

## Highlights

Global	<p>The man might not like it much, but it appears that – at least for now – market is paying less attention to Trump’s USA, and shifting its focus onto other potential flashpoints. For one, oil price has come back to dominate headlines, as OPEC’s usual deal-or-no-deal guessing game returns to the fore ahead of the cartel’s meeting tomorrow. Meanwhile, the Italian referendum on this coming Sunday is also becoming increasingly market’s concerns. In particular, worries that PM Matteo Renzi will resign if the ‘No’ vote prevails, and hence heighten the risk of political instability, are re-igniting concerns about the fate of Italy’s banking sector. A recent Financial Times article reported that as many as eight Italian banks risk failing if the PM loses the referendum.</p>
FX	<p>Our 18 Nov 16 idea to be tactically long USD-JPY (spot ref: 110.19) was closed at the profit stop of 111.95 on Monday for an implied +1.57% gain as the broad dollar capitulated lower.</p> <p>Elsewhere, with the broad dollar dynamic shifting hard in the near term, we also took profit on our idea to be structurally short AUD-USD from 07 Mar 16 (spot ref: 0.7412) at 0.7483 for an implied +2.09% gain.</p> <p>With the USD likely in ascendance at this juncture and political risks expected to continue to accumulate into 2017, we undertake a structural short EUR-USD. With a spot ref at 1.0641 on Monday, we target 0.9855 and place a stop at 1.1035.</p> <p>SGD NEER: With the broad dollar continuing to reverse lower, the SGD NEER is again relatively firmer at -0.07% below its perceived parity (1.4222). If the broad dollar continues to hesitate in the near term, we would expect the NEER to remain slightly supported between parity and -0.50% (1.4294), with perhaps some scope to bleed above parity temporarily. As noted yesterday, if the foothold at 1.4272 is lost on a sustained basis, expect further space to consolidate back towards 1.4200 ahead of 1.4150 and 1.4126.</p>
CH	<p>Outflow under the overseas direct investment may be further tightened. According to onshore news, US\$5 million outflow needs prior approval from the regulator. In addition, Shanghai announced more tightening measures on property market. Down-payment for the first property with commercial loan will be increased to 35%.</p>
ID	<p>Government is considering allowing borrowers of subsidized loans for SMEs to delay repayment by a few months to allow more food producers to participate, according to news reports quoting Economics Minister, Darmin Nasution.</p>
Commodities	<p>Some short-covering likely occurred in the commodities space, with crude oil and gold prices erasing some of their losses seen in the previous trading day. With the OPEC meeting tomorrow, do expect crude oil prices to stay volatile, especially if new light is casted on any potential agreements to be made. <b>In our view, a production cut talk is likely to see a deadlock tomorrow</b>, especially with intransigence from various OPEC members, as well as Saudi Arabia’s surprise rhetoric last Sunday which they floated for the first time that talks may not reach an agreement at all.</p>

