

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	154.81	154.83	▼0.02	+0.11
EUR	1.0679	1.0701	+0.0046	+0.0082
AUD	0.6450	0.6487	+0.0037	+0.0085
SGD	1.3625	1.3614	▼0.0006	▼0.0036
CNY	7.2465	7.2452	+0.0016	+0.0074
INR	83.31	83.34	▼0.03	▼0.20
IDR	16220	16220	▼15	+45
MYR	4.7759	4.7803	+0.0035	▼0.0154
PHP	57.47	57.51	▼0.04	+0.51
THB	37.01	37.06	+0.07	+0.46

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.600%	▼0.8 bp	▼6.7 bp
JPY (10YR)	0.889%	▼0.1 bp	+1.8 bp
EUR* (10YR)	2.502%	+1.6 bp	+1.6 bp
AUD (5YR)	3.915%	▼4.4 bp	▼4.6 bp
SGD (5YR)	3.343%	▼1.1 bp	+1.3 bp
CNY (5YR)	2.068%	▼0.8 bp	▼5.1 bp
INR (5YR)	7.172%	▼3.1 bp	▼2.0 bp
IDR (5YR)	7.026%	▼1.7 bp	+15.9 bp
MYR (5YR)	3.756%	+0.2 bp	+1.5 bp
PHP (5YR)	6.776%	+0.0 bp	+4.8 bp
THB (5YR)	2.497%	▼0.3 bp	+12.7 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	38,503.69	+0.69%	+1.86%
N225 (JP)	37,552.16	+0.30%	▼2.39%
STOXX 50 (EU)	5,008.17	+1.44%	+1.85%
ASX (AU)	4,378.75	+0.37%	+2.78%
STI (SG)	3,272.72	+1.47%	+4.07%
SHCOMP (CN)	3,021.98	▼0.74%	+0.50%
SENSEX (IN)	73,738.45	+0.12%	+1.09%
JSE (ID)	7,110.81	+0.52%	▼0.75%
KLSE (MY)	1,561.64	+0.13%	+1.74%
PSE (PH)	6,506.80	+0.97%	+1.59%
SET (TH)	1,357.46	+0.59%	▼2.79%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	297.54	▲0.19%	+0.24%
COPPER (LME)	9,602.05	▲1.44%	+2.64%
IRON ORE (CN)	109.83	▲0.91%	+2.19%
GOLD	2,322.02	▲0.23%	▲2.55%
OIL (WTI)	83.36	+0.62%	▼2.34%

Three Take-Aways:

- 1) US equities rebound continued though US exceptionalism was questioned by PMI disappointment.
- 2) UST yields declined led by the front end leading to a softer USD.
- 3) Korea Q1 GDP likely to pick up on firmer external demand though household spending likely weak.

Exceptionalism Questioned?

- Though US equities rebounded across the board (Nasdaq: +1.6%; S&P 500: +1.2%; Dow: +0.7%) after the mauling last week, **questions were being asked on US exceptionalism even before the US GDP print tomorrow.**

- Both manufacturing and services PMI for April in the US disappointed to send UST yields lower (2Y: -4bps; 10Y: -0.8bp). Specifically, manufacturing PMI sank back into contractionary territory after 3 months of expansionary prints while services activity expansion was softer than expected.

- For UST bulls, the sight of lower median housing prices was also a welcoming one. That said, with new home sales remaining robust, the underlying demand ought to underpin prices.

- Amid the recovery in risk sentiments and lower UST yields, the **Greenback ceded ground to all G10 peers. The GBP led gains** as yields on Gilts rose backed by hawkish comments from **BoE Chief Economist Pill who stated that there is a reasonable way to go before being convinced** on inflation being tamed successfully. Given the **divided monetary policy committee at the BoE**, easing early remains a prospect even if excessive easing is heavily cautioned.

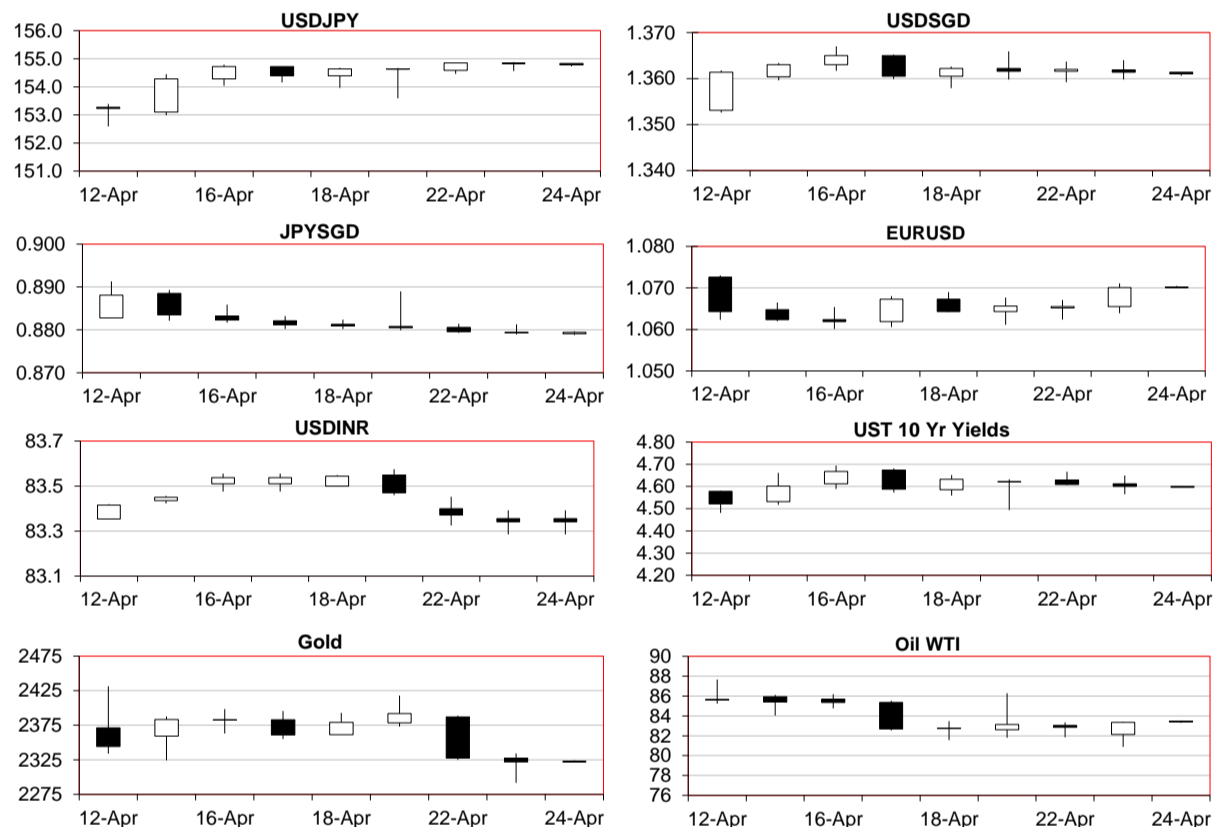
- The ECB continues to reflect such a possibility with ECB's Nagel and Guindos re-iterating their conditional June cuts. **EUR's gains were milder** as it rose to hover around 1.07.

