

Highlights

Global	<p>US equities retreated slightly on mixed economic data while the dollar sank on Fed's inflation concerns. The latest FOMC meeting minutes showed that many members still saw a near term rate hike likely to be warranted. On inflation, although most agreed that the tight labor market will eventually fuel higher inflation in the medium term, some expressed concerns about inflation outlook. Outgoing Fed Chairwoman Yellen also fine-tuned her tone about inflation saying that she is very uncertain about whether inflation will soon rebound towards the Fed's target and she is open to the possibility that prices could remain low for years. The dovish expectation on inflation creates uncertainty on Fed's rate hike trajectory in 2018.</p> <p>On the economic data front, new orders for durable goods unexpectedly fell in October after three months of gain. Orders for core capital goods excluding defence fell by 0.5% in October, its largest decline since September 2016. However, shipments of core capital goods still rose by 0.4% in the same month. The US labor market remained tight with initial jobless claims falling 13000.</p> <p>In Eurozone, consumer confidence rose to 0.1 in November, its first positive reading since January 2001.</p>
SG	<p>GDP surprised higher at 5.2% y/y (+8.8% qoqsaar) in 3Q17, up from our expectations of 4.8% y/y (+7.5% qoqsaar) and starkly higher than the previous official flash print of 4.6% y/y (+6.3% qoqsaar). Accounting for the strong growth, MTI upgrades full-year growth for 2017 to range between 3 – 3.5%, up from a previous estimate of between 2 – 3%. Growth for 2018 is expected to range between 1.5 – 3.5%.</p>
HK	<p>Hang Seng Index closed at its highest level since 2007. The robust performance may be attributed to strong capital flows from China.</p>
TH	<p>A robust trade environment continues to buoy Thailand's overall economic growth. Exports in October continued to print in double-digit growth prints for 6 consecutive months, led by strong shipments of electronics and vehicle & parts, although some agricultural shipments including rice and sugar fell.</p>
MA	<p>Foreign reserves as of 15th November was flat at US\$101.5bn, which is sufficient to finance 7.5 months of retained imports and 1.1 times short-term external debt.</p>
KR	<p>Household debt levels will likely remain to be a key concern for policy-makers and market-watchers. Korea's household debt rose further to KRW1,419.1tn at end Sept, up from 2.2% from the previous quarter and marking the highest level in history. The higher household debt comes even as the government tightened lending regulation back in June and August, suggesting that more could be done to try to curb debt accumulation, including a potential rate hike by BOK to try to stem its growth.</p>
CMD	<p>Oil prices rose on news that six OPEC allies are to meet in Bolivia before the official OPEC talks. The earlier-than-scheduled talks are said to help form consensus over extending the production cuts. The street is calling for at least a 9-months extension, although we pencil in 3 – 6 months of extension instead. Elsewhere, gold rallied near to its \$1,300/oz resistance level as market-watchers took concerns over recent FOMC minutes which highlighted sustained low inflation pressures which could subsequently affect the timing of future rate hikes.</p>

