

**MARKET SUMMARY**

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	151.28	151.42	+0.01	+2.27
EUR	1.0817	1.0837	+0.0029	▼0.0035
AUD	0.6524	0.6540	+0.0025	▼0.0020
SGD	1.3466	1.3460	▼0.0026	+0.0068
CNY	7.2050	7.2114	▼0.0178	+0.0130
INR	83.40	83.43	+0.00	+0.51
IDR	15810	15798	+18	+108
MYR	4.7264	4.7238	▼0.0127	+0.0058
PHP	56.38	56.40	+0.11	+0.84
THB	36.39	36.40	+0.03	+0.42

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.245%	+4.7 bp	▼7.9 bp
JPY (10YR)	0.734%	▼0.7 bp	▼3.3 bp
EUR* (10YR)	2.372%	+4.9 bp	▼8.7 bp
AUD (5YR)	3.660%	▼3.1 bp	▼12.3 bp
SGD (5YR)	3.008%	▼0.4 bp	▼4.8 bp
CNY (5YR)	2.226%	+1.4 bp	+1.1 bp
INR (5YR)	7.111%	+0.0 bp	+1.1 bp
IDR (5YR)	6.556%	+3.0 bp	+1.8 bp
MYR (5YR)	3.574%	+0.6 bp	▼0.9 bp
PHP (5YR)	6.062%	+0.1 bp	▼1.8 bp
THB (5YR)	2.255%	▼0.1 bp	+1.3 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	39,313.64	▼0.41%	+1.35%
N225 (JP)	40,414.12	▼1.16%	+1.70%
STOXX 50 (EU)	5,044.19	+0.26%	+1.23%
ASX (AU)	4,312.78	▼0.23%	+2.23%
STI (SG)	3,198.10	▼0.62%	+0.83%
SHCOMP (CN)	3,026.31	▼0.71%	▼1.90%
SENSEX (IN)	72,831.94	+0.00%	+0.11%
JSE (ID)	7,377.76	+0.38%	+1.03%
KLSE (MY)	1,537.54	▼0.31%	▼1.04%
PSE (PH)	6,853.10	▼0.42%	▼0.00%
SET (TH)	1,372.49	▼0.62%	▼0.97%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	288.94	+1.11%	+0.59%
COPPER (LME)	8,757.63	+0.02%	▲2.54%
IRON ORE (CN)	110.47	+0.07%	+1.81%
GOLD	2,171.83	+0.30%	+0.53%
OIL (WTI)	81.95	+1.64%	▼0.93%

**Three Take-Aways:**

- 1) UST yields moved high on cautious remarks by Fed Speakers; US equities pared some of last week's gains.
- 2) Wariness on geo-political tensions sent Brent oil higher amid likely-unchanged OPEC+ supply policy.
- 3) Seasonal bumps in inflation and higher energy prices guide RBA's balanced take on policy outlook.

**Caution**

- **Caution was in the air in yesterday's session.** UST yields rose (2Y: +3.6bps; 10Y: +4.7bps) on some cautious accents in FedSpeak, which could have been interpreted as a tad more hawkish relative to FOMC. Fed Cook called for a cautious approach to cutting interest rates to **allow more time for inflation to slow down** in some segments of the economy. Meanwhile, Fed Bostic reiterated his expectation for one interest rate cut this year, down from two cuts previously. In his view, the **Fed can afford to be patient as long as the economy holds up.**

- **US equities fell** (S&P: -0.3%; Dow: -0.4%; Nasdaq: -0.2%), paring some of the stellar gains last week. Afterall, S&P had risen >2% last week. Lower manufacturing activity and weaker-than-expected New Home Sales did not support bullish sentiments.

- Meanwhile, **potential flares in oil prices on geo-political tensions remained everpresent.** Brent oil surged above \$86.50/bbl (+1.7%) following reports that OPEC+ delegates were unlikely to change supply policy at a review meeting next week, as current quotas in place for 1H'24 were proving effective. **Geopolitical tensions in the Middle East and Russia** provided additional support, with Houthis renewing their threats against Saudi Arabia.

