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**Highlights**

<b>Global</b>	<p>Investors likely adopted a cautious view after US earnings showed a mix of both positive and negative surprises. Taking headlines were Procter &amp; Gamble which reported strong gains in organic sales, while General Motors reported higher-than-expected earnings. However, dismal numbers from Caterpillar, whose 3Q16 net profits sank nearly 50% yoy, dragged investor sentiments. Elsewhere, recent dip in Apple shares given lower phone prices and sliding margins may keep market-watchers on their toes in Asian trading hours this morning. On economic news, ECB President Mario Draghi commented that he is aware of the growing costs of ultra-loose monetary policy, and would “prefer not to have to keep interest rates at such low levels for an excessively long time”.</p> <p>For today, a slew of US-centric economic data would be interesting to watch, including MBA Mortgage Applications, Wholesale Inventories, New Home Sales, and Markit US Composite PMI. In Asia, we also await Singapore’s industrial production print, and Thailand’s custom trade.</p>
<b>UK</b>	<p>The Pound has been pretty volatile last night with the GBPUSD falling as much as 1.3% to below 1.21 after the Chancellor Hammond said that he would not reject a request by BOE to support the growth via additional QE. Nevertheless, the Pound recovered subsequently after BOE Governor Carney said there were “limits to officials’ willingness to look beyond an overshoot of their inflation target”, as reported by Bloomberg.</p>
<b>SG</b>	<p>MAS commented that Singapore’s GDP growth is not expected to pick up significantly in the near-term, as the economy is exposed to “particular underperforming sectors, such as semiconductors and transport services”. In addition, the central bank added that there is an “emerging slack” in the labor market, citing the labour market pressure indicator, which measures the extent of labour market tightness, has declined to negative prints, the first time since 2009. Look out for industrial production print later today, where we tip it to come in at +0.1% yoy, -2.5% mom sa.</p>
<b>CH</b>	<p>Bond market tumbled after local media reported that China may include the off balance sheet wealth management products into the macro prudential assessment of credit growth. The rapid expansion of off balance sheet wealth management products in the past few years has raised concerns about the credit bubble. About half of those wealth management products have been invested in bond market. As such, the concern is that the regulatory framework may dampen the demand for bond in the near term.</p>
<b>MA</b>	<p>PM Najib Razak is reportedly considering a ban on foreign political donation, while proposing others such as allowing unlimited donations from Malaysian citizens or companies, and mandatory identity disclosure for donations above MYR3,000/year.</p>
<b>Commodities</b>	<p>WTI traded and closed below \$50/bbl overnight, a sign that market-watchers maybe doubting if the eventual OPEC production cut will happen in its upcoming November meeting. This could have been led by recent Russian comments that production cuts are not “an option for us”, while Iraq continued to insist its need to be excluded from output cuts. An OPEC committee is also said to meet later this week to decide how much production each cartel member can produce.</p>

## Major Markets

- **US:** Equities saw losses on Tuesday after the release of disappointing corporate earnings. With consumer-discretionary companies leading the losses, S&P 500 closed down 0.4%. Similarly, Dow fell 0.3% while Nasdaq declined 0.5%. VIX rose, closing at 13.56 from 13.02 the day before. The Treasury yield curve flattened as the longer term notes outperformed shorter maturities. The 2-year benchmark yield rose to 0.85%, while the 10-year yield stood at 1.7%.
- **Singapore:** The STI dipped 0.09% to 2,854.05 at closing yesterday, led by declines seen in Hongkong Land Holdings (-1.45%), CapitaLand Commercial Trust (-1.24%) and Hutchison Port Holdings (-1.11%), though gains seen in Golden Agri-Resources (+5.26%) and Jardine Cycle & Carriage (+1.16%) limited the losses. For today, do expect market-watchers to remain cautious in tandem with lower Wall Street seen last night, while awaiting for Singapore's industrial production print later this afternoon.
- **Indonesia:** OECD highlighted the importance of a tax reform for Indonesia in order to boost economic growth, a comment made during a bilateral meeting between President Joko Widodo and OECD. Specifically, OECD is concerned about the low government spending and limited state revenue, which were caused by a low tax ratio in the country.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened yesterday with the short-end rates trading within +/- 1bps while the middle to longer term-rates traded 1-3bps higher. Flows in the SGD corporates were heavy with better buying seen in SCISP 4.75%'49s and FCLSP 4.88%'49s while mixed interests were seen in SOCGEN 4.3%'26s, TRAFIG 7.5%'49s and STANLN 4.4%'26s. In the broader dollar space, the spread on JACI IG corporates decreased 2bps to 206bps while the yield on JACI HY corporates increased 2bps to 6.59%. 10y UST yield decreased 1bps to 1.76% amidst an appreciating USD that weighed on oil, commodities and stocks.
- **New Issues:** Commonwealth Bank of Australia has priced a two-tranche deal with the USD1bn 3-year bond priced at CT3+80bps while the other USD500mn 3-year tranche was priced at 3mL+64bps. The expected issue ratings are "AA-/Aa2/AA-". BOCOM Financial Leasing priced a two-tranche deal with the USD500mn 3-year bond priced at CT3+127.5bps while the other USD1bn 5-year tranche was priced at CT5+142.5bps. The expected issue ratings are "NR/A2/A". Standard Chartered has priced a 1-year SDR100mn bond at 1.2%. Industrial & Commercial Bank of China (Tokyo) has priced a CNH500mn 3-year bond at 3.8%. The expected issue ratings are "NR/A1/NR". Li & Fung has scheduled investor road shows from 25 October for a potential USD bond issue. BOC London has scheduled investor road shows from 26 October for potential USD green bond issue.
- **Rating Changes:** S&P revised the outlook on Aluminium Corp. of China Ltd.'s "BBB-" foreign currency corporate credit rating to stable from negative. The revision follows the release of financial results for the first nine months of 2016 that was above S&P's expectation, due to a material recovery in aluminium prices and the company's continual effort to reduce its electricity price. Moody's revised its outlook on PICC Life Insurance Company Ltd.'s "A2" insurance financial strength rating to stable from negative. The revision reflects that the standalone credit profile of PICC Life remains stable and that the level of government support is unlikely to change over the medium term despite the evolving nature of government policy. Moody's upgraded Panasonic Corp.'s unsecured debt rating and issuer rating to "A3" from "Baa1", and revised its outlook to stable from positive. The rating action reflects the consideration that Panasonic's operating performance has steadily improved – with increasing signs of stability over the last several quarters and Moody's expectation that this earnings stability is sustainable, supported by management's focus on maintain a solid

