

## Highlights

Global	<p>Alright, they did it after all. After repeated bouts of pained wrangling, the OPEC members managed to agree to a deal to cut crude oil production for the first time in 8 years. The cartel agreed to reduce production by 1.2mn barrels per day (bpd) to 32.5mn, and the agreement will likely include a reduction of 600k bpd by non-OPEC countries as well. Oil price jumped by the most in 9 months, with WTI surging close to USD50/barrel and Brent surging by nearly 10% to trade at around USD51.8/barrel this morning.</p> <p>Meanwhile, Steven Mnuchin, who is likely to be nominated as the next US Treasury Secretary, gave some early indications of the administration's fiscal plans in an interview. He said that the incoming government will consider the possibility of extending the maturity of US Treasuries, potentially to as long as 50 or 100 years. He added that Janet Yellen has "done a good job" as the Fed chief, but did not take the bait on the question of whether she will likely to be reappointed.</p>
US	<p>Equities closed lower on Wednesday as early gains were lost in late trading. Broad market retreated, with the exception of oil producers, which gained on OPEC newsflow, and banks, which benefited as President-Elect Trump nominated establishment candidates into key economic positions. Overall, the Dow ended unchanged, while the S&amp;P 500 and Nasdaq declined 0.27% and 1.05% respectively. VIX rose 3.3% to 13.33. Meanwhile, the selloff in US Treasuries accelerated. Yields traded near year-to-date highs before paring subsequently. The yield curve steepened, as the 10-year yield rose 8 bps to 2.38%, and the 2-year yield rose 2 bps to 1.11%.</p>
CH	<p>China continued to tighten capital outflows via capping the cross border intercompany RMB loan to cover the loophole that RMB cross border payment has been one of the key channels for corporates to bring the money out to bypass the regulation on foreign currency purchase and remittance.</p>
ID	<p>Energy Minister, Ignasius Jonan, said that the OPEC production cut is unlikely to benefit Indonesia, given that prices will increase and that it is a net oil importer. Indonesia has asked to temporarily suspend its OPEC membership for the second time. The cartel had asked Indonesia to reduce its production by 5% or 37k bpd, but the country was only willing to lower it by 5000 bpd, the minister said, given that the figure had been assumed in the 2017 budget.</p>
MA	<p>Press reports suggest that the government has suggested December 21st to be the date for signing a bilateral agreement with Singapore, with regard to a high speed rail project linking up the two neighbors.</p>

