

Highlights

Global	<p>Investors were likely cheered by overnight's surge in oil prices amid acceleration in US MBA Mortgage Application growth (+9.9% for the week ended 8th Sept) and shrugged off concerns over Pyongyang's intransigence over its nuclear development efforts, although tech stocks suffered led by Apple after its release of its latest flagship phones. Moreover, an outline of the US Republican tax reform plan is slated to be released the week of 25th September, just as US President Donald Trump revealed his insistence to reduce corporate tax to 15% while hinting taxes on the wealthy "will be pretty much where they are... if they have to go higher, they'll go higher".</p> <p>A rather packed calendar for the trading day ahead. Market-watchers will pay close heed to the BOE and SNB meetings (likely no change to their benchmark rate of 0.25% and -0.75%, respectively) later today, on top of US Initial Jobless Claims and CPI prints. In Asia Pacific, look out for AU Employment Change, China Retail Sales, Japan & Hong Kong Industrial Production as well.</p>
US	<p>Equities nudged higher on Wednesday, continuing the upward momentum this week. Supported by a run-up in crude oil prices, energy stocks were the main leaders. On the flip side, utilities and real estate sectors weighed on the indices. Overall, the S&P 500 closed marginally higher at 2498.37, while the Dow and Nasdaq Composite added 0.18% and 0.09% respectively. VIX slightly lower at 10.50, compared to 10.58. Meanwhile, US Treasury yields continue to firm on the back of improving risk sentiments. 2y and 10y benchmark yields firmed to 1.35% and 2.19% respectively. The markets will have an eye on US CPI data later today to glean information on rate hike prospects in the upcoming FOMC meetings.</p>
CN	<p>The offshore RMB funding cost started to climb up this week with the overnight CNH HIBOR was fixed at 3.05% on Wednesday, up from 1.5% last week, as banks started to hoard the cash to prepare for the upcoming quarter-end as well as golden week holiday in the onshore market. The climb of CNH funding may limit the space for CNH correction. In addition, the deputy head of China's currency regulator SAFE Lu Lei said yesterday that he expects RMB's flexibility to widen further.</p>
ID	<p>Darmin Nasution, Coordinating Minister for Economic Affairs, highlighted concerns over the strength of the IDR. However, he also noted that, at current levels, the IDR may still have some room for appreciation. It is also worth noting that Bank Indonesia's year-end forecast for USD-IDR stands at 13420, about 1.7% weaker than current levels.</p>
CMD	<p>Crude oil recovered significantly overnight, with Brent rising to its highest since April 2017. The higher prices were led by sustained demand prospect especially after the International Energy Agency commented that global oil demand will climb this year by the most since 2015. Moreover, OPEC's compliance rate in its production cuts rose to its highest since it first started in January 2017. In Asia, note that impending wet weathers in key palm oil producing states in Indonesia has been forecasted by the Meteorological, Climatological and Geophysical Agency, thus lifting palm oil prices overnight.</p>

