

**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

**Highlights**

<b>Global</b>	<p>A preliminary round of OPEC talks reportedly failed to achieve early consensus on production cuts. News report suggests that the group will defer to a ministerial level meeting on November 30th instead to resolve the matter, which have been clouded by the question of whether members Iraq and Iran will be allowed exemptions from the production cuts or not. As hope for an early deal was dashed, oil prices fell by around 0.7%. Meanwhile, US President-elect Donald Trump gave some indications that he would backtrack on some of his more audacious campaign promises in press interviews yesterday. Apart from saying that he is no longer going to pursue a prosecution of Hillary Clinton, Trump also said that he would consider keeping the US in the Paris climate change accord.</p> <p>In the coming months, we expect the potential for fiscal activism from the new US administration to keep the FOMC on their toes with respect to their rate normalization trajectory. To this end, OIS-implied rate hike odds have moved to sync (almost) with the current dot plot projection of two Fed rate hikes in 2017.</p> <p>On the other end of the equation, the policy dichotomy between the Fed and the BOJ may grow more stark into 2017, with the latter quick to dispel any investor notions of an exit from its current accommodative monetary policy stance while striving to anchor the yield curve. Overall, we expect the USD-JPY to remain structurally sensitive to a firmer dollar dynamic in the coming months, with the BOJ also likely not adverse to a further depreciation of the JPY's NEER, which chalked up sizeable gains (in excess of 19%) in the first 3 quarters of 2016. With a USD-JPY spot ref at 110.81, we target 123.40 and place a stop at 104.50.</p>
<b>CH</b>	<p>As the USD took a breather, the PBOC was allowed to put an end to the twelve straight trading days of decline in USDCNY fixing price. The lower-than-expected fixing price yesterday accompanied by a stable RMB index may continue to help slow down the depreciation of the RMB. Still, the narrowing interest rate differentials between US and China indicate that downward pressure on the Yuan remains intact.</p>
<b>ID</b>	<p>Bank Indonesia's governor, Agus Martowardojo, said that the central bank has already used government bonds as the underlying instrument for more than half of its monetary operations thus far. It is targeting a 100% usage of government bonds for such operations, to further step away from dependence on central bank papers such as the short-tenor Bank Indonesia certificates that are more commonly known as SBI.</p>
<b>MA</b>	<p>Foreign reserves for Malaysia stood at USD98.3bn as at November 15th, compared to USD97.8bn as of October 31st. The amount is sufficient to finance 8.4 months of retained imports and stands at 1.2 times the country's short-term external debt. Meanwhile, Bank Negara is due to announce its monetary policy decision today, with market penciling in a stay at 3.0% for the Overnight Policy Rate on currency volatility, even if there is an outside chance of a cut given the potential need to boost domestic demand in a tepid global trade environment.</p>

