

**Key Developments in Asian Local Currency Markets**

Consumer price inflation in Singapore accelerated to 0.5% year-on-year (y-o-y) in February from 0.4% y-o-y in the previous month. The growth was attributed to the slower pace of price declines for private road transport and accommodations in February versus January. The Monetary Authority of Singapore’s measure of core inflation, which excludes private road transport and accommodation costs, increased 1.5% y-o-y in February versus 1.7% y-o-y in January. In Viet Nam, consumer price inflation inched up to 2.7% y-o-y in March from 2.6% y-o-y in February, with increases recorded for all components of the Consumer Price Index in March except for medical products and healthcare, transport, and communication.

The Index of All-Industry Production in the Republic of Korea decreased 1.4% y-o-y in February, reversing 2 months of consecutive y-o-y growth. Industrial production contracted 2.7% y-o-y, as manufacturing production fell 2.5% y-o-y.

Singapore’s manufacturing output rose 0.7% y-o-y in February, rebounding from a decrease of 0.4% y-o-y in January. Expansions were seen in the biomedical manufacturing, transport engineering, general manufacturing, and chemicals clusters, while output from the electronics and precision engineering clusters declined.

Industrial production growth in Viet Nam slowed to 9.1% y-o-y in March from 10.3% y-o-y in February. While all major sectors posted positive y-o-y increases in March, slower growth was recorded for both the manufacturing and electricity sectors. Output in the mining and quarrying sector rebounded, with growth rising marginally in March following a contraction in February.

Real gross domestic product growth in Viet Nam eased to 6.8% y-o-y in the first quarter (Q1) of 2019 from 7.5% y-o-y in Q1 2018. All major industry types posted slower growth in Q1 2019 compared with Q1 2018. The largest contributor to overall gross domestic product growth was the industry and construction sector, which expanded 8.6% y-o-y in Q1 2019. The services sector rose 6.5% y-o-y in Q1 2019, and the agriculture sector grew 2.7% y-o-y in the same period.

Hong Kong, China’s exports and imports declined 6.9% y-o-y and 3.8% y-o-y in February, respectively, resulting in a trade deficit amounting to HKD48.8 billion. The weak export performance in Hong Kong, China was attributed to the slowdown in global growth and uncertainties relating to trade discussions

**Asia Bond Monitor March 2019**

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**10-Year Selected LCY Government Security Yields** Close of 29 March 2019  
basis point change from

Markets	Latest Closing	Previous Day*	Previous Week*	1-Jan-19*
US	2.41	1.04	-3.40	-27.92
EU	-0.07	-0.10	-5.50	-31.20
Japan	-0.08	0.90	-1.20	-8.40
PRC	3.07	-1.40	-3.90	-24.10
Hong Kong, China	1.47	0.00	-27.30	-53.70
India	7.35	2.80	1.50	-6.70
Indonesia	7.63	-3.40	2.20	-39.20
Korea, Rep. of	1.83	2.50	-10.20	-12.60
Malaysia	3.77	0.40	-5.20	-31.50
Philippines	5.61	-1.30	-35.90	-145.20
Singapore	2.07	1.99	2.49	3.11
Thailand	2.43	3.60	1.40	-5.00
Viet Nam	4.83	-2.70	-1.70	-30.00

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- ▶ Benchmark Yield Curves - Local Currency Government Bonds
- ▶ 2-versus-10 Yield Spread Chart
- ▶ Policy Rate versus Inflation Rate Charts
- ▶ Credit Default Swap Spreads & Exchange Rate Indexes
- ▶ Selected Debt Security Issuances
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between the United States and the People’s Republic of China. Thailand recorded negative export growth for the third consecutive month in February, with exports declining 1.7% y-o-y to USD19.6 billion. Imports also decreased in February, falling 7.3% y-o-y to USD16.2 billion. Thailand recorded a trade surplus of USD3.6 billion during the month, resulting in a wider current account balance of USD6.5 billion in February compared with USD2.3 billion in January. In Viet Nam, exports climbed 5.4% y-o-y to USD22.4 billion and imports grew 14.7% y-o-y to USD21.8 billion, resulting in a trade surplus of USD600 million.

Last week, local currency government bond yields were down for most tenors in the People’s Republic of China, Malaysia, Philippines, and Viet Nam and for all tenors in Hong Kong, China and the Republic of Korea. In Indonesia and Thailand, yields were up for most tenors and up for all tenors in Singapore. The spread between the 2- and 10-year maturities narrowed for all emerging East Asian markets except in Indonesia, the Republic of Korea, Singapore, and Viet Nam.

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## Summary Text of News Articles

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### Consumer Price Inflation Eases in Singapore in February, Inches Up in Viet Nam in March

Prices of basic goods and services in Singapore expanded 0.5% year-on-year (y-o-y) in February, up from the 0.4% y-o-y growth recorded in the previous month. The growth was attributed to the slower pace of price declines in private road transport and accommodations in February versus January: private road transport costs declined 2.3% y-o-y versus 3.4% y-o-y as car and gasoline price declines slowed, and accommodation costs declined 1.6% y-o-y versus 1.9% y-o-y as housing rental prices posted a slower contraction. Price growth of services, retail, and electricity and gas slowed in February, with the latter caused by the nationwide launch of the Open Electricity Market. The Monetary Authority of Singapore's measure of core inflation, which excludes private road transport and accommodations, increased 1.5% y-o-y in February, down from 1.7% y-o-y in January.

