

Highlights

Global	<p>Wall Street rebounded as global risk appetite stabilised, likely attributable to the buy on rumour and sell the fact ahead of today's US presidential elections and after the FBI said over the weekend that there was no new evidence to reverse its earlier decision. On the data front, US' labor market conditions index rose from a revised -0.1 in Sep to +0.7 in Oct, beating market expectations, while German factory orders unexpectedly fell 0.6% mom (+2.6% yoy) in Sep after a revised 0.9% mom (+2.0% yoy). Elsewhere, Indonesia reported 3Q GDP growth of 5.02% yoy (+3.2% qoq) which was a tad below market expectations. Expect that Asian markets will extend the risk rally for today, as market watchers hope for policy continuity on the US presidential election front. Key economic data to watch include China's trade data, US' NFIB small business optimism and JOLTs job openings, and UK's industrial production. Fed's Evans is also speaking.</p>
US	<p>We still think it is a close call for the US presidential elections notwithstanding the market's newfound optimism. That said, given the risk-off mood prevailing last week, the risk rebound may extend if early polling results suggest that Clinton is in the lead since she represents policy continuity, "business as usual" and may imply less upheaval for key policies on trade (including TPP), immigration, foreign relations and also the FOMC (note the futures pricing for a Dec rate hike also climbed to 80% probability). The reverse is also true as a Trump victory would see a kneejerk de-risking across the board, and should Trump contest or refuse to accept the result, this may also engender some interim uncertainty.</p>
CH	<p>China's FX reserve fell further to US\$3.120 trillion in October, down from US\$3.166 trillion in September, signalling the ongoing pressure for capital outflows in particular after renewed RMB depreciation against the dollar since its inclusion to SDR basket. In addition, the 1.4% mom decline was also exaggerated by the valuation effect after the DXY rallied by more than 3% in October.</p>
ID	<p>Q3 GDP data comes at 5.02%yoy, slightly softer than the 5.08% that market pencilled in, and 5.1% we had in mind. It is also lower than the 5.18% achieved in previous quarter. The primary drag appears to be a sharp reversal in government spending in Q3, as the government shifted focus towards cutbacks to make sure that fiscal deficit would stay within the 3%-of-GDP limit.</p>
MA	<p>S&P ratings agency reaffirmed Malaysia's sovereign credit rating at A-, citing how it believes that the Malaysian government "will remain committed to its fiscal and economic reforms," and that "Although challenges to the political environment from the 1MDB fallout have yet to dissipate, we believe it will not impede effective policymaking."</p>

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Major Markets

- **US:** A strong relief rally swept through equity markets on Monday following the resolution of FBI's investigation on Clinton. Financials and healthcare set the pace for gains, with S&P 500 rising 2.22% to close at 2131.52, retracing most of the declines in the 9 sessions prior. The Dow and Nasdaq were also higher by 2.08% and 2.37% respectively. VIX slipped 16.9% to close at 18.71. US Treasuries sold off as risk appetite returned to the markets. Yields rose by 3-5 bps, with the 2- and 10-year benchmark yields standing at 0.82% and 1.83% respectively. Post-election, attention will revert back to the Fed's rate hike path, which will inevitably be dependent on whether Clinton or Trump wins the race.
- **Singapore:** The STI recovered 0.44% to close at 2800.95 yesterday and today will be critical to see if it can hang onto the key 2800 handle, but the stars seem to be aligned for a stronger showing given Wall Street's overnight bounce and morning gains by Nikkei and Kospi. Of course, the US election results will be the key to sustaining this bounce. The STI support and resistance are tipped at 2780 and 2820 respectively. The SGS bond yield curve bear-steepened as the longer-dated bond yields bounced more amid the comeback in risk appetite. The selling pressure may extend today, with the 10-year SGS bond yield eyeing the 2% handle next.
- **Hong Kong:** As investment demand continues to dominate the local home market with home price and transaction volume rising drastically since 3Q, HK government raised stamp duty to 15 percent for all residential purchases, except for first-time home buyers who are permanent residents. This is to curb the irrational exuberance and shun spillover effect on the local economy and financial system. The new measure, effective on November 5, will mainly deter investors' demand for small lump-sum properties. Also, together with the 15 percent buyer stamp duty, overseas buyer will need to pay up to 30 percent of the tax.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday with swap rates trading 1-4bps higher across all tenors amidst a global stock rally, along with commodities, on speculation that Hillary Clinton's chances of a US election victory has increased following the FBI's conclusion of her email probe. Flows in the SGD were light with investors staying cautious ahead of US presidential results this coming Wednesday/Thursday. In the broader dollar space, the spread on JACI IG corporates decreased 1bps to 207bps while the yield on JACI HY corporates decreased 1bps to 6.59%. 10y UST yield increased 5bps to 1.83% as risk-off sentiments eased and the market repriced a higher likelihood of a Clinton victory.
- **New Issues:** China Huarong Asset Management Ltd. has scheduled investor meetings from 8 November for a potential USD bond issue with expected issue ratings of "BBB+/NR/A". China Grand Automotive Services has scheduled investor road shows from 8 November for a potential USD bond issue with expected issue ratings of "NR/NR/B+". Shinhan Bank has scheduled investor road shows from 14 November onwards for potential USD Tier-2 bond issue. Oil India Ltd. has indicated that it plans to issue a USD800mn 5-year bond to refinance its existing loans.
- **Rating Changes:** Moody's has affirmed its "Baa3" issuer rating on Alcoa of Australia Ltd. (AoA) with a stable outlook. This concludes the review for downgrade initiated on 23 September, 2016 following a reorganization of the broader Alcoa group and Moody's first-time assignment of a "Ba3" corporate family rating with stable outlook to Alcoa Nederland Holding on 20 September, 2016. The rating affirmation of AoA's "Baa3" rating reflects Moody's expectation that AoA will continue to operate with very low debt levels, and that AoA will continue to operate with minimal debt in its capital structure going forward. Moody's has assigned a "B1" corporate family rating to China Grand Automotive

