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Highlights

Global	Global risk appetite could be hopeful ahead of US president-elect Trump's first news conference today where he could unveil his policy intentions, especially if he sounds more business/market-friendly and less antagonistic on China/Mexico. Yesterday saw Nasdaq higher but S&P500 flat, and similarly base metal and gold prices outperformed crude oil prices which traded lower. Over in China, CPI moderated from 2.3% to 2.1% in Dec, but PPI accelerated from 3.3% to 5.5% (fastest in more than five years) which added to the global reflation theme. Expect Asian markets to trade on a supportive tone today. Besides watching for Trump's first news conference highlights, the economic data calendar is very light with only Malaysia's Nov industrial production and UK's trade and manufacturing data.
US	NFIB small business optimism climbed more than expected from 98.4 in Nov to 105.8 in Dec, the highest since end-2004, with a tripling in the share of business owners who believe now is a good time to expand, and 50% of respondents anticipating better business conditions in the next six months. Wholesale inventories rose 1.0% mom in Nov.
SG	The number of licensed property agencies fell 6.1% to 1,286 as of 1 Jan 2017 amid a tepid market and technological disruption, according to BT.
CH	CPI grew by 2.1% yoy in December, in line with market expectation. However, PPI accelerated to more than expected 5.5% in December due to rising raw material prices. The widening gap between PPI and CPI shows that industrial profit may be squeezed as producers may not be able to pass the rising cost to end consumers.
ID	Finance Minister Sri Mulyani said that the government is targeting 5.1% economic growth this year, but it remains cautious on the prospect because the global economic outlook remains uncertain. Separately, media reports suggest that the amount of funds that have been repatriated as part of the tax amnesty program came in at IDR121.2tn, IDR19tn less than the amount committed, possibly due to differences in fund categorization or difficulties in repatriating funds.
MA	Industrial production data for the month of November is due out today. Consensus expects it to climb by 5.5% yoy, compared to 4.2% the month before.
TH	Thailand's new King Maha Vajiralongkorn reportedly requested changes to the military-drafted constitution, after refusing to sign off on the new charter. According to Prime Minister Prayut on this issue, he commented that there are "three or four points that need to be amended concerning his authority", and it "has nothing to do with the rights and freedom of the people".
Commodities	The signs of doubt over the oil rally are observed from the sustained fall in oil prices since the start of this week. Notably, WTI is now trending into its \$50/bbl range, with Brent following suit at a mere \$2.8 premium. The move lower over the past two days isn't surprising to begin with, after news of higher Iraqi exports, possibly higher US oil production in the coming weeks, and the lack of evidence over OPEC's reinforcement to effectively cut oil production as agreed in their last OPEC meeting. Moreover, expectations over higher US oil inventories are also seen in the upcoming EIA numbers later tonight.