In Viet Nam, consumer price inflation inched up to 2.7% y-o-y in March from 2.6% y-o-y in February. Price increases were recorded for all components of the Consumer Price Index in March except for medical products and healthcare (-0.2% y-o-y), transport (-1.7% y-o-y), and communication (-0.8% y-o-y). On a month-on-month (m-o-m) basis, deflation of 0.2% was recorded in March.

For inflation rate trends in Singapore, refer to this link:

<https://asianbondsonline.adb.org/market-watch/#policy-rate-and-inflation-trends-sin>

For inflation rate trends in Viet Nam, refer to this link:

<https://asianbondsonline.adb.org/market-watch/#policy-rate-and-inflation-trends-vie>

### Index of All-Industry Production in the Republic of Korea Falls in February; Singapore's Manufacturing Output Increases in February; Industrial Production Growth in Viet Nam Moderates in March

The Index of All-Industry Production in the Republic of Korea decreased 1.4% y-o-y in February, reversing 2 months of consecutive y-o-y growth. Industrial production contracted 2.7% y-o-y, as manufacturing production fell 2.5% y-o-y. The construction index registered a decline of 10.6% y-o-y, broadly unchanged from the previous month. Meanwhile, the Index of Services Industry recorded no change during the month, while growth in the Index of Public Administration narrowed to 0.6% y-o-y. On a m-o-m basis, the Republic of Korea's Index of All-Industry Production decreased 1.9% in February.

Singapore's manufacturing output rose 0.7% y-o-y in February, rebounding from a decrease of 0.4% y-o-y in January. The biomedical manufacturing cluster expanded 13.3% y-o-y due to improved output from the pharmaceuticals and medical technology segments. Transport engineering likewise increased 4.2% y-o-y as the land transport and aerospace segments posted growth. General manufacturing (4.1% y-o-y) and chemicals (2.0% y-o-y) also posted growth that contributed to the manufacturing sector's expansion. On the other hand, the electronics and precision engineering clusters contracted 1.1% y-o-y and 14.9% y-o-y, respectively, with the latter declining due to lower output in the machinery and systems segment. On a seasonally adjusted m-o-m basis, Singapore's manufacturing output declined 4.1%, a reversal from the increase of 3.1% in January.

Industrial production growth in Viet Nam slowed to 9.1% y-o-y in March from 10.3% y-o-y in February. While all major sectors posted positive y-o-y growth in March, slower increases were recorded for both the manufacturing (10.3% y-o-y) and electricity (9.8% y-o-y) sectors. The mining and quarrying sector rebounded in March, with growth rising marginally to 0.4% y-o-y after contracting 5.0% y-o-y in February. Between February and March, industrial production grew 27.6%.

### GDP Growth in Viet Nam Eases to 6.8% y-o-y in Q1 2019

Real gross domestic product (GDP) growth in Viet Nam eased to 6.8% y-o-y in the first quarter (Q1) of 2019 from 7.5% y-o-y in Q1 2018. All major industry types posted slower growth in Q1 2019 compared with Q1 2018. The largest contributor to overall GDP was the industry and construction sector, which expanded 8.6% y-o-y in Q1 2019. The services sector rose 6.5% y-o-y in Q1 2019 and the agriculture sector grew 2.7% y-o-y in the same period.

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**Summary Text of News Articles**

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**Exports and Imports Fall in Hong Kong, China and Thailand in February;  
Viet Nam Posts USD600 Million Trade Surplus in March**

Exports from Hong Kong, China declined 6.9% y-o-y in February after contracting 0.4% y-o-y in January. According to a government official, the slowdown in global growth and uncertainties relating to trade discussions between the United States and the People's Republic of China contributed to the weak export performance in the first 2 months of the year. Imports fell 3.8% y-o-y in February following a decline of 6.0% y-o-y in the prior month. A trade deficit amounting to HKD48.8 billion was recorded in February. Removing the effects of the timing of the Lunar New Year, exports and imports declined 3.1% y-o-y and 5.0% y-o-y in the first 2 months of the year.

Thailand recorded negative export growth for the third consecutive month in February. Exports declined 1.7% y-o-y after a contraction of 4.8% y-o-y in January. According to the Bank of Thailand, the decline resulted from weaker global demand due to slower economic growth in a number of major trading economies, protracted trade tension between the People's Republic of China and the United States, and the continued downturn in the electronic cycle. Imports also recorded a contraction of 7.3% y-o-y, which was a reversal of the 4.2% y-o-y increase in January, as imports of raw and intermediate, capital, and consumer goods fell. Exports in February were valued at USD19.6 billion and imports were valued at USD16.2 billion, bringing the trade balance to a surplus of USD3.6 billion in contrast to the deficit of USD211 million in the previous month. The trade surplus resulted in a higher current account balance of USD6.5 billion in February compared with USD2.3 billion in January.

In Viet Nam, a trade surplus valued at USD600 million was recorded in March, following a trade deficit of USD900 million in February. Exports totaled USD22.4 billion, with growth climbing to 5.4% y-o-y in March from only 1.6% y-o-y in February. Imports reached USD21.8 billion, rising 14.7% y-o-y in March versus 10.4% y-o-y in the prior month.