- Across the Atlantic, 2Y Gilts yields edged +5.7bps, but remained much lower compared to a week ago. 2Y Gilts yields had fallen -20bps last week, with markets now expecting the BoE to frontrun the Fed and ECB in cutting rates. Bund yields followed Gilts higher, supporting the EUR above 1.08.

- **USD/JPY** oscillated below mid-151 for most of the day following MOF's Kanda's comments that they **will take "appropriate steps on FX as needed"**, noting that recent FX moves were not reflective of fundamentals and were speculative.

- Elsewhere, a stronger CNH following a stronger daily fixing spillovered to **USD/SGD** and **AUD**. USD/SGD which moved towards mid-1.34 levels, while AUD was buoyed above 65 cents.

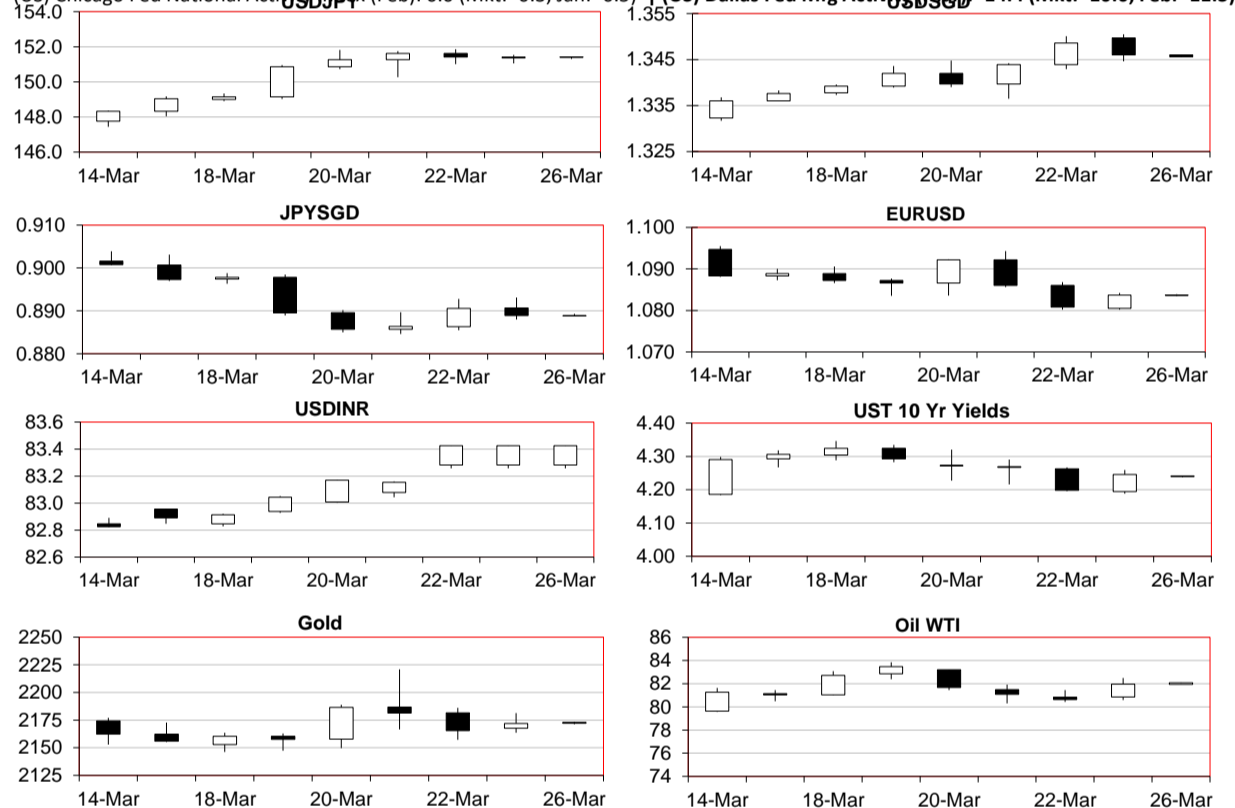
**OVERNIGHT RESULTS**

(JP) Coincident Index/Leading Index CI (Jan F): **112.1/109.5 (Prelim: 110.2/109.9)**