Major Markets

- **US:** Equities ended mixed again on Tuesday, with the S&P 500 ending unchanged, Dow retreating 0.16% and Nasdaq rising 0.36%. Gains were led by financials, but were largely offset by declines in energy shares amid a sliding oil price. Investors appear edgy ahead of a key press conference to be held by President-elect Trump on Wednesday, especially since the recent rally is driven mainly by optimism over expected expansionary fiscal policies under the incoming administration. The earnings season will also be underway later in the week. VIX ended marginally lower at 11.49. Meanwhile, a new \$24b 3-year US Treasury auction saw strong demand, drawing a yield of 1.472%. Overall, the yield curve steepened marginally as the 2- and 10-year benchmark yields closed at 1.19% and 2.38% respectively.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates falling by 2-5bps lower across all tenors. In the broader dollar space, the spread on JACI IG Corporates increased 1 bps to 198bps while the yield on JACI HY Corporates held steady at 6.81%. 10y UST yields increased slightly by 1bps to 2.38%, as oil prices declined and post-U.S. election asset moves stalled a day before President-elect Donald Trump is slated to hold a press conference that could provide detail on his policy preferences.
- **New Issues:** Nissan Motor Acceptance Corp priced a USD2bn four-tranche deal, with a USD750mn 3-year bond at CT3+80bps, tightening from initial guidance of CT3+95bps; a USD250mn 3-year bond at 3mL+58bps; a USD500mn 5-year bond at CT5+93bps, tightening from initial guidance of CT5+105bps; and a USD500mn 5-year bond at 3mL+89bps. New World China Land Ltd. priced a USD600mn 10-year bond at 4.75%, tightening from initial guidance of 5.25%. BPRL Intl Singapore Pte. Ltd. priced a USD600mn 10-year bond at CT10+200bps, tightening from initial guidance of CT10+220bps. The expected issue ratings are 'NR/Baa3/BBB-'. China Jinmao Holdings Group Ltd. sold a USD500m subordinated 5.75% perp NC5 at +385.9bps, tighter than initial guidance in the 5.95% area. Asahi Mutual Life will commence investor meetings and calls in Asia and Europe from January 12 for a potential issue of USD step-up callable perpetual subordinated bonds with ratings of 'NR/NR/BB+'. Genting Overseas Holdings Ltd. will also commence investor roadshows in Singapore, Hong Kong and London from January 12 for potential USD bonds to be issued by GOHL Capital Ltd. and subject to a keepwell deed provided by Genting Berhad. The issue is expected to be rated 'NR/Baa1/A-'.
- **Rating Changes:** S&P placed Intime Retail (Group) Co. Ltd.'s (Intime) 'BB-' corporate credit rating on CreditWatch with positive implications. The action reflects potential group support to Intime from its controlling shareholder Alibaba group following the company's proposed privatization. Moody's placed Takeda Pharmaceutical Company Ltd.'s (Takeda) 'A1' issuer and senior unsecured ratings under review for downgrade in response to the company's announcement 2 days ago that it has entered into a definitive agreement with ARIAD Pharmaceutical Inc. (unrated) to acquire all of their outstanding shares for a total cash consideration of approximately USD5.4bn, and reflecting Moody's expectation that Takeda's leverage will rise beyond the range consistent with its current rating. Moody's withdrew China South City Holdings Limited's 'B2' corporate family rating with a negative outlook for its own business reasons.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	102.010	0.08%	USD-SGD	1.4362	-0.01%
USD-JPY	115.770	-0.22%	EUR-SGD	1.5158	-0.20%
EUR-USD	1.0554	-0.19%	JPY-SGD	1.2404	0.23%
AUD-USD	0.7368	0.19%	GBP-SGD	1.7486	0.09%
GBP-USD	1.2177	0.12%	AUD-SGD	1.0581	0.18%
USD-MYR	4.4755	-0.03%	NZD-SGD	1.0038	-0.40%
USD-CNY	6.9215	-0.23%	CHF-SGD	1.4121	-0.19%
USD-IDR	13308	-0.40%	SGD-MYR	3.1190	0.39%
USD-VND	22572	-0.04%	SGD-CNY	4.8228	-0.06%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.6930	--
2M	-0.3400	--	1M	0.7633	--
3M	-0.3220	--	2M	0.8317	--
6M	-0.2300	--	3M	1.0148	--
9M	-0.1480	--	6M	1.3316	--
12M	-0.0880	--	12M	1.7007	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.22	-0.80	4.05
Italy	-0.09	0.20	1.91
Ireland	-0.50	0.30	0.93
Greece	7.65	--	6.89
Spain	-0.28	-0.10	1.47
Russia	2.54	0.70	4.31

Equity and Commodity

Index	Value	Net change
DJIA	19,855.53	-31.85
S&P	2,268.90	--
Nasdaq	5,551.82	20.00
Nikkei 225	19,301.44	-152.89
STI	3,006.02	24.48
KLCI	1,672.05	4.15
JCI	5,309.92	-6.44
Baltic Dry	926.00	-23.00
VIX	11.49	-0.07

