



A weaker overnight session followed by a mixed trading session in Asia this morning across the board ahead of FED's MPC. US benchmark Treasuries are holding their grounds at 2.60 percent while their European counterparts a tad weaker by 1bp to 3bp in absolute yield terms. The yuan remained put after Bloomberg reported that some U.S. negotiators are concerned China is pushing back against American demands in trade talks, after previously agreeing to changes to their intellectual-property policies. Today's "Dot Plot Projections" would be key for market participants as it is widely expected to translate to a dovish meeting. Central bank's policy actions in Thailand today followed by UK, Philippines, and Indonesia tomorrow will be watched closely.

China's green bond sales are softened so far this year despite a strong year for global issuers. Bloomberg forecasts a record \$40 billion of China green bond sales in 2019, led by regional issuers after each of China's 31 provinces wrote preferential policies in 2018. They range from Jiangsu's interest-rate subsidies to Guangdong's green-finance pilot zone. China became the world leader in green bond issuance in 2016. There are signs regulators are seeking to address investor concern over whether the nation's bonds meet green principles, especially the clean-coal debt bundled in massive refinancing's by large state banks. While clean coal is still among approved projects, the latest regional issues split off a range of rail, water and new energy projects for global funds to choose from.

The demand for new investment-grade bonds have surged and has translated into low borrowing costs for highly-rated corporations. Despite a chorus of analysts calling for a drop of 5%-10% in volume this year, new issue volume is currently running less than 3% behind 2018's total. More importantly, the higher than anticipated supply is not affecting credit spreads as they continue their steady grind tighter since the Fed adopted a more dovish stance on future interest rate hikes. The CDX IG is at the tightest level in six months while the IG OAS cash

International banks operating in Italy are asking to be included in a state guarantee program for bad loans set up after the financial crisis to help lenders clean up their balance sheets. The mechanism, known as GACS, allows banks to repackage soured debt and sell it on to investors with the state acting as a guarantor on the safest portions. GACS expired this month and a new program, that includes stricter investor protections, is likely to be approved at a cabinet meeting on Wednesday. While GACS has helped Italy's banks reduce non-performing exposures on their books to around 222 billion euros (\$251 billion) in the middle of last year, from a 2015 peak of 341 billion euros, foreign banks have not had access to it.

Shares of Jet Airways fell nearly 7 percent in early trade today after its partner Etihad expressed its desire to exit the company. According to a report, Etihad has formally asked State Bank of India (SBI) to purchase its stake in the airline. The Abu Dhabi-based company conveyed to SBI its decision to exit Jet in a meeting on Monday.

Fitch Ratings has affirmed Neerg Energy Ltd's USD475 million 6% senior notes due 2022 at 'B+'. The rating on the notes reflects the credit profile of a restricted group of operating entities under ReNew Power Limited, a company involved in renewable power generation in India. Neerg Energy is a SPV held by a trust and its ownership is not linked to ReNew Group. The SPV used the proceeds of the US dollar notes to subscribe to masala bonds (offshore bonds denominated in Indian rupee but settled in US dollars) issued by the entities in the restricted group..

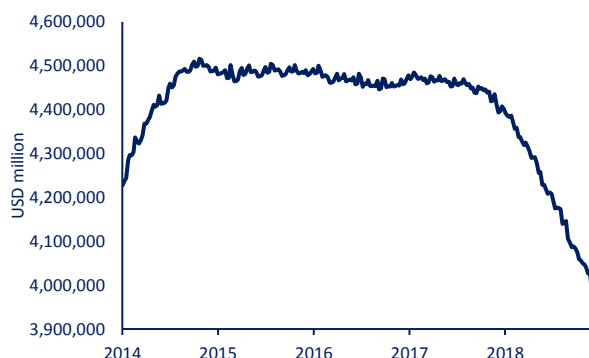
NTPC Limited rated Baa2 (Stable) by Moody's, BBB- (Stable) by S&P and BBB- (Stable) by Fitch, has mandated banks to arrange a series of fixed income investor meetings in Singapore, Hong Kong and London commencing 21 March 2019. A US\$ denominated senior unsecured notes (the "Notes") offering under Regulation S may follow, subject to market conditions.

