

## MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	133.10	133.74	+0.32	▼2.41
EUR	1.0626	1.0610	+0.0033	+0.0029
AUD	0.6659	0.6656	+0.0037	+0.0066
SGD	1.3471	1.3469	▼0.0051	▼0.0064
CNY	6.9017	6.8980	▼0.0083	▼0.0671
INR	82.64	82.74	+0.13	+0.76
IDR	15390	15380	+15	▼45
MYR	4.5026	4.5030	+0.0183	▼0.0160
PHP	54.88	54.90	▼0.07	▼0.34
THB	34.48	34.41	▼0.21	▼0.64

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.577%	+12.2 bp	▼32.6 bp
JPY (10YR)	0.315%	▼1.4 bp	▼19.1 bp
EUR* (10YR)	2.290%	+16.0 bp	▼35.3 bp
AUD (5YR)	3.000%	▼18.5 bp	▼50.0 bp
SGD (5YR)	2.940%	▼10.6 bp	▼45.7 bp
CNY (5YR)	2.681%	+0.0 bp	▼0.3 bp
INR (5YR)	7.249%	▼1.0 bp	▼17.3 bp
IDR (5YR)	6.526%	+9.3 bp	▼6.6 bp
MYR (5YR)	3.528%	+0.4 bp	▼14.2 bp
PHP (5YR)	5.919%	▼2.4 bp	▼12.6 bp
THB (5YR)	2.007%	▼2.6 bp	▼12.0 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	32,246.55	+1.17%	▼0.03%
N225 (JP)	27,010.61	▼0.80%	▼5.63%
STOXX 50 (EU)	4,116.98	+2.03%	▼3.95%
ASX (AU)	4,051.38	+0.86%	▼5.75%
STI (SG)	3,155.54	▼0.55%	▼1.83%
SHCOMP (CN)	3,226.89	▼1.12%	▼1.50%
SENSEX (IN)	57,634.84	+0.14%	▼3.63%
JSE (ID)	6,565.73	▼0.94%	▼3.44%
KLSE (MY)	1,391.60	▼0.88%	▼4.00%
PSE (PH)	6,404.91	▼0.95%	▼3.09%
SET (TH)	1,554.65	▼0.66%	▼3.69%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	256.65	+1.03%	▲3.03%
COPPER (LME)	8,508.75	+0.33%	▲3.66%
IRON ORE (CN)	129.62	▲1.20%	+1.20%
GOLD	1,919.52	+0.05%	+4.83%
OIL (WTI)	68.35	+1.09%	▼9.73%

### Three Take-aways:

- 1) Liquidity injections spark equities recovery. UST and USD sell off tells of moderating meltdown fears.
- 2) ECB raises rates by 50bps but financial stability clouds policy outlook and restrain EUR rallies.
- 3) Bank Indonesia kept policy rates on hold while highlighting IDR stability tools.

