

Highlights

Global	Major sell-off on Wall Street yesterday amid fears of escalating trade tensions, potential signs of slower US retail growth and cracks in the credit market. The US also released a report yesterday accusing China of undertaking a state-backed campaign of intellectual property theft. The report stated that “China fundamentally has not altered its acts, policies, and practices” whilst also mentioning that the country “indeed appears to have taken further unreasonable actions in recent months” such as “hijacking internet traffic” to “direct it through mainland Chinese servers for possible collection and analysis”. The report also mentioned that Chinese foreign-direct investment in the US despite falling was becoming more focused on tech start-ups that the Trump administration was eager to protect and also stated that Beijing had only made incremental changes to its restrictions on foreign investment in certain sectors in China. Regardless, White House economic adviser Larry Kudlow said that President Trump is trying to “inject a note of optimism” into the upcoming trade talks with China and the President also “believes that China would like to have a deal”. Meanwhile, on the Brexit front, Bank of England Governor Mark Carney “welcomes the transition arrangements in the withdrawal agreement” and also stated that the option to extend the transition period is there for a reason. Asian markets are likely to trade lower today following the fall on Wall-Street. Key economic data releases today include US jobs data, University of Michigan sentiment indexes, Thai trade data and UK public finance data.
US	Housing starts increased by 1.5% in October, in line with consensus forecasts of 1228k, up from a revised 1210k in September. Single-family housing starts dipped by 1.8%, while multi-family starts rose 10.3%. Post-Hurricane Florence rebuilding likely bolstered the October data.
HK	Inflation remained unchanged at 2.7% in October, the highest level since February 2018. This was still attributed to the low base effect. As the government subsidy schemes ended in September, public housing rentals surged by another 11.6% yoy and drove housing inflation to a two-year high of 3% from September’s 2.9%. Meanwhile, in the absence of government subsidy, school tuitions edged higher and in turn held the miscellaneous services inflation high at 2.7%.
TH	The cabinet has announced US\$1.7bn of expenditure to support the economy that include help for low-income households, assistance for the palm and rubber sectors and an expansion of a program offering visa exemptions for tourists. This comes after the latest data showed that Thailand’s GDP growth came out slower at 3.3% yoy for 3Q 2018 from 4.6% yoy in the previous quarter. Trade data will be due later.
ID	Bank Indonesia and the People’s Bank of China have agreed to increase the size of their bilateral currency swap agreement from CNY100bn to CNY200bn. The agreement is valid for three years, and can be extended upon mutual consent.

Major Markets

- **US:** Wall Street continued to plunge lower on Tuesday, with the S&P500 falling by 1.82%. The DJIA fell by 2.21%, while the Nasdaq composite dipped 1.70%. Lower oil prices dragged energy stocks, while retailers were not spared from the gloomy sentiment either despite quarterly earnings performing fairly well across the board.
- Shares of Lowe's declined 5.66% after the home improvement retailer missed same-store sales estimates, albeit exceeding expectations on quarterly earnings as a whole.
- Campbell Soup equity surged 5.46% on 3Q earnings that beat consensus estimates, and a stronger adjusted EPS performance.
- **Singapore:** The STI fell 1.24% on Tuesday to 3,026.99. Hutchison port Holdings Trust Holdings (+2.00%) and CapitaLand Mall Trust (+0.46%) led the ascent, while Yangzhejiang Shipbuilding Holdings (-3.15%) and ComfortDelGro (-2.79%) marked losses.
- **Philippines:** Chinese President Xi Jinping is currently on a two day visit to Manila where both Chinese and Filipino officials exchanged 29 memoranda, commercial contracts, letters and loan commitments. The main highlight of these agreements was a memorandum of understanding (MOU) that was reportedly signed, to progress talks on developing oil and gas reserves in the South China Sea. These agreements apparently build on US\$24bn of investment pledges that were made two years ago when Philippine President Duterte had visited Beijing. Meanwhile, the balance of payments deficit for October was at US\$0.46bn, lower than the US\$2.7bn reported in September.
- **Hong Kong:** Moving into coming months, low base effect may continue to elevate the inflation. The continuous and resilient growth of housing rentals will also boost inflation in the near term. However, we see limited upside for local costs as domestic economic outlook is weakening amid monetary tightening, China's economic slowdown and US-China trade tensions. Furthermore, with the impact of the end of government subsidy schemes to wane gradually, inflationary risks will subside as well. All in all, we hold onto our view that inflationary risks will be contained in the near term.