### Selected Government Security Yields

Tip: Zoom-in on the table using the Acrobat zoom tool

#### 3-Month Selected LCY Government Security Yields

Markets	Latest Closing	basis point change from		
		Previous Day*	Previous Week*	1-Jan-19*
US	2.38	-3.38	-6.15	2.60
EU	-0.53	0.60	0.10	27.70
Japan	-0.17	1.00	0.00	-1.74
PRC	2.15	0.00	0.00	-68.30
Hong Kong, China	1.36	-39.00	-23.00	-39.00
Indonesia	7.21	0.12	0.18	-49.39
Korea, Rep. of	1.75	0.00	-0.90	0.10
Malaysia	3.28	0.50	0.70	-0.20
Philippines	5.75	-8.30	-27.40	-2.80
Singapore	2.07	0.00	7.80	-0.90
Thailand	1.69	0.18	1.88	8.20

Close of 29 March 2019

#### 10-Year Selected LCY Government Bond Yields

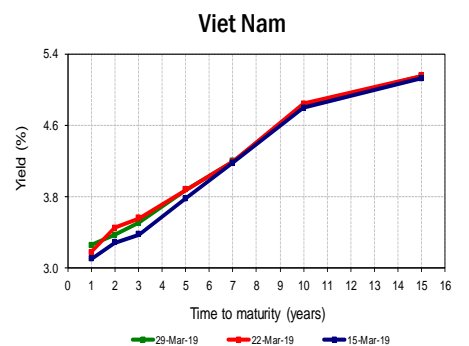
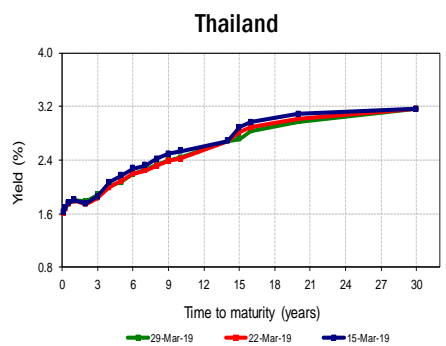
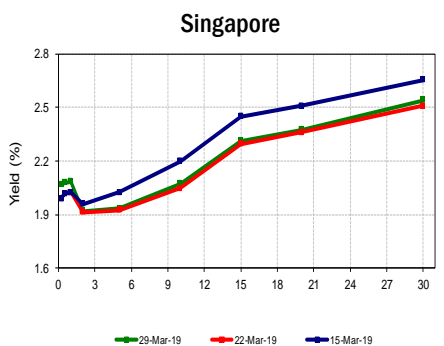
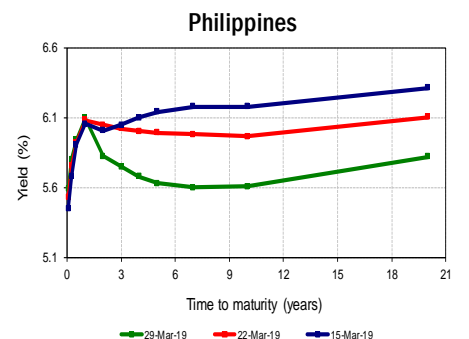
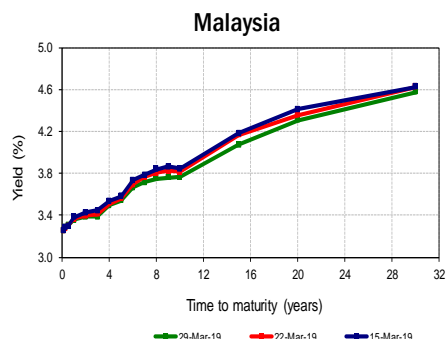
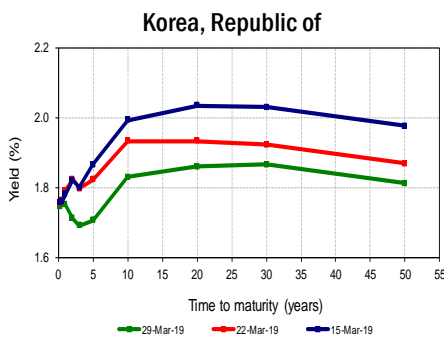
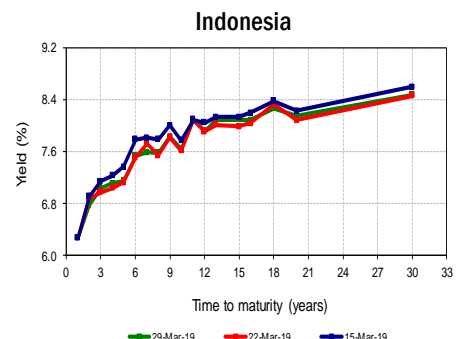
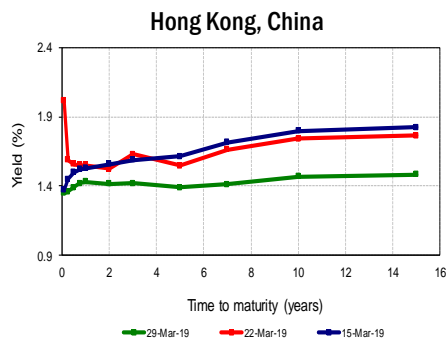
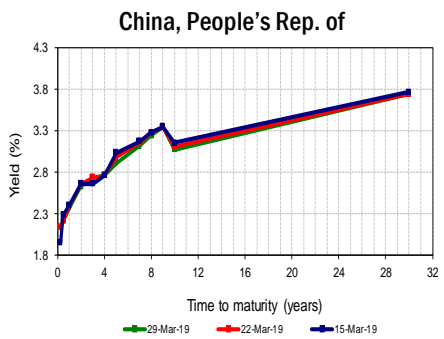
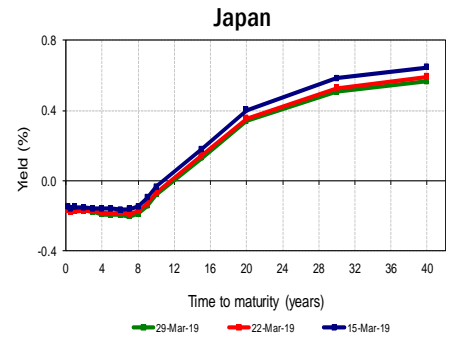
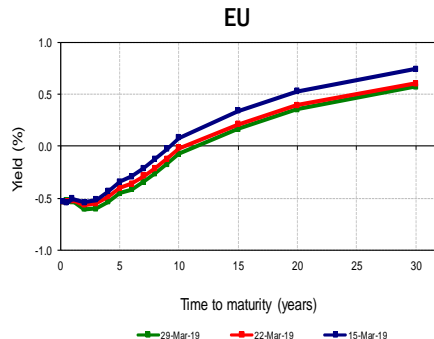
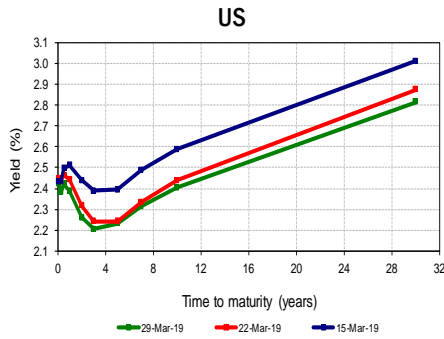
Markets	Latest Closing	basis point change from		
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Hong Kong, China	1.47	0.00	-27.30	-53.70
India	7.35	2.80	1.50	-6.70
Indonesia	7.63	-3.40	2.20	-39.20
Korea, Rep. of	1.83	2.50	-10.20	-12.60
Malaysia	3.77	0.40	-5.20	-31.50
Philippines	5.61	-1.30	-35.90	-145.20
Singapore	2.07	1.99	2.49	3.11
Thailand	2.43	3.60	1.40	-5.00
Viet Nam	4.83	-2.70	-1.70	-30.00