(SG) IPI/Corp YoY (Feb): 3.4%/3.6% (Mkt: 3.2%/3.4%; Jan: 2.9%/3.1%) | (MY) CPI YoY (Feb): 1.8% (Mkt: 1.4%; Jan: 1.5%)

(TW) Industrial Production YoY (Feb): -1.1% (1.0%; Jan: 16.0%) | (US) New Home Sales (Feb): 662k (Mkt: 677k; 664k)

(US) Chicago Fed National Activity Index (Feb): 0.0 (Mkt: -0.3; Jan: -0.5) | (US) Dallas Fed Mfg Activity (Mar): -14.4 (Mkt: -10.0; Feb: -11.3)


**TODAY'S COMMENTS & FORECAST**
**Open**

USD/JPY	151.38	EUR/USD	1.0838
USD/SGD	1.3459	USD/THB	36.36
JPY/SGD	0.8891	USD/MYR	4.724

**Forecast**

USD/JPY	150.70 - 151.80
EUR/USD	1.0760 - 1.0880
AUD/USD	0.6480 - 0.6590
USD/SGD	1.3400 - 1.3500
JPY/SGD	0.8827 - 0.8958
USD/CNH	7.2100 - 7.2600
USD/INR	83.10 - 83.70
USD/IDR	15730 - 15850
USD/MYR	4.700 - 4.740
USD/PHP	56.00 - 56.50
USD/THB	36.20 - 36.60

**Today's Direction**

	Bull	:	Bear
USD/SGD	2	:	5
USD/JPY	2	:	5

**Australia: Seasonal Bumps or Underlying Strength?**

- Admittedly, the **Taylor Swift effect** would have bumped up both the February print of CPI (27 March) and retail sales (28 March).

- While concert related categories such as "other retailing" and "Cafes, restaurants and takeaway food services" will enjoy a direct boost, it also **obfuscates the ability to ascertain the transmission for the February employment strength (+116k jobs) to the underlying strength of private consumption.** Nonetheless, we will watch the extent of uptick in household goods and department store sales to assess household resilience.

- The concert demand boost would also lead to **inflationary effects**, directly pushing up prices in the "Recreation and Culture" category as **hotel room rates and airfares soared given their robust dynamic pricing abilities.** Given that the indirect demand for food and related restaurant services is likely to come through higher volumes, inflationary impact is likely milder.

- Moreover, **headline inflation is also likely to be bumped up by higher petrol and diesel prices alongside increase in electricity spot prices** in most states except Queensland.

- All in, these two way risks necessitate the RBA's more balanced take on "not ruling anything in or out" in their statement last week.

- As for FX, AUD bulls will perhaps need to look for comfort from trade normalisation with China rather than policy normalisation. Even the former is more a backstop rather than cause for rally given the recent dire YTD performance of iron ore and coal prices.

**FX Daily Outlook**

- EUR/USD: Restrained rallies above mid-1.08 on rate cut expectations.
- USD/JPY: Intervention risks tempers rally towards 152.
- USD/SGD: CNH support see trading around mid-1.34 levels.
- AUD/USD: Stronger oil and CNH backstop any weakness below 65 cents.

**TODAY'S EVENTS**

(SG) Industrial Production YoY (Feb): (Mkt: 0.5%; Jan: 1.1%)

(US) Conf. Board Consumer Confidence (Mar): (Mkt: 106.8; Feb: 106.7)

(US) Durable Goods Orders/Nondef Ex Air (Feb P): (Mkt: 1.2%/0.1%; Jan: -6.2%; 0.0%)

(US) Richmond Fed Mfg Index (Mar): (Feb: -5)

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