

Highlights

Global	<p>China's weaker-than-expected trade data, namely the 10% contraction in exports in Sep, took global risk sentiments down a notch. Meanwhile, BOK left its 7-day repo rate unchanged at 1.25% yesterday. The passing of Thai king Bhumibol may also cast a temporary shadow over Thai's market today. Today's economic data calendar comprises of US' University of Michigan sentiments, retail sales and PPI, Eurozone's trade, India's foreign reserves, and China's CPI/PPI. Speakers comprise Fed's Rosengren, Kashkari and Yellen, BOE's Carney and Forbes.</p>
US	<p>Initial jobless claims were steady at a 42-year low of 246k, with the 4-week average also down to 249,250 which is the lowest since 1973. Meanwhile, continuing claims fell 16k to 2.05m (lowest since Jun 2000). However, this labor market picture was prior to Hurricane Matthew. Import prices edged up less than expected by 0.1% mom (-1.1% yoy) in Sep, versus -0.20% mom (-2.2% yoy) in Aug.</p>
SG	<p>GDP growth disappointed market expectations, printing 0.6%yoy (-4.1% qoqsaar). The drag was seen from the manufacturing cluster (-1.1%), while services (-0.1%) saw its first on-year contraction since 3Q09 given the lacklustre wholesale & retail sector. With that 2H16 growth is likely to take a step-down from what was seen in 1H16, full-year growth is projected to print at the lower-end of the 1-2% forecast range, according to the central bank. MAS maintained the rate of appreciation of the S\$NEER band at zero percent, while keeping the width of the policy band and the level at which it is centred unchanged.</p>
CH	<p>Exports fell more than expectation by 10% in September in dollar term despite improving new export orders reported by PMI. The decline was broad based with demand from G3 and emerging market fell. Exports to EU and US fell by 9.8% and 8.1% respectively while exports to ASEAN fell by 10.8%. Imports fell by 1.9% in September in dollar term, in line with market expectation. Demand for major commodity increased with imports of crude oil and iron ore by volume rose by 18.3% and 8% respectively. As a result of weaker than expected exports number, China's trade surplus narrowed significantly to US\$41.99 billion. Should trade surplus continue to weaken, this may shake market's expectation on RMB again.</p>
ID	<p>Finance Minister Sri Mulyani said that Indonesia remains hopeful of a rating upgrade by S&P, the only ratings agency which has not upgraded the country into investment grade. She added that she and other officials met with the ratings agency on the sidelines of the recent IMF meeting in Washington, D.C. in which she highlighted the spending cut and additional revenue from tax amnesty program should keep deficit in check and maintain the overall fiscal credibility.</p>
TH	<p>The longest serving monarch, King Bhumibol Adulyadej, has passed on yesterday in Bangkok's Siriraj Hospital. The Stock Exchange of Thailand has fallen by more than 10% since a week ago, while the Baht depreciated by as much as 2.9%, but both has since erased some of its losses as of yesterday.</p>
Commodities	<p>The relative weakness in the dollar index has lifted energy and gold prices yesterday. WTI has rallied back above its \$50/bbl handle, gold remained supported above its \$1,250/oz.</p>

