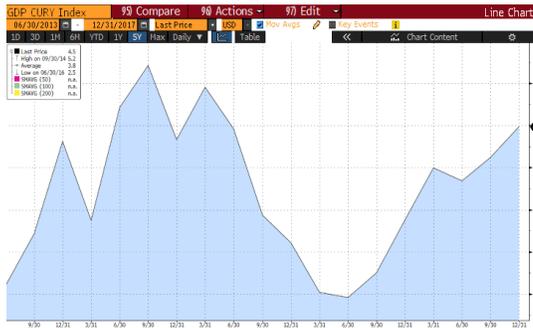




Mar 16 2018 – Mar 30 2018

ECONOMY – Stronger US Data



Date	Data	Number
05 Apr	Trade Balance	-\$56.8b F
06 Apr	Unemployment Rate	4.0% F
11 Apr	CPI MoM	0.0% F

*P: Previous F: Forecast. R: Revision (From Bloomberg)

Personal income growth was solid through February, increasing 0.4% for the third straight month. Wage and salary growth has certainly improved recently, as job growth has been strong and the unemployment rate is low, inducing employers to offer more to hire or retain employees. Disposable personal income rose 0.4% in February after a large 1% gain in January as the effects of tax reform dissipated. Inflation moderated on a month-to-month basis, rising 0.2% in February after January's 0.4% rise. Inflation moved higher on a year-over year basis, however, with the headline PCE deflator rising to 1.8%, with core PCE at 1.6%. That uptick aligns with expectations that the Fed will see conditions that warrant three more rate hikes this year.

Consumers saved more in February, as spending rose 0.2% during the month, which was essentially flat when accounting for inflation. That is an improvement from January, when spending fell 0.2 percentage points after inflation.

STOCKS & COMMODITIES – China Bring Innovators Home

US stock markets drop over the past two weeks. The Dow and S&P 500 were -3.38% and -4.04% respectively. NASDAQ was down by 5.59%.

On 30 March 2018, Chinese regulators announced a pilot programme to support the issuances of China Depositary Receipts (CDRs) and innovative companies' domestic listings. The programme will cover companies from strategic emerging industries such as Internet, big data, cloud computing, artificial intelligence, software, integrated circuit, high-end equipment manufacturing, and biotech. It is noteworthy that the pilot domestic listing programme applies to both unlisted companies incorporated in mainland China and unlisted red-chip enterprises. It is the first time that red-chip enterprises have been allowed to go public on a domestic exchange in China.

Crude oil future traded in NYME increased 4.17% to close at US\$64.94 per barrel during the period. Gold price was up 0.81% to US\$1,325 per oz.



Market Mover	Commodity	Change (+/-)
	Oil Futures	+USD 2.60
	DJIA	-843.4 points

FOREIGN EXCHANGE – FX Reserves Reallocate



Market Mover	Currency Pair	Change (+/-)
	DXD	-0.259
	EURUSD	+0.0034

The IMF released the Currency Composition of Official Foreign Exchange Reserves (COFER) for Q4 2017, the USD share of allocated reserves declined by 0.8pp in the quarter. After adjusting for valuation effects, the share of USD holdings declined by about 0.4pp in the fourth quarter. The nominal share of dollar holdings has declined, these data show that reserve managers have moved to partially offset the effects of the depreciating dollar on their portfolio weights. While valuation estimates are always subject to some uncertainty quarter to quarter, the share of JPY reserves appear to be on a clear upward trend since Q2 2016. On the other hand, reserve managers continue to shy away from the Euro.

The Euro appreciated against US dollar by 0.28% over the period.