Close of 29 March 2019

EU = European Union, LCY = local currency, PRC = People's Republic of China, US = United States.  
 Source: Based on data from Bloomberg, LP.

**Benchmark Yield Curves – LCY Government Bonds**

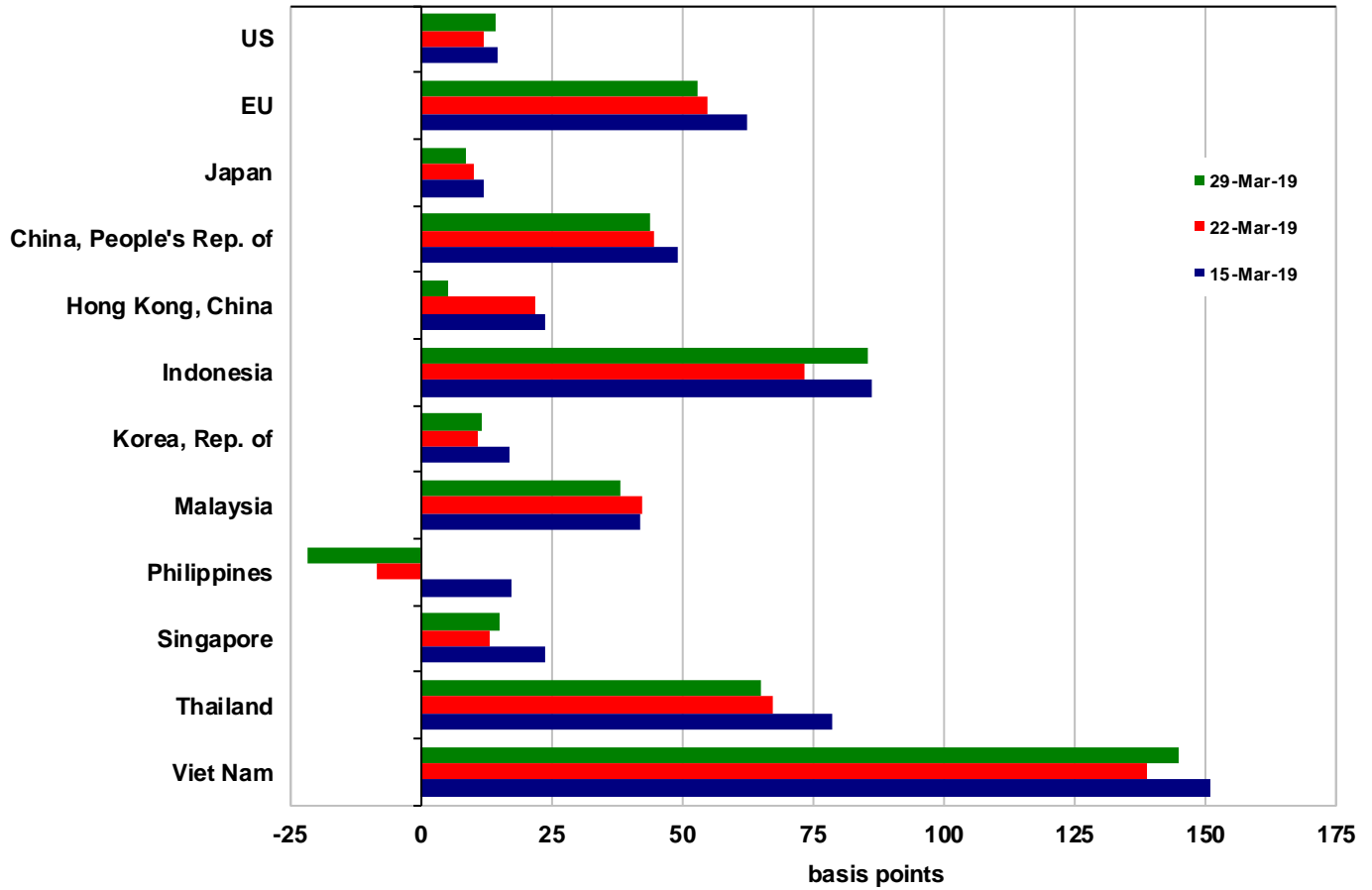
Tip: Zoom-in on the table using the Acrobat zoom tool



EU = European Union, LCY = local currency US = United States.  
Source: Based on data from Bloomberg.

