

Highlights

Global	<p>US markets were closed for Thanksgiving, while the dollar fell further as Euro was supported by solid economic data. Particularly, the Eurozone composite PMI rose to 57.5 in November, its highest since April 2011, and Germany's 3Q GDP final number remained unchanged at 0.8% qoq.</p> <p>With the absence of Japan and US markets, the sell-offs in both China's bond and equity markets caught market attention. China's bond market had been under renewed pressure this week since PBoC announced the drafted rules last Friday to tighten regulation on off-balance sheet asset management products. Although the new rules would not take effect until July 2019, the markets have started to prepare for the worst, leading to some unwinding of liquid portfolios such as government and policy bank bonds. In addition, the weak sentiment also has spread to equity markets, resulting in profit taking of overcrowded trading in blue chips and high growth stocks.</p>
SG	<p>Even as Singapore's growth surged to its highest since 4Q13 at 5.2% y/y in 3Q17, inflation pressures seemed to remain relatively benign. Headline CPI growth remained flat at 0.4% y/y for the third month, in line with our (and the market's) expectations. Elsewhere, core inflation (which excludes private road transport and accommodation) continued to stay manageable at a mere 1.5% in October. Elsewhere, market-watchers will also monitor the incoming October industrial production print later this afternoon, where consensus is pencilling another robust growth of +16.0% y/y.</p>
TH	<p>Growth could exceed 4.0% in 4Q17 given the continued state subsidy to low-income earners which is expected to eventually boost domestic spending. The Thai Finance Minister spokesperson Suwit Rojanavanich commented that Thailand still has more fiscal space to support economic growth if necessary.</p>
MA	<p>Today's inflation print will be particularly interesting, given the recent acceleration in CPI growth over the last two months. Should inflation surprise higher than market-consensus of 4.1%, it may give rise to further speculation for BNM to hike its benchmark rate in its upcoming January MPC meeting.</p>
Macau	<p>GDP growth softened to 6.1% yoy in 3Q 2017. Tourism and gaming sectors remained the key growth engines on the back of Asia's recovery. Specifically, exports of gaming services rose by 18.4% yoy while exports of other tourism services expanded by 9.4% yoy. All in all, we expect GDP to expand by 8%-10% yoy in 2017 and grow by 7% approximately in 2018 amid a fading low base effect.</p>
CMD	<p>Commodity exchanges were closed yesterday on US Thanksgiving Day. Brent continued to rise (+0.36%) to \$63.55/bbl overnight, while WTI opened higher this morning at \$58.05/bbl as market-watchers wait in anticipation on any early cues on an eventual production cut extension in the upcoming meeting.</p>

Major Market

- **Singapore:** Market participants sold off positions (-0.20%), as the STI finished at 3,423.2 amid closed US and Japan equity markets over the Thanksgiving holiday on Thursday, breaking 4 consecutive trading sessions in the black. Counters CapitaLand Commercial Trust (-1.61%) and Thai Beverage PCL (-1.57%) fell in accordance with the STI yesterday. Today, Asian bourses might find little upside impetus after the Shanghai Shenzhen CSI saw its largest fall (-2.96%) since Dec-16', with the Hang Seng likewise closing in the red (-0.99%).
- **Macau:** Given a raft of infrastructure projects under construction, public investment rose remarkably by 79% yoy. Furthermore, improved external demand pushed exports of goods up by 18.9% yoy. However, strong exports and public investment failed to offset the sharp decline in private investment (-32.2% yoy) amid successive completion of mega entertainment projects. In addition, private consumption growth moderated to 0.5% yoy in 3Q from 2.7% yoy in 2Q 2017 due to stagnant wage growth, higher underemployment rate and lower participation rate. Finally, two typhoons have been a drag on the economic activities in the third quarter.
- Moving forward, exports of services are likely to remain elevated on Asia's growth. Internally, the government is set to increase investment in infrastructure post-typhoons. Therefore, we expect public investment to continue to bolster economic growth. With several mega projects scheduled to be completed in the coming year, private investment may regain some traction. The resultant increase in job opportunities could also buoy household spending.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards yesterday, with swap rates trading 1-3bps lower across all tenors. In the broader dollar space, the Markit iTraxx Asia ex-Japan IG Index fell 1bps to 76bps. US markets were closed for the Thanksgiving holiday yesterday.
- **New Issues:** Yankuang Group (Cayman) Ltd has priced a USD400mn 3-year bond (guaranteed by Yankuang Group Co Ltd) at 5%, tightening from initial guidance of 5.25% area. China General Nuclear Power Corporation has scheduled investor meetings for a potential USD and EUR-denominated bond issuance from 27 Nov. The expected issue ratings are 'A-/A3/A+'. Gansu Provincial Highway Aviation Tourism Investment Group Co has scheduled investor meetings for a potential EUR-denominated bond issuance from 24 Nov. The expected issue ratings are 'BBB-/NR/BBB-'. Overseas Forestry Co Ltd has scheduled investor meetings for a potential bond issuance (guaranteed by China Forestry Group Corporation) on 24 Nov.
- **Rating Changes:** Moody's has upgraded Philippine National Bank (PNB) and Rizal Commercial Banking Corporation's (RCBC) foreign and local currency deposit ratings to 'Baa2' from 'Baa3', baseline credit assessments to 'Baa3' from 'Ba1', while affirming their Counterparty Risk Assessment at 'Baa2'. At the same time, Moody's has upgraded the rating on RCBC's senior unsecured debt and MTN program to 'Baa2' from 'Baa3'. The outlook on the ratings are stable. The rating action reflects the strong economy in the Philippines, strong debt servicing metrics of the private sector, and the banks' little reliance on short-term wholesale funding. In particular, the upgrade of PNB reflects its improved financial profile following its merger with Allied Banking Corporation, as seen through its high levels of capitalization and loan-loss coverage ratios, as well as its

