

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	130.59	128.47	+0.04	+0.09
EUR	1.0559	1.0551	▼0.0006	▼0.0283
AUD	0.7154	0.7123	▼0.0003	▼0.0251
SGD	1.3846	1.3808	▼0.0004	+0.0171
CNY	6.6072	6.5606	+0.0000	+0.1099
INR	76.54	76.53	+0.00	+0.37
IDR	14493	14422	+0	+78
MYR	4.3640	4.3577	+0.0000	+0.0687
PHP	52.25	52.12	+0.00	▼0.25
THB	34.46	34.32	+0.00	+0.50

*compared with previous day CLOSE(NY)

Govt Bond Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	2.832%	+0.0 bp	▼7.8 bp
JPY (10YR)	0.246%	+0.0 bp	▼0.5 bp
EUR* (10YR)	0.801%	+0.0 bp	▼14.7 bp
AUD (5YR)	2.918%	+5.6 bp	+8.8 bp
SGD (5YR)	2.383%	+0.0 bp	▼2.9 bp
CNY (5YR)	2.614%	+0.0 bp	+3.1 bp
INR (5YR)	6.784%	+0.0 bp	▼1.6 bp
IDR (5YR)	6.292%	+0.5 bp	+19.6 bp
MYR (5YR)	3.900%	+0.0 bp	+19.5 bp
PHP (5YR)	5.227%	+0.0 bp	+10.2 bp
THB (5YR)	2.280%	+0.0 bp	+14.7 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	33,301.93	+0.00%	▼4.28%
N225 (JP)	26,386.63	+0.00%	▼4.23%
STOXX 50 (EU)	3,734.64	+0.00%	▼4.92%
ASX (AU)	4,121.70	+0.00%	▼2.75%
STI (SG)	3,320.67	+0.00%	▼0.83%
SHCOMP (CN)	2,958.28	+0.00%	▼3.95%
SENSEX (IN)	56,819.39	+0.00%	▼1.89%
JSE (ID)	7,196.76	+0.00%	▼1.09%
KLSE (MY)	1,585.98	+0.00%	▼0.77%
PSE (PH)	6,863.91	+0.00%	▼2.80%
SET (TH)	1,661.89	+0.00%	▼1.70%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	305.71	+0.00%	▲1.13%
COPPER (LME)	9,866.50	+0.00%	▲3.95%
IRON ORE (CN)	150.52	+0.00%	▲1.85%
GOLD	1,885.84	▲0.01%	▲3.37%
OIL (WTI)	101.78	▼0.24%	▼1.94%

