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Highlights

Global	<p>“Let’s wait and see” appears to be still the main approach taken by most market players, with focus on the third-and-last US presidential debate taking place on Thursday morning, Asian hours. Latest polls suggest that Hillary Clinton is holding on to her lead, and forecaster Nate Silver has updated his model to show that her chances of winning US presidency has risen to as high as 88%. Market will be looking to see if she can consolidate her gains further after this week’s debate. Also on market’s radar will be China’s Q3 GDP figure out tomorrow, with market pencilling in 6.7%yoy growth, along with a host of key indicators such as retail sales and industrial production.</p>
US	<p>Equities closed lower on Monday as investors’ attention remained glued onto corporate earnings. Financials failed to hold on to early gains despite better-than-expected results from Bank of America, and the healthcare sector continues to underperform on political pressures. Overall, S&P 500 led losses, falling 0.30%, while the Dow and Nasdaq declined 0.29% and 0.28% respectively. VIX nudged higher to close at 16.21. US Treasury yields retreated from recent highs as an unexpectedly poor manufacturing print undermined the case for a Fed rate hike. Yields fell 2-3 bps, with the 2- and 10-year yields standing at 0.81% and 1.77% respectively.</p>
SG	<p>Non-oil domestic exports declined by 4.8%yoy in September. Although it was better than the -5.8% growth that market expected, it nonetheless represents a sizable decline compared to the flat 0% growth of the previous month. Still, some bright spots should help sentiment somewhat, with the figures showing a 2.4% uptick in seasonally adjusted sequential terms. Also, pharmaceuticals exports came in strong, surging by 16.2% in September, compared to the 17.9% drop in the month prior.</p>
CH	<p>Ministry of Commerce said that total overseas direct investment in the first nine months reached US\$134.22 billion, up by 53.7%. The ODI has been one of the key channels for capital outflows and is expected to grow higher. In addition, it seems that property tightening measures have started to work in Shenzhen, where asking prices fell notably in October.</p>
ID	<p>Trade data for the month of September was announced yesterday. While both exports and imports came in lower than expected, and indeed showed shrinkage rather than growth year-on-year, trade balance improved to a surplus of over USD1.2bn compared to a revised USD363mn the month before. Elsewhere, vehicle sales figures for September were mixed. While car sales dipped compared to the month before, purchase of motorcycles picked up.</p>

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened yesterday with swap rates trading 1-6bps higher across all tenors with the exception of 1-year swap rate that traded ~1bps lower. Flows in the SGD corporates were heavy with two-way flow seen in BAERVX 5.75%'49s and STANLN 4.4%'26s. In the broader dollar space, the spread on JACI IG corporates increased 1bps to 206bps while the yield in JACI HY corporates increased 1bps to 6.61%. 10y UST yield decreased 3bps to 1.77% amid weakness in oil and US stocks following an unexpected drop in October's Empire Manufacturing data.
- **New Issues:** BDO Unibank Inc. has priced a USD300mn 5-year bond at CT5+135bps, tightening from its initial guidance at CT5+155bps. The expected issue ratings are "NR/Baa2/NR". Alam Synergy has priced a USD245mn 5.5NC3.5 bond at 6.75% with expected issue ratings of "B/B2/B+". Industrial and Commercial Bank of China Co. Ltd. has priced a USD1bn 5-year bond at CT5+120bps with expected issue ratings of "A/A1/NR". Korea National Oil Corp. has priced a two-tranche deal with the USD350mn 5-year bond priced at CT5+83bps, while the other tranche of USD650mn 10-year was priced at CT10+80bps. The expected issue ratings are "AA/Aa2/AA-". China Great Wall AMC is planning to sell a senior USD bond as soon as this Thursday. The bank is expected to schedule an investor road show this week.
- **Rating Changes:** Moody's has undertaken the following rating actions on nine Chinese banks due to rising weakness in their funding profiles and increasing asset quality pressure which is placing pressure on banks' standalone creditworthiness:
 1. Affirmed China Guangfa Bank's Baseline Credit Assessment (BCA) and placed its deposit ratings on review for upgrade. The affirmation of BCA reflects the bank's relatively stable liquidity position.
 2. Downgraded China Merchants Bank's BCA despite its more resilient performance in the first half of 2016 but affirmed its deposit ratings. Outlook has been revised to stable from negative.
 3. Downgraded Ping An Bank BCA but affirmed its deposit ratings, due to an increase in affiliate support. Outlook has been revised to stable from negative.
 4. Affirmed the deposit ratings of China Everbright Bank Co. Ltd. while maintaining its outlook at negative. At the same time, China Everbright Bank's BCA was affirmed by Moody's to reflect the positive impact of the planned capital injection by China Everbright Group and the bank's abundant liquid resources, despite its rapid asset growth and increasing reliance on wholesale market funds.
 5. Downgraded Industrial Bank Co. Ltd.'s BCA and deposit ratings, as a result of its increasing reliance on market funds that is already at a very high level as well as continued pressure on asset quality due to China economic slowdown. Outlook has been revised to stable from negative.
 6. Downgraded China CITIC Bank's BCA and deposit ratings, as a result of increasing reliance on market funds, declining CET1 ratio due to rapid asset growth, and continued pressure in asset quality due to China's economic slowdown. Outlook has been revised to stable from negative.
 7. Downgraded Shanghai Pudong Development Bank's BCA and deposit ratings as a result of its increasing usage of market funds which is already at relatively higher level than many other joint-stock banks peers, continued pressure on asset quality due to China's economic slowdown, and the bank's relatively weak capital compared to its peer group. Outlook has been revised to stable from negative.
 8. Downgraded Bank of Shanghai's BCA and deposit ratings, as a result of its increasing usage of wholesale funding, particularly as it has grown its investments in loans and receivables. Outlook has been revised to stable from negative.
 9. Downgraded Bank of Ningbo BCA and deposit ratings, as a result of the pressures on its capital ratio due to rapid asset growth and on profitability due to its narrowing net interest margins and growing credit costs. Outlook has been revised to stable from negative.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.888	-0.13%	USD-SGD	1.3894	-0.06%
USD-JPY	103.890	-0.28%	EUR-SGD	1.5284	0.19%
EUR-USD	1.1000	0.26%	JPY-SGD	1.3375	0.22%
AUD-USD	0.7629	0.14%	GBP-SGD	1.6927	-0.22%
GBP-USD	1.2183	-0.07%	AUD-SGD	1.0597	0.07%
USD-MYR	4.2178	0.55%	NZD-SGD	0.9912	0.60%
USD-CNY	6.7375	0.14%	CHF-SGD	1.4049	0.06%
USD-IDR	13069	0.28%	SGD-MYR	3.0336	0.25%
USD-VND	22305	0.00%	SGD-CNY	4.8488	0.15%