financial profile. Fitch has assigned Zhuzhou City Construction Development Group Co. Ltd.'s USD300mn 2.98%'19s bond a "BBB-" credit rating. Fitch assigned a final rating of "B+" to Modern Land Co. Ltd.'s USD350mn 6.875%'19s note. Fitch assigned a final rating of "BB+" to Huai An Traffic Holding Co. Ltd.'s USD300mn 4.95%'19s note. China Great Wall International Holdings III Ltd.'s USD700mn 2.25%'19s note and USD800mn 2.625%'21s note was rated "A" by Fitch. The bonds are issued under the USD6.5bn MTN program which is also rated "A" by Fitch.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	98.719	-0.04%	<b>USD-SGD</b>	1.3897	-0.25%
<b>USD-JPY</b>	104.220	0.04%	<b>EUR-SGD</b>	1.5133	-0.18%
<b>EUR-USD</b>	1.0889	0.06%	<b>JPY-SGD</b>	1.3334	-0.29%
<b>AUD-USD</b>	0.7646	0.46%	<b>GBP-SGD</b>	1.6937	-0.67%
<b>GBP-USD</b>	1.2188	-0.41%	<b>AUD-SGD</b>	1.0627	0.22%
<b>USD-MYR</b>	4.1575	-0.38%	<b>NZD-SGD</b>	0.9956	0.10%
<b>USD-CNY</b>	6.7804	0.08%	<b>CHF-SGD</b>	1.3976	-0.34%
<b>USD-IDR</b>	13005	-0.05%	<b>SGD-MYR</b>	2.9901	-0.30%
<b>USD-VND</b>	22338	0.12%	<b>SGD-CNY</b>	4.8755	0.31%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	0.4321	--
<b>2M</b>	-0.3370	--	<b>1M</b>	0.5340	--
<b>3M</b>	-0.3110	--	<b>2M</b>	0.6689	--
<b>6M</b>	-0.2120	--	<b>3M</b>	0.8837	--
<b>9M</b>	-0.1310	--	<b>6M</b>	1.2557	--
<b>12M</b>	-0.0700	--	<b>12M</b>	1.5707	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.27	0.80	3.19
<b>Italy</b>	-0.09	-0.40	1.38
<b>Ireland</b>	-0.44	0.80	0.48
<b>Greece</b>	7.65	--	8.42
<b>Spain</b>	-0.22	-0.50	1.08
<b>Russia</b>	2.14	8.70	3.94

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	18,169.27	-53.76
<b>S&amp;P</b>	2,143.16	-8.17
<b>Nasdaq</b>	5,283.40	-26.43
<b>Nikkei 225</b>	17,365.25	130.83
<b>STI</b>	2,854.05	-2.63
<b>KLCI</b>	1,677.43	-0.33
<b>JCI</b>	5,397.82	-23.18
<b>Baltic Dry</b>	813.00	-18.00
<b>VIX</b>	13.46	0.44