## Major Markets

- **US:** Momentum returns to equity markets as the three major indices hit record highs simultaneously for the second day running. The Dow and S&P 500 both cleared their psychological barriers, closing at 19023.87 and 2202.94, up 0.35% and 0.22% respectively. The Nasdaq also rose 0.33% to 5386.35. Retail stocks set the pace for broad-based gains. However, healthcare was the noted exception, with the sector underperforming the market. VIX ended effectively unchanged at 12.41. Meanwhile, market implied probability for the Dec rate hike stands at 100% as traders fully price in the impending hike. 2-year US Treasury yield rose 2 bps to 1.09%, while the 10-year yield declined marginally to 2.31%. Elsewhere, an auction of new 5-year US Treasuries saw average demand, and eventually drew a yield of 1.76%.
- **Hong Kong:** Headline inflation retreated from 2.7% to 1.2% in October, which was mainly attributed to the continuation of rates concession implemented as of April 2016. On the other hand, there was no rates concession in October 2015. Netting out the effects of all government's one-off relief measures, the underlying inflation in October 2016 printed 2.1%, slightly smaller than the increase of 2.3% in September, which was mainly due to a low base of comparison resulted from the special fuel rebate in electricity starting from mid-August last year. Food inflation remained low at 2.6% and housing rental inflation notched down further from 4.2% to 0.5% amid rates concession in 4Q 2016. Utility inflation fell from 10.3% to 4.9%, due to the dissipation of effect from special fuel rebate in electricity last year. Clothing CPI deflated for the 19th consecutive month by 2.4%, as local consumption sentiment remained dampened by a dimmer economic outlook. Also, durable goods CPI contracted 4.9%. For the rest of this year, any upside risk to inflation should be muted by (1) subdued global inflation, (2) tame local cost pressure amid dampened consumption sentiment.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday. Swap rates traded 1-5bps lower across all tenors as the market fully (100% as of yesterday) priced in an interest rate hike in FOMC's December meeting. In the broader dollar space, the spread on JACI IG corporates remained relatively unchanged at 202bps while the yield on JACI HY corporates decreased 3bps to 6.88%. 10y UST yield was steady at 2.31%.
- **New Issues:** Studio City Co. Ltd. priced a two-tranche deal yesterday with the USD350mn 3-year bond priced at 5.875%, while the other USD850mn 5NC2 tranche was priced at 7.25%. The expected ratings for the issue are "BB-/B1/NR". Chengdu Xingcheng Investment Group Co. Ltd. priced a USD300mn 5-year bond at CT5+190bps, tightening from its initial guidance at CT5+210bps. The expected issue ratings are "NR/NR/BBB+". Ping An Real Estate priced a USD300mn 3-year bond at CT3+235bps, tightening from its initial guidance at CT3+270bps. Dah Sing Bank Ltd. priced a USD250mn 10NC5 Tier 2 bond at CT10+255bps with expected issue ratings of "NR/Baa2/BBB". ABC International has mandated banks for potential USD bond issue. Shougang Corp. has scheduled investor road shows from 23 November for potential USD bond issue with expected issue ratings of "NR/NR/A-".
- **Rating Changes:** S&P assigned a "BBB-" corporate credit rating to Changsha Pilot Investment Holdings Co. Ltd. (CPIH) with a stable outlook. The rating reflects S&P's view that there is an extremely high likelihood of timely and sufficient extraordinary government support to CPIH. Therefore, the corporate credit rating is five notches above the stand-alone credit profile of "b". Moody's assigned an "Aa3" issuer rating to Tokyo Gas Co. Ltd. and its senior unsecured bonds that totalled JPY30bn with a stable outlook. The rating reflects the company's prominent franchise, its virtual regional monopoly of the supply and distribution network in the Kanto region, and the stable earnings from its gas utility operations. Moody's affirmed COFCO HK Ltd.'s "A3" issuer rating with a

negative outlook. The affirmation reflects the following factors: (1) Continued close linkages between COFCO HK and its parent COFCO Corp. (COFCO Group); (2) Moody's expectation of on-going high levels of Chinese government oversight and support; and (3) Moody's expectation that COFCO HK and COFCO Group's performance will improve after the acquisition of Nidera BV. The negative outlook reflects the high debt leverage of COFCO HK, execution risk associated with integrating COFCO Agri Ltd. and Nidera BV, and the potential for negative impact on the companies' financial profiles from volatile commodity markets. Moody's affirmed Central Japan Railway Company's "Aa3" issuer rating and revised its outlook to negative from stable. The revision reflects the material uncertainties related to the Chuo Shinkansen project and how it will impact the company's credit profile in the next 3-5 years.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	101.040	-0.01%	<b>USD-SGD</b>	1.4237	-0.03%
<b>USD-JPY</b>	111.140	0.29%	<b>EUR-SGD</b>	1.5132	-0.04%
<b>EUR-USD</b>	1.0627	-0.03%	<b>JPY-SGD</b>	1.2814	-0.30%
<b>AUD-USD</b>	0.7402	0.45%	<b>GBP-SGD</b>	1.7691	-0.57%
<b>GBP-USD</b>	1.2423	-0.57%	<b>AUD-SGD</b>	1.0540	0.46%
<b>USD-MYR</b>	4.4210	0.03%	<b>NZD-SGD</b>	1.0056	-0.08%
<b>USD-CNY</b>	6.8900	-0.04%	<b>CHF-SGD</b>	1.4081	-0.27%
<b>USD-IDR</b>	13443	0.28%	<b>SGD-MYR</b>	3.1108	0.26%
<b>USD-VND</b>	22538	0.20%	<b>SGD-CNY</b>	4.8271	-0.38%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	0.4337	--
<b>2M</b>	-0.3390	--	<b>1M</b>	0.5678	--
<b>3M</b>	-0.3120	--	<b>2M</b>	0.7106	--
<b>6M</b>	-0.2190	--	<b>3M</b>	0.9198	--
<b>9M</b>	-0.1380	--	<b>6M</b>	1.2743	--
<b>12M</b>	-0.0780	--	<b>12M</b>	1.6229	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.43	-5.90	3.63
<b>Italy</b>	0.03	-3.10	2.03
<b>Ireland</b>	-0.48	-5.70	0.92
<b>Greece</b>	7.65	--	6.91
<b>Spain</b>	-0.17	-2.50	1.53
<b>Russia</b>	2.69	7.40	4.48

