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Highlights

Global	Wall Street closed on a soft note last Friday after a positive week, amid a quiet economic data calendar, whilst the US Treasury bond rout extended and the USD stayed buoyant at a 13-year high. On incoming president-elect Trump's plans, Fed's Dudley opined that "the type of fiscal stimulus probably does matter in terms of how you think about its impact on the economy and its potential impact on inflation over the medium term" and "infrastructure spending would presumably increase the efficiency and productivity of the economy, so I think that would certainly be a worthwhile undertaking". Meanwhile, oil prices reflected optimism of an OPEC deal later this month. Today's economic data calendar comprises Thai 3Q GDP, US' Chicago Fed national activity index, and Taiwan export orders, while Fed's Fischer is also speaking. For the week ahead, watch for BNM policy rate decision (OPR currently at 3% and BNM may choose to follow BI's lead last week to keep policy settings static amid the ongoing currency volatility), FOMC's Nov minutes, UK Chancellor Philip Hammond's revised growth and budget deficit forecasts post-Brexit, OPEC meeting, and Black Friday holiday shopping season (which could be reflective of the health of consumer spending).
US	The futures market pricing of a 25bp rate hike at the 14 Dec FOMC meeting has climbed further to 98% probability.
EZ	German Chancellor Merkel said that she will seek re-election as chairwomen of her party and contest next year's federal election for a fourth term.
SG	Singapore will push ahead with legislation to bring the TPP into effect by early 2017, according to ST citing PM Lee.
CH	Property market started to cool down in October following tightening measures in more than 20 cities. The growth of price gains slowed down together with the deceleration of property sales growth. In addition, land auction premium in some cities also started to decline.
Macau	After eight months of decline, visitor spending per capita firstly rose by 17.3% to MOP1,806 in 3Q, the highest level since 3Q 2014. The visitors mainly spent on shopping (43.4%), accommodation (27.3%), and food & beverage (21.3%). With an increased number of overnight tourists staying in the newly opened luxurious hotels, expenditure on accommodation rose for the second straight quarter, up by 24.78% yoy in 3Q. Despite the effect of low base, the rebound in visitor consumption was strong and broad-based. This is encouraging and may have propped up the faltered retail sales in the third quarter. As the main component of visitors has shifted to leisure tourists from VIP gamblers, corruption crackdown gradually imposes less impact on Mainland tourists' consumption. More importantly, the sources of tourists are diversifying away from Mainland China. Therefore, retail sales are likely to gain further momentum. However, a stronger MOP combined with stagnant wage growth may hurt tourist and local consumption respectively, and in turn take off some upward pressure from the retail sector.

Major Markets

- **US:** Equity markets slipped on Friday as the healthcare and retail sectors dragged down the broader market, and the Trump momentum is gradually lost amongst the large caps. Weak results from major retailers like Gap and Abercrombie & Fitch put focus on how retailers will perform in the upcoming holiday season. S&P 500 and Nasdaq led losses, declining 0.24% and 0.23% respectively, while the Dow fell 0.19%. VIX continued to retreat, closing below 13 at 12.85. Meanwhile, sell-off in US Treasuries continued in earnest as investors expect Trump's fiscal spending to spur mid-term inflation expectations, and lead to a more activist Fed. Longer-term maturities underperformed shorter-terms, as the 10-year yield rose 5 bps to 2.35% and the 2-year yield increased 2 bps to 1.07%.
- **Singapore:** The STI extended gains by 0.89% to close at 2838.65 on Friday, but may range trade today amid a weak close from Wall Street last Friday and mixed morning cues from Nikkei and Kospi. STI's resistance and support are tipped at 2850 and 2800 respectively. SGS bonds fell on Friday and yields remain vulnerable to upside risk with the UST bond yields continuing to tread higher in anticipation of the Dec FOMC rate hike and a fiscally more aggressive Trump with reflationary policies.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened last Friday with swap rates trading mostly 3-11bps higher across all tenors. This was in line with the supportive economic data released last Friday that strengthened the case for raising interest rates in December, with the market more or less pricing in fully the case for a hike (98% as of Friday). In the broader dollar space, the spread on JACI IG corporates decreased 2bps to 201bps while the yield on JACI HY corporates increased 8bps to 6.91%. 10y UST yield decreased 5bps to 2.35%.
- **New Issues:** Changsha Pilot has scheduled investor meetings from 21 November onwards for a potential USD bond issue with expected issue ratings of "BBB-/NR/BBB-". China Energy Reserve and Chemicals Group International Holding Ltd. has priced a USD265mn 3-year bond at 6.25% last Friday.
- **Rating Changes:** S&P assigned a "BB-" corporate credit rating to India-based Jubilant Pharma Ltd. (JPL) with a stable outlook. At the same time, a "BB-" issue rating was also assigned to its USD senior unsecured notes. The rating reflects the company's exposure to the highly competitive and regulated generic pharmaceuticals market, modest size, and limited product pipeline. Its presence in niche segments, limited competition, fair profitability, limited investment needs, and commitment to deleverage with internal cash flows strengthen its credit profile. Fitch assigned Changsha Pilot Investment Holding Group (Changsha Pilot) "BBB-" issuer default ratings with a stable outlook. Fitch also assigned Changsha Pilot's proposed senior unsecured USD notes with a "BBB-" rating. Changsha Pilot's ratings are credit-linked to the internal assessment of the creditworthiness of Changsha Municipality. The ratings reflect strong control and oversight by the government (with majority and controlling ownership of Changsha Pilot) which indicate a strong level of support, if needed.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	101.210	0.32%	USD-SGD	1.4263	0.39%
USD-JPY	110.910	0.72%	EUR-SGD	1.5104	0.04%
EUR-USD	1.0588	-0.36%	JPY-SGD	1.2866	-0.28%
AUD-USD	0.7338	-0.92%	GBP-SGD	1.7600	-0.23%
GBP-USD	1.2342	-0.60%	AUD-SGD	1.0466	-0.53%
USD-MYR	4.4183	0.54%	NZD-SGD	0.9997	0.15%
USD-CNY	6.8865	0.12%	CHF-SGD	1.4114	0.04%
USD-IDR	13428	0.41%	SGD-MYR	3.1008	-0.16%
USD-VND	22493	0.33%	SGD-CNY	4.8347	-0.40%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	-0.0010	O/N	0.4337	-0.0009
2M	-0.3390	--	1M	0.5660	0.0042
3M	-0.3130	-0.0010	2M	0.7067	0.0033
6M	-0.2170	-0.0020	3M	0.9162	0.0050
9M	-0.1360	-0.0010	6M	1.2793	0.0044
12M	-0.0770	-0.0020	12M	1.6207	0.0161

