

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	130.97	130.85	▼0.59	▼2.89
EUR	1.0906	1.0831	▼0.0025	+0.0221
AUD	0.6736	0.6684	▼0.0001	+0.0028
SGD	1.3261	1.3257	▼0.0049	▼0.0212
CNY	6.8277	6.8232	▼0.0468	▼0.0748
INR	82.23	82.26	▼0.40	▼0.47
IDR	15356	15345	+0	▼35
MYR	4.4167	4.4177	▼0.0375	▼0.0853
PHP	54.33	54.31	▼0.22	▼0.59
THB	34.12	34.07	▼0.36	▼0.34

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.427%	▼0.7 bp	▼15.0 bp
JPY (10YR)	0.323%	▼0.5 bp	+0.8 bp
EUR* (10YR)	2.195%	▼13.3 bp	▼9.5 bp
AUD (5YR)	3.031%	▼7.7 bp	+3.1 bp
SGD (5YR)	2.766%	▼13.3 bp	▼17.4 bp
CNY (5YR)	2.670%	+0.4 bp	▼1.1 bp
INR (5YR)	7.206%	▼2.1 bp	▼4.3 bp
IDR (5YR)	6.489%	+0.0 bp	▼3.7 bp
MYR (5YR)	3.494%	▼2.0 bp	▼3.4 bp
PHP (5YR)	5.934%	+10.3 bp	+1.5 bp
THB (5YR)	1.929%	▼4.8 bp	▼7.8 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	32,105.25	+0.23%	▼0.44%
N225 (JP)	27,419.61	▼0.17%	+1.51%
STOXX 50 (EU)	4,207.14	+0.27%	+2.19%
ASX (AU)	4,090.90	▼0.77%	+0.98%
STI (SG)	3,219.00	▼0.06%	+2.01%
SHCOMP (CN)	3,286.65	+0.64%	+1.85%
SENSEX (IN)	57,925.28	▼0.50%	+0.50%
JSE (ID)	6,691.61	+0.00%	+1.92%
KLSE (MY)	1,410.98	▼0.08%	+1.39%
PSE (PH)	6,536.36	▼0.15%	+2.05%
SET (TH)	1,593.65	+0.54%	+2.51%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	257.78	▲0.34%	+0.44%
COPPER (LME)	9,033.00	+1.49%	+6.16%
IRON ORE (CN)	126.12	▲0.09%	▲2.70%
GOLD	1,993.40	+1.18%	+3.85%
OIL (WTI)	69.96	▼1.33%	+2.36%

Three Take-aways:

- 1) Despite snapshot of resilient labour market, layoff plans and activity indicators tell of growth worries.
- 2) Markedly lower UST yields and mixed USD performance speak to lingering fears.
- 3) EM-Asia FX performance has been differentiated by Chips, Politics amid Policy Pragmatism.

