

**MARKET SUMMARY**

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	131.37	132.16	+0.38	▼0.70
EUR	1.0908	1.0905	▼0.0017	+0.0066
AUD	0.6709	0.6672	+0.0000	▼0.0013
SGD	1.3282	1.3298	▼0.0007	▼0.0011
CNY	6.8774	6.8679	▼0.0051	▼0.0057
INR	81.91	81.90	+0.00	▼0.29
IDR	14927	14913	+0	▼82
MYR	4.4012	4.4015	+0.0035	▼0.0137
PHP	54.42	54.42	+0.00	+0.05
THB	34.08	34.07	+0.20	▼0.13

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.391%	+8.6 bp	▼7.7 bp
JPY (10YR)	0.470%	▼0.2 bp	+11.9 bp
EUR* (10YR)	2.183%	+0.0 bp	▼10.9 bp
AUD (5YR)	2.909%	+0.0 bp	▼13.6 bp
SGD (5YR)	2.821%	+0.0 bp	▼11.4 bp
CNY (5YR)	2.684%	▼0.3 bp	+0.5 bp
INR (5YR)	7.008%	+0.0 bp	▼16.0 bp
IDR (5YR)	6.342%	+0.0 bp	▼4.6 bp
MYR (5YR)	3.505%	+0.6 bp	▼3.4 bp
PHP (5YR)	5.762%	+0.1 bp	▼3.3 bp
THB (5YR)	2.081%	+0.0 bp	+3.4 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	33,485.29	+0.00%	+0.63%
N225 (JP)	27,518.31	+0.17%	▼1.87%
STOXX 50 (EU)	4,309.45	+0.00%	▼0.13%
ASX (AU)	4,203.91	+0.00%	+1.11%
STI (SG)	3,300.48	+0.00%	+1.28%
SHCOMP (CN)	3,327.65	+0.45%	+1.67%
SENSEX (IN)	59,832.97	+0.00%	+1.43%
JSE (ID)	6,792.77	+0.00%	▼0.18%
KLSE (MY)	1,427.04	+0.15%	+0.31%
PSE (PH)	6,488.51	+0.00%	▼0.17%
SET (TH)	1,577.07	+0.38%	▼1.99%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	271.99	+0.00%	+1.59%
COPPER (LME)	8,806.75	+0.00%	▲2.19%
IRON ORE (CN)	118.50	▲0.92%	▲6.74%
GOLD	2,007.91	+0.00%	+1.96%
OIL (WTI)	80.70	+0.00%	+6.65%

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

USD/JPY	132.10	EUR/USD	1.0913
USD/SGD	1.3307	USD/THB	34.18
JPY/SGD	1.0074	USD/MYR	4.402

**Forecast**

USD/JPY	131.00 - 132.60
EUR/USD	1.0820 - 1.0970
AUD/USD	0.6000 - 0.6720
USD/SGD	1.3220 - 1.3330
JPY/SGD	0.9970 - 1.0176
USD/CNH	6.8650 - 6.8960
USD/INR	81.80 - 82.50
USD/IDR	14800 - 15030
USD/MYR	4.385 - 4.413
USD/PHP	54.25 - 54.65
USD/THB	33.95 - 34.20

**Today's Direction**

	Bull	Bear
USD/SGD	6	1
USD/JPY	7	0

**Three Take-aways:**

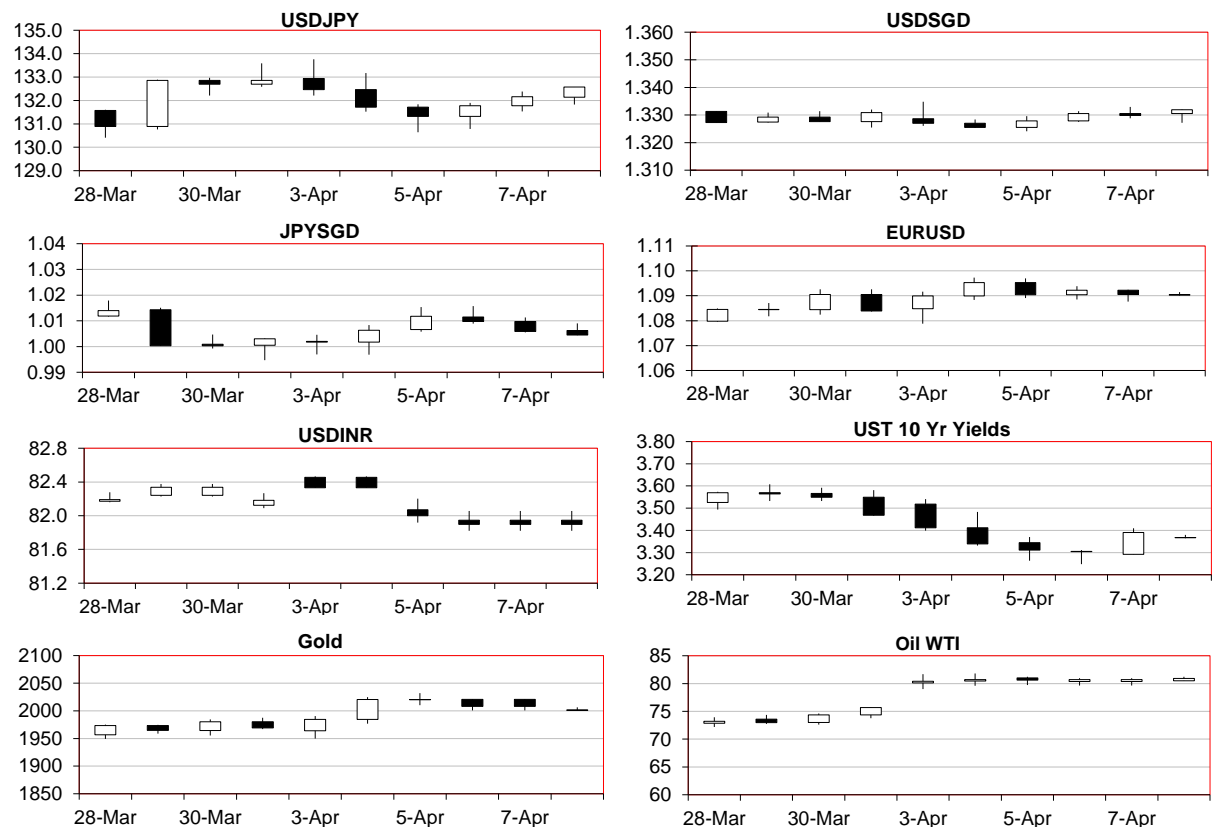
- 1) NFP data tells of tight labour market as job additions exceed labour supply inflows.
- 2) USD remains backstopped by mixture of growth fears and further rate hikes.
- 3) BoK may opt to probe for optimal terminal rate tomorrow rather than take a prolong break.