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.52	4.80	3.85
Italy	0.05	-1.00	2.09
Ireland	-0.41	-2.60	1.00
Greece	7.65	--	7.06
Spain	-0.14	-2.10	1.59
Russia	2.69	-1.00	4.52

Equity and Commodity

Index	Value	Net change
DJIA	18,867.93	-35.89
S&P	2,181.90	-5.22
Nasdaq	5,321.51	-12.46
Nikkei 225	17,967.41	104.78
STI	2,838.65	25.17
KLCI	1,623.80	-2.97
JCI	5,170.11	-22.91
Baltic Dry	1,257.00	26.00
VIX	12.85	-0.50

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.13 (+0.07)	1.07 (+0.02)
5Y	1.74 (+0.11)	1.80 (+0.06)
10Y	2.35 (+0.12)	2.35 (+0.05)
15Y	2.72 (+0.12)	--
20Y	2.79 (+0.1)	--
30Y	2.75 (+0.08)	3.03 (+0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	34.52	-0.50
EURIBOR-OIS	3.50	-0.08
TED	48.49	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	45.69	0.59%	Coffee (per lb)	1.579	-0.91%
Brent (per barrel)	46.86	0.80%	Cotton (per lb)	0.7340	0.03%
Heating Oil (per gallon)	1.4577	0.74%	Sugar (per lb)	0.2015	-0.35%
Gasoline (per gallon)	1.3391	-0.29%	Orange Juice (per lb)	2.1230	-0.05%
Natural Gas (per MMBtu)	2.8430	5.18%	Cocoa (per mt)	2,432	0.25%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,423.0	-1.32%	Wheat (per bushel)	4.0800	1.24%
Nickel (per mt)	10,814.8	-3.57%	Soybean (per bushel)	9.938	0.43%
Aluminium (per mt)	1,697.8	0.67%	Corn (per bushel)	3.4550	1.02%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,208.7	-0.67%	Crude Palm Oil (MYR/MT)	2,872.0	-0.38%
Silver (per oz)	16.624	-0.88%	Rubber (JPY/KG)	204.0	-1.26%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 15 Nov 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Live Cattle	50,970	43,898	7,072	Corn	36,170	106,158	-69,988
Copper	44,770	39,483	5,287	Gold	174,738	223,148	-48,410
Nymex Crude	332,162	327,706	4,456	Soybean	136,624	167,735	-31,111
Palladium	9,185	6,540	2,645	Wheat	-113,512	-95,230	-18,282
Cotton	90,389	88,821	1,568	Natural Gas	-94,029	-77,487	-16,542
Lean Hogs	30,653	30,216	437	Sugar	266,062	282,519	-16,457
RBOB Gasoline	58,637	61,823	-3,186	Cocoa	8,315	18,889	-10,574
Silver	65,397	68,971	-3,574	Coffee	60,665	67,942	-7,277
Heating Oil	27,067	30,661	-3,594	Platinum	23,832	29,484	-5,652