## 2- versus 10- Year Yield Spread Chart

Tip: Zoom-in on the table using the Acrobat zoom tool

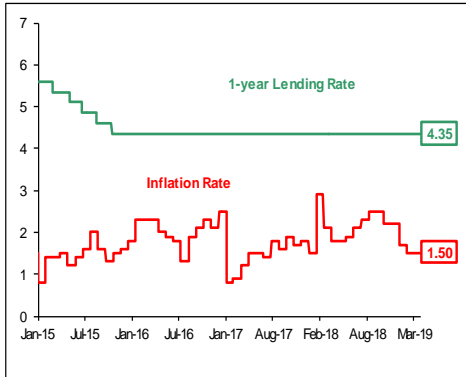


EU = European Union, US = United States.  
 Source: Based on data from Bloomberg LP.

**Policy Rate versus Inflation Rate**

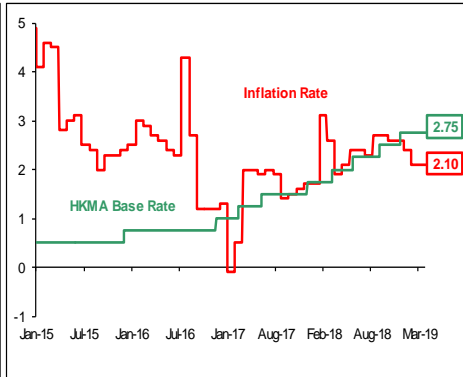
Tip: Zoom-in on the table using the Acrobat zoom tool

**China, People's Rep. of**



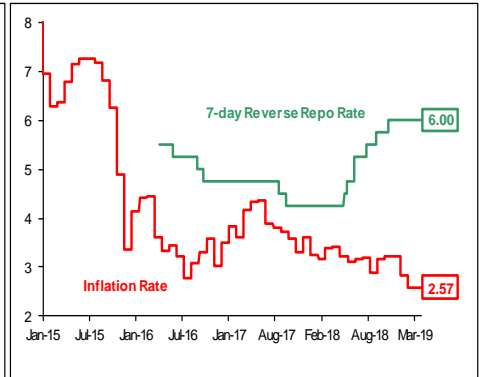
The PRC uses the 1-year lending rate as one of its policy rates.  
Source: Bloomberg LP.

**Hong Kong, China**



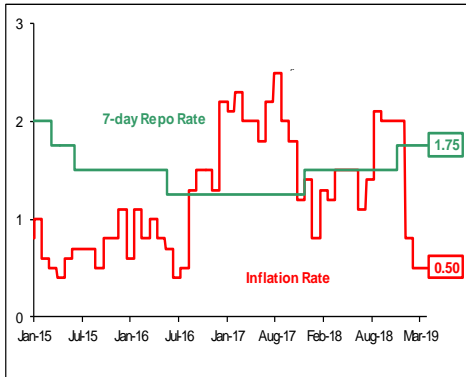
The Hong Kong Monetary Authority maintains a Discount Window Base Rate.  
Source: Bloomberg LP.

**Indonesia**



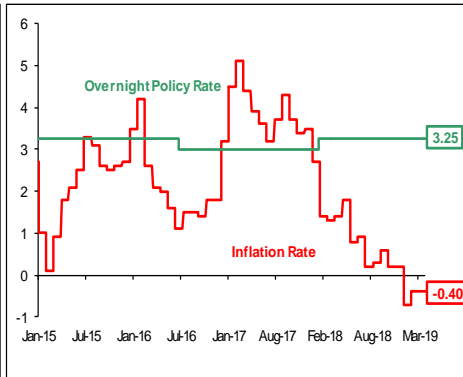
Bank Indonesia shifted its policy rate to the 7-day reverse repo rate effective 19 August 2016.  
Source: Bloomberg LP.

**Korea, Republic of**



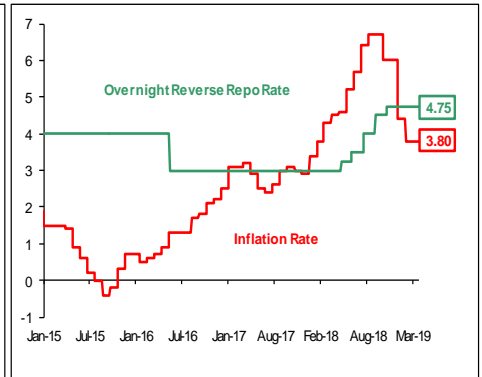
The Bank of Korea shifted its policy rate from the overnight repurchase (repo) rate to the 7-day repo rate in March 2008.  
Source: Bloomberg LP.

