13.5k	16.3k
02/16/2017 08:30	AU	Unemployment Rate	Jan	5.80%	5.70%	5.80%	--
02/16/2017 08:30	AU	Full Time Employment Change	Jan	--	-44.8k	9.3k	11.3k
02/16/2017 08:30	AU	Part Time Employment Change	Jan	--	58.3k	4.2k	5.1k
02/16/2017 08:30	AU	Participation Rate	Jan	64.70%	64.60%	64.70%	--
02/16/2017 08:30	AU	RBA FX Transactions Market	Jan	--	A\$557m	A\$1799m	--
02/16/2017 10:00	NZ	Non Resident Bond Holdings	Jan	--	62.50%	63.20%	--
02/16/2017 12:00	MA	GDP YoY	4Q	4.40%	4.50%	4.30%	--
02/16/2017 12:00	MA	BoP CA Balance MYR	4Q	10.0b	12.2b	6.0b	--
02/16/2017 12:06	ID	Exports YoY	Jan	19.75%	27.71%	15.57%	16.04%
02/16/2017 12:20	ID	Imports YoY	Jan	12.81%	14.54%	5.82%	5.84%
02/16/2017 12:20	ID	Trade Balance	Jan	\$823m	\$1396m	\$992m	\$1046m
02/16/2017 14:00	JN	Machine Tool Orders YoY	Jan F	--	3.50%	3.50%	--
02/16/2017 14:30	FR	ILO Unemployment Rate	4Q	9.80%	10.00%	10.00%	10.10%
02/16/2017 15:00	EC	EU27 New Car Registrations	Jan	--	10.20%	3.00%	--
02/16/2017 17:00	IT	Trade Balance Total	Dec	--	5798m	4203m	4190m
02/16/2017 18:30	ID	Bank Indonesia 7D Reverse Repo	Feb-16	4.75%	4.75%	4.75%	--
02/16/2017 21:30	US	Housing Starts	Jan	1226k	1246k	1226k	1279k
02/16/2017 21:30	US	Building Permits	Jan	1230k	1285k	1210k	1228k
02/16/2017 21:30	US	Initial Jobless Claims	Feb-11	245k	239k	234k	--
02/16/2017 21:30	US	Continuing Claims	Feb-04	2050k	2076k	2078k	2079k
02/16/2017 21:30	US	Philadelphia Fed Business	Feb	18	43.3	23.6	--
02/16/2017 22:45	US	Bloomberg Consumer Comfort	Feb-12	--	48.1	47.2	--
02/16/2017 22:45	US	Bloomberg Economic Expectations	Feb	--	50	56	--
02/17/2017 05:30	NZ	BusinessNZ Mfg PMI	Jan	--	51.6	54.5	54.2
02/17/2017 05:45	NZ	Retail Sales Ex Inflation QoQ	4Q	1.00%	0.80%	0.90%	0.80%
02/17/2017 08:00	SI	Annual GDP	2016	--	2.00%	1.80%	--
02/17/2017 08:00	SI	GDP YoY	4Q F	2.50%	2.90%	1.80%	--
02/17/2017 08:00	SI	GDP SAAR QoQ	4Q F	12.60%	12.30%	9.10%	--
02/17/2017 08:30	SI	Non-oil Domestic Exports SA MoM	Jan	-1.40%	--	1.00%	--
02/17/2017 08:30	SI	Electronic Exports YoY	Jan	--	--	5.70%	--
02/17/2017 08:30	SI	Non-oil Domestic Exports YoY	Jan	9.60%	--	9.40%	--
02/17/2017 15:30	TH	Foreign Reserves	Feb-10	--	--	\$180.4b	--
02/17/2017 17:00	EC	ECB Current Account SA	Dec	--	--	36.1b	--
02/17/2017 17:30	UK	Retail Sales Ex Auto Fuel MoM	Jan	0.70%	--	-2.00%	--
02/17/2017 17:30	UK	Retail Sales Ex Auto Fuel YoY	Jan	3.90%	--	4.90%	--
02/17/2017 17:30	UK	Retail Sales Inc Auto Fuel MoM	Jan	1.00%	--	-1.90%	--
02/17/2017 17:30	UK	Retail Sales Inc Auto Fuel YoY	Jan	3.40%	--	4.30%	--
02/17/2017 17:30	IT	Current Account Balance	Dec	--	--	4640m	--
02/17/2017 21:30	CA	Int'l Securities Transactions	Dec	--	--	7.24b	--
02/17/2017 23:00	US	Leading Index	Jan	0.50%	--	0.50%	--
02/17/2017	HK	Composite Interest Rate	Jan	--	--	0.31%	--

Source: Bloomberg

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