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Highlights

Global	<p>Wall Street continued its retreat for the 8th consecutive session amid the US presidential election uncertainty and ahead of tonight's key Oct nonfarm payrolls and unemployment report where market consensus is eyeing +173k and 4.9% respectively compared to +156k and 5.0% previously.</p> <p>Meanwhile, BOE left its monetary policy steady with an unanimous vote as anticipated, but Carney opted for a neutral bias going forward, indicating that previous guidance of a likely rate cut this year had "expired" and raised both GDP growth and inflation forecasts, with the warning of limited tolerance for an inflation overshoot amid stronger growth and inflation signals. In addition, the UK Court ruled that the British government would need Parliamentary approval for Brexit, which helped to boost the GBP.</p> <p>Today's main economic data focus apart from NFP would be the European services and composite PMIs and Malaysia's trade data. South Korean president Park is also addressing the nation for the first time since the Choi Soon-sil scandal. Expect Asian markets to be likely sidelined ahead of NFP.</p>
US	<p>Factory orders moderated from an upwardly revised 0.4% gain in Aug to 0.3% in Sep (consensus forecast: 0.2%), while factory orders excluding transportation also advanced 0.6% (previously +0.3%). Meanwhile, initial jobless claims rose 7k to 265k, while continuing claims eased to 2.026m and the Challenger job cuts fell 39.1% yoy in Oct, suggesting a still resilient labour market. Separately, the non-manufacturing ISM slipped more than expected from 57.1 in Sep to 54.8 in Oct, amid a slowdown in orders and employment and pointing to a more measured 4Q growth.</p>
UK	<p>The BOE's latest inflation report hiked its 2016 and 2017 growth forecasts to 2.2% and 1.4% respectively, but pared its 2018 forecast from 1.8% to 1.5%.</p>
PMI	<p>China's Caixin services and composite PMIs both improved to 52.4 and 52.9 respectively in Oct, up from 52.0 and 51.4 previously, and it was a similar theme for India (54.5 and 55.4 versus 52.0 and 52.4). However, both Singapore and Hong Kong saw a pullback in sentiments, with the latter at 48.2 vis-à-vis 49.3 previously.</p>
Singapore	<p>The Nikkei whole economy PMI dived from 52.9 in September to 50.5 in October (lowest since May16) despite new export order at a 9-month high. Notably private sector companies reported a marginal pickup in October conditions and output and new orders growth slowed. Domestic business caution in both purchasing activity (steepest fall off in over two years) and hiring intentions (as employment fell for the first time since July) telegraph more choppy times ahead. This is unsurprising as the latest business expectations survey for services sector showed that a net 8% of services firms anticipate the next six months outlook to deteriorate, and the 2016 SME Development Survey also revealed SMEs struggling with financing on top of the usual manpower, materials and rental costs. Even the Nikkei whole economy PMI noted that panelists flagged a marked increase in purchasing costs, which together with wage inflation lifted overall input costs to the fastest pace of increase since March. Looking ahead, the growth momentum for the Singapore economy is likely to remain subdued in the near-term amid the feedback loop from businesses and consumers who are clearly tightening their belts.</p>

