

Highlights

Global	For the week ahead, market will be watching out for a few key data, including Empire State manufacturing survey results from the US tonight and a series of earnings results from companies such as Goldman Sachs, Morgan Stanley and Microsoft. A third, and last, debate between US presidential candidates, Hillary Clinton and Donald Trump, will take place on Thursday morning Asian hours, as well. Meanwhile, from Asia, market attention would fall on a host of data from China including industrial production and GDP. Given the miss in September exports, these data would take on extra importance.
SG	<p>Following the disappointing 3Q16 GDP print seen on Friday last week, subsequent poor August retail sales data (-1.0% yoy, -1.1% momsa) dampened spirits further. This morning's NODX also printed in contraction territory, (-4.8% yoy, +2.4% momsa), dragged once again by electronic shipments (-6.6%) and petrochemicals (-6.5%), while positive growth seen in pharmaceutical (+16.2%) cushioned the fall. Exports to China contracted for its 15th consecutive month, while exports to US (-7.2%), Malaysia (-12.3%) and Taiwan (-0.1%) bucked its positive trend seen in the previous month.</p> <p>STI gained 0.35% on Friday last week to 2,815.24, with gains seen in Jardine Cycle & Carriage (+2.9%), Thai Beverage (+2.7%) and UOL Group (+1.75%), though losses seen in Singapore Airlines (-0.87%) and SATS Ltd (-0.83%) limited the gains. For today, though Wall Street gained overnight, market sentiment may stay in cautious-mode given the lacklustre Singapore data seen over the week.</p>
CH	Both CPI and PPI surprised the market on the upside in September. CPI accelerated to 1.9% from 1.3% in August. PPI returned to positive growth for the first time in 55 months. The stronger than expected CPI and PPI again curbed expectation on further monetary easing.
HK	The Chief Executive of HKEX stated that Shenzhen-Hong Kong Stock Connect will be launched on a Monday after mid-November. The news may lend some momentum for the Hang Seng Index to break out of its recent range.
ID	Bank Indonesia said that it will continue to increase foreign reserves, given the opportunity provided by stronger currency. Doddy Zulverdi, executive director for monetary management, was quoted by Bloomberg as saying that, "We don't need to be too forceful about it as our reserves are sufficient, but I wouldn't say we have too much."
TH	The government has announced its intention to stay firm on its road map for the next general election, suggesting that previous official rhetoric to hold elections in "late 2017" will still come to pass.
Commodities	The stronger greenback seen over the last week left dollar-dominated commodities sprawling lower, especially seen in the energy and precious metals space. Notably, WTI appears to have embarked on its descent and may breach its \$50/bbl support soon. Elsewhere, gold's appears to be testing its \$1,250/oz support (200-day moving average) as we move closer to FOMC's November meeting.