Major Market

- **US:** Major equity indices ended mixed on Wednesday on low volume, ahead of Thanksgiving today. The S&P 500 and Dow slipped 0.08% and 0.27%, but the Nasdaq Composite nudged a marginal gain. VIX rose to 9.88, compared to 9.73 previously.
- US Treasury yields slipped 4-5 bps, with the 2y and 10y benchmark yields standing at 1.727% and 2.319% respectively. November FOMC minutes shows that the committee remained quite split over the inflation outlook, with some inkling of a shift towards a more pessimistic outlook. This is not expected to shake the rate hike expectation in the Dec FOMC, but the case remains open for the three expected hikes in 2018.
- **Singapore:** The Straits Times Index read its 4th consecutive day of gains on Wednesday, as the bourse inched up (+0.19%) to close the session at 3,430. Financial counters DBS Group Holding Ltd (+1.85%) and Oversea-Chinese Banking Corp Ltd (+1.06%) continued their run higher yesterday.
- **Hong Kong:** During the first 16 trading days of November, net flows from China to HK under two stock connects amounted to CNY48.05 billion, close to the highest level of CNY56.32 billion for September 2016 as a whole. The resultant wealth effect is expected to continue bolstering domestic consumption and lending support to the housing market.
- **Indonesia:** Momentum in portfolio outflows have been fading in recent sessions as bond inflows increasingly offset equity outflows. In the latest reading, total portfolio flows nudged into positive territory in rolling 20-day terms. This should provide some near-term support for the IDR.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading mixed across the 1-year to 3-year tenors, while trading 1-3bps lower across the longer tenors. However, the 12-year tenor fell by 14bps, correcting the sharp increase in yield yesterday. In the broader dollar space, the spread on JACI IG Corp rose 1bps to 178bps, while the yield on JACI HY Corp traded little changed at 6.93%. 10Y UST yields fell 4bps to 2.32bps, after Nov 1 FOMC meeting minutes highlighted that the FOMC participants are ready to raise rates in the near-term, but are still concerned by low inflation readings.
- **New Issues:** Binhai Investment Company Ltd has priced a USD300m 3-year bond (provided with a letter of support by Tianjin TEDA Investment Holding Co Ltd) at 4.45%, tightening from initial guidance of 4.7%. The expected issue ratings are 'NR/NR/BBB-'. Hongkong International (Qingdao) Company Ltd may price a two-tranche deal (provided with keepwell deed, equity interest purchase undertaking deed and a standby facility by Qingdao City Construction Investment (Group) Ltd) today, with the initial guidance of the USD-denominated 3-year bond at CT3+215bps area, and the USD-denominated 5-year bond at CT5+240bps area. The expected issue ratings are 'NR/NR/BBB+'. Orient HuiZhi Ltd may price a USD-denominated 5-year bond (guaranteed by Orient Securities Co Ltd) today, with the initial guidance at CT5+190bps. The expected issue ratings are 'NR/Baa3/NR'. Times Property Holdings Ltd may price a USD300mn 5NC3 bond (guaranteed by certain of its restricted subsidiaries) today. The final guidance is set at 6.625%-6.75%, tightening from initial guidance of 6.875% area. The expected issue ratings are 'B/B2/B+'.