Interbank Offer Rates (%)

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

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.30	1.30	3.25
Italy	-0.08	0.90	1.40
Ireland	-0.46	-0.80	0.49
Greece	7.65	--	8.44
Spain	-0.22	--	1.11
Russia	2.17	3.20	4.08

Equity and Commodity

Index	Value	Net change
DJIA	18,086.40	-51.98
S&P	2,126.50	-6.48
Nasdaq	5,199.82	-14.34
Nikkei 225	16,900.12	43.75
STI	2,817.07	1.83
KLCI	1,653.71	-5.26
JCI	5,410.30	10.42
Baltic Dry	894.00	2.00
VIX	16.21	0.09

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.90 (--)	0.81 (-0.02)
5Y	1.41 (+0.03)	1.25 (-0.03)
10Y	1.94 (+0.05)	1.77 (-0.03)
15Y	2.24 (+0.05)	--
20Y	2.33 (+0.07)	--
30Y	2.37 (+0.07)	2.52 (-0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	41.47	0.52
EURIBOR-OIS	4.10	0.20
TED	59.25	--

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)	1.494	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	0.00%
Silver (per oz)	17.441	-0.10%	Rubber (JPY/KG)	178.0	2.18%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
10/17/2016 05:30	NZ	Performance Services Index	Sep	--	54.1	57.9	--
10/17/2016 07:01	UK	Rightmove House Prices MoM	Oct	--	0.90%	0.70%	--
10/17/2016 07:01	UK	Rightmove House Prices YoY	Oct	--	4.20%	4.00%	--
10/17/2016 08:30	SI	Non-oil Domestic Exports YoY	Sep	-5.80%	-4.80%	0.00%	--
10/17/2016 08:30	SI	Electronic Exports YoY	Sep	-9.00%	-6.60%	-6.00%	--
10/17/2016 12:00	JN	Tokyo Condominium Sales YoY	Sep	--	--	-24.70%	--
10/17/2016 07:01	UK	Rightmove House Prices MoM	Oct	--	0.90%	0.70%	--
10/17/2016 07:01	UK	Rightmove House Prices YoY	Oct	--	4.20%	4.00%	--
10/17/2016 12:00	JN	Tokyo Condominium Sales YoY	Sep	--	40.90%	-24.70%	--
10/17/2016 12:05	ID	Trade Balance	Sep	\$588m	\$1217m	\$294m	\$363m
10/17/2016 12:05	ID	Exports YoY	Sep	0.60%	-0.59%	-0.74%	0.17%
10/17/2016 12:05	ID	Imports YoY	Sep	4.70%	-2.26%	-0.49%	-0.11%
10/17/2016 12:30	JN	Industrial Production MoM	Aug F	--	1.30%	1.50%	--
10/17/2016 12:30	JN	Industrial Production YoY	Aug F	--	4.50%	4.60%	--
10/17/2016 12:30	JN	Capacity Utilization MoM	Aug	--	2.60%	0.60%	--
10/17/2016 14:33	PH	Overseas Remittances YoY	Aug	5.20%	16.30%	-5.40%	--
10/17/2016 14:33	PH	Overseas Workers Remittances	Aug	\$2066m	\$2319m	\$2131m	--