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	19,023.87	67.18
<b>S&amp;P</b>	2,202.94	4.76
<b>Nasdaq</b>	5,386.35	17.49
<b>Nikkei 225</b>	18,162.94	56.92
<b>STI</b>	2,822.20	5.53
<b>KLCI</b>	1,629.32	2.04
<b>JCI</b>	5,204.67	56.35
<b>Baltic Dry</b>	1,232.00	-8.00
<b>VIX</b>	12.41	--

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.11 (-0.01)	1.09 (+0.02)
<b>5Y</b>	1.70 (-0.04)	1.78 (+0.01)
<b>10Y</b>	2.30 (-0.05)	2.31 (--)
<b>15Y</b>	2.66 (-0.05)	--
<b>20Y</b>	2.73 (-0.05)	--
<b>30Y</b>	2.68 (-0.05)	3.00 (+0.01)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	33.58	-0.94
<b>EURIBOR-OIS</b>	3.68	0.08
<b>TED</b>	46.81	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	48.03	1.14%	Coffee (per lb)	1.573	-0.88%
Brent (per barrel)	49.12	0.45%	Cotton (per lb)	0.7372	0.16%
Heating Oil (per gallon)	1.5263	0.12%	Sugar (per lb)	0.1975	-2.95%
Gasoline (per gallon)	1.4098	0.95%	Orange Juice (per lb)	2.1060	-0.94%
Natural Gas (per MMBtu)	2.9820	1.08%	Cocoa (per mt)	2,439	0.04%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,613.0	0.97%	Wheat (per bushel)	4.0725	-0.73%
Nickel (per mt)	11,336.8	-0.27%	Soybean (per bushel)	10.300	0.96%
Aluminium (per mt)	1,764.3	2.32%	Corn (per bushel)	3.5100	0.36%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,211.2	0.12%	Crude Palm Oil (MYR/MT)	2,935.0	0.41%
Silver (per oz)	16.632	0.67%	Rubber (JPY/KG)	224.5	4.52%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/22/2016 08:30	TA	<b>Unemployment Rate</b>	Oct	3.92%	3.90%	3.93%	--
11/22/2016 13:30	JN	Nationwide Dept Sales YoY	Oct	--	-3.90%	-5.00%	--
11/22/2016 15:00	MA	Foreign Reserves	Nov-15	--	\$98.3b	\$97.8b	--
11/22/2016 15:55	MU	GDP YoY	3Q	--	4.00%	-7.10%	-7.00%
11/22/2016 16:30	HK	<b>CPI Composite YoY</b>	Oct	2.00%	1.20%	2.70%	--
11/22/2016 17:30	UK	Public Finances (PSNCR)	Oct	--	-3.4b	13.3b	18.9b
11/22/2016 17:30	UK	Public Sector Net Borrowing	Oct	6.0b	4.3b	10.1b	9.2b
11/22/2016 17:30	UK	PSNB ex Banking Groups	Oct	6.0b	4.8b	10.6b	9.7b
11/22/2016 21:30	CA	<b>Retail Sales MoM</b>	Sep	0.60%	0.60%	-0.10%	0.10%
11/22/2016 21:30	CA	Retail Sales Ex Auto MoM	Sep	0.50%	0.00%	0.00%	0.20%
11/22/2016 23:00	US	Richmond Fed Manufact. Index	Nov	0	4	-4	--
11/22/2016 23:00	EC	<b>Consumer Confidence</b>	Nov A	-7.8	-6.1	-8	--
11/22/2016 23:00	US	<b>Existing Home Sales</b>	Oct	5.44m	5.60m	5.47m	5.49m
11/22/2016 23:00	US	Existing Home Sales MoM	Oct	-0.60%	2.00%	3.20%	3.60%
11/23/2016 13:00	SI	<b>CPI YoY</b>	Oct	0.00%	--	-0.20%	--
11/23/2016 13:00	SI	CPI NSA MoM	Oct	-0.20%	--	0.00%	--
