

## MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	153.25	153.23	▼0.04	+1.61
EUR	1.0682	1.0643	▼0.0083	▼0.0194
AUD	0.6518	0.6467	▼0.0071	▼0.0112
SGD	1.3570	1.3614	+0.0083	+0.0127
CNY	7.2374	7.2373	+0.0003	+0.0041
INR	83.38	83.42	+0.22	+0.12
IDR	15869	15845	+0	+0
MYR	4.7698	4.7705	+0.0227	+0.0230
PHP	56.54	56.54	+0.03	+0.02
THB	36.40	36.61	+0.00	▼0.04

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.522%	▼6.5 bp	+12.0 bp
JPY (10YR)	0.855%	▼1.6 bp	+6.6 bp
EUR* (10YR)	2.359%	▼10.4 bp	▼4.0 bp
AUD (5YR)	3.915%	+1.6 bp	+16.8 bp
SGD (5YR)	3.283%	▼4.2 bp	+15.4 bp
CNY (5YR)	2.105%	▼2.6 bp	▼7.2 bp
INR (5YR)	7.175%	+9.2 bp	+8.4 bp
IDR (5YR)	6.579%	+0.0 bp	+0.0 bp
MYR (5YR)	3.724%	+2.5 bp	+5.2 bp
PHP (5YR)	6.545%	▼2.5 bp	+33.1 bp
THB (5YR)	2.370%	+0.0 bp	+10.0 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	37,983.24	▼1.24%	▼2.37%
N225 (JP)	39,523.55	+0.21%	+1.36%
STOXX 50 (EU)	4,955.01	▼0.23%	▼1.19%
ASX (AU)	4,353.66	+0.72%	+0.92%
STI (SG)	3,216.91	▼0.33%	▼0.04%
SHCOMP (CN)	3,019.47	▼0.49%	▼1.62%
SENSEX (IN)	74,244.90	▼1.06%	▼0.00%
JSE (ID)	7,286.88	+0.00%	+0.00%
KLSE (MY)	1,551.04	▼0.16%	▼0.27%
PSE (PH)	6,659.39	▼0.27%	▼1.28%
SET (TH)	1,396.38	+0.00%	+1.51%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	297.87	+0.79%	+0.10%
COPPER (LME)	9,333.20	+1.34%	+1.35%
IRON ORE (CN)	108.49	+1.95%	+9.69%
GOLD	2,344.37	▲1.19%	+0.63%
OIL (WTI)	85.66	+0.75%	▼1.44%

### Three Take-Aways:

- 1) UST yields decline and USD gained traction as haven demand soared on Iran-Israel war risks.
- 2) US equities sold off amid weaker consumer sentiments and higher inflation expectations.
- 3) Following Taiwan, modest EM-Asia electronics recovery likely to be affirmed in Singapore and Malaysia.

### Conclusions and Intermissions

- After the staggering rise in UST yields thus far, it should not be surprising that hawkish Fed speak last Friday could not assist UST bears further. Specifically, San Francisco Fed's Daly highlight the lack of urgency to cut rates while Kansas City's Schmid wanted clear and convincing evidence to take action on rates rather than being pre-emptive.

- Instead, UST yields dropped (2Y: -6.4bp; 10Y:-6.5bp) as haven demand soared on prospects of an Iran retaliation on Israel. Brent crude prices tested US\$92/barrel before retreating to hover above \$90 as the IEA downgraded oil demand forecast on lower China demand and rising EV usage.

- Given the missile and drone launch by Iran on Israel which was deemed complete by Iran alongside international efforts to contain further escalation by Israel, haven demand this morning has been more muted. Nonetheless, Israel has not ruled out further retaliation and the Straits of Hormuz is far more vulnerable than Iron Dome protected Israel.

- The risk off mood persisted with US equities plunging across the board (Nasdaq: -1.6%; S&P500; -1.5%; Dow: -1.2%) on the back of downbeat consumer sentiments from the Uni of Michigan survey and JPMorgan's net interest margin outlook falling short of expectations.

- The survey also showed higher inflation expectations which is likely due to the increase in gasoline prices in March which has a rather salient effect on the minds of households.

