

Asian Markets

Thursday, 28 March 2013

Line-Up For The Day Ahead

- A light day for Asian data today, with money supply numbers coming out from Singapore and Hong Kong. Thailand will release trade numbers, and China to release industrial company profits. Taiwan central bank will make their decision on the benchmark interest rate and it is expected to remain unchanged at 1.875% as export (60% of GDP) outlook looks to have improved. We saw shipments rising 2% in the first two months of this year, compared to a 2.3% decline in the whole of 2012.
- The Philippine markets will be closed for holiday today.

Forex

- At closing yesterday, the SGD closed yet lower against the USD at 1.2437/USD while the THB and TWD closed flat at 29.35/USD and 29.891/USD respectively.

SGD

- The USD/SGD traded at a higher range of 1.2409 – 1.2443 yesterday.** On a trade-weighted basis, the SGD NEER is trading at 0.30% above the midpoint this morning. We expect it to trade tightly between the midpoint and 0.5% above midpoint today, implying the USD/SGD range of 1.2462 – 1.2399 based on current FX levels.

SGS

- It was all about fear, and front-running Russian Mob money. Euro area weakness led the way with EUR and peripherals weak driving the flight-to-quality flows. The SGS had a fairly quiet day missing out on most of the risk off flows which only took place after market hours. Residual position cleansing driver of trades in the belly, but the sense is current levels are fairly priced so the ball in the short coverers' court. With the long weekend upon us and the inevitable "something bad may happen in Europe" feeling, expect SGS today to trade with a better buying tone. Opening levels: 2y 100.03/11 0.23/0.19; 5y 99.70/90 0.56/0.52; 10y 113.80/00 1.54/1.52; 15y 115.55/85 2.20/2.17; 20y 106.45/85 2.42/2.39; 30y 99.25/85 2.79/2.76.

RMB

- The RMB continued strengthening yesterday as it hit

Foreign Exchange Rates (as of 27 Mar 2013)					
FX	Asian Close	Asian High	Asian Low	NY High	NY Low
SGD	1.2437	1.2442	1.2411	1.2452	1.2425
MYR	3.1000	3.1018	3.0915	-	-
IDR	9724	9735	9707	-	-
THB	29.35	29.38	29.30	-	-
PHP	40.80	41.05	40.80	-	-
TWD	29.891	29.900	29.815	-	-
KRW	-	-	-	-	-
HKD	7.7613	7.7613	7.7593	-	-
CNY	6.2138	6.2140	6.2110	-	-

UOB's Estimation of SGD NEER (as of 28 Mar 2013) Assuming 2.0% on each side of the pivot point	
Lower-End	1.2715
Upper-End	1.2216
Mid-Point	1.2461

Market Holiday	Date	Event
PH	28 Mar	Maundy Thursday
SG/HK/ID/PH	29 Mar	Good Friday
HK	01 Apr	Easter Monday

Interest Rates	Current	Next CB Meet	UOB's Forecast
SGD 3-Mth SIBOR	0.38%	-	-
MYR O/N Policy Rate	3.00%	09 May	3.00%
IDR O/N Rate	5.75%	11 Apr	5.75%
THB 1-Day Repo	2.75%	03 Apr	2.75%
PHP O/N Reverse Repo	3.50%	25 Apr	3.50%
TWD Discount Rate	1.88%	28 Mar	1.88%
KRW Base Rate	2.75%	11 Apr	2.75%
HKD Base Rate	0.50%	-	0.50%
CNY 1-Yr Wking Capital	6.00%	-	6.00%

Stock Indices (as of 27 Mar 2013)	Closing	% chg	ytd % chg
FTSE Straits Times Index	3313.03	+0.75	+4.61
FTSE Bursa Malaysia KLCI Index	1667.57	+0.89	-1.27
Jakarta SE Composite Index	4928.10	+1.77	+14.16
Thailand SET Index	1560.87	+1.09	+12.14
Philippines SE PSEi Index	6847.47	+2.74	+17.80
Taiwan SE Weighted Index	7894.12	+0.48	+2.53
Korea SE KOSPI Index	1993.44	+0.49	-0.18
Hong Kong Hang Seng Index	22464.82	+0.69	-0.85
Shanghai SE Composite Index	2301.26	+0.16	+1.42
India Sensex 30 Index	-	-	-

beyond 6.21/USD for the first time in 19 years this week and closed at 6.2140/USD. This morning, the PBoC fixed the RMB mid-point higher at 6.2742/USD, compared to previous mid-point of 6.2727.

Equities

- Almost all Asian markets closed higher as improving US durable goods orders and home sales data boosted confidence that Asia will benefit from better demand coming up.
- The Thai stock market tried to regain some of its losses from last week and had been closing positively for the past 3 days. It closed yet higher yesterday by 1.09%, with gains coming mainly from industrials (+3.26%), technology (+2.70%), and financials (+1.19%). The SET index remains above its 50dma.

- The STI closed higher yesterday (+0.75%) with gains coming from financials (+1.29%) and consumers goods (+1.10%). Telcos (-0.57%) and oil & gas (-0.26%) declined slightly.

Economic News

- China's largest banks had a 6th year of record profits and posted a 21% average return on equity, more than twice the rate earned by US and European rivals.
- Leaders from Brazil, Russia, India, China and South Africa approved a \$100b fund to combat currency crises, although they failed to reach agreement on financing for a development bank.
- China signaled that it will take steps this year to loosen state control over interest rates and the renminbi.

Economic Indicators						
Date	Time	Indicators	Month	Actual	Market Forecast	Previous
27 Mar	0500	SK Consumer Confidence	Mar	104	-	102
	1600	TW Leading Index m/m	Feb	1.1	-	1.3%
28 Mar	0700	SK Current Account USD	Feb	2712.9	-	2331.7mn
	0700	SK Goods Balance USD	Feb	2563	-	2618mn
	1000	SG Bank Loans & Advances y/y	Feb		-	18.3%
	1200	TH Customs Exports y/y	Feb		0.00	16.09%
	1200	TH Customs Imports y/y	Feb		11.30	40.87%
	1200	TH Customs Trade Balance USD	Feb		-1950	5487mn
	1630	HK Govt Mthly Budget Surp/Def HKD	Feb		-	41.9bn
	1700	TWD Discount Rate	Mar		-	1.88%
29 Mar	1530	TH Total Exports y/y	Feb		-	15.6%
	1530	TH Foreign Reserves USD	Mar 22		-	178.3bn
	1530	TH Total Imports y/y	Feb		-	38.4%
	1530	TH Total Trade Balance USD	Feb		-	-2821mn
	1530	TH Current Account Balance USD	Feb		-470	-2237mn
	1530	TH Overall Balance USD	Feb		-	1030mn
	1530	TH Business Sentiment Index	Feb		-	51.1
	-	CN Leading Index	Feb		-	100.50

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