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## Major Markets

- **US:** Equity markets took a breather as major indices retreated from all-time highs on Monday. Consumer and financial stocks took the largest hits as investors appear to sense that equities were overbought in the past weeks. However, key psychological barriers were in place, as S&P 500 closed at 2201.72, down 0.53%. The Dow and Nasdaq retreated 0.28% and 0.56% respectively. VIX rose to 13.15, up 6.6% after staying between the 12-13 range in the last 5 trading days. Meanwhile, US Treasury yield curve was lower as the 2-year yield lost 2 bps to 1.10%, and 10-year yield lost 5 bps to 2.31%.
- **Singapore:** The STI rose further to 2,874.65, clocking its fifth consecutive trading day of gains and touching its highest since early October. Some technical resistance may persist at its 2,900 handle, and profit-taking may ensue especially with overnight's weakness seen in the Wall Street.
- **Hong Kong:** The long-awaited new stock link was finally launched yesterday, pushing the Hang Seng Composite Small Cap Index up to a one-month high. However, the boost is limited to HK's overall stock market as the launch has been largely priced in. We expect that southbound net inflows will continue to increase as the onshore investors are eager to diversify their portfolio and hedge against the Yuan risks. However, upward risks built up by the inflows on Hong Kong's stock market may be erased by the persistent capital flight in the wake of Trump's victory.
- **Macau:** Jobless rate stabilized at 1.9% during the three months through October. However, the employment in different sectors was mixed. The employment in gaming sector (-4.3% mom) fell for the fourth straight month despite improvement in business performance. The retrenchments, notwithstanding, helped to further alleviate the labor redundancy. On the wholesale and retail sector front, after adding jobs to prepare for the opening of new shops in mega projects, the sector cut jobs again by 5.1% mom. In spite of government support, sour hiring sentiment in retail sector will likely persist as local and visitor consumption remain to weigh. Also, with fewer projects scheduled to be completed next year, a slack in construction sector's labor market (employment remained at the lowest level since April 2014) may continue to widen. The only bright spot of the jobs report is the continuous jobs creation in the Hotels, Restaurants and similar sectors (+0.7% mom). However, the sectors' employment growth may slow down as increase in labor demand pauses. In all, jobless rate is expected to stay around 2% on tight labor supply. As such, a stable labor market combined with lower inflation may spur consumption. However, this could be constrained by tepid income growth.
- **Malaysia:** Second Finance Minister Datuk Johari Abdul Ghani said that Malaysia has no option but to face the current currency volatility while focusing on improving its economic fundamentals. He reportedly added that currency peg or capital control is not practical now given the open global economy.
- **Thailand:** A special parliamentary meeting is said to be held, fuelling expectations for a monarchy succession announcement.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday as the USD retreated on the waning Donald Trump effect. Swap rates traded 2-8bps lower across all tenors. In the broader dollar space, the spread on JACI IG corporates increased 2bps to 200bps while the yield on JACI HY corporates decreased 1bps to 6.91%. 10y UST yield decreased 4bps to 2.31%.
- **New Issues:** Loncin Holdings Co. has priced a CNH800mn 3-year bond at 4.5% with expected issue

ratings of “NR/A1/NR”. Zhenjiang Transportation Industry Group Co. has scheduled investor road shows from 28 – 29 November for a potential USD bond issue with expected issue ratings of “BB/NR/NR”. Ronshine China Holdings Ltd. proposed to issue USD senior notes yesterday.

- **Rating Changes:** Moody’s placed Imperial Pacific’s “B2” corporate family rating on review for downgrade. The rating action reflects uncertainty over the casino operator’s funding to complete its Grand Marina project. Moody’s revised its rating outlook on Australian metals and mining company South32 Ltd.’s “Baa1” issuer rating to stable from negative. The revision reflects Moody’s expectation that South32’s margins and cash flow generation will improve substantially over the next 12-18months. Additionally, the company’s low funded debt levels will allow South32 to maintain strong credit metrics for its rating. Moody’s assigned a first time corporate family rating of “B2” to Ronshine China Holdings Ltd. with a stable outlook. The rating assignment reflects the company’s track record of developing residential properties in Fujian Province and strong contracted sales growth. At the same time, Fitch assigned a “B+” rating with a stable outlook and S&P assigned a “B” rating with a stable outlook. Fitch downgraded Lifestyle International Holdings Ltd.’s foreign currency issuer default rating to “BB+” from “BBB-“ with a negative outlook. Fitch also downgraded the company’s foreign-currency senior unsecured ratings and the ratings on all its outstanding bonds to “BB+” from “BBB-“. The downgrade reflects Fitch’s expectation that Lifestyle’s leverage will more than double after it completes the acquisition of a commercial site in Kai Tak, Kowloon from the Hong Kong government.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	101.330	-0.16%	<b>USD-SGD</b>	1.4240	-0.24%
<b>USD-JPY</b>	111.940	-1.13%	<b>EUR-SGD</b>	1.5115	0.02%
<b>EUR-USD</b>	1.0614	0.24%	<b>JPY-SGD</b>	1.2721	0.95%
<b>AUD-USD</b>	0.7482	0.52%	<b>GBP-SGD</b>	1.7679	-0.74%
<b>GBP-USD</b>	1.2416	-0.49%	<b>AUD-SGD</b>	1.0654	0.24%
<b>USD-MYR</b>	4.4638	0.12%	<b>NZD-SGD</b>	1.0072	0.22%
<b>USD-CNY</b>	6.9153	-0.05%	<b>CHF-SGD</b>	1.4057	-0.20%
<b>USD-IDR</b>	13532	0.05%	<b>SGD-MYR</b>	3.1329	0.16%
<b>USD-VND</b>	22715	-0.18%	<b>SGD-CNY</b>	4.8493	0.17%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3730	--	<b>O/N</b>	0.4348	--
<b>2M</b>	-0.3390	--	<b>1M</b>	0.6059	--
<b>3M</b>	-0.3140	--	<b>2M</b>	0.7319	--
<b>6M</b>	-0.2190	--	<b>3M</b>	0.9373	--
<b>9M</b>	-0.1350	--	<b>6M</b>	1.2899	--
<b>12M</b>	-0.0790	--	<b>12M</b>	1.6451	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.35	-4.10	3.60
<b>Italy</b>	0.10	0.60	2.07
<b>Ireland</b>	-0.51	-0.90	0.90
<b>Greece</b>	7.65	--	6.98
<b>Spain</b>	-0.10	1.00	1.56
<b>Russia</b>	2.61	1.60	4.51