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

Major Markets

- **US:** Poor trade data from China rekindled fears about slowing global growth, leading investors to seek out relatively safer assets like government securities. US Treasuries rallied alongside German Bunds, with yields on 2-year and 10-year Treasuries lower at 0.83% and 1.74%. Meanwhile, financial stocks retreated alongside the lower Treasury yields, leading equity indices lower. Equities pared losses in afternoon trade amidst volatile trading, with the S&P 500 ending down 0.31%, the Dow retreating 0.25%, and the Nasdaq declining 0.49%. VIX continued its recent climb, up 4.9% to close at 16.69.
- **Singapore:** STI fell another 0.29% to close at 2805.48 yesterday, and given overnight declines in Wall Street due to renewed concerns over the Chinese economy, the STI's 2800 key support may be tested today. SGS bonds rallied on bargain-hunting, and may continue to gain today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday with swap rates on the shorter ends (<2Y) traded 1-2bps higher while the swap rates across the rest of the tenors traded 1-4bps lower. Flows in the SGD corporates were heavy with better selling seen in UCGIM 5.5%'23s while mixed interest were seen in UOBSP 4%'49s, STANLN 4.4%'26s and BAERVX 5.9%'49s. In the broader dollar space, the spread on JACI IG corporates increased 1bps to 205bps while the yield on JACI HY corporates decreased 1bps to 6.56%. 10y UST yield decreased 3bps to 1.74% amid treasury gains in most developed markets sparked by weak Chinese export data which weighed on stocks.
- **New Issues:** Modern land (China) Co. Ltd. priced a USD350mn 3-year bond at 6.875%, tightening from its initial guidance at 7.125%. The expected issue ratings are "NR/B2/B+". Export-Import bank of Malaysia Berhad priced a USD500mn 5-year bond at CT5+120bps, tightening from its initial guidance at CT5+140bps. The expected issue ratings are "NR/A3/A-". China Construction Bank Corp. has priced a USD700mn 5-year bond at CT5+107.5bps, tightening from its initial guidance at CT5+130bps. The expected issue ratings are "A/A1/NR". Julius Baer Group Ltd. priced a SGD325mn perpetual AT1, non-callable for 5.5-year bond at 5.75%, tightening from its initial price guidance at 6%. The expected issue ratings are "NR/Baa3/NR". International Container Terminal Services Inc. priced a USD375mn Perpetual bond at 5%, tightening from its initial guidance at 5.25%. Export-Import Bank of Korea priced a 4-tranche deal with the USD750mn 3-year bond priced at CT3+60bps, USD750mn 3-year bond priced at 3mL+46bps, USD300mn 5-year bond priced at CT5+70bps and USD700mn 10-year bond priced at CT10+70bps. The expected issue ratings are "AA/Aa2/AA-". Shanxi Road and Bridge Construction Group Co. Ltd. has commenced investor meetings in Hong Kong, Singapore and London from today for a potential USD bond.
- **Rating Changes:** S&P assigned Shanxi Road and Bridge Construction Group Co. Ltd. (SXR) a "BB" corporate credit rating with a stable outlook. The rating reflects primarily on the credit strength of the Shanxi provincial government whom is likely to give support if SXR comes under any financial stress. Additionally, the rating also reflects the company's "b" stand-alone credit profile underpinned by its very high leverage, slim interest coverage, a small but growing toll road portfolio, and its good market position in road construction in its home market. S&P upgraded its corporate credit rating on China Travel Service Holdings Hong Kong Ltd. to "BBB+" from "BBB" with a stable outlook. The rating upgrade reflects the expectation that the company's leverage will improve following the consolidation of China International Travel Service Group, a company mainly engaged in travel services, and duty-free retailing in China.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.516	-0.46%	USD-SGD	1.3812	-0.17%
USD-JPY	103.710	-0.48%	EUR-SGD	1.5270	0.26%
EUR-USD	1.1056	0.45%	JPY-SGD	1.3319	0.29%
AUD-USD	0.7569	0.09%	GBP-SGD	1.6928	0.24%
GBP-USD	1.2254	0.41%	AUD-SGD	1.0456	-0.07%
USD-MYR	4.2125	0.33%	NZD-SGD	0.9803	0.31%
USD-CNY	6.7274	0.12%	CHF-SGD	1.4006	0.28%
USD-IDR	13073	0.42%	SGD-MYR	3.0440	0.21%
USD-VND	22303	0.01%	SGD-CNY	4.8587	0.12%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.4288	--
2M	-0.3380	--	1M	0.5346	--
3M	-0.3090	--	2M	0.6540	--
6M	-0.2040	--	3M	0.8811	--
9M	-0.1320	--	6M	1.2637	--
12M	-0.0690	--	12M	1.5957	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.30	-0.20	3.37
Italy	-0.08	0.80	1.38
Ireland	-0.45	0.20	0.50
Greece	7.65	--	8.39
Spain	-0.21	0.80	1.12
Russia	2.15	7.00	4.06

Equity and Commodity

Index	Value	Net change
DJIA	18,098.94	-45.26
S&P	2,132.55	-6.63
Nasdaq	5,213.33	-25.69
Nikkei 225	16,774.24	-65.76
STI	2,805.48	-8.23
KLCI	1,665.02	-2.01
JCI	5,340.40	-24.21
Baltic Dry	885.00	-21.00
VIX	16.69	0.78