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## Major Markets

- **Hong Kong:** Total deposits increased 9.8% yoy in October to HK\$ 11,699 billion with total demand deposits increasing by 13.5% yoy to HK\$ 1,063 billion. RMB deposits shrank by 22.4% yoy for the 14th straight month. On a monthly basis, RMB deposits fell 0.4% to RMB 665 billion as CNH depreciated 1.5% during the previous month. Looking ahead, RMB could remain dampened given (1) China's economic slowdown amidst the government's control on property market and, (2) sustained capital outflow amid narrowing interest rate spread between China and US in a Post-Trump world. At present, the outflow is mainly driven by domestic institutions' allocation towards USD assets and the ongoing angst of RMB depreciation could result in a persistent contraction in offshore RMB deposit. In addition, USD deposits skyrocketed 24.6% yoy to HKD 4,229 billion. Possible active fiscal policies may drive faster economic recovery in the US and accelerate the pace of Fed's rate hike and, as a result lending a support to USD. This propels people to hold more greenback in their portfolio and pushing up USD deposit in HK. Total loan and advances increased by 4.5% yoy to HK\$ 7,817 billion. Loans for use outside HK dipped 1.5% mom (+0.3% yoy), indicating that demand for Mainland related loan remained soft amid cheaper borrowing cost in Mainland and the still high credit risk of Mainland enterprises. Moreover, loans for use in HK rose by 0.5% mom while loan to finance HK's visible trade slumped by 0.6% mom. Sagging trade activity amid weak external demand and trade protectionism could continue to depress growth in loan to finance HK's visible trade.
- **Macau:** The number of hotel guests rose at the fastest pace since July 2011, up by 20.9% yoy to 1.084 million in October. This is attributed to cuts in room rate and the effect of National Day holidays. However, amid room glut, hotel occupancy rate (83.5%) rose at a much slower pace in October than the previous months. Hotel room glut and persistent room rate cuts will likely put renewed downward pressure on hotel sector's profitability after seasonality abates.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve was range-bound yesterday with swap rates trading mostly +/- 1bps across all tenors except the 20y rates which traded 3bps lower. In the broader dollar space, the spread on JACI IG corporates fell 1bp to 199bps while the yield on JACI HY corporates decreased 4bps to 6.85%. 10y UST yields rose 8bps to 2.38% as broad developments, such as US economic signals and OPEC's moves which boosted oil prices, continue to reinforce the likelihood of higher interest rates.
- **New Issues:** Guangzhou Industrial Investment Fund Management Co., which is a Guangzhou government linked investment company, priced a USD200mn 5Y bond at CT5+205bps, in line with IPT, with expected issue ratings of "BBB+/NR/A-". Agricultural Bank of China Hong Kong Branch has set final guidance for its 3Y USD bond at CT3+105bps, inside of IPT of CT3+130bps. Shinhan Bank priced USD500mn in Basel III-compliant 10NC5 Tier 2 subordinated notes at CT5+215bps, inside of IPT of CT5+245bps. The notes are expected to be rated "BBB+/Baa1/BBB+". Steel company Shougang Corporation priced a USD400mn 3Y bond at CT3+215bps, tighter than IPT of CT3+225bps, with expected issue ratings of "NR/NR/A-". Yunnan Energy Investment (HK) Co. has scheduled investor meetings in Singapore, Hong Kong and London during December 1-5 for a potential USD bond that is expected to be rated "NR/NR/BBB".
- **Rating Changes:** Moody's confirmed its "Baa2" long term foreign currency issuer ratings on Mirae Asset Daewoo Co., Ltd with a stable outlook. The rating action concludes the review for downgrade initiated on 7 January 2016 due to expectation of a merger between Mirae Asset Daewoo Co., Ltd and Mirae Asset Securities (unrated).

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	101.500	0.56%	<b>USD-SGD</b>	1.4334	0.58%
<b>USD-JPY</b>	114.460	1.85%	<b>EUR-SGD</b>	1.5177	0.01%
<b>EUR-USD</b>	1.0589	-0.57%	<b>JPY-SGD</b>	1.2523	-1.24%
<b>AUD-USD</b>	0.7385	-1.32%	<b>GBP-SGD</b>	1.7924	0.68%
<b>GBP-USD</b>	1.2506	0.10%	<b>AUD-SGD</b>	1.0586	-0.74%
<b>USD-MYR</b>	4.4662	0.00%	<b>NZD-SGD</b>	1.0151	-0.04%
<b>USD-CNY</b>	6.8894	-0.22%	<b>CHF-SGD</b>	1.4088	0.02%
<b>USD-IDR</b>	13555	-0.04%	<b>SGD-MYR</b>	3.1338	0.21%
<b>USD-VND</b>	22666	-0.03%	<b>SGD-CNY</b>	4.8155	-0.44%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3720	--	<b>O/N</b>	0.4342	--
<b>2M</b>	-0.3390	--	<b>1M</b>	0.6167	--
<b>3M</b>	-0.3140	--	<b>2M</b>	0.7344	--
<b>6M</b>	-0.2190	--	<b>3M</b>	0.9307	--
<b>9M</b>	-0.1350	--	<b>6M</b>	1.2927	--
<b>12M</b>	-0.0790	--	<b>12M</b>	1.6407	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.34	-1.60	3.71
<b>Italy</b>	0.05	-2.10	1.99
<b>Ireland</b>	-0.51	0.60	0.88
<b>Greece</b>	7.65	--	6.58
<b>Spain</b>	-0.12	-2.60	4.10
<b>Russia</b>	2.52	-19.30	4.20