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	19,097.90	-54.24
<b>S&amp;P</b>	2,201.72	-11.63
<b>Nasdaq</b>	5,368.81	-30.11
<b>Nikkei 225</b>	18,356.89	-24.33
<b>STI</b>	2,874.65	15.32
<b>KLCI</b>	1,628.66	1.40
<b>JCI</b>	5,114.57	-7.53
<b>Baltic Dry</b>	1,184.00	3.00
<b>VIX</b>	13.15	0.81

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.11 (-0.04)	1.10 (-0.02)
<b>5Y</b>	1.72 (-0.05)	1.79 (-0.05)
<b>10Y</b>	2.30 (-0.05)	2.31 (-0.04)
<b>15Y</b>	2.68 (-0.04)	--
<b>20Y</b>	2.76 (-0.04)	--
<b>30Y</b>	2.72 (-0.04)	2.98 (-0.03)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	33.88	0.82
<b>EURIBOR-OIS</b>	3.50	--
<b>TED</b>	44.50	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	47.08	2.21%	Coffee (per lb)	1.530	0.46%
Brent (per barrel)	48.24	2.12%	Cotton (per lb)	0.7327	0.85%
Heating Oil (per gallon)	1.5128	2.91%	Sugar (per lb)	0.1994	0.50%
Gasoline (per gallon)	1.4127	2.91%	Orange Juice (per lb)	2.1445	-0.92%
Natural Gas (per MMBtu)	3.2320	4.76%	Cocoa (per mt)	2,403	-0.66%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	5,881.0	0.03%	Wheat (per bushel)	3.8950	-1.58%
Nickel (per mt)	11,593.5	0.60%	Soybean (per bushel)	10.560	0.96%
Aluminium (per mt)	1,747.8	-0.63%	Corn (per bushel)	3.4850	-0.21%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,190.8	1.05%	Crude Palm Oil (MYR/MT)	3,084.0	1.38%
Silver (per oz)	16.583	0.69%	Rubber (JPY/KG)	234.0	1.52%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### CFTC Commodities Futures and Options

For the week ended: 22 Nov 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Live Cattle	50,970	43,898	7,072	Corn	36,170	106,158	-69,988
Copper	44,770	39,483	5,287	Gold	174,738	223,148	-48,410
Nymex Crude	332,162	327,706	4,456	Soybean	136,624	167,735	-31,111
Palladium	9,185	6,540	2,645	Wheat	-113,512	-95,230	-18,282
Cotton	90,389	88,821	1,568	Natural Gas	-94,029	-77,487	-16,542
Lean Hogs	30,653	30,216	437	Sugar	266,062	282,519	-16,457
RBOB Gasoline	58,637	61,823	-3,186	Cocoa	8,315	18,889	-10,574
Silver	65,397	68,971	-3,574	Coffee	60,665	67,942	-7,277
Heating Oil	27,067	30,661	-3,594	Platinum	23,832	29,484	-5,652