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.90 (-0.03)	0.83 (-0.02)
5Y	1.37 (-0.05)	1.26 (-0.03)
10Y	1.86 (-0.05)	1.74 (-0.03)
15Y	2.16 (-0.06)	--
20Y	2.25 (-0.06)	--
30Y	2.29 (-0.06)	2.48 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	41.83	0.68
EURIBOR-OIS	3.10	--
TED	53.61	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	50.44	0.52%	Coffee (per lb)	1.527	0.39%
Brent (per barrel)	52.03	0.42%	Cotton (per lb)	0.6931	0.49%
Heating Oil (per gallon)	1.580	0.82%	Sugar (per lb)	0.2292	-0.99%
Gasoline (per gallon)	1.48	1.36%	Orange Juice (per lb)	1.9145	-3.67%
Natural Gas (per MMBtu)	3.341	4.08%	Cocoa (per mt)	2,696	2.01%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,712.0	-2.12%	Wheat (per bushel)	4.1600	4.85%
Nickel (per mt)	10,388	-1.28%	Soybean (per bushel)	9.563	1.14%
Aluminium (per mt)	1,688.0	0.58%	Corn (per bushel)	3.4950	3.71%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,255.0	0.31%	Crude Palm Oil (MYR/MT)	2,630.0	-1.50%
Silver (per oz)	17.458	-0.27%	Rubber (JPY/KG)	174.2	-0.51%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
10/13/2016 03:30	NZ	REINZ House Sales YoY	Sep	--	-9.50%	-3.10%	--
10/13/2016 05:30	NZ	BusinessNZ Manufacturing PMI	Sep	--	57.7	55.1	55.2
10/13/2016 05:45	NZ	Food Prices MoM	Sep	--	-0.90%	1.30%	--
10/13/2016 07:01	UK	RICS House Price Balance	Sep	14%	17%	12%	13%
10/13/2016 08:58	SK	BoK 7-Day Repo Rate	Oct-13	1.25%	1.25%	1.25%	--
10/13/2016 10:23	CH	Trade Balance	Sep	\$53.00b	\$41.99b	\$52.05b	--
10/13/2016 10:23	CH	Exports YoY	Sep	-3.30%	-10.00%	-2.80%	--
10/13/2016 10:23	CH	Imports YoY	Sep	0.60%	-1.90%	1.50%	--
10/13/2016 12:30	JN	Tertiary Industry Index MoM	Aug	-0.20%	0.00%	0.30%	0.20%
10/13/2016 14:00	GE	CPI MoM	Sep F	0.10%	0.10%	0.10%	--
10/13/2016 14:00	GE	CPI YoY	Sep F	0.70%	0.70%	0.70%	--
10/13/2016 14:00	GE	CPI EU Harmonized MoM	Sep F	0.00%	0.00%	0.00%	--
10/13/2016 14:00	GE	CPI EU Harmonized YoY	Sep F	0.50%	0.50%	0.50%	--
10/13/2016 20:00	IN	CPI YoY	Sep	4.60%	4.31%	5.05%	--
10/13/2016 20:30	CA	New Housing Price Index MoM	Aug	0.30%	0.20%	0.40%	--
10/13/2016 20:30	US	Import Price Index MoM	Sep	0.20%	0.10%	-0.20%	--
10/13/2016 20:30	US	Initial Jobless Claims	Oct-08	253k	246k	249k	246k
10/13/2016 20:30	US	Continuing Claims	Oct-01	2050k	2046k	2058k	2062k
10/13/2016 21:45	US	Bloomberg Consumer Comfort	Oct-09	--	42.1	41.4	--
10/14/2016 07:50	JN	Foreign Buying Japan Bonds	Oct-07	--	¥289.6b	¥1192.0b	--
10/14/2016 07:50	JN	Foreign Buying Japan Stocks	Oct-07	--	¥430.3b	¥251.7b	--
10/14/2016 07:50	JN	Money Stock M2 YoY	Sep	3.40%	3.60%	3.30%	--
10/14/2016 07:50	JN	Money Stock M3 YoY	Sep	2.90%	3.10%	2.80%	--
10/14/2016 07:50	JN	PPI MoM	Sep	-0.10%	0.00%	-0.30%	--
10/14/2016 07:50	JN	PPI YoY	Sep	-3.20%	-3.20%	-3.60%	--
10/14/2016 08:00	SI	GDP YoY	3Q A	1.70%	0.60%	2.10%	2.00%
10/14/2016 08:00	SI	GDP SAAR QoQ	3Q A	0.00%	-4.10%	0.30%	0.20%
10/14/2016 09:30	CH	CPI YoY	Sep	1.60%	--	1.30%	--
10/14/2016 09:30	CH	PPI YoY	Sep	-0.30%	--	-0.80%	--
10/14/2016 13:00	SI	Retail Sales SA MoM	Aug	1.90%	--	1.40%	--
10/14/2016 13:00	SI	Retail Sales YoY	Aug	0.80%	--	2.80%	--
10/14/2016 14:30	IN	Wholesale Prices YoY	Sep	3.90%	--	3.74%	--
10/14/2016 15:30	TH	Foreign Reserves	Oct-07	--	--	\$180.5b	--
10/14/2016 17:00	IT	CPI EU Harmonized YoY	Sep F	0.10%	--	0.10%	--
10/14/2016 20:30	US	Retail Sales Advance MoM	Sep	0.60%	--	-0.30%	--
10/14/2016 20:30	US	Retail Sales Ex Auto MoM	Sep	0.50%	--	-0.10%	--
10/14/2016 20:30	US	Retail Sales Ex Auto and Gas	Sep	0.30%	--	-0.10%	--
10/14/2016 20:30	US	PPI Final Demand MoM	Sep	0.20%	--	0.00%	--
10/14/2016 20:30	US	PPI Ex Food and Energy MoM	Sep	0.10%	--	0.10%	--
10/14/2016 20:30	US	PPI Final Demand YoY	Sep	0.60%	--	0.00%	--
10/14/2016 20:30	US	PPI Ex Food and Energy YoY	Sep	1.20%	--	1.00%	--
10/14/2016 22:00	US	U. of Mich. Sentiment	Oct P	91.8	--	91.2	--
10/14/2016 10/15	US	Monthly Budget Statement	Sep	\$30.0b	--	\$91.1b	--
10/14/2016 10/15	CH	New Yuan Loans CNY	Sep	1000.0b	--	948.7b	--
10/14/2016 10/15	CH	Money Supply M1 YoY	Sep	24.50%	--	25.30%	--
10/14/2016 10/15	CH	Money Supply M2 YoY	Sep	11.60%	--	11.40%	--
10/13/2016 10/17	IN	Imports YoY	Sep	--	--	-14.10%	--
10/13/2016 10/17	IN	Exports YoY	Sep	--	--	-0.30%	--

Source: Bloomberg

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