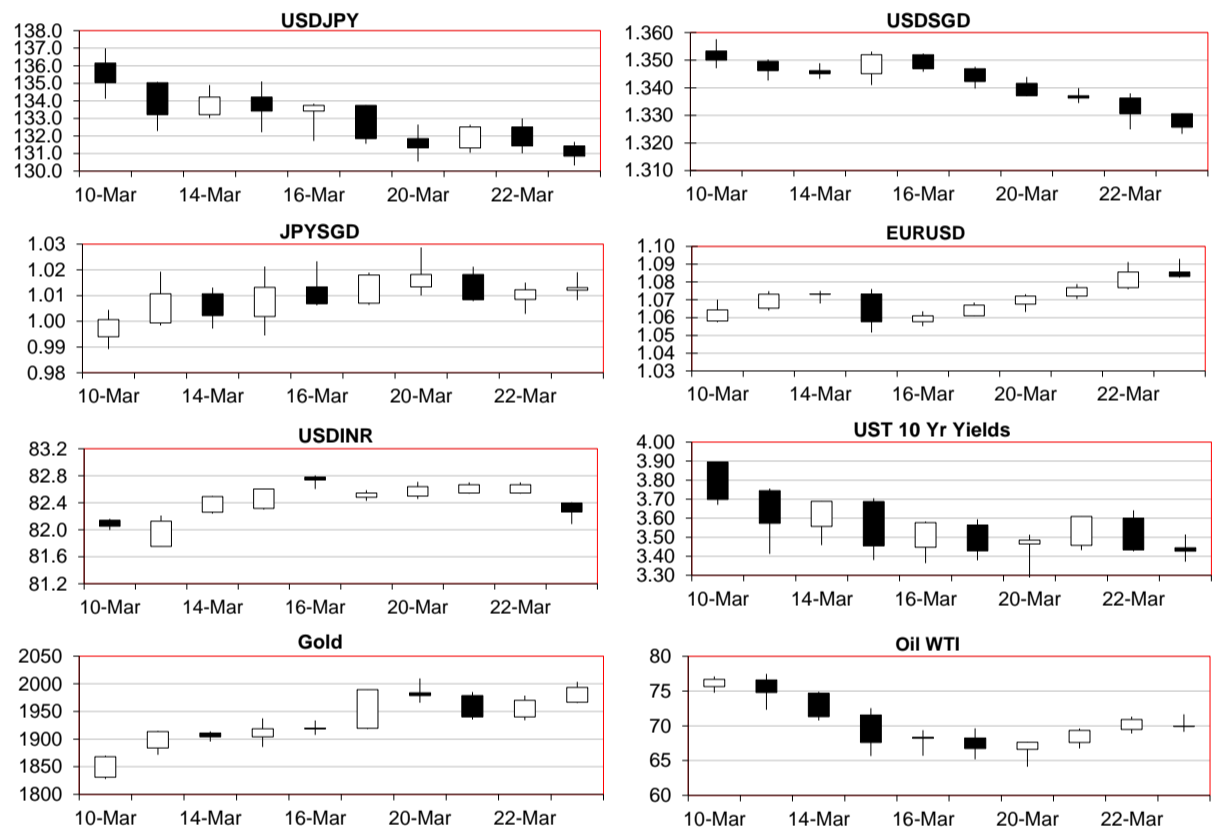
Claims

- Despite a fall in initial jobless claims, signs of **Bearish Doves** (fears of financial/economic pain that ends up as the driver of prematurely looser Fed policy stance) **continued to linger** with the Chicago Fed's National **Activity** Index showing signs of **below trend growth** due to production indicators.
- Hot on the heels of Amazon's start of week announcement, Accenture declared plans to layoff 19k workers globally. Notably, these **layoffs are impending** and even **actualised job losses** may not be fully be factored into claims as it requires workers to **file for unemployment benefits**.
- Amid the lingering fears, UST yields fell as 2Y yields were taken down another 10.4bp while 10Y yields edged down 0.7bps.
- US equities had to give up much of early session gains to end mildly positive. **Claims of inflated user counts** at payments company Block also put into question financial tech regulation and stability on top of already troubling banking woes.
- Despite the sharp fall in UST yields, USD performance was rather mixed as DXY hovered above mid-102. **Risk off sentiment** driven USD strength look to be **staking a claim here**.
- While the likes of USD/JPY slipping to below 131 was conventional, this morning's headline CPI disinflation contrasting with core inflation uptick is no relief for incoming Governor Ueda.
- EUR's inability to hold above mid-1.08 is telling of the uncertainty over ECB's path as **ECB's Knot was unable to pin down the size** of a further increase in policy rate in May.
- AUD was unable to capitalise as the RBA looks set to pause and commodity prices recovery wavered.
- In EM-Asia, Singapore's headline inflation edging down was certainly not a clear signal for out of the woods as core inflation accelerated, though claims for further tightening looks to be a stretched one.