Major Markets

- **Wall Street:** Investors continue to be spooked by election anxiety, with equities closing lower for the 8th consecutive session, the longest losing streak since the 2008 crisis. Equities were also not helped by a slew of weak headlines from earnings, as AIG Inc. reported profits short of estimates, and Facebook Inc. acknowledging a slowdown in advertising revenue. Nasdaq led losses with a 0.92% decline, while the S&P 500 and Dow fell 0.44% and 0.16% respectively. VIX spiked 14.3% to hit a high of 22.08. In the US Treasury space, the yield curve steepened as 2-year yields fell to 0.81%, but the 10-year yield rose to 1.81%. 10-year notes declined in sympathy with UK gilts as the BoE signaled an end to rate cuts amid improved economic outlook.
- **Singapore:** The STI continued to bleed yesterday amid the weak investor sentiment and closed down 0.18% at 2802.08. Wall Street declined overnight, but investors may wait on the sidelines ahead of the key US' NFP data and watch if the 2800 support gives way. The SGS bond yield curve bull-steepened yesterday and may be inclined to continue to be supported at the shorter tenors if tonight's NFP does not surprise.
- **China:** Caixin Services PMI rose to a four-month high at 52.4, pushing the Composite PMI to the highest since early 2013 at 52.9. Rosy data confirms that China's economy is stabilizing. In addition, recent jump in commodity prices such as coal prices and garlic prices sparks market expectations on resurgent inflation risks. Based on these, market increasingly concerns about the PBOC's tightening in near term. As the impact of latest property cooling measures on the economy may delay till early next year, it is still too early to call for a change in the central bank's stance. On the other hand, new policies have been announced to cool the commodity market frenzy. Inflation may not skyrocket in the medium term. Therefore, we expect that the PBOC is more likely to remain the accommodative policy unchanged. Elsewhere, the PBOC injected CNY437 billion liquidity via MLF operations.
- **Hong Kong:** HNA Group paid over HK\$8.8 Billion at around 150% premium for government land in the former Hong Kong airport site. Chinese policy makers announced various new rules to curb fund raising by property developers in the onshore market, in order to cool the housing frenzy. As a result, more Mainland property developers may turn to offshore market for financing and project development. Since 2013, four out of seven government lands supplied in the former HK airport site have been bid by Mainland developers. Given tight land supply, increasing demand by Mainland property developers is likely to push up the land prices and thereby the housing prices in HK. On the other hand, following the curb on Mainland investors' purchase of investment-linked life insurance in Hong Kong, the capital may instead flow into HK property market. In this case, though we believe that higher borrowing costs and increasing supply ahead will lead to renewed correction in HK property market, investment from Mainland China may moderate the correction.
- **Indonesia:** Bank Indonesia said that it will retain an easing bias even if the US Federal Reserve raises interest rates by 25bps this year and 50bps next year. As reported by Wall Street Journal, BI's senior deputy governor Mirza Adityaswara said that such increases have already been priced in by the market. He added that Indonesia's inflation and current account deficit are under control.
- **Commodities:** Crude oil prices continued to trend lower, with market-players still spooked over the higher-than-expected US crude oil stocks, as well as strong OPEC production from members who claimed exemption from an output curb agreement. Gold remained supported above its \$1,300/oz at closing after US initial jobless claims were higher than market expectations. Watch for US nonfarm payrolls later.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards yesterday as the US dollar fell amidst growing concerns of a heightened possibility of a Trump Presidency as the presidential polls continue to tighten over the last few days. Swap rates traded 1-3bps lower across all tenors. Flows in the SGD space were moderate with two-way flows seen in SOCGEN 4.3%'26s, TRAFIG 7.5%'49s and ABNANV 4.7%'22s. In the broader dollar space, the spread on JACI IG corporates increased 1bps to 206bps while the yield on JACI HY corporates increased 5bps to 6.6%. 10y UST yield increased 1bps to 1.81%.
- **New Issues:** Bank of China Ltd. priced a USD500mn 3-year bond at CT3+95bps, tightening from its initial guidance at CT3+115bps. The expected issue ratings are "NR/Aa3/NR". Huishang Bank Corp. Ltd. has priced a USD888mn AT1 perpetual bond, non-callable for 5-year at 5.5%, tightening from its initial guidance at 5.75%. Suqian Economic Development Co. has launched a USD200mn 3-year bond with initial price guidance at 5.6% with expected issue rating of "NR/NR/BB". The bond is expected to be priced later today. Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd. has scheduled investor meetings in Hong Kong, Singapore and London from today for a potential USD bond.
- **Rating Changes:** S&P assigned a "BBB-" corporate credit rating to Gansu Provincial Highway Aviation Tourism Investment Group Co. Ltd. (Gansu Highway) with a stable outlook. The rating assignment reflects S&P's expectation that Gansu Highway has an almost certain likelihood of receiving extraordinary support from the Gansu provincial government if needed. Hence the rating on the company is driven by the government's creditworthiness. Moody's revised its ratings outlook on Nanyang Commercial Bank Ltd. to stable from negative. The outlook revision follows the same change in the rating outlook of its parent, China Cinda Asset Management. The stable outlook reflects the considerations that: 1) the bank does not face immediate pressure on its Baseline Credit Assessment (BCA); 2) indirect China government support flowing through its parent is unlikely to change over the medium term and; 3) the bank's rating is resilient to a hypothetical downgrade scenario in which China's sovereign rating is downgraded by one notch. Fitch has placed Deutsche Bank AG's (DB) "A" issuer default rating on Rating Watch Negative. The rating action reflects Fitch's view that the challenges posed by a sluggish business environment, particularly in Europe but also in Asia Pacific, will make it harder for DB to build revenue and, therefore, capital during 2017 in line with its 2020 strategy.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.157	-0.25%	USD-SGD	1.3837	-0.05%
USD-JPY	102.980	-0.31%	EUR-SGD	1.5366	0.01%
EUR-USD	1.1105	0.06%	JPY-SGD	1.3437	0.27%
AUD-USD	0.7682	0.27%	GBP-SGD	1.7242	1.19%
GBP-USD	1.2461	1.28%	AUD-SGD	1.0629	0.20%
USD-MYR	4.1842	-0.07%	NZD-SGD	1.0154	0.63%
USD-CNY	6.7650	0.12%	CHF-SGD	1.4208	-0.11%
USD-IDR	13075	0.14%	SGD-MYR	3.0230	0.03%
USD-VND	22325	0.02%	SGD-CNY	4.8855	--