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Major Market

- **US:** Equities gave up early gains on Friday to close marginally higher. The Dow gained 0.2% amid flattish S&P 500 and Nasdaq. Financials traded higher on better-than-expected earnings from JPMorgan Chase & Co and Citigroup Inc., while healthcare and biotech underperformed. Equities will continue to be driven by corporate earnings this week as the earnings season goes into full swing. Expect to hear from Bank of America, IBM, Netflix and Goldman Sachs over the next two days. VIX retreated to 16.12 (-3.4%). Longer term US Treasuries were sold off amidst Yellen's comments hinting at letting the economy run hot to encourage more job creation and economic activity. 2y- and 10y- yield at 0.83% and 1.79%, respectively.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened last Friday with swap rates trading 1-6bps lower across all tenors with the exception of overnight swap rate that traded 13bps higher. Flows in the SGD corporates were heavy with better selling seen in BAERVX 5.9%'49s and GENSSP 5.13%'49s. Meanwhile we also saw mixed interests in BAERVX 5.75%'49s and GALVSP 5.9%'17s. In the broader dollar space, the spread on JACI IG corporates remained relatively unchanged at 205bps while the yield on JACI HY corporates increased 4bps to 6.60%. 10y UST yield increased 6bps to 1.80% after US retail sales data boosted the case for an interest rate hike this year amidst Yellen's speech that did little to alter this view. Despite not providing any clues on the timing of a hike, Yellen indicated that "the cost of low rates for too long may exceed benefits."
- **New Issues:** Standard Chartered PLC has scheduled investor road shows today for a potential Special Drawing Rights ("SDR") 100mn bond issue in Shanghai. Wise Source International has scheduled investor road shows from today onwards for a potential USD bond issue.
- **Rating Changes:** S&P revised its outlook on StanCorp Financial Group Inc. to stable from negative. The stable outlook reflects S&P expectation that StanCorp will sustain and enhance its competitive market positions in its key business segments. Moody's downgraded Sunac China Holdings Ltd.'s corporate family rating to "B2" from "B1" and senior unsecured ratings to "B3" from "B2" with a stable outlook. The ratings downgrade reflects Moody's expectation that Sunac's low profitability and weak interest coverage are unlikely to improve materially in the next 12-18 months. Moody's has upgraded Cheung Kong Property Holdings Ltd.'s (CKP) issuer rating to "A2" from "A3" with a stable outlook. The upgrade reflects Moody's expectation that CKP can sustain a strong financial profile that positions it in the "A2" rating over the next 2 years. Moody's revised its outlook on Newcrest Finance Pty Ltd.'s "Baa3" issuer rating to positive from stable. The revision reflects the material debt reduction the company has achieved on the back of higher than expected gold prices. A continued strong all-in sustaining cost levels has allowed the company to achieve strong leverage metrics for the rating and improve its liquidity profile. Fitch has affirmed the long-term issuer default rating and senior unsecured rating of Crown Resorts Ltd (Crown) at "BBB" with a stable outlook. At the same time, all ratings have been removed from Rating Watch Negative. The affirmation of ratings reflects a review of Crown's proposed demerger of some of its international investments and its revised dividend policy to 100% of net profit after tax. Fitch believed that the strength of Crown's Australian assets counterbalances the increased geographic concentration resulting from the proposed demerger. Fitch has affirmed Standard Chartered PLC and Standard Chartered Bank long-term issuer default rating at "A+" and downgraded their viability ratings to "a" from "a+". The outlook has been revised to stable from negative. The downgrade of the bank's Viability Ratings reflects the consolidated group's weakened intrinsic strength, characterised by a high level of non-performing loans and a softer outlook for capital generation. The affirmation of the long term issuer default rating reflects that the rise of defaulting on senior obligations is lower than the risk of Standard Chartered PLC and Standard Chartered Bank defaulting due to the presence of a significant junior debt buffer.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.019	0.52%	USD-SGD	1.3903	0.66%
USD-JPY	104.180	0.45%	EUR-SGD	1.5255	-0.10%
EUR-USD	1.0972	-0.76%	JPY-SGD	1.3346	0.20%
AUD-USD	0.7618	0.65%	GBP-SGD	1.6964	0.21%
GBP-USD	1.2191	-0.51%	AUD-SGD	1.0590	1.28%
USD-MYR	4.1947	-0.42%	NZD-SGD	0.9853	0.51%
USD-CNY	6.7283	0.01%	CHF-SGD	1.4041	0.25%
USD-IDR	13033	-0.31%	SGD-MYR	3.0260	-0.59%
USD-VND	22304	0.00%	SGD-CNY	4.8417	-0.35%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	0.0010	O/N	0.4304	-0.0006
2M	-0.3380	--	1M	0.5357	0.0011
3M	-0.3110	--	2M	0.6579	--
6M	-0.2040	--	3M	0.8817	0.0017
9M	-0.1330	--	6M	1.2623	--
12M	-0.0720	-0.0010	12M	1.5857	-0.0017

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.29	-1.20	3.30
Italy	-0.09	-0.70	1.38
Ireland	-0.45	-0.20	0.50
Greece	7.65	--	8.38
Spain	-0.22	-0.50	1.13
Russia	2.14	-1.20	4.03

Equity and Commodity

Index	Value	Net change
DJIA	18,138.38	39.44
S&P	2,132.98	0.43
Nasdaq	5,214.16	0.83
Nikkei 225	16,856.37	82.13
STI	2,815.24	9.76
KLCI	1,658.97	-6.05
JCI	5,399.89	59.49
Baltic Dry	892.00	7.00
VIX	16.12	-0.57

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.90 (--)	0.83 (--)
5Y	1.37 (+0.01)	1.29 (+0.03)
10Y	1.89 (+0.02)	1.80 (+0.06)
15Y	2.19 (+0.03)	--
20Y	2.26 (+0.02)	--
30Y	2.31 (+0.02)	2.56 (+0.08)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	41.47	-0.88
EURIBOR-OIS	3.90	1.00
TED	59.25	0.67

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	50.35	-0.18%	Coffee (per lb)	1.554	1.77%
Brent (per barrel)	51.95	-0.15%	Cotton (per lb)	0.7057	1.82%
Heating Oil (per gallon)	1.567	-0.78%	Sugar (per lb)	0.2291	-0.04%
Gasoline (per gallon)	1.49	0.80%	Orange Juice (per lb)	1.8845	-1.57%
Natural Gas (per MMBtu)	3.285	-1.68%	Cocoa (per mt)	2,718	0.82%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,675.0	-0.79%	Wheat (per bushel)	4.2100	1.20%
Nickel (per mt)	10,447	0.57%	Soybean (per bushel)	9.625	0.65%
Aluminium (per mt)	1,671.0	-1.01%	Corn (per bushel)	3.5425	1.36%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,253.1	-0.15%	Crude Palm Oil (MYR/MT)	2,630.0	--
Silver (per oz)	17.441	-0.10%	Rubber (JPY/KG)	178.0	2.18%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 11 Oct 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Nymex Crude	402,010	330,111	71,899	Gold	261,646	311,122	-49,476
Corn	-47,889	-73,059	25,170	Wheat	-125,571	-104,935	-20,636
Soybean	82,217	72,783	9,434	Natural Gas	-68,551	-48,362	-20,189
Heating Oil	30,984	22,394	8,590	Silver	78,601	87,948	-9,347
Copper	786	-2,216	3,002	Cotton	89,842	96,640	-6,798
Lean Hogs	36,731	35,660	1,071	Coffee	41,707	47,331	-5,624
Palladium	13,863	13,404	459	Platinum	32,315	36,915	-4,600
RBOB Gasoline	63,424	63,819	-395	Live Cattle	35,255	36,096	-841
Cocoa	22,798	23,436	-638	Sugar	350,691	351,383	-692