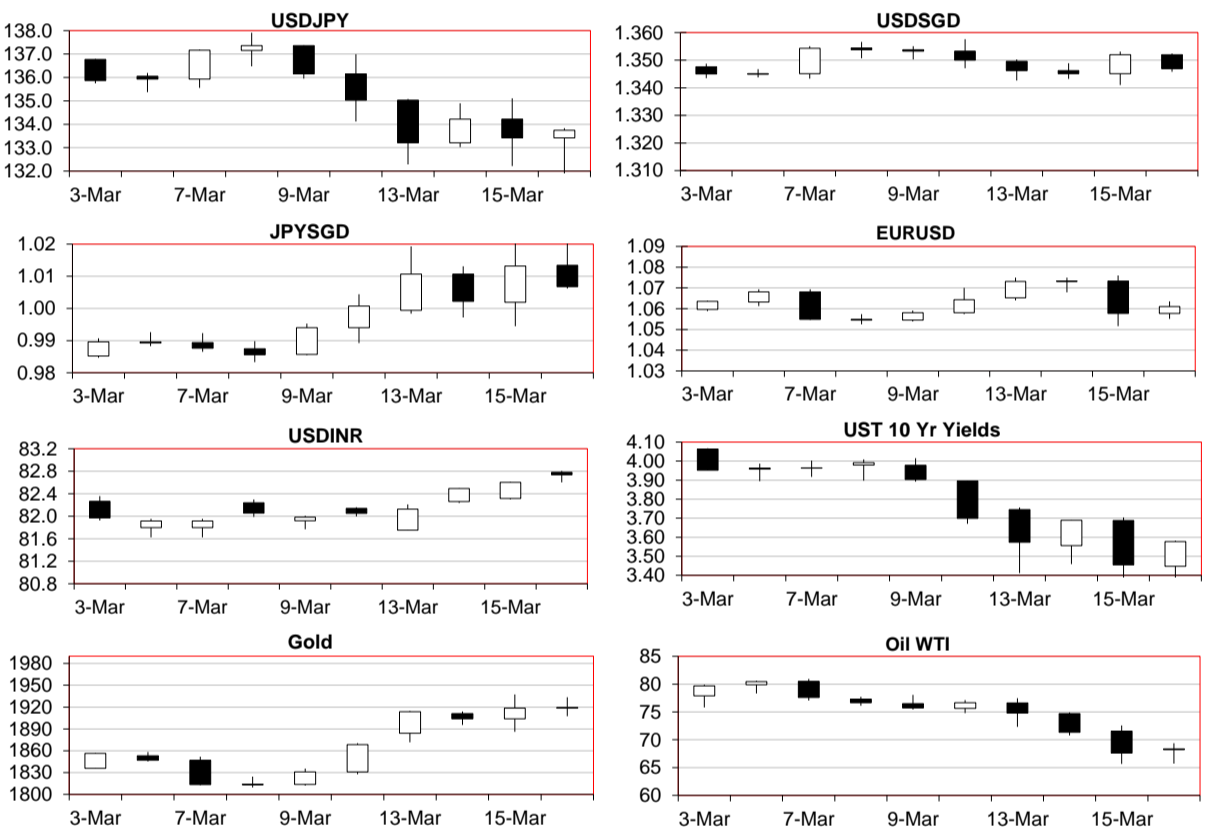
### Injections and Revived Hopes?

- With SNB providing a lifeline to Credit Suisse and multiple Wall Street banks injecting deposits into First Republic, US equities staged a recovery (Nasdaq: +2.5%; S&P 500: +1.8%; Dow: +1.2%).
- Revelation of an **expanding Fed balance sheet** from utilization of the Fed's discount window is telling of the **injection of liquidity into banking sector needs**. While ensuring **banking sector stability is paramount, going against the still on-going QT** backdrop puts into question the **efficacy of monetary policy transmission in achieving low and stable inflation**.
- What's more, the stronger credit flows and plausible unintended consequence of revived inflationary pressures begs the **question of the need for higher terminal rates** while not immediately relevant may **come back to haunt**.
- US treasuries sold off in another volatile move as 2Y and 10Y yields rose 27.0bp and 12.2bp respectively. Since the start of this week, 2Y yields are still ~45bps lower while 10Y UST yields are ~13bps lower. Having **injections may provide relief** though the road to **recovery may be a long one**.
- Despite the higher UST yields, the dollar softened against all G10 peers as earlier safe haven allure faded. EUR inched up above 1.06 as the **ECB hiked rates by an expected 50bps**. While ECB President Lagarde signaled confidence in the banking sector, an admission of **financial stability clouding their policy path** underscores rising caution.
- USD/JPY ended rather flat around mid-133. Downunder, stronger than expected jobs report incited marginal bets on RBA hikes, AUD's mild rise to mid-0.66 is telling of RBA-Fed's policy room divergence.
- In EM-Asia, Bank Indonesia held policy rate constant as they highlight inflation and financial sector stability and espouse their ability to stabilise the IDR via export deposit facility and operation twist.

