

Treasury Advisory
Corporate FX & Structured
Products

Tel: 6349-1888 / 1881

Interest Rate Derivatives

Tel: 6349-1899

Investments & Structured
Products

Tel: 6349-1886

GT Institutional Sales

Tel: 6349-1810

Highlights

Global	Key developments in the past 24 hours were the upside surprise in Australia's CPI (3Q: +0.7% qoq and +1.3% yoy) which doused potential RBA easing speculation, the continued slide in crude oil prices and GBP, and the paring back of USD amid a softer than expected economic data and mixed earnings results from consumer-discretionary companies including Under Armour, Apple and Whirlpool. Expect Asian markets to trade slightly on edge today. Today's economic data calendar comprises of US' pending home sales, durable goods orders, initial jobless claims and Kansas city Fed manufacturing activity, UK's 3Q GDP print, and S'pore's unemployment rate for 3Q.
US	New home sales unexpectedly rose 3.1% mom to 593k in Sep, as the supply fell from 4.9 months to 4.8 months and the median sales price rose 1.9% yoy to \$313.5k. The Markit services and composite PMIs improved to 54.8 and 54.9 respectively in Oct, both up from 52.3 in Sep, while Sep wholesale inventories rebounded more than expected by 0.2% mom in Sep.
EZ	German GfK consumer confidence slipped from 10.0 to 9.7 in Nov.
SG	Industrial production growth surprised on the upside, printing a robust 6.7% yoy (+3.3% momsa). This print beats both market expectations (+1.0%yoy) and OCBC's (+0.1%yoy, and brings 3Q16 industrial production to 1.3% on-year basis, a marginally slower clip compared to 2Q16's 1.4%. The upside surprise would bring about an upward revision in Singapore's 3Q16 GDP, where growth is now likely to print 1.1% on-year terms, up from 0.6% as seen from the recent advance estimates. Importantly as well, it will imply a less severe decline of 2.6% qoqsar, versus the previous estimate of -4.1%. OCBC reported net income rose to \$943m, up from \$902m a year ago and exceeding the analyst estimate of \$883m. Non-interest income rose 25% to \$970m. Customer loans fell 2%, led by a decline in trade-related lending to Greater China.
ID	According to World Bank's "Ease of Doing Business" index, Indonesia is now ranked 6 th among Southeast Asian countries and is among the top five most improved nations worldwide.
TA	Thailand printed its second consecutive month of positive export growth at 3.4% yoy, in line with our estimates at +3.5%. Notably, agricultural export growth saw its first positive growth in 7 months for 1.9%, though overall exports are supported chiefly by industrial exports +4.2% on solar cell, diesel engines and chemical products.
Commo- dities	Crude oil fell below its \$50/bbl print overnight despite the unexpected fall in US crude oil inventories (-0.5 million barrels vs est 2.0 million barrels), suggesting that renewed concerns that Russia will likely not engage in a production cut continued to take the spotlight. We published our OCBC Commodities Outlook 2017 on 26 Oct 2016.

Major Markets

- **US:** Wall Street was mixed as Nasdaq and S&P500 recorded losses while Dow ended higher. The gain in Dow Jones Industrial Average was led by the gains in Boeing which helped to offset Apple's losses on Tuesday. VIX rose 5.8% to close at 14.24. 2-year benchmark yield close at 0.8685 with no changes, while the 10-year yield fell to 1.79%.
- **Singapore:** The STI fell for the second trading day, falling 0.89% to 2,828.57. All members of the STI, except Jardine Matheson Holdings (+0.64%), printed in the red. Sembcorp Industries fell 3.92% on weak oil prices and disappointing earning numbers from Sembcorp Marine, while Golden Agri-Resources dipped 3.75%, erasing previous gains seen the day before. For today, the STI will likely consolidate and remain range-bound between 2820 and 2840.
- SGS bonds may extend gains today, amid the slight retraction in global risk appetite in the interim
- **Macau:** Inflation refreshed its lowest level since Jan 2010, printing 1.59% in Sep. Specifically, the price growth of food & non-alcoholic beverages slowed further to 2.04%, the weakest pace since Jun 2014. Meanwhile, housing & fuels prices deflated for the second straight month given tepid rental growth on loose supply and subdued demand. Moreover, clothing & footwear prices retreated for the 14th straight month, which is mainly attributed to seasonal sales and sagging consumer sentiment. As a result, the muted price growth of the major sections as well as lower charges for package tour after summer holiday wiped out the increase in charges for eating out, property management fees, tuition fees and gasoline prices. Inflation risks are expected to be limited and the composite CPI print around 2.5% this year and 1.5% next year.