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	0.88 (-0.01)	0.85 (+0.01)
<b>5Y</b>	1.31 (-0.01)	1.27 (--)
<b>10Y</b>	1.82 (-0.01)	1.76 (-0.01)
<b>15Y</b>	2.13 (-0.01)	--
<b>20Y</b>	2.25 (-0.01)	--
<b>30Y</b>	2.31 (-0.01)	2.50 (-0.02)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	39.04	-0.64
<b>EURIBOR-OIS</b>	4.00	-0.10
<b>TED</b>	56.91	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	49.96	-1.11%	Coffee (per lb)	1.645	4.18%
Brent (per barrel)	50.79	-1.30%	Cotton (per lb)	0.6849	-0.41%
Heating Oil (per gallon)	1.563	-1.06%	Sugar (per lb)	0.2293	-1.16%
Gasoline (per gallon)	1.50	-0.22%	Orange Juice (per lb)	2.0770	0.83%
Natural Gas (per MMBtu)	2.774	-2.01%	Cocoa (per mt)	2,735	1.11%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,735.0	2.09%	Wheat (per bushel)	4.0425	0.43%
Nickel (per mt)	10,191	1.20%	Soybean (per bushel)	9.908	-0.13%
Aluminium (per mt)	1,663.0	2.35%	Corn (per bushel)	3.4925	0.29%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,271.9	0.78%	Crude Palm Oil (MYR/MT)	2,760.0	-2.16%
Silver (per oz)	17.780	1.00%	Rubber (JPY/KG)	172.4	1.41%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
10/25/2016 07:00	SK	GDP YoY	3Q P	2.60%	2.70%	3.30%	--
10/25/2016 07:00	SK	GDP SA QoQ	3Q P	0.60%	0.70%	0.80%	--
10/25/2016 14:45	FR	Manufacturing Confidence	Oct	103	102	103	--
10/25/2016 16:00	GE	Ifo Business Climate	Oct	109.6	110.5	109.5	--
10/25/2016 16:00	GE	Ifo Current Assessment	Oct	114.9	115	114.7	--
10/25/2016 16:00	GE	Ifo Expectations	Oct	104.5	106.1	104.5	--
10/25/2016 16:00	IT	Industrial Orders MoM	Aug	--	10.20%	-10.80%	-10.40%
10/25/2016 16:00	IT	Industrial Orders NSA YoY	Aug	--	15.90%	-11.80%	--
10/25/2016 21:00	US	FHFA House Price Index MoM	Aug	0.40%	0.70%	0.50%	--
10/25/2016 22:00	US	Consumer Confidence Index	Oct	101.5	98.6	104.1	103.5
10/25/2016 22:00	US	Richmond Fed Manufact. Index	Oct	-4	-4	-8	--
10/26/2016 05:00	SK	Consumer Confidence	Oct	--	101.9	101.7	--
10/26/2016 08:30	AU	CPI QoQ	3Q	0.50%	--	0.40%	--
10/26/2016 08:30	AU	CPI YoY	3Q	1.10%	--	1.00%	--
10/26/2016 08:30	AU	CPI Trimmed Mean QoQ	3Q	0.40%	--	0.50%	--
10/26/2016 08:30	AU	CPI Trimmed Mean YoY	3Q	1.70%	--	1.70%	--
10/26/2016 13:00	SI	Industrial Production YoY	Sep	1.00%	--	0.10%	--
10/26/2016 13:00	SI	Industrial Production SA MoM	Sep	-1.20%	--	0.00%	--
10/26/2016 13:00	JN	Small Business Confidence	Oct	--	--	47.7	--
10/26/2016 14:00	GE	Import Price Index MoM	Sep	0.00%	--	-0.20%	--
10/26/2016 14:00	GE	Import Price Index YoY	Sep	-1.90%	--	-2.60%	--
10/26/2016 14:00	GE	GfK Consumer Confidence	Nov	10	--	10	--
10/26/2016 14:45	FR	Consumer Confidence	Oct	98	--	97	--
10/26/2016 16:00	IT	Retail Sales MoM	Aug	0.40%	--	-0.30%	--
10/26/2016 16:00	IT	Retail Sales YoY	Aug	0.50%	--	-0.20%	--
10/26/2016 16:30	UK	BBA Loans for House Purchase	Sep	37350	--	36997	--
10/26/2016 16:30	TH	Customs Imports YoY	Sep	0.50%	--	-1.50%	--
10/26/2016 16:30	TH	Customs Exports YoY	Sep	-1.30%	--	6.50%	--
10/26/2016 16:30	TH	Customs Trade Balance	Sep	\$2700m	--	\$2128m	--
10/26/2016 19:00	US	MBA Mortgage Applications	Oct-21	--	--	0.60%	--
10/26/2016 20:30	US	Wholesale Inventories MoM	Sep P	0.10%	--	-0.20%	--
10/26/2016 21:45	US	Markit US Services PMI	Oct P	52.5	--	52.3	--
10/26/2016 21:45	US	Markit US Composite PMI	Oct P	--	--	52.3	--
10/26/2016 22:00	US	New Home Sales	Sep	600k	--	609k	--
10/26/2016 22:00	US	New Home Sales MoM	Sep	-1.50%	--	-7.60%	--
10/26/2016	MU	CPI Composite YoY	Sep	--	--	1.65%	--

Source: Bloomberg

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