Services Co. Ltd. (CGA) with a stable outlook. The rating reflects CGA's strong position in China's auto dealership market as well as its moderately high debt leverage, weak liquidity, and exposure to regulatory risk. Fitch assigned also CGA a "BB-" foreign-currency issuer default rating with a stable outlook. The rating is supported by its large operating scale and leading market position, along with its robust long-term growth prospects. This is mitigated by CGA's weak bargaining power in a competitive industry and its high leverage.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.781	0.74%	USD-SGD	1.3895	0.45%
USD-JPY	104.460	1.30%	EUR-SGD	1.5341	-0.45%
EUR-USD	1.1041	-0.90%	JPY-SGD	1.3300	-0.86%
AUD-USD	0.7728	0.72%	GBP-SGD	1.7226	-0.53%
GBP-USD	1.2396	-0.97%	AUD-SGD	1.0739	1.16%
USD-MYR	4.2127	0.32%	NZD-SGD	1.0204	0.69%
USD-CNY	6.7766	0.30%	CHF-SGD	1.4263	-0.15%
USD-IDR	13086	0.14%	SGD-MYR	3.0276	-0.09%
USD-VND	22333	0.02%	SGD-CNY	4.8724	-0.22%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	0.4351	--
2M	-0.3390	--	1M	0.5353	--
3M	-0.3120	--	2M	0.6681	--
6M	-0.2130	--	3M	0.8826	--
9M	-0.1300	--	6M	1.2454	--
12M	-0.0710	--	12M	1.5590	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.32	-2.40	3.23
Italy	-0.02	-1.70	1.71
Ireland	-0.42	-0.90	0.65
Greece	7.65	--	7.42
Spain	-0.23	-2.10	1.24
Russia	2.41	16.90	4.06

Equity and Commodity

Index	Value	Net change
DJIA	18,259.60	371.32
S&P	2,131.52	46.34
Nasdaq	5,166.17	119.80
Nikkei 225	17,177.21	271.85
STI	2,800.95	12.15
KLCI	1,650.59	2.35
JCI	5,386.21	23.55
Baltic Dry	870.00	15.00
VIX	18.71	-3.80