**Malaysia**



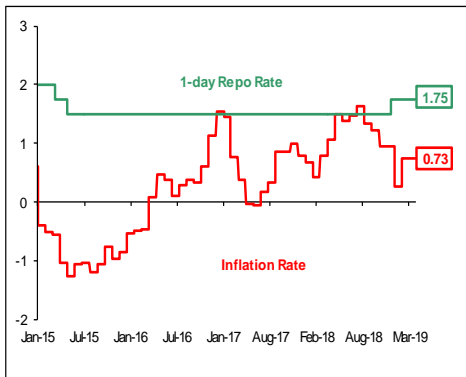
Bank Negara Malaysia uses the overnight policy rate (OPR) as its policy rate.  
Source: Bloomberg LP.

**Philippines**



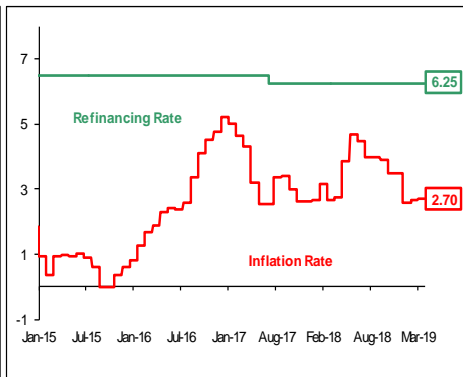
Banko Sentral uses the Philippine overnight reverse repurchase agreement rate as one of its policy instruments.  
Source: Bloomberg LP.

**Thailand**



The Bank of Thailand replaced the 14-day repurchase rate with the 1-day repurchase rate in January 2007 as its policy rate.  
Source: Bloomberg LP.

**Viet Nam**

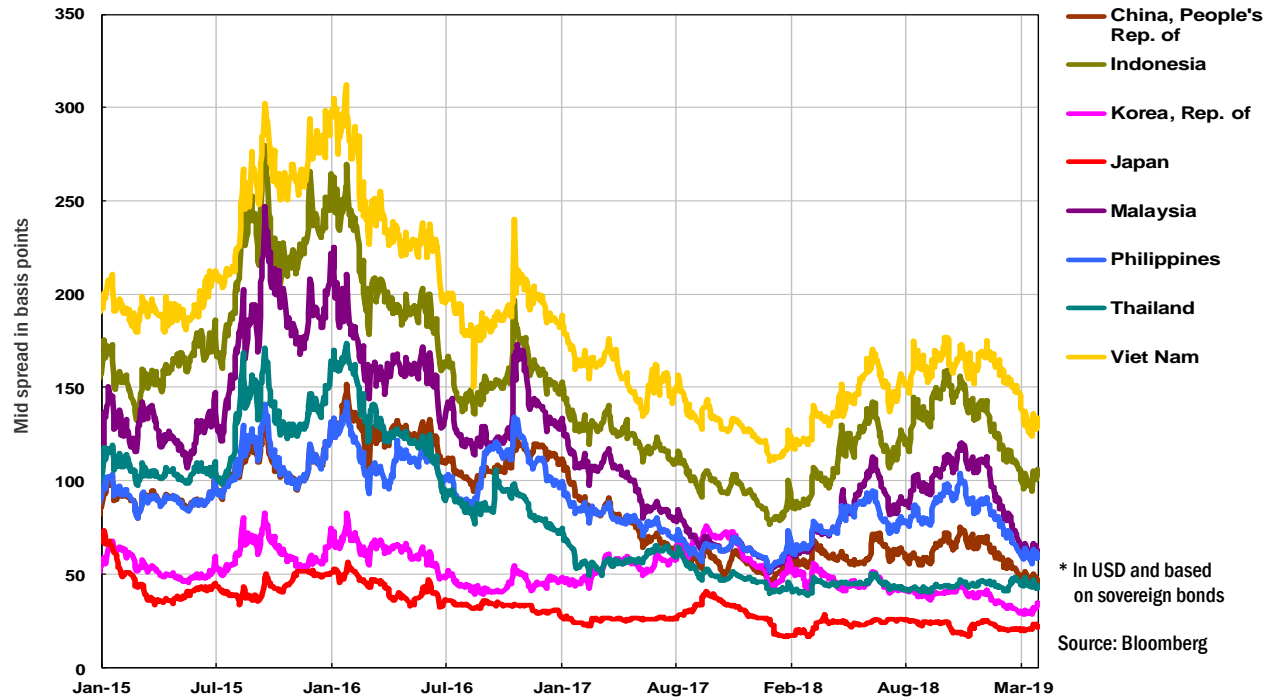


The State Bank of Viet Nam uses a benchmark prime lending rate as its policy rate.  
Source: Bloomberg LP.