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards yesterday, with swap rates trading 1-2bps lower across most tenors. The 12-year tenor traded little changed. In the broader dollar space, the spread on JACI IG Corp traded little changed at 190bps. Similarly, the yield on JACI HY Corp traded little changed at 6.78%. 10Y UST yields rose 3bps to 2.19%, as results from the 30-year auction came in weak and IG credit issuance remained heavy.
- **New Issues:** PT Ciputra Development Tbk has priced a SGD150mn 4-year bond at 4%, tightening from initial guidance of 5.125% area. The expected issue ratings are 'NR/NR/BB-'. Cagamas Berhad has priced a SGD200mn 1-year bond at 1.52%. Estate Sky Ltd has priced a USD200mn Perp NC5 (guaranteed by CSI Properties Ltd) at 5.75%, tightening from initial guidance of 6% area. Wynn Macau Limited has priced a two-tranche deal, with the USD600mn 7NC3 bond priced at 4.875%, tightening from an initial guidance of 5%-5.125%; and the USD750mn 10NC5 bond priced at 5.5%, tightening from initial guidance of 5.5%-5.625%. Shinhan Bank has priced a USD350mn 10-year Tier 2 bond at CT10+167.5bps, tightening from initial guidance of CT10+190bps. The expected issue ratings are 'BBB+/Baa1/NR'. Commonwealth Bank of Australia has priced a five tranche deal, with the USD750mn 3-year fixed rate bond priced at CT3+60bps, tightening from initial guidance of CT3+75bps; the USD400mn 3-year floating rate bond priced at 3mL+40bps, with the initial guidance at LIBOR equivalent; the USD750mn 5-year fixed rate bond priced at CT5+75bps, tightening from initial guidance of CT5+90bps; the USD400mn 5-year floating rate bond priced at 3mL+67bps, with the initial guidance at LIBOR equivalent; and the USD700mn 10-year fixed rate bond priced at CT10+97bps, tightening from initial guidance of CT10+112.5bps.
- **Rating Changes:** Moody's has affirmed Landesbank Baden-Wuerttemberg's (LBBW) 'Aa3' deposit rating, senior-senior unsecured debt ratings and counterparty risk assessment, its 'A1' senior unsecured debt ratings and 'Baa2' subordinated debt ratings. At the same time, Moody's upgraded LBBW's baseline credit assessment (BCA) to 'Baa2' from 'Baa3'. The outlook on the deposit rating and senior-senior unsecured debt ratings remain stable, while the outlook on the senior unsecured ratings were revised to negative from stable. The BCA upgrade reflects the strengthening of LBBW's financial fundamentals, in particular a stabilization of the capitalization and an improvement in asset quality. The revision of the outlook on the senior unsecured rating was driven by the results of Moody's Advanced Loss Given Failure (LGF) analysis, which now implies a lower cushion for this rating class. Moody's has assigned Yihua Enterprise (Group) (Yihua) Co Ltd a corporate family rating of 'B2'. The outlook is stable. The rating action reflects Yihua's established track record, as well as its stable EBITDA and cash flow generation from its listed furniture business. The rating also reflects Yihua's status as a private company which has less transparency and lower levels of corporate governance. Moody's has downgraded Genworth Financial Mortgage Insurance Pty Limited's (Genworth Australia) insurance financial strength rating to 'Baa1' from 'A3'. The outlook is stable. The rating action reflects the rising level of tail risks embedded in the Australian housing market, as house prices have been rising and lending to residential property investors has been elevated. However, Fitch has affirmed the insurer financial strength of Genworth Australia's operating subsidiary, Genworth Mortgage Insurance Australia Ltd's (GMA) at 'A+' with a stable outlook. Fitch states the rating is underpinned by Genworth Australia's robust standalone credit profile, solid operating performance, strong capital ratios and conservative investment approach. Fitch has withdrawn the

'B+' issuer default ratings on MMI International and its parent, Precision Capital Private Limited. The outlook on both ratings were stable. The ratings were withdrawn as both companies have chosen to stop participating in the ratings process because they do not intend to issue bonds in the foreseeable future.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	92.520	0.69%	USD-SGD	1.3507	0.24%
USD-JPY	110.490	0.29%	EUR-SGD	1.6053	-0.44%
EUR-USD	1.1885	-0.69%	JPY-SGD	1.2223	-0.07%
AUD-USD	0.7986	-0.41%	GBP-SGD	1.7845	-0.29%
GBP-USD	1.3211	-0.54%	AUD-SGD	1.0787	-0.16%
USD-MYR	4.1915	-0.39%	NZD-SGD	0.9778	-0.41%
USD-CNY	6.5415	0.09%	CHF-SGD	1.4008	-0.17%
USD-IDR	13201	0.01%	SGD-MYR	3.1152	-0.34%
USD-VND	22720	--	SGD-CNY	4.8496	0.00%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1778	--
2M	-0.3410	--	1M	1.2367	--
3M	-0.3300	--	2M	1.2722	--
6M	-0.2720	--	3M	1.3192	--
9M	-0.2180	--	6M	1.4544	--
12M	-0.1690	--	12M	1.7096	--

