



A modest overnight trading session in the US with indices broadly posting gains while European indices painting a mixed picture as the market waits for the UK to make its next Brexit move. This morning Asia opening on a back foot as investors wait for FOMC cues while US Treasuries unchanged at 2.60%. Eurobonds by Turkey led the outperformance among their EM peer groups strengthening 3.3bp to 6.82% on the ten-year maturities. WTI and Brent are higher at \$59.10 and \$67.64 as OPEC and its partners committed to continuing production cuts until at least June when they will meet to discuss an extension. The OPEC+ closed a weekend meeting in Baku, Azerbaijan, having reaffirmed an intent to continue output cuts.

Rothschild & Co. and Goldman Sachs Group Inc. are advising Commerzbank AG on its merger talks with Deutsche Bank AG. A transaction could create Europe's fourth-largest bank by assets and help lower costs and funding expenses. Commerzbank and Deutsche Bank have a combined market value of about 25 billion euros, comparatively small because of the long slide in the shares.

The Housing Market Index for March provided by the National Association of Home Builders (NAHB) was unchanged at 62, slightly lower than market expectations. Indicators of family home sales were at their highest level in six months, with strong demand for cheaper homes, however, prospective buyers' numbers fell.

PT Bank Rakyat Indonesia (Persero) Tbk ("the Issuer"), rated Baa2 (stable) by Moody's / BB+ (positive) by S&P / BBB- (stable) by Fitch, has mandated banks to arrange a series of conference calls and fixed income investor meetings starting tomorrow. A USD denominated 5-year Reg S Senior Unsecured Sustainability Bond issuance may follow, subject to market conditions, in line with the Issuer's Sustainability Bond Framework.

Japan exports for February were weaker than expected with fewer cars and semi-conductors shipped abroad. Exports of chip-making equipment to South Korea fell 60%, as weak global demand in the technology sector takes its toll. Japan relies heavily on exports, with car sales to the US a key source of revenue.

Australia's three-year bond yield fell below the central bank's policy rate for the first time since September 2016 to 1.50%. The Reserve Bank of Australia has kept its cash rate target at a record-low 1.50 percent since August 2016. RBA minutes showed policymakers were of the view that rates should stay on hold due to a divergence between labor-market growth and a slowing economy. The central bank said the labor market was "particularly important" to its outlook and reiterated there was considerable uncertainty over-consumption, according to the March 5 minutes. The RBA next meets on April 2.

Lyft Inc. is seeking to raise as much as \$2.1 billion in its initial public offering, valuing the firm at almost \$20 billion, which includes an overallotment of shares to investors. At the top end of the marketed range, or \$68 a share, the No. 2 U.S. ride-hailing company would have a market capitalization to revenue multiple lagging Snap Inc.'s, but above those of Facebook Inc. and Twitter Inc. In its filing Monday, Lyft warned that expenses are likely to increase and that it may not be able to "achieve or maintain profitability in the future." Source: Bloomberg.

The average spread that investors can pick up holding Asian high-yield corporate dollar bonds over investment grade fell to 388 basis points, the least since June of 2018, but far from the low of 231 seen in January last year.

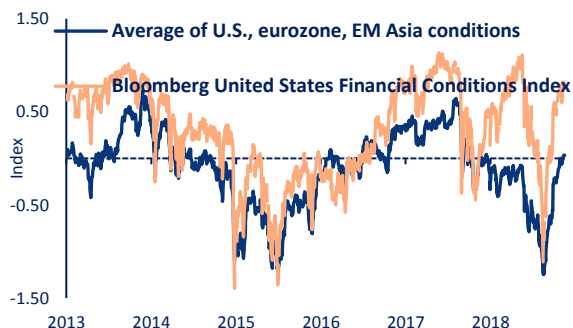
India's rupee is headed for a seventh straight day of gains as global funds continue buying the nation's assets ahead of national polls. Sovereign bonds await 109.3b rupees of debt sales by states.