Source: CFTC

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
11/18/2016 05:00	SK	PPI YoY	Oct	--	-0.20%	-1.10%	--
11/18/2016 08:00	NZ	ANZ Consumer Confidence Index	Nov	--	127.2	122.9	--
11/18/2016 08:00	NZ	ANZ Consumer Confidence MoM	Nov	--	3.50%	1.60%	--
11/18/2016 10:59	NZ	Retail Sales Ex Inflation QoQ	3Q	0.90%	0.90%	2.30%	2.20%
11/18/2016 11:01	NZ	PPI Output QoQ	3Q	--	1.00%	0.20%	--
11/18/2016 11:01	NZ	PPI Input QoQ	3Q	--	1.50%	0.90%	--
11/18/2016 15:00	GE	PPI MoM	Oct	0.20%	0.70%	-0.20%	--
11/18/2016 15:00	GE	PPI YoY	Oct	-0.90%	-0.40%	-1.40%	--
11/18/2016 15:30	TH	Foreign Reserves	Nov-11	--	\$179.8b	\$181.6b	--
11/18/2016 15:30	TH	Forward Contracts	Nov-11	--	\$21.2b	\$21.8b	--
11/18/2016 17:00	EC	ECB Current Account SA	Sep	--	25.3b	29.7b	29.1b
11/18/2016 17:00	EC	Current Account NSA	Sep	--	29.8b	23.6b	22.9b
11/18/2016 17:30	IT	Current Account Balance	Sep	--	2810m	3368m	--
11/18/2016 21:30	CA	CPI NSA MoM	Oct	0.20%	0.20%	0.10%	--
11/18/2016 21:30	CA	CPI YoY	Oct	1.50%	1.50%	1.30%	--
11/18/2016 21:30	CA	Consumer Price Index	Oct	--	129.1	128.8	--
11/18/2016 21:30	CA	CPI Core MoM	Oct	0.30%	0.20%	0.20%	--
11/18/2016 21:30	CA	CPI Core YoY	Oct	1.80%	1.70%	1.80%	--
11/18/2016 21:30	CA	CPI SA MoM	Oct	--	0.20%	0.20%	--
11/18/2016 21:30	CA	CPI Core SA MoM	Oct	--	0.00%	0.10%	--
11/18/2016 23:00	US	Leading Index	Oct	0.10%	0.10%	0.20%	--
11/18/2016	PH	BoP Overall	Oct	--	-\$183m	\$117m	--
11/19/2016 00:00	US	Kansas City Fed Manf. Activity	Nov	--	1	6	--
11/21/2016 07:50	JN	Trade Balance	Oct	¥610.0b	--	¥498.3b	¥497.6b
11/21/2016 07:50	JN	Trade Balance Adjusted	Oct	¥404.3b	--	¥349.0b	--
11/21/2016 07:50	JN	Exports YoY	Oct	-8.50%	--	-6.90%	--
11/21/2016 07:50	JN	Imports YoY	Oct	-16.10%	--	-16.30%	--
11/21/2016 10:00	NZ	Credit Card Spending MoM	Oct	--	--	2.60%	--
11/21/2016 10:00	NZ	Credit Card Spending YoY	Oct	--	--	8.20%	--
11/21/2016 10:30	TH	GDP YoY	3Q	3.30%	--	3.50%	--
11/21/2016 10:30	TH	GDP SA QoQ	3Q	0.70%	--	0.80%	--
11/21/2016 12:30	JN	All Industry Activity Index MoM	Sep	0.00%	--	0.20%	--
11/21/2016 13:00	JN	Supermarket Sales YoY	Oct	--	--	-3.20%	--
11/21/2016 15:00	JN	Convenience Store Sales YoY	Oct	--	--	0.00%	--
11/21/2016 16:00	TA	Export Orders YoY	Oct	3.70%	--	3.90%	--
11/21/2016 16:20	TA	BoP Current Account Balance	3Q	--	--	\$17131m	--
11/21/2016 21:30							
11/21/2016 21:30	US	Chicago Fed Nat Activity Index	Oct	0	--	-0.14	--
11/21/2016	CA	Wholesale Trade Sales MoM	Sep	0.50%	--	0.80%	--
11/20/2016 11/27	MU	CPI Composite YoY	Oct	--	--	1.59%	--
	TH	Car Sales	Oct	--	--	63641	--

Source: Bloomberg

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