**No Break**

- The USD sneaked in mild gains as UST yields surged in shorten trading the end of last week.
- Admittedly, the US non-farm payrolls at 236k in March which exceeded market expectations still represented a slip from the upwardly revised 326k for February.
- That said, the **Fed will hardly be taking a break** on this NFP print on supposedly softer labour market especially when viewed together with a **declining unemployment rate**.
- **Less households were taking a break in March** as they entered the labour force to look for work evidenced by the uptick in labour force participation rate. The impact of higher inflation on real purchasing power will certainly not be lost here.
- This **mix of fears** around a hard recession and **further Fed rate hikes** continue to **backstop USD**. Background geo-political risks surrounding Taiwan while not expected to rapture bears watching.
- Early **morning** market action has seen a **surge in UST yields** to give beaten up UST bears a much needed break as anticipation towards **mid-week FOMC and CPI** print grows.
- Despite ECB's Klaas Knot's comments that the **ECB is certainly not done**, EUR looks pressured hovering just above 1.09 as financial sector worries grip in the background to restrain.
- The AUD's earlier commodity price boost fades as it lurks below 0.67.
- Meanwhile, in EM-Asia, the BoK might be tempted to continue their break to hold policy though probing for an optimal terminal rate may be good decision. (See more below). Later in the week, the MAS faces constrained options and compromised outcomes as earlier aggressive front-loaded tightening faces off with fresh oil supply shock. (See Mizuho Chart Speak - MAS: Constrained Options & Compromised Outcomes)

**OVERNIGHT RESULTS**

(AU) Trade Balance (Feb): A\$13.9b (Mkt: A\$11.2b; Jan: A\$11.7b) | (CH) Caixin PMI Services/Composite (Mar): 57.8/54.5 (Mkt: 55.0/-; Feb: 55.0/54.2) | (US) Initial Jobless Claims (1-Apr): 228k (Mkt: 200k; Prev wk: 198k) | (US) Non-farm Payrolls (Mar): 236k (Mkt: 235k; Feb: 311k Revised: 326k) | (US) Unemployment Rate (Mar): 3.5% (Mkt: 3.6%; Feb: 3.6%) | (US) Average Hourly Earnings MoM (Mar): 0.3% (Mkt: 0.3%; Feb: 0.2%)

**\* Past Two Weeks Movement \***

**BoK: Probing for Optimal Terminal, Not Pushing the Envelope**

- The next BoK meeting tomorrow is one which they will be expected to **probe for the optimal terminal rates, rather than push the envelope on policy rates**.

- Uptick in consumer sentiments on current living standards as well as future economic conditions avails **room** for a calibrated 25bp hike.

- At this juncture, the upshot being that a 25bp hike is a search for the **optimal balance between inflation and growth trade-off** rather than test the boundaries of rates, debt and housing risks.

- A brief recap is warranted here that at their last meeting, only a single member of the committee saw the terminal rate at the current level of 3.50% while 5 members opted for 3.75%.

- Admittedly, a combination of falling headline inflation in March and still declining housing prices provide the valid grounds for the BoK to hold their policy rate at 3.50%.

- That said, given **fresh shocks** from OPEC+ production cuts, headline inflation's decline may slow in the months ahead. Afterall, the main drag on Feb's headline inflation was from transport cost as **prices of all other components experienced sequential increase**. As such, taming sticky core inflation is proving a challenge and a **reason for probing for rate optimality**.

- Domestically, a likely upward revision in utilities charges in Q2 may slow the dis-inflation process.

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**FX Daily Outlook**

- EUR/USD: Renewed surge in UST yields to keep rallies above mid-1.09 in check.
- USD/JPY: Sticky oil prices and higher UST yields to see the pair attempt to cautiously test 133.
- USD/SGD: Ahead of MAS, the pair's rally above mid-1.33 may see opportunistic buying.
- AUD/USD: CNH weakness checks AUD rallies, slips become mid-0.66 as UST yields exert.

**TODAY'S EVENTS**

(JP) Current Account Balance (Feb): ¥2197.2b (Mkt: ¥2514b; Jan: ¥1976b) | (JP) Eco Watchers Survey Current/Outlook (Mar): (Mkt: 31.5/52.5; Feb: 31.1/52.0) | (US) Wholesale Inventories MoM (Feb F): (Mkt: 0.2%; Prelim: 0.2%)

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