Fed Rate Hike Probability

Meeting	Prob Hike	1-1.25	1.25-1.5	1.5-1.75	1.75 - 2.0
09/20/2017	0.0%	99.1%	0.0%	0.0%	0.0%
11/01/2017	0.8%	98.4%	0.8%	0.0%	0.0%
12/13/2017	38.9%	60.6%	38.6%	0.3%	0.0%
01/31/2018	39.4%	60.1%	38.8%	0.6%	0.0%
03/21/2018	55.1%	44.5%	44.4%	10.6%	0.2%
05/02/2018	54.5%	44.5%	43.9%	10.5%	0.2%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	49.30	2.22%	Copper (per mt)	6,572.0	-1.81%
Brent (per barrel)	55.16	1.64%	Nickel (per mt)	11,278.0	-5.33%
Heating Oil (per gallon)	1.7685	1.60%	Aluminium (per mt)	2,080.0	-1.26%
Gasoline (per gallon)	1.6473	-0.54%			
Natural Gas (per MMBtu)	3.0580	1.90%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,873.0	1.56%
			Rubber (JPY/KG)	231.0	0.96%
Precious Metals	Futures	% chg			
Gold (per oz)	1,328.0	-0.35%			
Silver (per oz)	17.867	-0.13%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	22,158.18	39.32
S&P	2,498.37	1.89
Nasdaq	6,460.19	5.91
Nikkei 225	19,865.82	89.20
STI	3,230.36	-5.33
KLCI	1,786.07	-3.79
JCI	5,845.73	-26.64
Baltic Dry	1,344.00	--
VIX	10.50	-0.08

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.24 (--)	1.35 (+0.01)
5Y	1.50 (--)	1.77 (+0.02)
10Y	2.01 (-0.01)	2.19 (+0.02)
15Y	2.31 (--)	--
20Y	2.28 (--)	--
30Y	2.32 (--)	2.79 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	16.13	0.09
EURIBOR-OIS	2.80	-0.12
TED	29.25	--