### OVERNIGHT RESULTS

(AU) Employment Change (Feb): 64.6k (Mkt: 50k; Jan: -11.5k) | (AU) Participation/Unemployment Rate (Feb): 66.6%/3.5% (Mkt: 66.6%/3.6%; Jan: 66.5%/3.7%) | (US) Philadelphia Fed Business Outlook (Mar): -23.2 (Mkt: -15.0; Feb: -24.3) | (US) Housing Starts (Feb): 1450k (Mkt: 1310k; Jan: 1309k)

### \* Past Two Weeks Movement \*



## TODAY'S COMMENTS & FORECAST

### Open

USD/JPY	133.38	EUR/USD	1.0614
USD/SGD	1.3460	USD/THB	34.44
JPY/SGD	1.0092	USD/MYR	4.503

### Forecast

USD/JPY	132.80 - 136.00
EUR/USD	1.0580 - 1.0750
AUD/USD	0.6590 - 0.6730
USD/SGD	1.3400 - 1.3600
JPY/SGD	0.9853 - 1.0241
USD/CNH	6.8000 - 6.9800
USD/INR	82.00 - 83.30
USD/IDR	15300 - 15580
USD/MYR	4.480 - 4.550
USD/PHP	54.80 - 55.60
USD/THB	34.30 - 35.00

### Today's Direction

	Bull	Bear
USD/SGD	6	2
USD/JPY	6	2

### Vietnam Real Estate Snapshot: Relevance and Risks

- While real estate sector worries on credit constraints in Vietnam are not unfounded, the impact is likely to be very differentiated. The **attendant drag on the real economy is inevitable** and coupled with external demand slowdown may imply that hitting official growth targets is a tough act.
- The relatively small size of the construction sector (~7%) mitigates risks of a meltdown of economic activity, though indirect wealth effects may chip away at private consumption.
- **Relative to its real economy impact, real estate credit risks are outsized from both loans and corporate bond channels**.
- Outstanding loans to real estate which represented 21.2% of total outstanding credit is worth 27% of nominal GDP in 2022. On the corporate bond front, despite the sharp decline in issuance of real estate bonds in 2022, associated risks are on the immediate horizon given the short tenor and substantial share of unsecured bonds among these issuances.
- While the authorities have proposed rescue package with preferential rates alongside the SBV's lowering of various interest rates on 15 March, it is far from being all out relief for higher end developers. Legislation changes via Decree No.8/2023 on 5 March which allow for bond principal repayment and interest repayment in kind or extending terms of bonds are paving the way for negotiations surrounding bond payment extensions and restructuring.
- Office and industrial real estate remain the bright spots with healthy occupancy amid steady FDI disbursements congruent with global supply chain shifts.

(Click here for full report: Mizuho Flash - Vietnam Real Estate Snapshot: Relevance and Risks)

### FX Daily Outlook

- EUR/USD: EUR rallies clouded by ECB's uncertain outlook as focus returns to the Fed.
- USD/JPY: While sub-133 slips may tempt, rising UST yields look to provide bounce and allow 134 tests.
- USD/SGD: Abating financial contagion to allow consolidation around mid-1.34.
- AUD/USD: Commodity price rebound backstops 0.66 while 0.67 a touch too far for cautious RBA.

### TODAY'S EVENTS

(SG) Non-oil Domestic Exports/Electronics Exports YoY (Feb): (Mkt: -9.5%/--; Jan: -25.0%/-26.8%) | (MY) Trade Balance MYR (Feb): (Mkt: 18.7b; Jan: 18.2b) | (US) Uni of Michigan Conditions/Sentiments (Mar P): (Mkt: --/67.0; Feb: 70.7/67.0) | (US) Uni of Michigan 1Yr/5-10Yr Inflation Expectations (Mar P): (Mkt: 4.0%/2.9%; Feb: 4.1%/2.9%) | (US) Industrial Production MoM (Feb): (Mkt: 0.2%; Jan: 0.0%) | (EZ) CPI/Core YoY (Feb F): (Mkt: 8.5%/5.6%; Prelim: 8.6%/5.6%)

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