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.22 (-0.02)	1.19 (--)
5Y	1.82 (--)	1.88 (--)
10Y	2.39 (-0.01)	2.38 (+0.01)
15Y	2.72 (-0.01)	--
20Y	2.71 (--)	--
30Y	2.70 (--)	2.97 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	34.38	0.76
EURIBOR-OIS	2.80	--
TED	50.72	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	50.82	-2.19%	Coffee (per lb)	1.477	2.43%
Brent (per barrel)	53.64	-2.37%	Cotton (per lb)	0.7319	0.27%
Heating Oil (per gallon)	1.6114	-1.60%	Sugar (per lb)	0.2048	0.29%
Gasoline (per gallon)	1.5467	-1.53%	Orange Juice (per lb)	1.8250	0.33%
Natural Gas (per MMBtu)	3.2780	5.64%	Cocoa (per mt)	2,207	1.05%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,758.0	2.99%	Wheat (per bushel)	4.2675	-0.12%
Nickel (per mt)	10,565.0	2.18%	Soybean (per bushel)	10.055	0.90%
Aluminium (per mt)	1,751.5	1.32%	Corn (per bushel)	3.5825	-0.49%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,185.5	0.05%	Crude Palm Oil (MYR/MT)	3,220.0	-0.34%
Silver (per oz)	16.848	0.99%	Rubber (JPY/KG)	276.9	2.18%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
01/10/2017 08:30	AU	Retail Sales MoM	Nov	0.40%	0.20%	0.50%	--
01/10/2017 09:00	PH	Exports YoY	Nov	-8.00%	-7.50%	3.70%	7.60%
01/10/2017 09:00	PH	Imports YoY	Nov	11.00%	19.70%	5.90%	--
01/10/2017 09:00	PH	Trade Balance	Nov	-\$2180m	-\$2566m	-\$2163m	-\$1983m
01/10/2017 09:30	CH	CPI YoY	Dec	2.20%	2.10%	2.30%	--
01/10/2017 09:30	CH	PPI YoY	Dec	4.60%	5.50%	3.30%	--
01/10/2017 13:00	IN	Local Car Sales	Dec	--	158617	173606	--
01/10/2017 15:45	FR	Industrial Production MoM	Nov	0.60%	2.20%	-0.20%	-0.10%
01/10/2017 15:45	FR	Industrial Production YoY	Nov	-0.20%	1.80%	-1.80%	--
01/10/2017 15:45	FR	Manufacturing Production MoM	Nov	0.70%	2.30%	-0.60%	--
01/10/2017 15:45	FR	Manufacturing Production YoY	Nov	-0.20%	1.40%	-1.50%	--
01/10/2017 19:00	US	NFIB Small Business Optimism	Dec	99.5	105.8	98.4	--
01/10/2017 21:15	CA	Housing Starts	Dec	190.0k	207.0k	184.0k	187.3k
01/10/2017 21:30	CA	Building Permits MoM	Nov	-6.00%	-0.10%	8.70%	10.50%
01/10/2017 23:00	US	Wholesale Inventories MoM	Nov F	0.90%	1.00%	0.90%	--
01/10/2017 01/15	CH	Money Supply M0 YoY	Dec	7.00%	--	7.60%	--
01/10/2017 01/15	CH	Money Supply M1 YoY	Dec	22.00%	--	22.70%	--
01/10/2017 01/15	CH	Money Supply M2 YoY	Dec	11.40%	--	11.40%	--
01/10/2017 01/15	CH	New Yuan Loans CNY	Dec	676.8b	--	794.6b	--
01/10/2017 01/12	VN	Domestic Vehicle Sales YoY	Dec	--	--	25.70%	--
01/10/2017 01/20	ID	Motorcycle Sales	Dec	--	--	570923	--
01/10/2017 01/20	ID	Local Auto Sales	Dec	--	--	99935	--
01/11/2017 00:30	NZ	QV House Prices YoY	Dec	--	12.50%	12.40%	--
01/11/2017 05:00	SK	Export Price Index MoM	Dec	--	2.90%	4.10%	3.80%
01/11/2017 05:00	SK	Export Price Index YoY	Dec	--	6.30%	3.80%	3.50%
01/11/2017 05:00	SK	Import Price Index YoY	Dec	--	9.20%	3.60%	3.60%
01/11/2017 07:00	SK	Unemployment rate SA	Dec	3.60%	3.40%	3.60%	--
01/11/2017 07:50	JN	Official Reserve Assets	Dec	--	--	\$1219.3b	--
01/11/2017 12:00	MA	Industrial Production YoY	Nov	5.50%	--	4.20%	--
01/11/2017 13:00	JN	Leading Index Cl	Nov P	102.6	--	100.8	--
01/11/2017 13:00	JN	Coincident Index	Nov P	115	--	113.5	--
01/11/2017 17:30	UK	Visible Trade Balance GBP/Mn	Nov	£11,150	--	£9,711	--
01/11/2017 17:30	UK	Trade Balance Non EU GBP/Mn	Nov	£3,000	--	£1,598	--
01/11/2017 17:30	UK	Trade Balance	Nov	£3,500	--	£1,971	--
01/11/2017 17:30	UK	Industrial Production MoM	Nov	1.00%	--	-1.30%	--
01/11/2017 17:30	UK	Industrial Production YoY	Nov	0.70%	--	-1.10%	--
01/11/2017 17:30	UK	Manufacturing Production MoM	Nov	0.50%	--	-0.90%	--
01/11/2017 17:30	UK	Manufacturing Production YoY	Nov	0.40%	--	-0.40%	--
01/11/2017 20:00	US	MBA Mortgage Applications	Jan-06	--	--	0.10%	--
01/11/2017 23:00	UK	NIESR GDP Estimate	Dec	0.50%	--	0.40%	--

Source: Bloomberg

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