11/23/2016 15:00	MA	<b>BNM Overnight Policy Rate</b>	Nov-23	3.00%	--	3.00%	--
11/23/2016 16:00	FR	<b>Markit France Mfg PMI</b>	Nov P	51.5	--	51.8	--
11/23/2016 16:00	FR	Markit France Services PMI	Nov P	51.9	--	51.4	--
11/23/2016 16:00	FR	Markit France Composite PMI	Nov P	51.9	--	51.6	--
11/23/2016 16:00	TA	Industrial Production YoY	Oct	5.30%	--	5.02%	--
11/23/2016 16:00	SI	Automobile COE Open Bid Cat A	Nov-23	--	--	52668	--
11/23/2016 16:00	SI	Automobile COE Open Bid Cat B	Nov-23	--	--	56206	--
11/23/2016 16:30	GE	<b>Markit/BME Germany Mfg PMI</b>	Nov P	54.8	--	55	--
11/23/2016 16:30	GE	Markit Germany Services PMI	Nov P	54	--	54.2	--
11/23/2016 16:30	GE	Markit/BME Germany Comp. PMI	Nov P	55	--	55.1	--
11/23/2016 17:00	EC	<b>Markit Eurozone Mfg PMI</b>	Nov P	53.3	--	53.5	--
11/23/2016 17:00	EC	Markit Eurozone Services PMI	Nov P	52.9	--	52.8	--
11/23/2016 17:00	EC	Markit Eurozone Composite PMI	Nov P	53.3	--	53.3	--
11/23/2016 20:00	US	<b>MBA Mortgage Applications</b>	Nov-18	--	--	-9.20%	--
11/23/2016 21:30	US	<b>Durable Goods Orders</b>	Oct P	1.70%	--	-0.30%	--
11/23/2016 21:30	US	Durables Ex Transportation	Oct P	0.20%	--	0.10%	--
11/23/2016 21:30	US	Cap Goods Orders Nondef Ex Air	Oct P	0.30%	--	-1.30%	--
11/23/2016 21:30	US	Cap Goods Ship Nondef Ex Air	Oct P	0.10%	--	0.40%	--
11/23/2016 21:30	US	<b>Initial Jobless Claims</b>	Nov-19	250k	--	235k	--
11/23/2016 21:30	US	Continuing Claims	Nov-12	2008k	--	1977k	--
11/23/2016 22:00	US	FHFA House Price Index MoM	Sep	0.60%	--	0.70%	--
11/23/2016 22:45	US	Bloomberg Consumer Comfort	Nov-20	--	--	45.4	--
11/23/2016 22:45	US	<b>Markit US Manufacturing PMI</b>	Nov P	53.5	--	53.4	--
11/23/2016 23:00	US	<b>New Home Sales</b>	Oct	590k	--	593k	--
11/23/2016 23:00	US	New Home Sales MoM	Oct	-0.50%	--	3.10%	--
11/23/2016 23:00	US	<b>U. of Mich. Sentiment</b>	Nov F	91.6	--	91.6	--
11/23/2016	MU	<b>Visitor Arrivals</b>	Oct	--	--	2427t	--

Source: Bloomberg

<b><u>OCBC Treasury Research</u></b>	
<b><u>Macro Research</u></b> <b>Selena Ling</b> LingSSSelena@ocbc.com <b>Emmanuel Ng</b> NgCYEmmanuel@ocbc.com <b>Wellian Wiranto</b> WellianWiranto@ocbc.com <b>Tommy Xie Dongming</b> XieD@ocbc.com <b>Barnabas Gan</b> BarnabasGan@ocbc.com <b>Terence Wu</b> TerenceWu@ocbc.com	<b><u>Credit Research</u></b> <b>Andrew Wong</b> WongVKAM@ocbc.com <b>Wong Liang Mian (Nick)</b> NickWong@ocbc.com <b>Ezien Hoo</b> EzienHoo@ocbc.com <b>Wong Hong Wei</b> WongHongWei@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

Co.Reg.no.:193200032W