Source: CFTC

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
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 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%	1.90%	1.30%	--
10/14/2016 09:30	CH	PPI YoY	Sep	-0.30%	0.10%	-0.80%	--
10/14/2016 13:00	SI	Retail Sales SA MoM	Aug	1.90%	-1.10%	1.40%	--
10/14/2016 13:00	SI	Retail Sales YoY	Aug	0.80%	-1.00%	2.80%	2.70%
10/14/2016 14:30	IN	Wholesale Prices YoY	Sep	3.90%	3.57%	3.74%	--
10/14/2016 15:30	TH	Foreign Reserves	Oct-07	--	\$183.1b	\$180.5b	--
10/14/2016 17:00	IT	CPI EU Harmonized YoY	Sep F	0.10%	0.10%	0.10%	--
10/14/2016 20:30	US	Retail Sales Advance MoM	Sep	0.60%	0.60%	-0.30%	-0.20%
10/14/2016 20:30	US	Retail Sales Ex Auto MoM	Sep	0.50%	0.50%	-0.10%	-0.20%
10/14/2016 20:30	US	Retail Sales Ex Auto and Gas	Sep	0.30%	0.30%	-0.10%	0.00%
10/14/2016 20:30	US	PPI Final Demand MoM	Sep	0.20%	0.30%	0.00%	--
10/14/2016 20:30	US	PPI Ex Food and Energy MoM	Sep	0.10%	0.20%	0.10%	--
10/14/2016 20:30	US	PPI Final Demand YoY	Sep	0.60%	0.70%	0.00%	--
10/14/2016 20:30	US	PPI Ex Food and Energy YoY	Sep	1.20%	1.20%	1.00%	--
10/14/2016 22:00	US	U. of Mich. Sentiment	Oct P	91.8	87.9	91.2	--
10/15/2016 04:00	US	Monthly Budget Statement	Sep	\$30.0b	\$33.4b	\$91.1b	\$90.9b
10/17/2016 07:01	UK	Rightmove House Prices MoM	Oct	--	0.90%	0.70%	--
10/17/2016 08:30	SI	Non-oil Domestic Exports YoY	Sep	-5.80%	--	0.00%	--
10/17/2016 12:30	JN	Industrial Production MoM	Aug F	--	--	1.50%	1.50%
10/17/2016 12:30	JN	Industrial Production YoY	Aug F	--	--	4.60%	--
10/17/2016 12:30	JN	Capacity Utilization MoM	Aug	--	--	0.60%	--
10/17/2016 16:00	IT	Trade Balance Total	Aug	--	--	7795m	--
10/17/2016 17:00	EC	CPI MoM	Sep	0.40%	--	0.10%	--
10/17/2016 17:00	EC	CPI YoY	Sep F	0.40%	--	0.40%	0.20%
10/17/2016 17:00	EC	CPI Core YoY	Sep F	0.80%	--	0.80%	--
10/17/2016 20:30	US	Empire Manufacturing	Oct	1	--	-1.99	--
10/17/2016 21:15	US	Industrial Production MoM	Sep	0.20%	--	-0.40%	--
10/17/2016 21:15	US	Capacity Utilization	Sep	75.60%	--	75.50%	--
10/17/2016	ID	Trade Balance	Sep	\$589m	--	\$294m	--
10/17/2016	ID	Exports YoY	Sep	0.50%	--	-0.74%	--
10/17/2016	PH	Overseas Remittances YoY	Aug	5.60%	--	-5.40%	--
10/17/2016	PH	Overseas Workers Remittances	Aug	--	--	\$2131m	--
10/17/2016 10/18	CH	New Yuan Loans CNY	Sep	1000.0b	--	948.7b	--
10/17/2016 10/18	CH	Money Supply M2 YoY	Sep	11.60%	--	11.40%	--
10/17/2016 10/21	PH	Budget Balance PHP	Aug	--	--	-50.7b	--
10/14/2016 10/17	IN	Imports YoY	Sep	--	-2.50%	-14.10%	--
10/14/2016 10/17	IN	Exports YoY	Sep	--	4.60%	-0.30%	--

Source: Bloomberg

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