- **Rating Changes:** S&P has affirmed China Hongqiao Group Ltd's (Hongqiao) 'B' long-term corporate credit rating and long term issue rating on its senior unsecured notes. The outlook is stable. S&P has also removed the ratings from CreditWatch, where they were placed with negative implications. The rating action follows Hongqiao's publication of its 2016 annual report with an unqualified auditor's opinion, as well as a report refuting allegations of accounting irregularities. S&P expects Hongqiao's financial position to improve due to favorable aluminum prices and lower capital spending. Moody's has assigned Jasa Marga (Persero) Tbk (PT) (Jasa Marga) an issuer rating of 'Baa3'. The same rating was assigned to its unsecured bonds. The outlook is positive. The rating action reflects Jassa Marga's baseline credit assessment (BCA) of 'Ba2', and benefits from a two-notch uplift as Moody's expects a high level of support from the Indonesian sovereign in times of need, as Jasa Marga plays a critical role in Indonesia's plan to develop transport infrastructure. Jasa Marga's 'Ba2' BCA reflects its leading position in Indonesia's toll roads sector, but is constrained by its significant capex requirements. Fitch has assigned Sime Darby Plantation Berhad (SDP) an Issuer Default Rating and a senior unsecured rating of 'BBB+' with a stable outlook. Fitch has also removed the Rating Watch Negative on the sukuk programme and outstanding issuance under the programme, which were transferred to SDP from Sime Darby Berhad (Sime Darby), and then affirmed them at 'BBB+'. SDP is targeting to be listed as a standalone entity following its demerger with Sime Darby. The rating on SDP reflects its position as the world's largest palm oil company by planted area, average fresh fruit bunches yield and extraction rate, healthy CPO price outlook, moderate leverage and positive free cash flow. At the same time, Fitch has downgraded Sime Darby's Issuer Default Ratings to 'BB+' from 'BBB+', while removing the ratings from Rating Watch Negative. The rating action follows shareholder and regulatory approval for the separation of its plantation and property business, which were the key driver of Sime Darby's cash flow and earnings.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.220	-0.78%	USD-SGD	1.3471	-0.55%
USD-JPY	111.220	-1.09%	EUR-SGD	1.5926	0.18%
EUR-USD	1.1822	0.72%	JPY-SGD	1.2112	0.56%
AUD-USD	0.7617	0.51%	GBP-SGD	1.7950	0.09%
GBP-USD	1.3325	0.65%	AUD-SGD	1.0261	-0.03%
USD-MYR	4.1112	-0.70%	NZD-SGD	0.9272	0.24%
USD-CNY	6.6103	-0.28%	CHF-SGD	1.3718	0.41%
USD-IDR	13523	-0.04%	SGD-MYR	3.0440	-0.32%
USD-VND	22721	0.04%	SGD-CNY	4.8974	0.04%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1828	--
2M	-0.3410	--	1M	1.3129	--
3M	-0.3290	--	2M	1.3973	--
6M	-0.2730	--	3M	1.4540	--
9M	-0.2180	--	6M	1.6449	--
12M	-0.1860	--	12M	1.9273	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.25 - 1.5	1.5 - 1.75	1.75 - 2.0	2.0 - 2.25
12/13/2017	92.3%	92.3%	0.0%	0.0%	0.0%
01/31/2018	92.4%	91.6%	0.8%	0.0%	0.0%
03/21/2018	96.7%	43.6%	52.7%	0.4%	0.0%
05/02/2018	96.9%	41.6%	52.2%	3.0%	0.0%
06/13/2018	98.3%	23.9%	47.4%	25.6%	1.4%
08/01/2018	98.4%	22.4%	45.7%	27.2%	3.1%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	58.02	2.09%	Copper (per mt)	6,964.4	0.27%
Brent (per barrel)	63.32	1.20%	Nickel (per mt)	11,793.0	-0.25%
Heating Oil (per gallon)	1.9326	-0.17%	Aluminium (per mt)	2,095.3	1.20%
Gasoline (per gallon)	1.7679	-0.29%			
Natural Gas (per MMBtu)	2.9680	-1.62%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,644.0	0.84%
			Rubber (JPY/KG)	191.3	0.68%
Precious Metals	Futures	% chg			
Gold (per oz)	1,296.8	0.82%			
Silver (per oz)	17.216	0.90%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,526.18	-64.65
S&P	2,597.08	-1.95
Nasdaq	6,867.36	4.88
Nikkei 225	22,523.15	106.67
STI	3,430.02	6.64
KLCI	1,723.54	2.86
JCI	6,069.79	37.92
Baltic Dry	1,396.00	--
VIX	9.88	0.15