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates trading 2-4bps lower across most tenors. The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 156bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 3bps to 616bps. 10Y UST yields fell 3bps to 3.03% in the earlier part of the trading session on the back of safe haven demand as global stock markets declined. Yields subsequently recovered 3bps to close at 3.06% as investors closed positions before Thursday's Thanksgiving holiday.
- **New Issues:** Tongliao City Investment Group Co Ltd has hired banks for its potential USD bond issuance.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.836	0.67%	USD-SGD	1.3748	0.17%
USD-JPY	112.770	0.20%	EUR-SGD	1.5632	-0.55%
EUR-USD	1.1370	-0.73%	JPY-SGD	1.2197	0.02%
AUD-USD	0.7214	-1.10%	GBP-SGD	1.7581	-0.34%
GBP-USD	1.2788	-0.51%	AUD-SGD	0.9917	-0.94%
USD-MYR	4.1875	--	NZD-SGD	0.9339	-0.50%
USD-CNY	6.9453	0.05%	CHF-SGD	1.3819	0.06%
USD-IDR	14588	--	SGD-MYR	3.0514	-0.03%
USD-VND	23319	0.05%	SGD-CNY	5.0523	-0.16%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3690	--	O/N	2.1808	--
2M	-0.3370	--	1M	2.3003	--
3M	-0.3160	--	2M	2.4577	--
6M	-0.2570	--	3M	2.6458	--
9M	-0.1960	--	6M	2.8658	--
12M	-0.1480	--	12M	3.1074	--

Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	70.8%	70.8%	0.0%	0.0%	0.0%
01/30/2019	72.0%	69.1%	2.9%	0.0%	0.0%
03/20/2019	86.9%	47.2%	38.1%	1.6%	0.0%
05/01/2019	88.8%	42.3%	39.4%	6.8%	0.2%
06/19/2019	92.2%	32.8%	40.3%	16.8%	2.2%
07/31/2019	92.9%	30.5%	39.6%	18.9%	3.6%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.43	-5.87%	Coffee (per lb)	1.107	-1.51%
Brent (per barrel)	62.53	-6.38%	Cotton (per lb)	0.7527	-0.80%
Heating Oil (per gallon)	1.9902	-4.61%	Sugar (per lb)	0.1246	-2.66%
Gasoline (per gallon)	1.4959	-5.50%	Orange Juice (per lb)	1.3920	-0.82%
Natural Gas (per MMBtu)	4.5230	-3.77%	Cocoa (per mt)	2,144	-0.51%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,099.1	-1.16%	Wheat (per bushel)	5.0075	0.45%
Nickel (per mt)	11,108.0	--	Soybean (per bushel)	8.810	0.83%
Aluminium (per mt)	1,916.5	--	Corn (per bushel)	3.6125	-0.28%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,221.2	-0.33%	Crude Palm Oil (MYR/MT)	1,800.0	--
Silver (per oz)	14.269	-0.93%	Rubber (JPY/KG)	132.1	-0.60%

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

Equity and Commodity

Index	Value	Net change
DJIA	24,465.64	-551.80
S&P	2,641.89	-48.84
Nasdaq	6,908.82	-119.65
Nikkei 225	21,583.12	-238.04
STI	3,026.99	-38.08
KLCI	1,710.71	--
JCI	6,005.30	--
Baltic Dry	1,023.00	--
VIX	22.48	2.38

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.06 (-)	2.80 (+0.01)
5Y	2.21 (-)	2.89 (+0.02)
10Y	2.44 (-)	3.06 (-)
15Y	2.71 (-)	--
20Y	2.75 (-)	--
30Y	2.83 (-)	3.31 (-0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	30.24	--
EURIBOR-OIS	4.16	0.76
TED	29.74	--