STRONG DEMAND FOR IG BONDS (CDX IG)



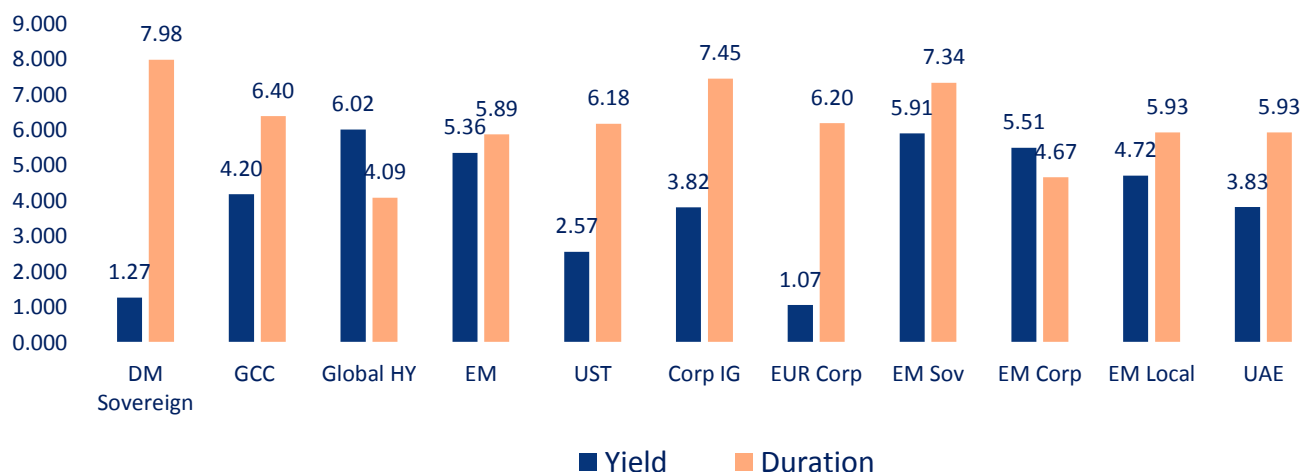
Source: Bloomberg

FED BALANCE SHEET



Source: Bloomberg

CURRENT BOND YIELDS (%)



INTERBANK RATES AND GOVERNMENT BONDS

	3m	6M	12M	2Y	5Y	10 y
LIBOR	2.63	2.67	2.			
EURIBOR	-0.31	-0.23	-0.11			
EIBOR	2.80	3.00	3.23			
SAIBOR	2.89	3.00	3.23			
US Treasuries				2.47	2.42	2.61
Germany Bunds				-0.53	-0.32	0.10
UK Gilts				0.74	0.92	1.18
Mid Swaps (MS)			2.65	2.57	2.48	2.61

CREDIT INDICES

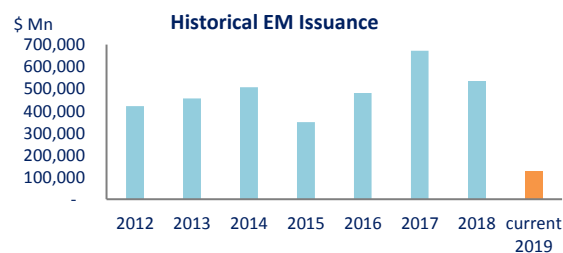
	Spread	Chg Day	Chg YTD
I Traxx Europe	57.81	0	-34.32
I Traxx Europe Crossover	261.93	0	-26.38
CDX North America IG	57.90	0	-34.32
CDX North America HY	106.54	0	-24.20
CDX Emerging Markets	97.20	0	-20.39

BOND MARKET PERFORMANCE

BONDS	Yield	Spread	1 day	YTD
Glob Developed Sovereign (Loc)	1.27%	-	0.1%	1.6%
GCC Credit	4.20%	168	0.1%	3.6%
Global High yield	6.02%	392	0.1%	6.5%
USD Emerging Market	5.36%	278	0.1%	4.8%
US Government	2.57%	-	-0.1%	0.8%
USD Corporate Investment Grade	3.82%	119	0.0%	3.5%
BBG EUR Aggr Corp (Loc)	1.07%	107	0.0%	2.4%
USD EM Sovereign	5.91%	327	0.1%	5.5%
USD EM Corporate	5.51%	299	0.1%	4.8%
Local EM Sovereign	4.72%	47	0.2%	2.8%

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

NTPC	Mandate announcement
Huayuan Property Co (2.5Y)	8.50% area
China South City Holding Limited (2Y)	12.375% area

THE TEAM



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