relatively stable funding profile. However, the ratings are balanced by PNB's low profitability. The upgrade on RCBC reflects Moody's assessment that RCBC's standalone profile has become comparable with its peers in the Philippines, as reflected by solvency and funding metrics. Moody's has placed Wyuna Water Pty Limited's (Wyuna Water) 'A2' provisional senior secured ratings on review for upgrade. The rating action reflects Moody's expectation that Wyuna Water's financial flexibility will improve after using the proceeds from its proposed AUD135mn senior secured bonds to refinance its existing debt. Fitch has upgraded AIA Group Limited's (AIA) Issuer Default Rating to 'AA-' from 'A+', while affirming the Insurer Financial Strength Ratings of AIA Company Limited and AIA International Limited at 'AA'. The outlook is stable. The rating action reflects Fitch's expectation that AIA will maintain its low financial leverage and strong fixed-charge coverage. As such, Fitch has closed the gap between the IDRs on the holding company and the implied insurance operating company by raising the holding company's IDR by one notch.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.220	--	USD-SGD	1.3454	-0.13%
USD-JPY	111.220	--	EUR-SGD	1.5943	0.11%
EUR-USD	1.1851	0.25%	JPY-SGD	1.2096	-0.13%
AUD-USD	0.7625	0.11%	GBP-SGD	1.7907	-0.24%
GBP-USD	1.3309	-0.12%	AUD-SGD	1.0258	-0.03%
USD-MYR	4.1075	-0.09%	NZD-SGD	0.9270	-0.02%
USD-CNY	6.5835	-0.41%	CHF-SGD	1.3703	-0.11%
USD-IDR	13511	-0.09%	SGD-MYR	3.0548	0.35%
USD-VND	22727	0.03%	SGD-CNY	4.8897	-0.16%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.1828	--
2M	-0.3400	--	1M	1.3275	--
3M	-0.3290	--	2M	1.4058	--
6M	-0.2720	--	3M	1.4623	--
9M	-0.2180	--	6M	1.6521	--
12M	-0.1860	--	12M	1.9340	--