Bond Market Updates

- **Market Commentary:** The SGD swap rates were range-bound on the short-end to middle-end of the curve, trading +/- 1bps within yesterday's rates while the longer-end swap rates traded ~3bps higher. This is reflective of the key global central bank's monetary policy stance that seemingly suggests they are likely to accommodate an overshoot of inflation. Flows in the SGD corporates were heavy with better buying seen in FCLSP 4.88%'49s, BAERVX 5.75%'49s and GENSSP 5.13%'49s while we also saw mixed interests in ABNANV 4.75%'26s and STANLN 4.4%'26s. In the broader dollar space, the spread on JACI IG corporates remained relatively unchanged at 205bps while the yield on JACI HY corporates decreased 1bps to 6.58%. 10y UST yield increased 3bps to 1.79% amidst a rebound in oil prices on bullish inventory data.
- **New Issues:** Japan Bank for International Cooperation launched a two-tranche deal yesterday that is to be priced later today. The USD 5-year bond has an initial price guidance at MS+65bps while the USD10-year bond has an initial price guidance at MS+67bps. The expected issue ratings are "A+/A1/NR". Huishang Bank has mandated several banks for potential USD preference shares issue.
- **Rating Changes:** Moody's has assigned a definitive "A3" rating to China Railway Xunjie Co. Ltd.'s USD500mn 3.25%'26s notes with a stable outlook.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.629	-0.09%	USD-SGD	1.3909	0.09%
USD-JPY	104.470	0.24%	EUR-SGD	1.5174	0.27%
EUR-USD	1.0908	0.17%	JPY-SGD	1.3314	-0.15%
AUD-USD	0.7651	0.07%	GBP-SGD	1.7035	0.58%
GBP-USD	1.2247	0.48%	AUD-SGD	1.0642	0.14%
USD-MYR	4.1590	0.04%	NZD-SGD	0.9950	-0.06%
USD-CNY	6.7712	-0.14%	CHF-SGD	1.4001	0.18%
USD-IDR	13004	-0.01%	SGD-MYR	2.9985	0.28%
USD-VND	22338	--	SGD-CNY	4.8720	-0.07%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.4343	--
2M	-0.3390	--	1M	0.5359	--
3M	-0.3120	--	2M	0.6694	--
6M	-0.2120	--	3M	0.8857	--
9M	-0.1310	--	6M	1.2604	--
12M	-0.0710	--	12M	1.5784	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.28	0.80	3.21
Italy	-0.08	0.90	1.46
Ireland	-0.43	1.50	0.55
Greece	7.65	--	8.28
Spain	-0.22	--	1.13
Russia	2.11	-2.70	3.98

Equity and Commodity

Index	Value	Net change
DJIA	18,199.33	30.06
S&P	2,139.43	-3.73
Nasdaq	5,250.27	-33.13
Nikkei 225	17,391.84	26.59
STI	2,828.57	-25.48
KLCI	1,673.92	-3.51
JCI	5,399.68	1.86
Baltic Dry	802.00	-11.00
VIX	14.24	0.78