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.01)	1.73 (-0.04)
5Y	1.66 (-0.02)	2.04 (-0.06)
10Y	2.08 (-0.03)	2.32 (-0.04)
15Y	2.40 (-0.03)	--
20Y	2.39 (-0.03)	--
30Y	2.50 (-0.02)	2.74 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	10.31	0.08
EURIBOR-OIS	2.80	0.02
TED	19.53	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/22/2017 07:30	AU Westpac Leading Index MoM	Oct	--	0.13%	0.08%	0.14%
11/22/2017 10:00	TH Customs Exports YoY	Oct	14.60%	13.10%	12.20%	--
11/22/2017 10:00	TH Customs Imports YoY	Oct	7.60%	13.50%	9.70%	--
11/22/2017 10:00	TH Customs Trade Balance	Oct	\$1259m	\$214m	\$3358m	--
11/22/2017 15:00	MA Foreign Reserves	Nov-15	--	\$101.5b	\$101.5b	--
11/22/2017 16:00	TA Unemployment Rate	Oct	3.70%	3.69%	3.71%	--
11/22/2017 16:00	SI Automobile COE Open Bid Cat A	Nov-22	--	46791	47112	--
11/22/2017 16:00	SI Automobile COE Open Bid Cat B	Nov-22	--	57390	57414	--
11/22/2017 20:00	US MBA Mortgage Applications	Nov-17	--	0.10%	3.10%	--
11/22/2017 21:30	US Initial Jobless Claims	Nov-18	240k	239k	249k	252k
11/22/2017 21:30	US Continuing Claims	Nov-11	1880k	1904k	1860k	1868k
11/22/2017 21:30	US Durable Goods Orders	Oct P	0.30%	-1.20%	2.00%	2.20%
11/22/2017 21:30	US Durables Ex Transportation	Oct P	0.50%	0.40%	0.70%	1.10%
11/22/2017 21:30	US Cap Goods Orders Nondef Ex Air	Oct P	0.50%	-0.50%	1.70%	2.10%
11/22/2017 21:30	US Cap Goods Ship Nondef Ex Air	Oct P	0.30%	0.40%	0.90%	1.20%
11/22/2017 22:45	US Bloomberg Consumer Comfort	Nov-19	--	51.7	52.1	--
11/22/2017 23:00	EC Consumer Confidence	Nov A	-0.8	0.1	-1	-1.1
11/22/2017 23:00	US U. of Mich. Sentiment	Nov F	98	98.5	97.8	--
11/23/2017 05:45	NZ Retail Sales Ex Inflation QoQ	3Q	0.10%	0.20%	1.70%	1.80%
11/23/2017 08:00	SI GDP YoY	3Q F	5.00%	--	4.60%	--
11/23/2017 08:00	SI GDP SAAR QoQ	3Q F	7.80%	--	6.30%	--
11/23/2017 13:00	SI CPI YoY	Oct	0.50%	--	0.40%	--
11/23/2017 13:00	SI CPI NSA MoM	Oct	-0.10%	--	0.00%	--
11/23/2017 15:00	GE GDP SA QoQ	3Q F	0.80%	--	0.80%	--
11/23/2017 15:00	GE GDP WDA YoY	3Q F	2.80%	--	2.80%	--
11/23/2017 15:00	GE GDP NSA YoY	3Q F	2.30%	--	2.30%	--
11/23/2017 15:45	FR Manufacturing Confidence	Nov	111	--	111	--
11/23/2017 16:00	FR Markit France Manufacturing PMI	Nov P	55.9	--	56.1	--
11/23/2017 16:00	FR Markit France Services PMI	Nov P	57	--	57.3	--
11/23/2017 16:00	FR Markit France Composite PMI	Nov P	57.2	--	57.4	--
11/23/2017 16:00	TA Industrial Production YoY	Oct	4.00%	--	5.24%	--
11/23/2017 16:30	GE Germany Manufacturing PMI	Nov P	60.4	--	60.6	--
11/23/2017 16:30	GE Markit Germany Services PMI	Nov P	55	--	54.7	--
11/23/2017 16:30	GE Germany Composite PMI	Nov P	56.7	--	56.6	--
11/23/2017 17:00	EC Markit Eurozone Manufacturing PMI	Nov P	58.2	--	58.5	--
11/23/2017 17:00	EC Markit Eurozone Services PMI	Nov P	55.2	--	55	--
11/23/2017 17:00	EC Markit Eurozone Composite PMI	Nov P	56	--	56	--
11/23/2017 17:30	UK GDP QoQ	3Q P	0.40%	--	0.40%	--
11/23/2017 17:30	UK GDP YoY	3Q P	1.50%	--	1.50%	--
11/23/2017 21:30	CA Retail Sales MoM	Sep	1.00%	--	-0.30%	--
11/23/2017 21:30	CA Retail Sales Ex Auto MoM	Sep	1.00%	--	-0.70%	--
11/23/2017	MU GDP YoY	3Q	--	--	11.50%	--
11/23/2017	MU Visitor Arrivals	Oct	--	--	2486t	--
11/20/2017 11:29	PH Budget Balance PHP	Oct	--	--	-36.9b	--

Source: Bloomberg

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