10/17/2016 16:03	IT	Trade Balance Total	Aug	--	2519m	7795m	--
10/17/2016 16:03	IT	Trade Balance EU	Aug	--	392m	2907m	--
10/17/2016 17:00	EC	CPI MoM	Sep	0.40%	0.40%	0.10%	--
10/17/2016 17:00	EC	CPI YoY	Sep F	0.40%	0.40%	0.40%	--
10/17/2016 17:00	EC	CPI Core YoY	Sep F	0.80%	0.80%	0.80%	--
10/17/2016 17:37	ID	Local Auto Sales	Sep	--	93156	96294	96291
10/17/2016 17:37	ID	Motorcycle Sales	Sep	--	555820	527536	--
10/17/2016 20:30	CA	Int'l Securities Transactions	Aug	--	12.74b	5.23b	9.10b
10/17/2016 20:30	US	Empire Manufacturing	Oct	1	-6.8	-2	--
10/17/2016 21:15	US	Industrial Production MoM	Sep	0.10%	0.10%	-0.40%	-0.50%
10/17/2016 21:15	US	Capacity Utilization	Sep	75.60%	75.40%	75.50%	75.30%
10/17/2016 21:15	US	Manufacturing (SIC) Production	Sep	0.10%	0.20%	-0.40%	-0.50%
10/18/2016 05:45	NZ	CPI QoQ	3Q	0.00%	0.20%	0.40%	--
10/18/2016 05:45	NZ	CPI YoY	3Q	0.10%	0.20%	0.40%	--
10/18/2016 08:30	AU	New Motor Vehicle Sales MoM	Sep	--	--	0.10%	--
10/18/2016 08:30	AU	New Motor Vehicle Sales YoY	Sep	--	--	2.90%	--
10/18/2016 10:00	NZ	Non Resident Bond Holdings	Sep	--	--	66.70%	--
10/18/2016 16:30	UK	CPI MoM	Sep	0.10%	--	0.30%	--
10/18/2016 16:30	UK	CPI YoY	Sep	0.90%	--	0.60%	--
10/18/2016 16:30	UK	CPI Core YoY	Sep	1.40%	--	1.30%	--
10/18/2016 16:30	UK	Retail Price Index	Sep	264.7	--	264.4	--
10/18/2016 16:30	UK	RPI MoM	Sep	0.10%	--	0.40%	--
10/18/2016 16:30	UK	RPI YoY	Sep	2.00%	--	1.80%	--
10/18/2016 16:30	UK	RPI Ex Mort Int.Payments (YoY)	Sep	2.20%	--	1.90%	--
10/18/2016 16:30	UK	PPI Output NSA MoM	Sep	0.20%	--	0.10%	--
10/18/2016 16:30	UK	PPI Output NSA YoY	Sep	1.10%	--	0.80%	--
10/18/2016 16:30	HK	Unemployment Rate SA	Sep	3.40%	--	3.40%	--
10/18/2016 20:30	CA	Manufacturing Sales MoM	Aug	0.30%	--	0.10%	--
10/18/2016 20:30	US	CPI MoM	Sep	0.30%	--	0.20%	--
10/18/2016 20:30	US	CPI Ex Food and Energy MoM	Sep	0.20%	--	0.30%	--
10/18/2016 20:30	US	CPI YoY	Sep	1.50%	--	1.10%	--
10/18/2016 20:30	US	CPI Ex Food and Energy YoY	Sep	2.30%	--	2.30%	--
10/18/2016 10/19	CH	New Yuan Loans CNY	Sep	1000.0b	--	948.7b	--
10/18/2016 10/19	CH	Money Supply M1 YoY	Sep	24.50%	--	25.30%	--
10/18/2016 10/19	CH	Money Supply M2 YoY	Sep	11.60%	--	11.40%	--

Source: Bloomberg

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