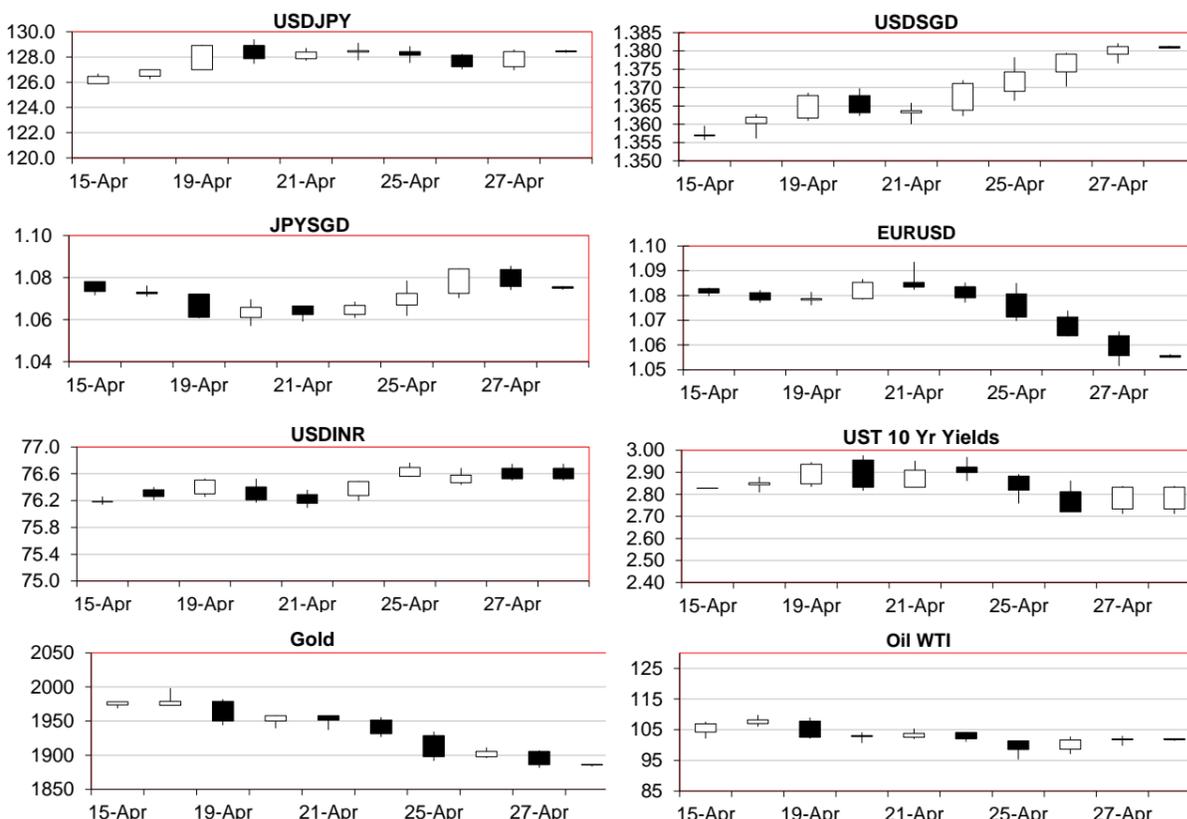
Falling Short

- While US equities rose across the board (Nasdaq: +3.1%; S&P500: +2.5%; Dow: +1.9%) in a mood of optimism, **futures are now pointing to a fast reversal** as earnings and guidance from Amazon, Apple and Intel **fall short of expectations**.
 - Amazon was undoubtedly a disappointment as it posted a **surprise loss** citing lower sales, higher cost and lower valuation of their EV ventures while Apple's result beating estimate was overshadowed by **supply chain issues** damaging \$8bn sales ahead.
 - **Misery loves company, US Q1 GDP QoQ surprise contraction** of 1.4% annualised (relative to 1% expansion from consensus) while **scary on first look was dragged by lower inventories** which contributed a drag of 0.8%pt and a surge in imports which added a 3.2%pt drag.
 - Admittedly, these factors are 'technical' but as such subject to interpretations ranging from **typical business cycle movements** or a **draw down in firms inventories because of supply constraints**.
 - GDP price deflator at 8% YoY (Consensus: 7.2%) underscores inflation's impact on real activity.
 - For now, the **Fed will not fall short** as they embark on their 50bps hike next week.
 - As such, UST 2Y yields are up 2.6bps while growth concerns moderated 10Y yields down 0.9bp.
 - Similarly, with the Fed's backing, USD also stood tall gaining against most G10 peers.
 - **The BoJ's stand on monetary accommodation certainly mattered** as USD/JPY shot above 131 with Governor Kuroda reiterating unlimited bond buying daily to defend their yield cap.
 - EUR remains suppressed below mid-1.05 as EU plans to ban on Russian crude imports loom.
 - Despite rising iron ore prices and cut to coal tariffs, AUD remains trapped under mid-0.71 as China's latest efforts to support employment and growth have waned in its AUD boosting abilities.
 - With CNH's 1.1% drop, USD/SGD popped above mid-1.38 alongside regional peers' USD deference.
 - Notably, Indonesia's **reversal to include crude palm oil into the export ban** sent the USD/IDR up 0.5%, as the IDR fell to the bottom of the ASEAN pile.