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
11/20/2018 05:00	SK PPI YoY	Oct	--	2.20%	2.70%	--
11/20/2018 08:30	AU RBA Nov. Meeting Minutes					
11/20/2018 10:40	TH Car Sales	Oct	--	86913	88706	--
11/20/2018 14:30	FR ILO Unemployment Rate	3Q	9.20%	9.10%	9.10%	--
11/20/2018 15:00	JN Convenience Store Sales YoY	Oct	--	-1.50%	3.50%	--
11/20/2018 15:00	GE PPI MoM	Oct	0.30%	0.30%	0.50%	--
11/20/2018 15:00	GE PPI YoY	Oct	3.30%	3.30%	3.20%	--
11/20/2018 16:00	TA Export Orders YoY	Oct	3.90%	5.10%	4.20%	--
11/20/2018 16:20	TA BoP Current Account Balance	3Q	--	\$14040m	\$17820m	\$16360m
11/20/2018 16:30	HK CPI Composite YoY	Oct	2.70%	2.70%	2.70%	--
11/20/2018 21:30	US Housing Starts	Oct	1228k	1228k	1201k	1210k
11/20/2018 21:30	US Building Permits	Oct	1260k	1263k	1241k	1270k
11/21/2018 07:30	AU Westpac Leading Index MoM	Oct	--	0.08%	-0.06%	-0.02%
11/21/2018 10:00	NZ Credit Card Spending YoY	Oct	--	--	7.80%	--
11/21/2018 11:30	TH Customs Exports YoY	Oct	4.00%	--	-5.20%	--
11/21/2018 11:30	TH Customs Imports YoY	Oct	6.60%	--	9.90%	--
11/21/2018 11:30	TH Customs Trade Balance	Oct	-\$200m	--	\$487m	--
11/21/2018 12:30	JN All Industry Activity Index MoM	Sep	-0.90%	--	0.50%	--
11/21/2018 13:00	JN Supermarket Sales YoY	Oct	--	--	1.90%	--
11/21/2018 13:30	JN Nationwide Dept Sales YoY	Oct	--	--	-3.00%	--
11/21/2018 13:30	JN Tokyo Dept Store Sales YoY	Oct	--	--	0.30%	--
11/21/2018 16:00	SI Automobile COE Open Bid Cat A	Nov-21	--	--	28199	--
11/21/2018 16:00	SI Automobile COE Open Bid Cat B	Nov-21	--	--	32302	--
11/21/2018 16:00	SI Automobile COE Open Bid Cat E	Nov-21	--	--	32000	--
11/21/2018 17:30	UK PSNB ex Banking Groups	Oct	6.1b	--	4.1b	--
11/21/2018 17:30	UK Public Sector Net Borrowing	Oct	5.6b	--	3.3b	--
11/21/2018 17:30	UK Public Finances (PSNCR)	Oct	--	--	15.8b	--
11/21/2018 20:00	US MBA Mortgage Applications	Nov-16	--	--	-3.20%	--
11/21/2018 21:30	CA Wholesale Trade Sales MoM	Sep	0.30%	--	-0.10%	--
11/21/2018 21:30	US Durable Goods Orders	Oct P	-2.60%	--	0.70%	--
11/21/2018 21:30	US Durables Ex Transportation	Oct P	0.40%	--	0.00%	--
11/21/2018 21:30	US Cap Goods Orders Nondef Ex Air	Oct P	0.20%	--	-0.10%	--
11/21/2018 21:30	US Cap Goods Ship Nondef Ex Air	Oct P	0.30%	--	-0.10%	--
11/21/2018 21:30	US Initial Jobless Claims	Nov-17	215k	--	216k	--
11/21/2018 21:30	US Continuing Claims	Nov-10	1650k	--	1676k	--
11/21/2018 22:45	US Bloomberg Consumer Comfort	Nov-18	--	--	60.5	--
11/21/2018 22:45	US Bloomberg Economic Expectations	Nov	--	--	58.5	--
11/21/2018 23:00	US Leading Index	Oct	0.10%	--	0.50%	--
11/21/2018 23:00	US Existing Home Sales	Oct	5.20m	--	5.15m	--
11/21/2018 23:00	US Existing Home Sales MoM	Oct	1.00%	--	-3.40%	--
11/21/2018 23:00	US U. of Mich. Sentiment	Nov F	98.3	--	98.3	--
11/21/2018	MU CPI Composite YoY	Oct	--	--	3.51%	--

Source: Bloomberg

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