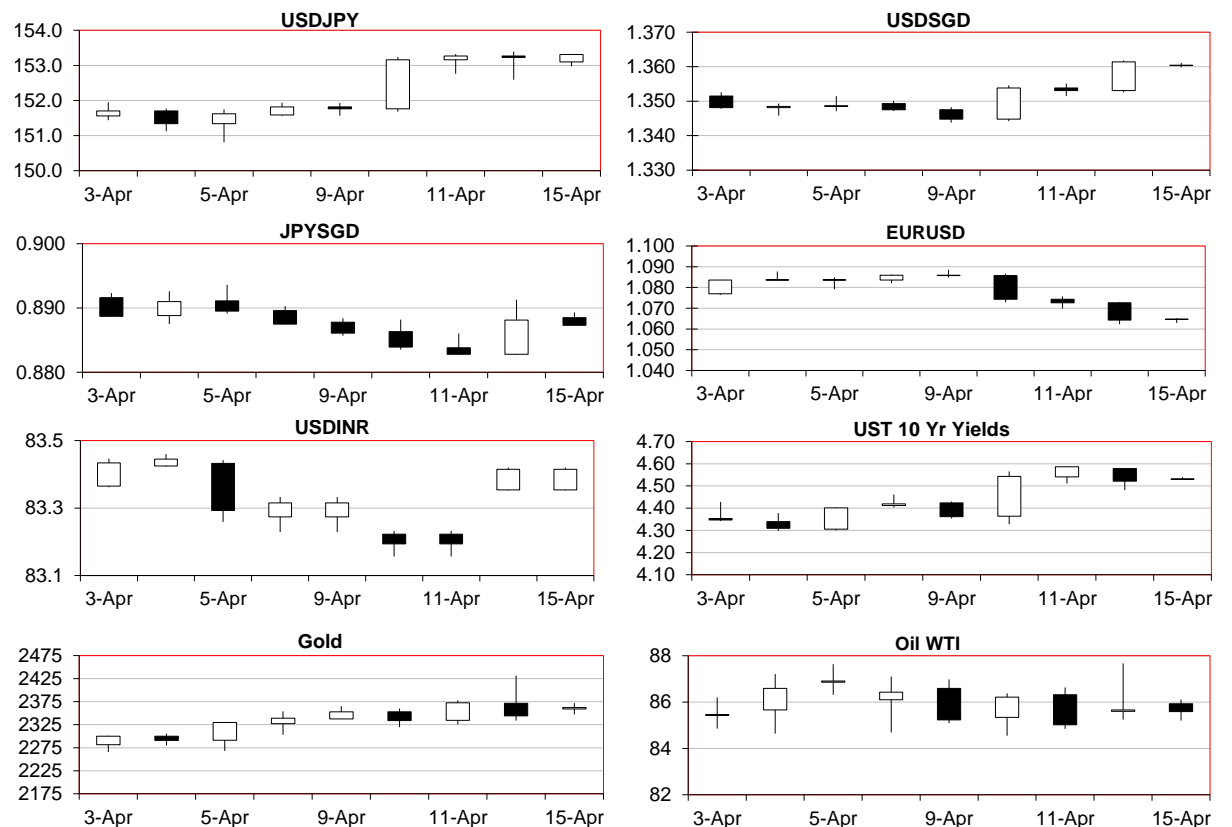
- The haven demand was also evident in sustaining the Greenback's traction despite lower UST yields. The JPY was the obvious beneficiary closing unchanged with USD/JPY hovering above 153.

- EUR sank below mid-1.06 as 2Y German bund yields drop a staggering 10.7bp concomitant with a barrage of ECB speakers affirming a June cut.