OVERNIGHT RESULTS

(SG) Unemployment Rate (Q1): 2.2% (Mkt: 2.1%; Q4: 2.4%) | (TH) Manufacturing Pdtm YoY (Mar): -0.1% (Mkt: 2.0%; Feb: 2.5%)
 (US) Initial Jobless Claim (Apr 23): (Mkt: 180k; Prev: 185k) | (US) GDP Annualized QoQ (Q1 A): -1.4% (Mkt: 1.0%; Q4: 6.9%)
 (US) Personal Consumption QoQ (Q1 A): 2.7% (Mkt: 3.5%; Q4: 2.5%) | (US) Kansas City Fed Mfg (Apr): (Mkt: 35; Mar: 37)
 (US) Core PCE QoQ (Q1 A): 5.2% (Mkt: 5.5%; Prev: 5.0%)

* Past Two Weeks Movement *



TODAY'S COMMENTS & FORECAST

Open

USD/JPY	130.80	EUR/USD	1.0503
USD/SGD	1.3865	USD/THB	34.44
JPY/SGD	1.0600	USD/MYR	4.363

Forecast

USD/JPY	128.00 - 131.50
EUR/USD	1.0470 - 1.0640
AUD/USD	0.7000 - 0.7230
USD/SGD	1.3800 - 1.3920
JPY/SGD	1.1641 - 1.1851
USD/CNH	6.5680 - 6.7000
USD/INR	76.30 - 77.20
USD/IDR	14400 - 14550
USD/MYR	4.3480 - 4.3760
USD/PHP	52.00 - 52.60
USD/THB	34.20 - 34.55

Today's Direction

	Bull	Bear
USD/SGD	2	4
USD/JPY	2	4

Thailand Current Account: Golden?

- Thailand's CA **will likely continue posting a small deficit for March**, though a small surplus surprise is not entirely ruled out, given Tuesday's customs outturn exceeding expectations.
 - Regardless, we expect it to culminate in a **deficit for the entire Q1** as **nascent uptick in tourism receipts** implies that the services and income balance is yet to turn a surplus.
 - Despite **oil being expected to pose a drag**, the overall goods BOP balance may continue showing a decent surplus given customs data released on Tues posting an upside surprise with US\$1.46b surplus compared to consensus estimates of a \$100m deficit.
 - The issue is **almost All that Glitters is Gold**, literally. A dive into data showed that more than **half of the exports increase** relative to February **came from increase exports of gold; the revenue of Gold exports in March was 7 times that of the monthly average in 2021**.
 - This dangerously accentuates the extent of durable progress on external demand.
 - That said, there is still some **improvement in exports of manufacturing goods** such as data processing equipment which may endure.
 - On the services front, while tourist arrivals have risen since Jan (albeit 8.5% below Dec '21 for March), **rising room rates** and associated tourism prices will help narrow the services deficit.
 - But with surging Oil and only gradual tourism pick-up, **the return to a C/A surplus may be delayed to Q3**; and even then **measured**. And so, THB remains vulnerable to a hawkish Fed alongside domestic fiscal strains exacerbating twin deficit worries.

FX Daily Outlook

- EUR/USD: Downside 1.05-1.06 consolidation as longer term energy worries persist.
 - USD/JPY: Dovish BoJ looks to buoy the pair above 130 as policy divergence entrenches.
 - USD/SGD: With both CNY and EUR plunging, SGD set to remain week; pair buoyed above 1.38.
 - AUD/USD: Unable to turn around for now as China growth risks weighs pair below 0.72.

TODAY'S EVENTS

(KR) Industrial Production: 3.7% (Mkt: 4.0%; Feb: 6.5%) | (TH) BoP Current Account: (Mkt: -\$385m; Feb: -\$652m)
 (AU) PPI YoY (1Q): (4Q: 3.7%) | (VN) CPI YoY (Apr): (Mkt: 2.6%; Mar: 2.4%) | (VN) Trade Balance: (Mkt: \$300m; Mar: \$1389m)
 (US) U of Mich. Sentiment (Apr F): (Mkt: 65.7; Prelim: 65.7) | (US) MNI Chicago PMI (Apr): (Mkt: 62.0; Mar: 62.9)
 (US) PCE Deflator/PCE Core Deflator (Mar): (Mkt: 6.7%/5.3%; Feb: 6.4%/5.4%)
 (EZ) CPI/Core YoY (Apr P): (Mkt: 7.5%/3.2%; Mar: 7.5%/2.9%) | (EZ) GDP SA YoY (1Q A): (Mkt: 5.0%; Prev: 4.6%)

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