

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	130.51	130.56	+0.36	+0.86
EUR	1.0524	1.0551	+0.0009	+0.0006
AUD	0.7077	0.7076	▼0.0036	+0.0015
SGD	1.3861	1.3852	+0.0006	+0.0018
CNY	6.6826	6.6668	+0.0110	+0.0583
INR	76.80	76.93	+0.67	+0.50
IDR	14481	14497	+0	+0
MYR	4.3743	4.3665	+0.0177	+0.0127
PHP	52.50	52.50	+0.10	+0.30
THB	34.39	34.35	+0.27	+0.09

*compared with previous day CLOSE(NY)

Govt Bond Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.127%	+9.0 bp	+19.3 bp
JPY (10YR)	0.244%	+1.3 bp	+1.4 bp
EUR* (10YR)	1.132%	+8.8 bp	+19.4 bp
AUD (5YR)	3.213%	+7.3 bp	+31.8 bp
SGD (5YR)	2.607%	+13.8 bp	+21.0 bp
CNY (5YR)	2.608%	▼2.9 bp	▼2.9 bp
INR (5YR)	7.272%	+9.1 bp	+44.2 bp
IDR (5YR)	6.322%	+0.0 bp	+0.0 bp
MYR (5YR)	4.159%	+23.2 bp	+25.1 bp
PHP (5YR)	5.271%	+17.9 bp	+18.4 bp
THB (5YR)	2.539%	+6.8 bp	+23.9 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	32,899.37	▼0.30%	▼0.24%
N225 (JP)	27,003.56	+0.69%	+0.58%
STOXX 50 (EU)	3,629.17	▼1.82%	▼4.57%
ASX (AU)	4,083.36	▼1.50%	▼2.43%
STI (SG)	3,291.89	▼1.55%	▼1.94%
SHCOMP (CN)	3,001.56	▼2.16%	▼1.49%
SENSEX (IN)	54,835.58	▼1.56%	▼3.90%
JSE (ID)	7,228.91	+0.00%	+0.00%
KLSE (MY)	1,564.34	▼1.18%	▼2.26%
PSE (PH)	6,759.90	▼1.59%	+0.43%
SET (TH)	1,629.58	▼0.83%	▼2.27%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	311.32	▲0.81%	+0.99%
COPPER (LME)	9,411.00	▲1.07%	▲3.68%
IRON ORE (CN)	138.44	▲4.66%	▲8.18%
GOLD	1,883.81	+0.35%	▲0.69%
OIL (WTI)	109.77	+1.39%	+4.85%

TODAY'S COMMENTS & FORECAST
Open

USD/JPY	130.75	EUR/USD	1.0532
USD/SGD	1.3876	USD/THB	34.40
JPY/SGD	1.0613	USD/MYR	4.373

Forecast

USD/JPY	129.00 - 131.50
EUR/USD	1.0450 - 1.0600
AUD/USD	0.7000 - 0.7180
USD/SGD	1.3800 - 1.3920
JPY/SGD	1.1641 - 1.1851
USD/CNH	6.6600 - 6.7400
USD/INR	76.20 - 77.50
USD/IDR	14400 - 14600
USD/MYR	4.3300 - 4.3850
USD/PHP	52.00 - 53.50
USD/THB	34.00 - 35.00

Today's Direction

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

Whirlwind Markets

- US markets were roiled on Friday as equities dipped further, albeit with the tech heavy NASDAQ bearing the brunt (S&P: -0.6%; NASDAQ: -1.4% and Dow Jones: -0.3%), UST yields at the long-end of the curve rose sharply and the US dollar demand remained elevated.

- The solid jobs data for April, even with the steady unemployment rate, only helped cement the need for tighter monetary policy and the Fed's current aggressive rate hike trajectory.

- This leaves risk sentiment in a fragile state with yields rising across most G10 economies and currencies weighed down by US dollar strength.

- USD/JPY looks set to breach 131 while AUD/USD is within an earshot of 0.70 levels; moves in EUR/USD have been buffered by some hawkish ECB expectations but will unlikely sustain the dollar trend with the pair moving lower from current 1.053 levels.

- Even as Russia-Ukraine tensions persist, oil prices have moved lower on expectations of weaker growth in China and a resultant price cut for Asian buyers from Saudi Arabia.

- INR, despite lower global oil prices, was hit hard on Friday with USD/INR just shy of 77 levels

- The rest of the EM Asia FX complex was also under pressure on Friday and this looks set to continue on Monday, with focus on the Philippines Presidential elections and Indonesia data.