Source: CFTC

### Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
11/28/2016	10:15	VN CPI YoY	Nov	4.30%	4.52%	4.09%	--
11/28/2016	10:15	VN Exports YTD YoY	Nov	7.00%	7.50%	7.20%	--
11/28/2016	10:57	MU Unemployment Rate	Oct	--	1.90%	1.90%	--
11/28/2016	12:00	TH Customs Imports YoY	Oct	2.10%	6.50%	5.60%	5.57%
11/28/2016	12:00	TH Customs Exports YoY	Oct	1.20%	-4.22%	3.40%	3.43%
11/28/2016	12:00	TH Customs Trade Balance	Oct	\$1920m	\$248m	\$2546m	--
11/28/2016	12:43	PH Budget Balance PHP	Oct	--	-2.3b	-75.3b	--
11/28/2016	17:00	EC M3 Money Supply YoY	Oct	5.00%	4.40%	5.00%	5.10%
11/28/2016	17:00	IT Consumer Confidence Index	Nov	107.6	107.9	108	--
11/28/2016	17:00	IT Manufacturing Confidence	Nov	103	102	103	102.9
11/28/2016	17:00	IT Economic Sentiment	Nov	--	101.4	102.4	101.7
11/28/2016	23:30	US Dallas Fed Manf. Activity	Nov	2	10.2	-1.5	--
11/29/2016	05:00	SK Business Survey Manufacturing	Dec	--	72	72	--
11/29/2016	07:30	JN Jobless Rate	Oct	3.00%	3.00%	3.00%	--
11/29/2016	07:30	JN Job-To-Applicant Ratio	Oct	1.39	1.4	1.38	--
11/29/2016	07:30	JN Overall Household Spending YoY	Oct	-1.00%	-0.40%	-2.10%	--
11/29/2016	07:50	JN Retail Trade YoY	Oct	-1.60%	--	-1.90%	-1.70%
11/29/2016	07:50	JN Retail Sales MoM	Oct	1.10%	--	0.00%	0.30%
11/29/2016	08:00	AU HIA New Home Sales MoM	Oct	--	--	2.70%	--
11/29/2016	10:00	SK Discount Store Sales YoY	Oct	--	--	-3.50%	--
11/29/2016	10:00	SK Department Store Sales YoY	Oct	--	--	4.10%	--
11/29/2016	15:00	GE Import Price Index MoM	Oct	0.60%	--	0.10%	--
11/29/2016	15:45	FR GDP YoY	3Q P	1.10%	--	1.10%	--
11/29/2016	15:45	FR GDP QoQ	3Q P	0.20%	--	0.20%	--
11/29/2016	15:45	FR Consumer Spending YoY	Oct	1.00%	--	0.70%	--
11/29/2016	17:30	UK Mortgage Approvals	Oct	65.0k	--	62.9k	--
11/29/2016	17:30	UK Money Supply M4 MoM	Oct	--	--	-0.40%	--
11/29/2016	17:30	UK M4 Money Supply YoY	Oct	--	--	6.20%	--
11/29/2016	18:00	EC Economic Confidence	Nov	106.8	--	106.3	--
11/29/2016	18:00	EC Consumer Confidence	Nov F	-6.1	--	-6.1	--
11/29/2016	21:00	GE CPI MoM	Nov P	0.10%	--	0.20%	--
11/29/2016	21:00	GE CPI YoY	Nov P	0.80%	--	0.80%	--
11/29/2016	21:00	GE CPI EU Harmonized MoM	Nov P	0.10%	--	0.20%	--
11/29/2016	21:00	GE CPI EU Harmonized YoY	Nov P	0.80%	--	0.70%	--
11/29/2016	21:30	CA Current Account Balance	3Q	-\$16.50b	--	-\$19.86b	--
11/29/2016	21:30	US GDP Annualized QoQ	3Q S	3.00%	--	2.90%	--
11/29/2016	21:30	US Personal Consumption	3Q S	2.30%	--	2.10%	--
11/29/2016	21:30	US GDP Price Index	3Q S	1.50%	--	1.50%	--
11/29/2016	21:30	US Core PCE QoQ	3Q S	1.70%	--	1.70%	--
11/29/2016	23:00	US Consumer Confidence Index	Nov	101.5	--	98.6	--
11/29/2016		PH Bank Lending YoY	Oct	--	--	16.40%	--

Source: Bloomberg

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