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	19,123.58	1.98
<b>S&amp;P</b>	2,198.81	-5.85
<b>Nasdaq</b>	5,323.68	-56.24
<b>Nikkei 225</b>	18,308.48	1.44
<b>STI</b>	2,905.17	26.03
<b>KLCI</b>	1,619.12	-7.81
<b>JCI</b>	5,148.91	12.24
<b>Baltic Dry</b>	1,204.00	2.00
<b>VIX</b>	13.33	0.43

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.10 (-0.01)	1.11 (+0.03)
<b>5Y</b>	1.70 (-0.02)	1.84 (+0.07)
<b>10Y</b>	2.30 (-0.02)	2.38 (+0.09)
<b>15Y</b>	2.68 (-0.03)	--
<b>20Y</b>	2.75 (-0.03)	--
<b>30Y</b>	2.70 (-0.03)	3.03 (+0.09)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	32.62	-0.71
<b>EURIBOR-OIS</b>	2.53	-1.05
<b>TED</b>	45.36	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	49.44	9.31%	Coffee (per lb)	1.475	-1.60%
Brent (per barrel)	50.47	8.82%	Cotton (per lb)	0.7246	0.11%
Heating Oil (per gallon)	1.5709	7.40%	Sugar (per lb)	0.1981	0.76%
Gasoline (per gallon)	1.4908	8.26%	Orange Juice (per lb)	2.1760	1.02%
Natural Gas (per MMBtu)	3.3520	1.12%	Cocoa (per mt)	2,387	-0.75%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,825.0	2.10%	Wheat (per bushel)	3.8050	-0.91%
Nickel (per mt)	11,210.3	1.54%	Soybean (per bushel)	10.323	-0.98%
Aluminium (per mt)	1,733.3	0.64%	Corn (per bushel)	3.3675	--
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,170.8	-1.44%	Crude Palm Oil (MYR/MT)	3,082.0	0.72%
Silver (per oz)	16.406	-1.53%	Rubber (JPY/KG)	221.0	-3.91%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/30/2016	07:00	SK Industrial Production YoY	Oct	-1.30%	-1.60%	-2.00%	-1.70%
11/30/2016	07:50	JN Industrial Production MoM	Oct P	0.00%	0.10%	0.60%	--
11/30/2016	08:00	NZ ANZ Business Confidence	Nov	--	20.5	24.5	--
11/30/2016	08:01	UK GfK Consumer Confidence	Nov	-4	-8	-3	--
11/30/2016	08:30	AU Building Approvals MoM	Oct	2.00%	-12.60%	-8.70%	-9.30%
11/30/2016	08:30	AU Private Sector Credit MoM	Oct	0.40%	0.50%	0.40%	--
11/30/2016	11:06	MU Hotel Occupancy Rate	Oct	--	83.5	82.1	--
11/30/2016	15:30	TH Exports YoY	Oct	--	-4.30%	3.50%	--
11/30/2016	15:30	TH BoP Current Account Balance	Oct	\$3075m	\$2875m	\$2929m	--
11/30/2016	15:45	FR CPI EU Harmonized YoY	Nov P	0.60%	0.70%	0.50%	--
11/30/2016	15:45	FR CPI YoY	Nov P	0.50%	0.50%	0.40%	--
11/30/2016	16:55	GE Unemployment Change (000's)	Nov	-5k	-5k	-13k	--
11/30/2016	18:00	EC CPI Estimate YoY	Nov	0.60%	0.60%	0.50%	--
11/30/2016	18:00	EC CPI Core YoY	Nov A	0.80%	0.80%	0.80%	--
11/30/2016	18:00	IT CPI NIC incl. tobacco MoM	Nov P	-0.20%	-0.10%	0.00%	-0.10%
11/30/2016	18:00	IT CPI EU Harmonized YoY	Nov P	0.10%	0.10%	-0.10%	--
11/30/2016	18:00	IT CPI EU Harmonized MoM	Nov P	-0.20%	-0.20%	0.20%	--
11/30/2016	19:00	IT PPI MoM	Oct	--	-0.20%	-0.10%	--