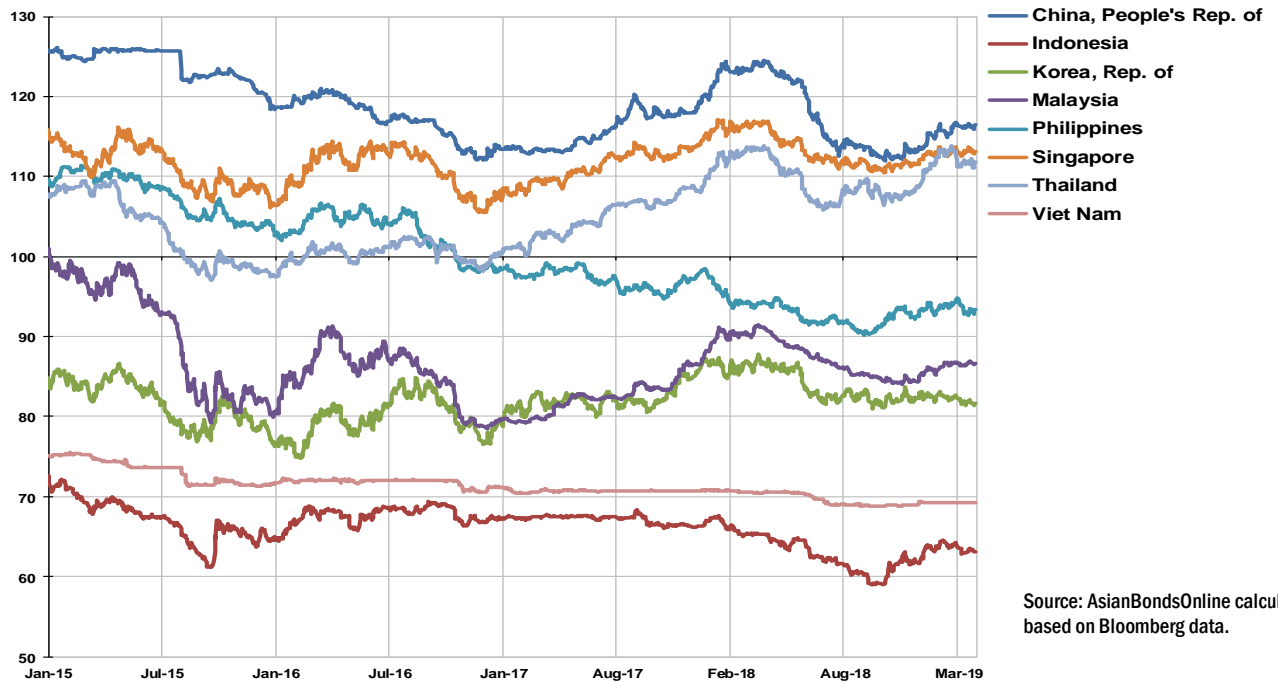
### Credit Default Swap Spreads and Exchange Rate Indexes

Tip: Zoom-in on the table using the Acrobat zoom tool

#### Credit Default Swap Spreads – Senior 5-Year\*



#### Exchange Rate Indexes (vis-à-vis USD, 2 January 2007=100)





### Selected Debt Security Issuances (25 – 29 March 2019)

Tip: Zoom-in on the table using the Acrobat zoom tool

Markets	Auction Date	Type of Security	Average Yield (%)	Coupon (%)	Amount Offered (LCY billion)	Amount Issued (LCY billion)
CN	29-Mar	91-day Treasury Bills	2.06		10.00	10.00
HK	26-Mar	91-day Exchange Fund Bills	1.60		43.06	43.06
		182-day Exchange Fund Bills	1.56		11.00	11.00
ID	26-Mar	3-month Treasury Bills	5.80			2,000.00
		1-year Treasury Bills	6.05			2,000.00
		5-year Treasury Bonds	7.01	8.13		2,000.00
		10-year Treasury Bonds	7.56	8.25	15,000.00	3,900.00
		15-year Treasury Bonds	7.99	8.38		7,000.00
		20-year Treasury Bonds	8.08	8.38		6,400.00
		29-year Treasury Bonds	8.43	7.38		1,650.00
JP	26-Mar	40-year Japan Government Bond	0.61	0.80	400.00	1,412.50
	28-Mar	2-year Japan Government Bonds	-0.17	0.10	2,000.00	605.80
KR	25-Mar	91-day Monetary Stabilization Bonds	1.82		500.00	530.00
		1-year Monetary Stabilization Bonds	1.81	1.83	1,100.00	1,260.00
		20-year Treasury Bonds	1.87	2.38	550.00	550.00
	27-Mar	63-day Financial Bills	1.85		2,500.00	2,500.00
MY	28-Mar	7-year Government Investment Issues	3.73	3.73	4.00	4.00
PH	25-Mar	91-day Treasury Bills	5.79		6.00	3.46
		182-day Treasury Bills	5.93		6.00	6.00
		364-day Treasury Bills	6.04		8.00	8.00
	26-Mar	7-year Treasury Bonds	5.93	6.25	20.00	20.00
SG	26-Mar	28-day MAS Bills	1.50		2.70	2.70
		84-day MAS Bills	1.71		6.60	6.60
	27-Mar	5-year Singapore Government Bonds	1.85	1.75	2.00	2.00
TH	26-Mar	91-day Bank of Thailand Bills	1.71		50.00	50.00
		182-day Bank of Thailand Bills	1.75		50.00	50.00
	29-Mar	15-day Bank of Thailand Bills	1.72		50.00	50.00
VN	27-Mar	15-year Treasury Bonds	5.06		2,250.00	1,750.00

LCY = local currency, MAS = Monetary Authority of Singapore.

Sources: Local market sources and Bloomberg, LP.