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.86 (-0.02)	0.87 (+0.02)
5Y	1.29 (-0.02)	1.30 (+0.03)
10Y	1.81 (-0.01)	1.79 (+0.04)
15Y	2.12 (-0.01)	--
20Y	2.24 (-0.01)	--
30Y	2.29 (-0.02)	2.54 (+0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	42.52	3.48
EURIBOR-OIS	3.80	-0.10
TED	55.08	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	49.18	-1.56%	Coffee (per lb)	1.637	-0.49%
Brent (per barrel)	49.98	-1.59%	Cotton (per lb)	0.6926	1.12%
Heating Oil (per gallon)	1.551	-0.77%	Sugar (per lb)	0.2267	-1.13%
Gasoline (per gallon)	1.48	-1.16%	Orange Juice (per lb)	2.1010	1.16%
Natural Gas (per MMBtu)	2.731	-1.55%	Cocoa (per mt)	2,769	1.24%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,740.0	0.11%	Wheat (per bushel)	4.1150	1.79%
Nickel (per mt)	10,226	0.34%	Soybean (per bushel)	10.100	1.94%
Aluminium (per mt)	1,673.8	0.65%	Corn (per bushel)	3.5400	1.36%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,264.8	-0.56%	Crude Palm Oil (MYR/MT)	2,792.0	1.16%
Silver (per oz)	17.626	-0.87%	Rubber (JPY/KG)	175.4	1.74%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
10/26/2016 05:00	SK	Consumer Confidence	Oct	--	101.9	101.7	--
10/26/2016 07:50	JN	PPI Services YoY	Sep	0.20%	0.30%	0.20%	--
10/26/2016 08:30	AU	CPI QoQ	3Q	0.50%	0.70%	0.40%	--
10/26/2016 08:30	AU	CPI YoY	3Q	1.10%	1.30%	1.00%	--
10/26/2016 08:30	AU	CPI Trimmed Mean QoQ	3Q	0.40%	0.40%	0.50%	--
10/26/2016 08:30	AU	CPI Trimmed Mean YoY	3Q	1.70%	1.70%	1.70%	--
10/26/2016 11:40	MU	CPI Composite YoY	Sep	--	1.59%	1.65%	--
10/26/2016 13:00	SI	Industrial Production YoY	Sep	1.00%	6.70%	0.10%	0.50%
10/26/2016 13:00	SI	Industrial Production SA MoM	Sep	-1.20%	3.30%	0.00%	0.20%
10/26/2016 13:00	JN	Small Business Confidence	Oct	--	48.3	47.7	--
10/26/2016 14:00	GE	Import Price Index MoM	Sep	0.00%	0.10%	-0.20%	--
10/26/2016 14:00	GE	Import Price Index YoY	Sep	-1.90%	-1.80%	-2.60%	--
10/26/2016 14:00	GE	GfK Consumer Confidence	Nov	10	9.7	10	--
10/26/2016 14:45	FR	Consumer Confidence	Oct	98	98	97	--
10/26/2016 16:00	IT	Retail Sales MoM	Aug	0.40%	-0.10%	-0.30%	-0.20%
10/26/2016 16:00	IT	Retail Sales YoY	Aug	0.50%	-0.20%	-0.20%	-0.30%
10/26/2016 16:30	UK	BBA Loans for House Purchase	Sep	37350	38252	36997	37241
10/26/2016 16:30	TH	Customs Imports YoY	Sep	0.50%	5.60%	-1.50%	--
10/26/2016 16:30	TH	Customs Exports YoY	Sep	-1.30%	3.40%	6.50%	--
10/26/2016 16:30	TH	Customs Trade Balance	Sep	\$2700m	\$2546m	\$2128m	--
10/26/2016 19:00	US	MBA Mortgage Applications	Oct-21	--	-4.10%	0.60%	--
10/26/2016 20:30	US	Wholesale Inventories MoM	Sep P	0.10%	0.20%	-0.20%	-0.10%
10/26/2016 21:45	US	Markit US Services PMI	Oct P	52.5	54.8	52.3	--
10/26/2016 21:45	US	Markit US Composite PMI	Oct P	--	54.9	52.3	--
10/26/2016 22:00	US	New Home Sales	Sep	600k	593k	609k	575k
10/26/2016 22:00	US	New Home Sales MoM	Sep	-1.50%	3.10%	-7.60%	-8.60%
10/27/2016 05:45	NZ	Trade Balance NZD	Sep	-1145m	-1436m	-1265m	-1243m
10/27/2016 05:45	NZ	Exports NZD	Sep	3.53b	3.47b	3.39b	3.38b
10/27/2016 05:45	NZ	Imports NZD	Sep	4.68b	4.90b	4.65b	4.62b
10/27/2016 07:50	JN	Foreign Buying Japan Bonds	Oct-21	--	¥752.5b	¥365.4b	--
10/27/2016 07:50	JN	Foreign Buying Japan Stocks	Oct-21	--	¥85.3b	¥72.0b	--
10/27/2016 10:30	SI	Unemployment rate SA	3Q	2.20%	--	--	--
10/27/2016 16:00	EC	M3 Money Supply YoY	Sep	5.10%	--	5.10%	--
10/27/2016 16:00	IT	Consumer Confidence Index	Oct	108.6	--	108.7	108.7
10/27/2016 16:00	IT	Manufacturing Confidence	Oct	102.2	--	101.9	--
10/27/2016 16:00	IT	Economic Sentiment	Oct	--	--	101	--
10/27/2016 16:30	HK	Exports YoY	Sep	-0.40%	--	0.80%	--
10/27/2016 16:30	HK	Imports YoY	Sep	1.30%	--	2.80%	--
10/27/2016 16:30	HK	Trade Balance	Sep	-38.9b	--	-32.1b	--
10/27/2016 16:30	UK	GDP QoQ	3Q A	0.30%	--	0.70%	--
10/27/2016 16:30	UK	GDP YoY	3Q A	2.10%	--	2.10%	--
10/27/2016 20:30	US	Durable Goods Orders	Sep P	0.00%	--	0.10%	--
10/27/2016 20:30	US	Durables Ex Transportation	Sep P	0.20%	--	-0.20%	--
10/27/2016 20:30	US	Cap Goods Orders Nondef Ex Air	Sep P	-0.10%	--	0.90%	--
10/27/2016 20:30	US	Cap Goods Ship Nondef Ex Air	Sep P	0.30%	--	-0.10%	--
10/27/2016 20:30	US	Initial Jobless Claims	Oct-22	255k	--	260k	--
10/27/2016 20:30	US	Continuing Claims	Oct-15	2052k	--	2057k	--
10/27/2016 21:45	US	Bloomberg Consumer Comfort	Oct-23	--	--	41.3	--
10/27/2016 22:00	US	Pending Home Sales MoM	Sep	1.00%	--	-2.40%	--
10/27/2016	MU	Unemployment Rate	Sep	--	--	1.90%	--

Source: Bloomberg

OCBC Treasury Research	
Macro Research Selena Ling LingSSSelena@ocbc.com Emmanuel Ng NgCYEmmanuel@ocbc.com Wellian Wiranto WellianWiranto@ocbc.com Tommy Xie Dongming XieD@ocbc.com Barnabas Gan BarnabasGan@ocbc.com Terence Wu TerenceWu@ocbc.com	Credit Research Andrew Wong WongVKAM@ocbc.com Wong Liang Mian (Nick) NickWong@ocbc.com Ezien Hoo EzienHoo@ocbc.com Wong Hong Wei WongHongWei@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

Co.Reg.no.:193200032W