11/30/2016	20:00	US MBA Mortgage Applications	Nov-25	--	-9.40%	5.50%	--
11/30/2016	21:15	US ADP Employment Change	Nov	170k	216k	147k	119k
11/30/2016	21:30	US Personal Income	Oct	0.40%	0.60%	0.30%	0.40%
11/30/2016	21:30	CA GDP MoM	Sep	0.10%	0.30%	0.20%	--
11/30/2016	21:30	US Personal Spending	Oct	0.50%	0.30%	0.50%	0.70%
11/30/2016	21:30	CA Quarterly GDP Annualized	3Q	3.40%	3.50%	-1.60%	-1.30%
11/30/2016	21:30	CA Industrial Product Price MoM	Oct	0.60%	0.70%	0.40%	--
11/30/2016	22:45	US Chicago Purchasing Manager	Nov	52.5	57.6	50.6	--
11/30/2016	23:00	US Pending Home Sales MoM	Oct	0.10%	0.10%	1.50%	1.40%
12/01/2016	07:00	SK CPI YoY	Nov	1.40%	1.30%	1.30%	--
12/01/2016	07:50	JN Capital Spending YoY	3Q	-0.40%	-1.30%	3.10%	--
12/01/2016	08:00	SK Exports YoY	Nov	1.60%	--	-3.20%	--
12/01/2016	08:30	ID Nikkei Indonesia PMI Mfg	Nov	--	--	48.7	--
12/01/2016	08:30	TA Nikkei Taiwan PMI Mfg	Nov	--	--	52.7	--
12/01/2016	08:30	VN Nikkei Vietnam PMI Mfg	Nov	--	--	51.7	--
12/01/2016	08:30	SK Nikkei South Korea PMI Mfg	Nov	--	--	48	--
12/01/2016	08:30	JN Nikkei Japan PMI Mfg	Nov F	--	--	51.1	--
12/01/2016	09:00	CH Manufacturing PMI	Nov	51	--	51.2	--
12/01/2016	09:00	CH Non-manufacturing PMI	Nov	--	--	54	--
12/01/2016	09:45	CH Caixin China PMI Mfg	Nov	51	--	51.2	--
12/01/2016	11:30	TH CPI YoY	Nov	0.63%	--	0.34%	--
12/01/2016	13:00	IN Nikkei India PMI Mfg	Nov	--	--	54.4	--
12/01/2016	13:30	AU Commodity Index SDR YoY	Nov	--	--	16.00%	--
12/01/2016	15:00	UK Nationwide House Px NSA YoY	Nov	4.70%	--	4.60%	--
12/01/2016	15:00	UK Nationwide House PX MoM	Nov	0.20%	--	0.00%	--
12/01/2016	16:30	HK Retail Sales Value YoY	Oct	-5.20%	--	-4.10%	--
12/01/2016	16:45	IT Markit/ADACI Italy Mfg PMI	Nov	51.3	--	50.9	--
12/01/2016	16:50	FR Markit France Mfg PMI	Nov F	51.5	--	51.5	--
12/01/2016	16:55	GE Markit/BME Germany Mfg PMI	Nov F	54.4	--	54.4	--
12/01/2016	17:00	EC Markit Eurozone Mfg PMI	Nov F	53.7	--	53.7	--
12/01/2016	17:30	UK Markit UK PMI Mfg SA	Nov	54.4	--	54.3	--
12/01/2016	18:00	EC Unemployment Rate	Oct	10.00%	--	10.00%	--
12/01/2016	18:00	IT GDP WDA YoY	3Q F	0.90%	--	0.90%	--
12/01/2016	21:30	US Initial Jobless Claims	Nov-26	253k	--	251k	--
12/01/2016	21:30	US Continuing Claims	Nov-19	2033k	--	2043k	--
12/01/2016	22:30	CA RBC Canadian Mfg PMI	Nov	--	--	51.1	--
12/01/2016	22:45	US Markit US Manufacturing PMI	Nov F	53.9	--	53.9	--
12/01/2016	23:00	US Construction Spending MoM	Oct	0.60%	--	-0.40%	--
12/01/2016	23:00	US ISM Manufacturing	Nov	52.5	--	51.9	--
12/01/2016		ID CPI YoY	Nov	3.41%	--	3.31%	--
12/01/2016	12/07	ID Foreign Reserves	Nov	--	--	\$115.04b	--

Source: Bloomberg

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