- Despite lower UST yields, the JPY had little gains as it continued to hover above mid-154. Furthermore, this was also despite BoJ Governor Ueda opening doors for future policy adjustment. Aside from intervention risks, the JPY performance in part reflects the **BoJ's cautious and patient approach to monetary policy calibration** keeping wide the UST-JGB gaps.

- Meanwhile, higher oil prices assisted AUD recovery to just below 65 cents. In EM-Asia, the USD/SGD slipped towards 1.36. The region's focus today will be on Bank Indonesia's decision which faces a rupiah which was weakened past last October's levels when a surprise hike was done.

OVERNIGHT RESULTS

(SG) CPI/Core yoY (Mar): 2.7%/3.1% (Mkt: 3.1%/3.4%; Feb: 3.4%/3.6%) | (TW) Industrial production YoY (Mar): 4.0% (Mkt: 7.5%; Feb: -1.1%) | (US) New Home Sales (Mar): 693k (Mkt: 669k; Feb: 662k) | (US) Richmond Fed Mfg Index (Apr): -7 (Mkt: -8; Mar: -11)

Past Two Weeks Movement

TODAY'S COMMENTS & FORECAST
Open

USD/JPY	154.76	EUR/USD	1.0703
USD/SGD	1.3610	USD/THB	36.93
JPY/SGD	0.8795	USD/MYR	4.779

Forecast

USD/JPY	154.00 - 155.30
EUR/USD	1.0640 - 1.0730
AUD/USD	0.6440 - 0.6540
USD/SGD	1.3550 - 1.3650
JPY/SGD	0.8725 - 0.8864
USD/CNH	7.2400 - 7.2600
USD/INR	83.00 - 83.40
USD/IDR	16100 - 16300
USD/MYR	4.760 - 4.780
USD/PHP	57.30 - 57.80
USD/THB	36.80 - 37.10

Today's Direction

	Bull	Bear
USD/SGD	1	4
USD/JPY	1	4

- While a rate hike (if it materialises) may not durably turn the tide for IDR against the USD, it will add stability and may aid in preventing another bottom of the pile performance among peers.

Korea Q1 GDP: Pick Up

- We expect **Q1 GDP growth in Korea (releasing on 25 Apr) is likely to accelerate from Q4 2023's 2.2% YoY** to hit around 2.7% as low base effects lend a helping hand. QoQ sequential momentum is also likely to see an uptick in pace on a seasonally adjusted basis.

- This is in part an **acknowledgement of a firmer external demand recovery** with nominal exports recording a respectable 8.3% YoY growth which helped record US\$9bn of trade surplus as the semiconductor sector recovers.

- Nonetheless, the surplus was in part due to import compression as energy demand fell.

- The **domestic situation remains less rosy** with real retail sales down 1.2% YoY over Jan-Feb with inflationary effects likely to have taken a toll on household spending.

- On a broader basis, **the services index still chalked a robust 2.8% YoY growth** driven by the likes of the financial and insurance services, information and communication services and real estate activities.

- In all likelihood, this print is likely to also **delay expectations for a BoK rate cut** especially as the labour market remains very tight with **the unemployment rate at just 2.8%**.

- As for the KRW, the GDP print remains more of a weak restrain of slippages against the USD rather than a cause for rallies.

FX Daily Outlook

- EUR/USD: June confirmation will continue to restrain rallies below mid-1.07.

- USD/JPY: Given higher energy prices, testing 155 remains on the cards with BoJ looming

- USD/SGD: Buoyancy above mid-1.35 likely sustained with China woes unabated.

- AUD/USD: AUD consolidation on both sides of 65 cents on oil and sticky CPI.

TODAY'S EVENTS

(AU) CPI YoY (Mar/1Q): (Mkt: 3.4%/3.5%; Feb/4Q: 3.4%/4.1%) | (PH) Budget Balance PHP (Mar): (Feb: -164.7b) |

(US) Durable Goods Orders/Nondef Ex Air (Mar P): (Mkt: 2.5%/0.2%; Feb: 1.3%/0.7%) |

(GE) IFO Business Climate/Expectations (Apr): (Mkt: 88.8/88.9; Mar: 87.8/87.5)

Central Bank Policy Decision: Bank Indonesia

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