OVERNIGHT RESULTS

(JP) Department Store Sales - National/Tokyo YoY (Feb): 20.4%/20.4% (Jan: 15.1%/19.6%) | (SG) CPI/Core YoY (Feb): 6.3%/5.5% (Mkt: 6.4%/5.8%; Jan: 6.6%/5.5%) | (US) Initial Jobless Claims (18-Mar): 191k (Mkt: 197k; Prev Wk: 192k) | (US) Chicago Fed Activity (Feb): -0.19 (Mkt: 0.10; Jan: 0.23) | (US) New Home Sales (Feb): 640k(Mkt: 650k; Jan: 633k) | (US) Kansas City Mfg (Mar): 0 (Mkt: -2; Feb: 0)

* Past Two Weeks Movement *



TODAY'S COMMENTS & FORECAST

Open

USD/JPY	130.83	EUR/USD	1.0835
USD/SGD	1.3279	USD/THB	34.05
JPY/SGD	1.0150	USD/MYR	4.418

Forecast

USD/JPY	130.00 - 132.20
EUR/USD	1.0760 - 1.0880
AUD/USD	0.6640 - 0.6750
USD/SGD	1.3220 - 1.3340
JPY/SGD	1.0000 - 1.0262
USD/CNH	6.8000 - 6.8500
USD/INR	82.00 - 82.50
USD/IDR	15290 - 15375
USD/MYR	4.410 - 4.440
USD/PHP	54.20 - 54.60
USD/THB	34.01 - 34.48

Today's Direction

	Bull	Bear
USD/SGD	3	5
USD/JPY	6	2

EM Asia FX Round-Up: Chips, Politics and Policy

- Amid the weaker USD direction this week, clearly differentiated outcomes have been seen this week with **KRW leading gains** while the likes of **VND and THB made little headway**.
- With the **CHIPS act allowing capacity expansion of up to 5% in China**, the relief for Korea's tech giants and KRW was evident. The **associated electronics and chips positive spillover for MYR and SGD** was evident as they rode on strengthening CNH/CNY.
- Meanwhile, TWD may not have not taken full advantage considering the **political backdrop** of President Tsai's visit to the US. Certainly, the **CBC's unanimous decision for a 12.5bps hike attested to the importance of anchoring inflation** expectations rather than direct the TWD.
- In another attempt to tackle inflation, USD/PHP was nudged marginally lower on the **BSP's decision to hike by 25bps**. That said, twin deficit risks continue to restrain PHP appreciation.
- THB's inability to latch onto CNH/CNY strength tells of the **resurgent caution on political uncertainty** following the revelation of the **general election date which will be on 14 May**.
- With PM Prayuth lagging behind opposition Pheu Thai Party's Paetongtarn Shinawatra, the **need for assembling coalitions** and associated **permutations** to form the government **will not be lost in investors' minds** even if ruling groups do form a significant stronghold in the Senate which can offset a lower share in the lower House.
- As for VND, while SBV's lowering of re-discount rate and real estate struggles are fresh on many minds, on-going need for opportune reserve accumulation is an important frame in such episodes.

FX Daily Outlook

- EUR/USD: ECB uncertainty continues to restrain rallies above mid-1.09.
- USD/JPY: Softer UST yields and lower energy prices to allow consolidation around mid-130.
- USD/SGD: The substantial ride on USD weakness to take a rest above mid-1.32.
- AUD/USD: Testing 0.67 looks to be a repeated adventure, though China risks restrain mid-0.67.

TODAY'S EVENTS

(JP) National CPI/Ex Fresh Food and Energy (Feb): 3.3%/ 3.5% (Mkt: 3.3%/3.4%; Jan: 4.3%/3.2%)
(MY) CPI YoY (Feb): (Mkt: 3.6%; Jan: 3.7%) | (SG) Industrial Production YoY (Feb): (Mkt: -1.5%; Jan: -2.7%)
(US) Durable Goods Order/Non-def Ex Air (Feb P): (Mkt: 0.5%/-0.2%; Jan: -4.5%/0.8%)
Central Banks: ECB's Nagel speaks

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