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	0.4373	--
2M	-0.3390	--	1M	0.5320	--
3M	-0.3130	--	2M	0.6656	--
6M	-0.2130	--	3M	0.8757	--
9M	-0.1310	--	6M	1.2482	--
12M	-0.0710	--	12M	1.5651	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread
Portugal	0.33	0.40	3.25	1.00	3.09
Italy	-0.00	-1.10	1.69	3.00	1.54
Ireland	-0.42	0.50	0.66	3.00	0.50
Greece	7.65	--	7.79	-10.70	7.63
Spain	-0.20	-1.60	1.23	2.70	1.08
Russia	2.24	4.30	4.05	0.10	3.89

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	44.66	-1.50%	Coffee (per lb)	1.657	1.69%
Brent (per barrel)	46.35	-1.09%	Cotton (per lb)	0.6807	-0.77%
Heating Oil (per gallon)	1.458	-0.57%	Sugar (per lb)	0.2148	-1.01%
Gasoline (per gallon)	1.42	-1.62%	Orange Juice (per lb)	2.2285	-3.00%
Natural Gas (per MMBtu)	2.769	-0.82%	Cocoa (per mt)	2,705	-0.15%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,960.0	0.81%	Wheat (per bushel)	4.1200	-1.38%
Nickel (per mt)	10,441	1.57%	Soybean (per bushel)	9.798	0.31%
Aluminium (per mt)	1,729.0	0.29%	Corn (per bushel)	3.4800	0.51%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,303.3	-0.37%	Crude Palm Oil (MYR/MT)	2,791.0	0.40%
Silver (per oz)	18.416	-1.48%	Rubber (JPY/KG)	177.2	0.00%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	17,930.67	-28.97
S&P	2,088.66	-9.28
Nasdaq	5,058.41	-47.16
Nikkei 225	17,134.68	--
STI	2,802.08	-5.06
KLCI	1,648.08	-11.52
JCI	5,329.50	-75.95
Baltic Dry	849.00	15.00
VIX	22.08	2.76

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.85 (-0.02)	0.81 (-0.01)
5Y	1.30 (-0.02)	1.26 (--)
10Y	1.92 (--)	1.81 (+0.01)
15Y	2.23 (--)	--
20Y	2.33 (--)	--
30Y	2.32 (+0.01)	2.60 (+0.03)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	37.66	-0.32
EURIBOR-OIS	3.70	0.10
TED	51.45	--