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.86 (+0.01)	0.82 (+0.03)
5Y	1.33 (+0.03)	1.29 (+0.06)
10Y	1.97 (+0.04)	1.83 (+0.05)
15Y	2.33 (+0.07)	--
20Y	2.43 (+0.08)	--
30Y	2.43 (+0.08)	2.60 (+0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	38.18	0.35
EURIBOR-OIS	3.65	-0.15
TED	51.63	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	44.89	1.86%	Coffee (per lb)	1.744	1.75%
Brent (per barrel)	46.15	1.25%	Cotton (per lb)	0.6845	-0.12%
Heating Oil (per gallon)	1.441	0.72%	Sugar (per lb)	0.2227	2.49%
Gasoline (per gallon)	1.37	-0.55%	Orange Juice (per lb)	2.2985	0.94%
Natural Gas (per MMBtu)	2.816	1.77%	Cocoa (per mt)	2,491	-3.49%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,098.0	2.14%	Wheat (per bushel)	4.1000	-1.03%
Nickel (per mt)	11,089	6.42%	Soybean (per bushel)	9.893	0.79%
Aluminium (per mt)	1,721.8	0.26%	Corn (per bushel)	3.4625	-0.72%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,279.4	-1.92%	Crude Palm Oil (MYR/MT)	2,803.0	1.85%
Silver (per oz)	18.151	-1.20%	Rubber (JPY/KG)	181.4	1.57%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/07/2016 08:00	JN	Labor Cash Earnings YoY	Sep	0.20%	0.20%	-0.10%	0.00%
11/07/2016 08:30	AU	ANZ Job Advertisements MoM	Oct	--	1.00%	-0.30%	0.00%
11/07/2016 12:07	ID	GDP QoQ	3Q	3.25%	3.20%	4.02%	4.03%
11/07/2016 12:07	ID	GDP YoY	3Q	5.08%	5.02%	5.18%	5.19%
11/07/2016 13:30	AU	Foreign Reserves	Oct	--	A\$64.9b	A\$65.8b	--
11/07/2016 15:00	GE	Factory Orders MoM	Sep	0.20%	-0.60%	1.00%	0.90%
11/07/2016 15:00	GE	Factory Orders WDA YoY	Sep	3.50%	2.60%	2.10%	2.00%
11/07/2016 15:00	MA	Foreign Reserves	Oct-31	--	\$97.8b	\$97.8b	--
11/07/2016 15:30	PH	Foreign Reserves	Oct	--	\$85.8b	\$85.9b	--
11/07/2016 16:00	TA	Trade Balance	Oct	\$4.95b	\$4.38b	\$4.37b	--
11/07/2016 16:00	TA	Exports YoY	Oct	1.90%	9.40%	-1.80%	--
11/07/2016 16:00	TA	Imports YoY	Oct	5.00%	19.50%	0.70%	--
11/07/2016 16:30	HK	Foreign Reserves	Oct	--	\$383.1b	\$362.5b	--
11/07/2016 16:30	UK	Halifax House Prices MoM	Oct	0.20%	1.40%	0.10%	0.30%
11/07/2016 16:30	UK	Halifax House Price 3Mths/Year	Oct	4.90%	5.20%	5.80%	--
11/07/2016 16:30	GE	Markit GE Construction PMI	Oct	--	52.9	52.4	--
11/07/2016 17:00	SI	Foreign Reserves	Oct	--	\$251.36b	\$253.41b	--
11/07/2016 17:09	CH	Foreign Reserves	Oct	\$3132.5b	\$3120.7b	\$3166.4b	--
11/07/2016 17:10	GE	Markit Germany Retail PMI	Oct	--	51	53	--
11/07/2016 17:10	EC	Markit Eurozone Retail PMI	Oct	--	48.6	49.6	--
11/07/2016 17:10	FR	Markit France Retail PMI	Oct	--	47.5	49.1	--
11/07/2016 17:10	IT	Markit Italy Retail PMI	Oct	--	46.5	45	--
11/07/2016 18:00	EC	Retail Sales MoM	Sep	-0.30%	-0.20%	-0.10%	-0.20%
11/07/2016 18:00	EC	Retail Sales YoY	Sep	1.20%	1.10%	0.60%	1.20%
11/07/2016 18:28	ID	Foreign Reserves	Oct	--	\$115.04b	\$115.67b	--
11/08/2016 08:30	AU	NAB Business Conditions	Oct	--	--	8	--
11/08/2016 08:30	AU	NAB Business Confidence	Oct	--	--	6	--
11/08/2016 08:30	TA	CPI YoY	Oct	0.48%	--	0.33%	--
11/08/2016 13:00	JN	Leading Index Cl	Sep P	100.5	--	100.9	--
11/08/2016 15:00	GE	Industrial Production SA MoM	Sep	-0.50%	--	2.50%	--
11/08/2016 15:00	GE	Industrial Production WDA YoY	Sep	2.00%	--	1.90%	--
11/08/2016 15:00	GE	Trade Balance	Sep	22.4b	--	20.0b	20.1b
11/08/2016 15:00	GE	Current Account Balance	Sep	24.5b	--	17.9b	--
11/08/2016 15:00	GE	Exports SA MoM	Sep	-0.80%	--	5.40%	3.40%
11/08/2016 15:00	GE	Imports SA MoM	Sep	-0.20%	--	3.00%	1.90%
11/08/2016 15:45	FR	Trade Balance	Sep	-4200m	--	-4255m	--
11/08/2016 17:30	UK	Industrial Production MoM	Sep	0.00%	--	-0.40%	--
11/08/2016 17:30	UK	Industrial Production YoY	Sep	0.80%	--	0.70%	--
11/08/2016 17:30	UK	Mfg Production MoM	Sep	0.40%	--	0.20%	--
11/08/2016 17:30	UK	Manufacturing Production YoY	Sep	-0.10%	--	0.50%	--
11/08/2016 19:00	US	NFIB Small Business Optimism	Oct	94.1	--	94.1	--
11/08/2016 21:15	CA	Housing Starts	Oct	195.0k	--	220.6k	219.3k
11/08/2016 21:30	CA	Building Permits MoM	Sep	-5.80%	--	10.40%	--
11/08/2016 23:00	UK	NIESR GDP Estimate	Oct	--	--	0.40%	--
11/08/2016	CH	Trade Balance	Oct	\$51.70b	--	\$41.99b	--
11/08/2016	CH	Exports YoY	Oct	-6.00%	--	-10.00%	--
11/08/2016	CH	Imports YoY	Oct	-1.00%	--	-1.90%	--
11/08/2016 11/13	VN	Domestic Vehicle Sales YoY	Oct	--	--	25.30%	--
11/07/2016 11/15	PH	Budget Balance PHP	Sep	--	--	32.6b	--

Source: Bloomberg

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