AUSTRALIAN BOND YIELDS BELOW POLICY RATES



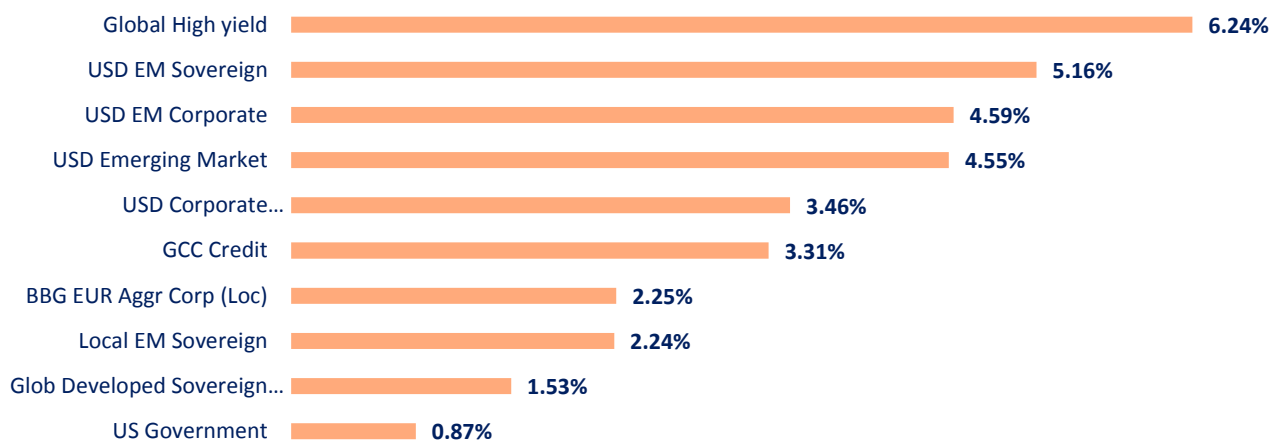
Source: Bloomberg

US FINANCIAL CONDITIONS LEAD



Source: Bloomberg

BONDS OFF TO A GREAT START (as of 18 March 2019)



INTERBANK RATES AND GOVERNMENT BONDS

	3m	6M	12M	2Y	5Y	10 y
LIBOR	2.63	2.67	2.84			
EURIBOR	-0.31	-0.23	-0.11			
EIBOR	2.82	3.10	3.28			
SAIBOR	2.89	3.00	3.23			
US Treasuries				2.45	2.41	2.60
Germany Bunds				-0.53	-0.33	0.08
UK Gilts				0.75	0.93	1.20
Mid Swaps (MS)			2.66	2.56	2.46	2.61

CREDIT INDICES

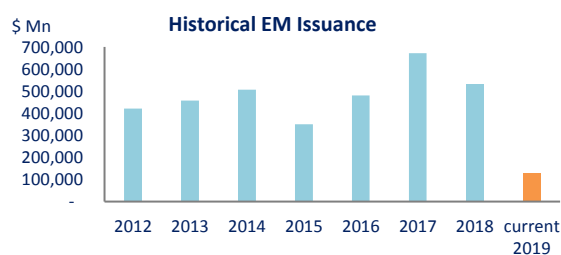
	Spread	Chg Day	Chg YTD
I Traxx Europe	58.81	0	-32.69
I Traxx Europe Crossover	266.70	0	-24.38
CDX North America IG	NA	0	-34.83
CDX North America HY	338.99	0	-24.52
CDX Emerging Markets	165	0	-20.62

BOND MARKET PERFORMANCE

BONDS	Yield	Spread	1 day	YTD
Glob Developed Sovereign (Loc)	1.27%	-	0.1%	1.4%
GCC Credit	4.3%	180	-0.1%	2.8%
Global High yield	6.29%	418	-0.2%	5.4%
USD Emerging Market	5.52%	293	-0.1%	3.8%
US Government	2.57%	-	0.1%	0.7%
USD Corporate Investment Grade	3.86%	123	0.0%	3.1%
BBG EUR Aggr Corp (Loc)	1.13%	114	-0.1%	2.0%
USD EM Sovereign	6.07%	343	-0.1%	4.1%
USD EM Corporate	5.71%	319	-0.1%	4.0%
Local EM Sovereign	4.73%	47	-0.2%	1.6%

EMERGING MARKETS PRIMARY ISSUANCE

	2018	current 2019 - mn
EM	\$533,322	\$128,821
ASIA	\$279,190	\$65,802
MENA	\$73,189	\$27,921
GCC	\$65,864	\$23,921
Sukuk	\$22,708	\$5,949



DESK VIEW: POSITIONING & STRATEGY

	Tactical	Strategic
Global Investment Grade	Overweig	Neutral
US High Yield	Neutral	Neutral
Emerging Markets	Overweig	Overweig
GCC Bond/Sukuk	Overweig	Overweig

EXPECTED PRIMARY BOND SALES

Bank RAKYAT	Mandate announcement
Singapore Airlines	IPG 3.10% area
Minsheng financial group	T+225bp

THE TEAM



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