## Selected Asia Data Releases (2 – 8 April 2019)

Tip: Zoom-in on the table using the Acrobat zoom tool

Economy and Variable	Release Date	Historical Data	Recent Trends
<b>Republic of Korea</b> CPI y-o-y, % MAR	04/02	02/18: 1.3% 03/18: 1.2% <b>01/19: 0.8%</b> <b>02/19: 0.5%</b>	Consumer price inflation in the Republic of Korea eased to 0.5% year-on-year (y-o-y) in February from 0.8% y-o-y in January.
<b>Singapore</b> Purchasing Managers Index Index MAR	04/03	02/18: 52.7 03/18: 53.3 <b>01/19: 50.7</b> <b>02/19: 50.4</b>	Singapore's Purchasing Managers Index declined to 50.4 in February from 50.7 in the previous month.
<b>Republic of Korea</b> Current Account USD million FEB	04/04	01/18: 2,644.6 02/18: 3,904.7 <b>12/18: 4,819.3</b> <b>01/19: 2,772.3</b>	The current account surplus in the Republic of Korea declined to USD2,772.3 million in January from USD4,819.3 million in December.
<b>Malaysia</b> Exports y-o-y, % FEB	04/04	01/18: 17.8% 02/18: -2.3% <b>12/18: 5.1%</b> <b>01/19: 3.1%</b>	Malaysia's export growth slowed to 3.1% y-o-y in January from 5.1% y-o-y in December.
<b>Malaysia</b> Trade Balance MYR billion FEB	04/04	01/18: 9.7 02/18: 9.0 <b>12/18: 10.7</b> <b>01/19: 11.5</b>	Despite the slow down in export growth, Malaysia's trade surplus widened to MYR11.5 billion in January from MYR10.7 billion in December.
<b>Philippines</b> CPI y-o-y, % MAR	04/05	02/18: 3.8% 03/18: 4.3% <b>01/19: 4.4%</b> <b>02/19: 3.8%</b>	Prices of basic goods and services in the Philippines grew 3.8% y-o-y in February, slower than the 4.4% y-o-y growth posted in January.
<b>Malaysia</b> Foreign Reserves USD billion MAR	04/05	02/18: 103.7 03/18: 107.8 <b>01/19: 102.1</b> <b>02/19: 102.4</b>	Malaysia's foreign reserves marginally increased to USD102.4 billion in February from USD102.1 billion in January.
<b>Philippines</b> Foreign Reserves USD billion MAR	04/05	02/18: 80.4 03/18: 80.5 <b>01/19: 82.5</b> <b>02/19: 82.8</b>	The foreign reserves of the Philippines increased to USD82.8 million in February from USD82.5 million in the previous month.
<b>Thailand</b> Foreign Reserves USD billion MAR	04/05	02/18: 212.7 03/18: 215.6 <b>01/19: 209.9</b> <b>02/19: 212.5</b>	Thailand's foreign reserves reached USD212.5 billion in February, up from USD209.9 billion in January.
<b>Singapore</b> GDP-Advance Estimate y-o-y, % Q1 2019	4/5 to 4/12	Q3 2017: 3.7% Q1 2018: 4.7% <b>Q3 2018: 2.4%</b> <b>Q4 2018: 1.9%</b>	Growth in Singapore's gross domestic product eased to 1.9% y-o-y in the fourth quarter of 2018 from 2.4% y-o-y in the previous quarter.
<b>People's Republic of China</b> Foreign Reserves USD billion MAR	04/07	02/18: 3,134.5 03/18: 3,142.8 <b>01/19: 3,087.9</b> <b>02/19: 3,090.2</b>	The People's Republic of China's foreign reserves rose slightly to USD3,090.2 billion in February from USD3,087.9 billion in January.
<b>Hong Kong, China</b> Foreign Reserves USD billion MAR	04/08	02/18: 443.4 03/18: 440.3 <b>01/19: 432.1</b> <b>02/19: 434.5</b>	Hong Kong, China's foreign reserves increased to USD434.5 billion in February from USD432.1 billion in January.
<b>Indonesia</b> Foreign Reserves USD billion FEB	04/08	02/18: 502 03/18: 486 <b>01/16: 492</b> <b>02/19: 501</b>	Foreign exchange reserves in Indonesia rose to USD501 billion in February from USD492 billion in January.
<b>Japan</b> Current Account JPY billion FEB	04/08	01/18: 592.4 02/18: 2,108.2 <b>12/18: 452.8</b> <b>01/19: 600.4</b>	Japan's current account surplus rose to JPY600.4 billion in January from JPY452.8 billion in December.

Sources: *AsianBondsOnline*, Bloomberg LP, and Reuters.

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## News Articles: Sources for Further Reading

Tip: Click on link to open a new browser (Acrobat Reader 8); for older versions right-click to open a new browser)

### Consumer Price Inflation Eases in Singapore in February, Inches Up in Viet Nam in March

- [Consumer Price Developments in February 2019](#)  
Ministry of Trade and Industry (26 March 2019)
- [Singapore Consumer Price Index \(2014 = 100\) February 2019](#)  
Department of Statistics Singapore (26 March 2019)
- [Consumer price index, gold and USD price indexes, whole country, March 2019](#)  
General Statistics Office of Viet Nam (29 March 2019)

### Index of All-Industry Production in the Republic of Korea Falls in February; Singapore's Manufacturing Output Increases in February; Industrial Production Growth in Viet Nam Moderates in March

- [Monthly Industrial Statistics, February 2019](#)  
Statistics Korea (29 March 2019)
- [Monthly Manufacturing Performance February 2019](#)  
Enterprise Singapore (26 March 2019)
- [Monthly Manufacturing Performance February 2019 Media Release](#)  
Enterprise Singapore (26 March 2019)
- [Monthly Index of Industrial Production](#)  
General Statistics Office of Viet Nam (29 March 2019)

### GDP Growth in Viet Nam Eases to 6.8% y-o-y in Q1 2019

- [Vietnam's GDP growth slows down to 6.79% in Q1](#)  
Hanoi Times (29 March 2019)

### Exports and Imports Fall in Hong Kong, China and Thailand in February; Viet Nam Posts USD600 Million Trade Surplus in March

- [External merchandise trade statistics for February 2019](#)  
Census and Statistics Department (26 March 2019)
- [Press Release on the Economic and Monetary Conditions for February 2019](#)  
Bank of Thailand (29 March 2019)

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