### OVERNIGHT RESULTS

(CH) Exports/Imports YoY (Mar): -7.5%/-1.9% (Mkt: -1.9%/1.0%; Feb: 5.6%/-8.2%) | (IN) CPI YoY (Mar): 4.9% (Mkt: 4.9%; Feb: 5.1%) | (IN) Industrial production YoY (Feb): 5.7% (Mkt: 6.0%; Jan: 3.8%) | (US) UoM Sentiment/Expectations (Apr P): 77.9/77.0 (Mkt: 79.0/78.0; Mar: 79.4/77.4) | (US) UoM 1Y/5-10Y Inflation (Apr P): 3.1%/3.0% (Mkt: 2.9%/2.8%; Mar: 2.9%/2.8%) | (JP) Industrial Production YoY (Feb F): -3.9% (prelim: -3.4%)

### \* Past Two Weeks Movement \*



## TODAY'S COMMENTS & FORECAST

### Open

USD/JPY	153.30	EUR/USD	1.0647
USD/SGD	1.3604	USD/THB	36.63
JPY/SGD	0.8874	USD/MYR	4.771

### Forecast

USD/JPY	152.00 - 153.80
EUR/USD	1.0630 - 1.0730
AUD/USD	0.6420 - 0.6530
USD/SGD	1.3560 - 1.3660
JPY/SGD	0.8817 - 0.8987
USD/CNH	7.2400 - 7.2700
USD/INR	83.20 - 83.60
USD/IDR	15800 - 15960
USD/MYR	4.760 - 4.782
USD/PHP	56.40 - 56.70
USD/THB	36.50 - 36.80

### Today's Direction

	Bull	Bear
USD/SGD	1	3
USD/JPY	2	2

- Down Under, AUD plunged towards mid-64 cents. USD/SGD was pulled higher to above 1.36.

### EM-Asia: Trade Recovery Amid Headwinds

- Recent recovery in semiconductor exports in Taiwan and Korea and inventory drawdown in the former point to potential tailwinds for the electronics cycle recovery in the ASEAN region.

- Vietnam, which relies on imports of inputs from Korea, exports of electronics, computers and components saw a 30.3% YoY growth in Q1. Singapore's domestic electronics exports for March (17 Apr) is expected to record another robust YoY growth print with potential to outperform.

- Ironically, despite its lack of direct relevance to Singapore's growth, the re-exports print may serve to affirm the electronics cycle upturn given Singapore's status as a distribution hub.

- In Malaysia, smaller YoY contraction in electrical machinery and equipment, alongside improved commodity demand, could help March exports venture back into growth territory from February's 0.8% YoY contraction. With a significant share of exports of intermediate electronics products to major trading partners US and China, their manufacturing PMIs beat bodes well. Admittedly China's March exports fell short but it was mainly evident in labour intensive sectors. Nonetheless, nominal export gains would likely be discounted when translated to real manufacturing growth on energy cost shocks amid rising intensity of energy demand.

- Furthermore, China-US trade tensions continue to imply emphasis on resilience in supply chain rather than just in time cost efficient approaches. All in, while EM-Asia welcomes improving trade flows, central banks remain vigilant on demand recovery amid on-going supply side cost shocks.

### FX Daily Outlook

- EUR/USD: Amid geo-political worries, EUR weakness to persist for trading below 1.07.

- USD/JPY: UST yields softening unlikely to incite dips below 152 as oil prices remains buoyed.

- USD/SGD: Lower UST yields imply cautious adventures towards 1.37.

- AUD/USD: Rebounds to test 65 cents though further rallies remain restrain on China uncertainty.

### TODAY'S EVENTS

(JP) Core Machine Orders YoY (Feb): (Mkt: -5.7%; Jan: -10.9%) | (IN) Exports/Imports YoY (Mar): (Feb: 11.9%/12.2%) |

(IN) Wholesale Prices YoY (Mar): (Mkt: 0.6%; Feb: 0.2%) | (PH) Overseas Cash Remittances YoY (Feb): (Jan: 2.7%) |

(E2) Industrial Production WDA YoY (Feb): (Jan: -6.7%) | (US) Empire Manufacturing (Apr): (Mkt: -7.0; Mar: -20.9) |

(US) Retail Sales Advance/Ex Auto and Gas MoM (Mar): (Mkt: 0.4%/0.3%; Feb: 0.6%/0.3%)

Central Bank Policy Decision: PBoC 1Y Medium-Term Lending Facility Rate

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