Economic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
09/13/2017 06:45	NZ	Food Prices MoM	Aug	--	0.60%	-0.20%	--
09/13/2017 07:00	SK	Unemployment rate SA	Aug	3.70%	3.80%	3.60%	--
09/13/2017 07:50	JN	PPI YoY	Aug	3.00%	2.90%	2.60%	--
09/13/2017 08:30	AU	Westpac Consumer Conf SA MoM	Sep	--	2.50%	-1.20%	--
09/13/2017 14:00	GE	CPI YoY	Aug F	1.80%	1.80%	1.80%	--
09/13/2017 14:00	GE	CPI EU Harmonized YoY	Aug F	1.80%	1.80%	1.80%	--
09/13/2017 15:00	EC	Employment YoY	2Q	--	1.60%	1.50%	1.60%
09/13/2017 16:30	UK	Claimant Count Rate	Aug	--	2.30%	2.30%	--
09/13/2017 16:30	UK	Jobless Claims Change	Aug	--	-2.8k	-4.2k	-2.9k
09/13/2017 16:30	UK	ILO Unemployment Rate 3Mths	Jul	4.40%	4.30%	4.40%	--
09/13/2017 17:00	EC	Industrial Production SA MoM	Jul	0.10%	0.10%	-0.60%	--
09/13/2017 17:00	EC	Industrial Production WDA YoY	Jul	3.30%	3.20%	2.60%	2.80%
09/13/2017 19:00	US	MBA Mortgage Applications	Sep-08	--	9.90%	3.30%	--
09/13/2017 20:30	US	PPI Final Demand YoY	Aug	2.50%	2.40%	1.90%	--
09/13/2017 20:30	US	PPI Ex Food and Energy YoY	Aug	2.10%	2.00%	1.80%	--
09/13/2017 20:30	US	PPI Ex Food, Energy, Trade YoY	Aug	--	1.90%	1.90%	--
09/14/2017 02:00	US	Monthly Budget Statement	Aug	-\$119.0b	-\$107.7b	-\$107.1b	--
09/14/2017 07:01	UK	RICS House Price Balance	Aug	0%	6%	1%	--
09/14/2017 07:50	JN	Japan Buying Foreign Bonds	Sep-08	--	--	¥117.9b	--
09/14/2017 07:50	JN	Foreign Buying Japan Stocks	Sep-08	--	--	¥158.3b	--
09/14/2017 09:00	NZ	ANZ Consumer Confidence Index	Sep	--	--	126.2	--
09/14/2017 09:30	AU	Employment Change	Aug	20.0k	--	27.9k	--
09/14/2017 09:30	AU	Unemployment Rate	Aug	5.60%	--	5.60%	--
09/14/2017 09:30	AU	Full Time Employment Change	Aug	--	--	-20.3k	--
09/14/2017 09:30	AU	Participation Rate	Aug	65.10%	--	65.10%	--
09/14/2017 10:00	CH	Retail Sales YoY	Aug	10.50%	--	10.40%	--
09/14/2017 10:00	CH	Fixed Assets Ex Rural YTD YoY	Aug	8.20%	--	8.30%	--
09/14/2017 10:00	CH	Industrial Production YoY	Aug	6.60%	--	6.40%	--
09/14/2017 10:00	CH	Industrial Production YTD YoY	Aug	6.80%	--	6.80%	--
09/14/2017 12:00	JN	Tokyo Condominium Sales YoY	Aug	--	--	3.30%	--
09/14/2017 12:30	JN	Industrial Production YoY	Jul F	--	--	4.70%	--
09/14/2017 12:30	JN	Capacity Utilization MoM	Jul	--	--	2.10%	--
09/14/2017 14:00	EC	EU27 New Car Registrations	Aug	--	--	2.10%	--
09/14/2017 14:30	IN	Wholesale Prices YoY	Aug	3.20%	--	1.88%	--
09/14/2017 14:45	FR	CPI EU Harmonized YoY	Aug F	1.00%	--	1.00%	--
09/14/2017 14:45	FR	CPI YoY	Aug F	0.90%	--	0.90%	--
09/14/2017 14:45	FR	CPI Ex-Tobacco Index	Aug	101.47	--	100.94	--
09/14/2017 16:00	IT	CPI EU Harmonized YoY	Aug F	1.40%	--	1.40%	--
09/14/2017 16:30	HK	PPI YoY	2Q	--	--	4.20%	0.10%
09/14/2017 19:00	UK	Bank of England Bank Rate	Sep-14	0.25%	--	0.25%	--
09/14/2017 19:00	UK	BOE Asset Purchase Target	Sep	435b	--	435b	--
09/14/2017 20:30	CA	New Housing Price Index MoM	Jul	0.40%	--	0.20%	--
09/14/2017 20:30	US	Initial Jobless Claims	Sep-09	300k	--	298k	--
09/14/2017 20:30	US	Continuing Claims	Sep-02	1965k	--	1940k	--
09/14/2017 20:30	US	CPI Ex Food and Energy MoM	Aug	0.20%	--	0.10%	--
09/14/2017 20:30	US	CPI YoY	Aug	1.80%	--	1.70%	--
09/14/2017 20:30	US	CPI Ex Food and Energy YoY	Aug	1.60%	--	1.70%	--
09/14/2017 20:30	US	CPI Core Index SA	Aug	252.336	--	251.914	--
09/14/2017 20:30	US	CPI Index NSA	Aug	245.35	--	244.786	--
09/14/2017 21:45	US	Bloomberg Consumer Comfort	Sep-10	--	--	52.6	--
09/14/2017 09/15	CH	Money Supply M2 YoY	Aug	9.10%	--	9.20%	--
09/14/2017 09/15	CH	New Yuan Loans CNY	Aug	950.0b	--	825.5b	--

Source: Bloomberg

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