Philippines: A New President Awaits

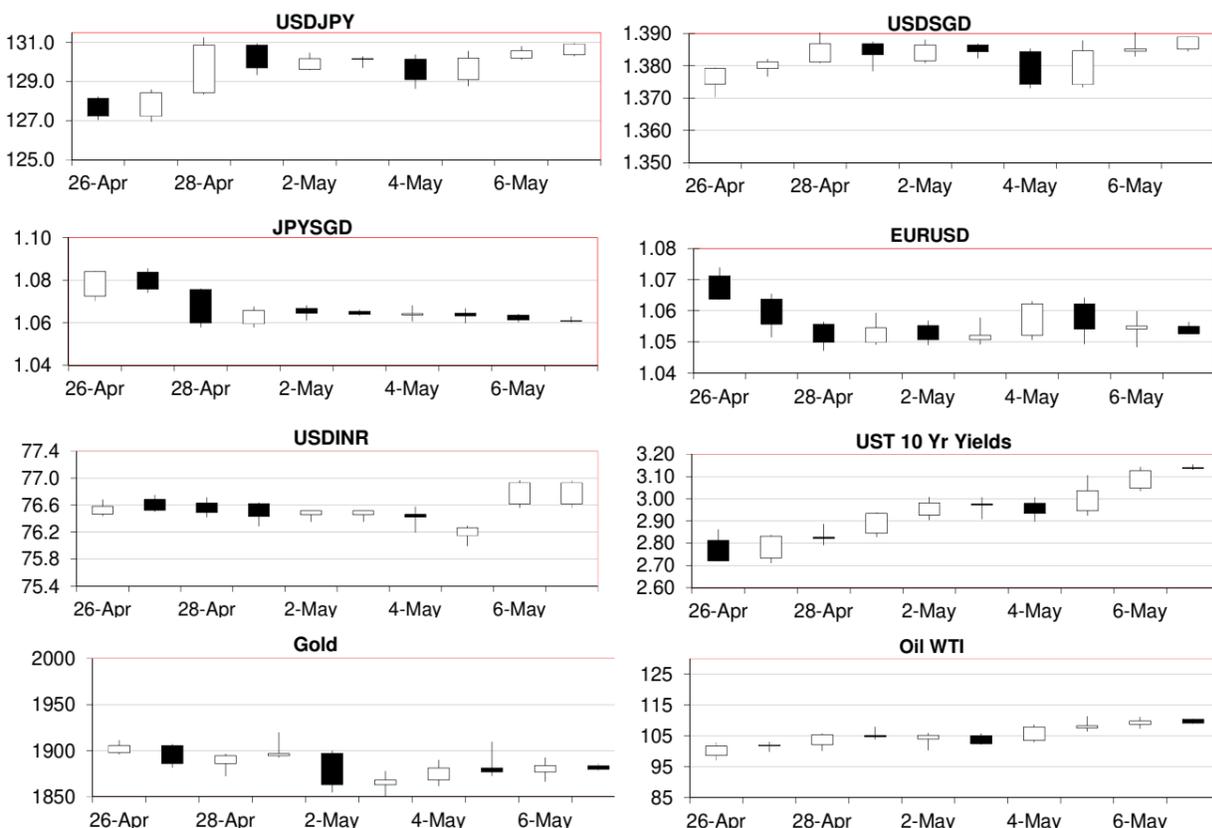
- The elections on 9 May will, according to recent opinion polls, turn out 'Bongbong' Marcos as the next President-elect of the Philippines.

- According to the recent Pulse Asia survey, Marcos has a significant lead over Leni Robredo, the current VP and Marcos' closest competitor. Although Robredo gained some ground in March and April, it does not seem sufficient to erode Marcos' lead.

- Sara Duterte, Marcos' running mate and the daughter of the current President, is looking good for the position of Vice President and the duo have promised to focus on infrastructure by continuing President Duterte's "build, build, build" initiative.

- They will also focus on MSME development as a key areas of focus in order to generate jobs.

- While for the most part we expect policy continuity from the current Duterte administration, there are some grey areas including Marcos' position on fiscal consolidation, which may trouble investors.

*** Past Two Weeks Movement ***


- This, along with the baggage that comes from Bongbong Marcos' family lineage and legacy, will at least in the immediate aftermath of the elections, exert depreciation pressure on PHP while triggering outflows from Philippines asset markets.

Indonesia: Better Growth, Rising Inflation

- Q1 GDP growth likely improved further from 5% in Q4 as tailwinds from commodity prices buffered complemented steady improvements in domestic demand.

- Within domestic demand, private consumption remained resilient underscored by an easing of social restrictions while investment spending, reflecting higher capital goods imports and cement sales, also picked up.

- Elevated global commodity prices in Q1 supported core commodity exports including coal and palm oil but the net export impact may have been dampened by rising imports.

- Mirroring domestic demand improvements, higher global commodity prices and a higher VAT rate, headline inflation is expected to step up in April.

- Although it will remain within Bank Indonesia's 2-4% range, rising inflation against a backdrop of the US Fed set on an aggressive tightening path will put pressure on the currency (IDR).

- This IDR depreciation pressure will be exacerbated by increasingly differentiated monetary policy stances within the region.

- BI is still clearly focussed on supporting economic growth while Bangko Sentral ng Pilipinas (BSP) has recently shifted focus to rising inflation. Bank Negara Malaysia may hike as early as this week

FX Daily Outlook

- EUR/USD: Dollar deference remains the theme even with hawkish ECB signals.

- USD/JPY: Long end UST yield pick-up to persist and put pressure on JPY.

- USD/SGD: Cedeing ground to the US dollar as a trend will see pair testing 1.39 levels and higher.

- AUD/USD: Bottom fishing seems the theme as RBA hawkishness may not be enough of a floor.

TODAY'S EVENTS

(CH) Exports YoY/Imports YoY (Apr): (Mkt: 2.7%/-3.0%; Mar: 14.7%/-0.1%) | (ID) GDP YoY/GDP QoQ (Q1): (Mkt: 5.0%; Q4: 5.0%) | (ID) CPI YoY (Apr): (Mkt: 3.3%; Mar: 2.6%) | (US) Wholesale Inventories MoM (Mar F): (Mkt: 2.3%; Prelim: 2.3%) | (JP) Jibun Bank Japan PMI Services (Apr F): (Prelim: 50.5) | **Philippines Presidential Elections**

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