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
11/03/2016 01:00	IT	New Car Registrations YoY	Oct	--	9.75%	17.30%	17.43%
11/03/2016 02:00	US	FOMC Rate (Upper Bound)	Nov-02	0.50%	0.50%	0.50%	--
11/03/2016 05:00	SK	Foreign Reserves	Oct	--	\$375.17b	\$377.77b	--
11/03/2016 08:00	NZ	ANZ Commodity Price	Oct	--	0.70%	5.10%	--
11/03/2016 08:30	HK	Nikkei Hong Kong PMI	Oct	--	48.2	49.3	--
11/03/2016 08:30	AU	Trade Balance	Sep	-A\$1700m	-A\$1227m	-A\$2010m	-A\$1894m
11/03/2016 09:45	CH	Caixin China PMI Services	Oct	--	52.4	52	--
11/03/2016 09:45	CH	Caixin China PMI Composite	Oct	--	52.9	51.4	--
11/03/2016 13:00	IN	Nikkei India PMI Services	Oct	--	54.5	52	--
11/03/2016 13:00	IN	Nikkei India PMI Composite	Oct	--	55.4	52.4	--
11/03/2016 16:30	HK	Retail Sales Value YoY	Sep	-9.00%	-4.10%	-10.50%	--
11/03/2016 16:30	HK	Retail Sales Volume YoY	Sep	-10.50%	-3.90%	-12.70%	-11.00%
11/03/2016 17:30	UK	Markit/CIPS UK Services PMI	Oct	52.5	54.5	52.6	--
11/03/2016 17:30	UK	Markit/CIPS UK Composite PMI	Oct	53.5	54.8	53.9	--
11/03/2016 18:00	EC	Unemployment Rate	Sep	10.00%	10.00%	10.10%	10.00%
11/03/2016 20:00	UK	Bank of England Bank Rate	Nov-03	0.25%	0.25%	0.25%	--
11/03/2016 20:00	UK	BOE Asset Purchase Target	Nov	435b	435b	435b	--
11/03/2016 20:30	US	Initial Jobless Claims	Oct-29	256k	265k	258k	--
11/03/2016 20:30	US	Continuing Claims	Oct-22	2043k	2026k	2039k	2040k
11/03/2016 21:45	US	Markit US Services PMI	Oct F	54.8	54.8	54.8	--
11/03/2016 21:45	US	Markit US Composite PMI	Oct F	--	54.9	54.9	--
11/03/2016 21:45	US	Bloomberg Consumer Comfort	Oct-30	--	44.6	43.9	--
11/03/2016 22:00	US	ISM Non-Manf. Composite	Oct	56	54.8	57.1	--
11/03/2016 22:00	US	Factory Orders	Sep	0.20%	0.30%	0.20%	0.40%
11/03/2016 22:00	US	Durable Goods Orders	Sep F	-0.10%	-0.30%	-0.10%	--
11/03/2016 22:00	US	Durables Ex Transportation	Sep F	0.10%	0.10%	0.20%	--
11/03/2016 22:00	US	Cap Gds Orders Nondef Ex Air	Sep F	--	-1.30%	-1.20%	--
11/03/2016 22:00	US	Cap Goods Ship Nondef Ex Air	Sep F	--	0.40%	0.30%	--
11/04/2016 07:50	JN	Foreign Buying Japan Bonds	Oct-28	--	¥267.8b	¥752.5b	--
11/04/2016 07:50	JN	Foreign Buying Japan Stocks	Oct-28	--	¥108.9b	¥85.3b	--
11/04/2016 08:30	JN	Nikkei Japan PMI Services	Oct	--	--	48.2	--
11/04/2016 08:30	JN	Nikkei Japan PMI Composite	Oct	--	--	48.9	--
11/04/2016 08:30	AU	Retail Sales MoM	Sep	0.40%	--	0.40%	--
11/04/2016 09:00	PH	CPI YoY	Oct	2.30%	--	2.30%	--
11/04/2016 09:00	PH	CPI NSA MoM	Oct	0.20%	--	0.20%	--
11/04/2016 12:00	MA	Exports YoY	Sep	-2.00%	--	1.50%	--
11/04/2016 12:00	MA	Trade Balance MYR	Sep	8.90b	--	8.51b	--
11/04/2016 15:00	MA	Foreign Reserves	Oct-28	--	--	\$97.8b	--
11/04/2016 15:30	TH	Foreign Reserves	Oct-28	--	--	\$179.7b	--
11/04/2016 16:45	IT	Markit/ADACI Italy Services PMI	Oct	51.5	--	50.7	--
11/04/2016 16:45	IT	Markit/ADACI Italy Compo PMI	Oct	51.5	--	51.1	--
11/04/2016 16:50	FR	Markit France Services PMI	Oct F	52.1	--	52.1	--
11/04/2016 16:50	FR	Markit France Composite PMI	Oct F	52.2	--	52.2	--
11/04/2016 16:55	GE	Markit Germany Services PMI	Oct F	54.1	--	54.1	--
11/04/2016 16:55	GE	Markit/BME GE Compo PMI	Oct F	55.1	--	55.1	--
11/04/2016 17:00	EC	Markit Eurozone Services PMI	Oct F	53.5	--	53.5	--
11/04/2016 17:00	EC	Markit Eurozone Composite PMI	Oct F	53.7	--	53.7	--
11/04/2016 18:00	EC	PPI MoM	Sep	0.00%	--	-0.20%	--
11/04/2016 20:30	US	Trade Balance	Sep	-\$38.0b	--	-\$40.7b	--
11/04/2016 20:30	CA	Int'l Merchandise Trade	Sep	-1.70b	--	-1.94b	--
11/04/2016 20:30	CA	Unemployment Rate	Oct	7.00%	--	7.00%	--
11/04/2016 20:30	US	Change in Nonfarm Payrolls	Oct	173k	--	156k	--
11/04/2016 20:30	CA	Net Change in Employment	Oct	-15.0k	--	67.2k	--
11/04/2016 20:30	US	Change in Manufact. Payrolls	Oct	-4k	--	-13k	--
11/04/2016 20:30	US	Unemployment Rate	Oct	4.90%	--	5.00%	--

Source: Bloomberg

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