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	97.1%	97.1%	0.0%	0.0%	0.0%
01/31/2018	96.0%	96.0%	0.0%	0.0%	0.0%
03/21/2018	98.2%	43.4%	54.9%	0.0%	0.0%
05/02/2018	98.3%	41.3%	54.3%	2.7%	0.0%
06/13/2018	99.0%	24.9%	48.9%	24.0%	1.1%
08/01/2018	99.1%	23.3%	47.3%	25.8%	2.7%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	58.02	--	Copper (per mt)	6,964.4	--
Brent (per barrel)	63.55	0.36%	Nickel (per mt)	11,883.5	0.77%
Heating Oil (per gallon)	1.9326	--	Aluminium (per mt)	2,101.5	0.30%
Gasoline (per gallon)	1.7679	--			
Natural Gas (per MMBtu)	2.9680	--			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,609.0	-1.32%
			Rubber (JPY/KG)	191.3	0.00%
Precious Metals	Futures	% chg			
Gold (per oz)	1,296.8	--			
Silver (per oz)	17.216	--			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,526.18	--
S&P	2,597.08	--
Nasdaq	6,867.36	--
Nikkei 225	22,523.15	--
STI	3,423.17	-6.85
KLCI	1,721.27	-2.27
JCI	6,063.25	-6.54
Baltic Dry	1,413.00	--
VIX	9.88	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.01)	1.73 (--)
5Y	1.66 (--)	2.04 (--)
10Y	2.06 (-0.02)	2.32 (--)
15Y	2.39 (-0.01)	--
20Y	2.37 (-0.01)	--
30Y	2.49 (-0.01)	2.74 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	11.13	0.82
EURIBOR-OIS	2.75	-0.05
TED	17.82	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
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%	5.20%	4.60%	--
11/23/2017 08:00	SI GDP SAAR QoQ	3Q F	7.80%	8.80%	6.30%	--
11/23/2017 12:16	MU GDP YoY	3Q	--	6.10%	11.50%	10.80%
11/23/2017 12:18	MU Visitor Arrivals	Oct	--	2889t	2486t	--
11/23/2017 13:00	SI CPI YoY	Oct	0.50%	0.40%	0.40%	--
11/23/2017 13:00	SI CPI NSA MoM	Oct	-0.10%	-0.30%	0.00%	--
11/23/2017 15:00	GE GDP SA QoQ	3Q F	0.80%	0.80%	0.80%	--
11/23/2017 15:00	GE GDP WDA YoY	3Q F	2.80%	2.80%	2.80%	--
11/23/2017 15:00	FR GDP NSA YoY	3Q F	2.30%	2.30%	2.30%	--
11/23/2017 15:45	FR Manufacturing Confidence	Nov	111	112	111	--
11/23/2017 16:00	FR Markit France Manufacturing PMI	Nov P	55.9	57.5	56.1	--
11/23/2017 16:00	FR Markit France Services PMI	Nov P	57	60.2	57.3	--
11/23/2017 16:00	FR Markit France Composite PMI	Nov P	57.2	60.1	57.4	--
11/23/2017 16:00	TA Industrial Production YoY	Oct	4.00%	2.85%	5.24%	4.77%
11/23/2017 16:30	GE Germany Manufacturing PMI	Nov P	60.4	62.5	60.6	--
11/23/2017 16:30	GE Markit Germany Services PMI	Nov P	55	54.9	54.7	--
11/23/2017 16:30	GE Germany Composite PMI	Nov P	56.7	57.6	56.6	--
11/23/2017 17:00	PH Budget Balance PHP	Oct	--	-21.8b	-36.9b	--
11/23/2017 17:00	EC Markit Eurozone Manufacturing PMI	Nov P	58.2	60	58.5	--
11/23/2017 17:00	EC Markit Eurozone Services PMI	Nov P	55.2	56.2	55	--
11/23/2017 17:00	EC Markit Eurozone Composite PMI	Nov P	56	57.5	56	--
11/23/2017 17:30	UK GDP QoQ	3Q P	0.40%	0.40%	0.40%	--
11/23/2017 17:30	UK GDP YoY	3Q P	1.50%	1.50%	1.50%	--
11/23/2017 21:30	CA Retail Sales MoM	Sep	1.00%	0.10%	-0.30%	-0.10%
11/23/2017 21:30	CA Retail Sales Ex Auto MoM	Sep	1.00%	0.30%	-0.70%	-0.40%
11/24/2017 05:00	SK Consumer Confidence	Nov	--	112.3	109.2	--
11/24/2017 05:45	NZ Trade Balance NZD	Oct	-760m	-871m	-1143m	-1156m
11/24/2017 05:45	NZ Exports NZD	Oct	4.20b	4.56b	3.78b	3.77b
11/24/2017 05:45	NZ Imports NZD	Oct	4.95b	5.43b	4.92b	4.93b
11/24/2017 07:50	JN Japan Buying Foreign Bonds	Nov-17	--	--	-¥105.0b	--
11/24/2017 07:50	JN Foreign Buying Japan Stocks	Nov-17	--	--	¥182.4b	--
11/24/2017 08:30	JN Nikkei Japan PMI Mfg	Nov P	--	--	52.8	--
11/24/2017 12:00	MA CPI YoY	Oct	4.10%	--	4.30%	--
11/24/2017 13:00	SI Industrial Production YoY	Oct	16.00%	--	14.60%	--
11/24/2017 13:00	SI Industrial Production SA MoM	Oct	1.60%	--	-0.50%	--
11/24/2017 13:00	JN Leading Index CI	Sep F	--	--	106.6	--
11/24/2017 15:30	TH Foreign Reserves	Nov-17	--	--	\$199.1b	--
11/24/2017 16:00	TA GDP YoY	3Q F	3.10%	--	3.11%	--
11/24/2017 17:00	GE IFO Business Climate	Nov	116.7	--	116.7	--
11/24/2017 17:00	GE IFO Expectations	Nov	108.8	--	109.1	--
11/24/2017 17:00	GE IFO Current Assessment	Nov	125	--	124.8	--
11/24/2017 17:00	IT Industrial Orders MoM	Sep	--	--	8.70%	--
11/24/2017 17:00	IT Industrial Orders NSA YoY	Sep	--	--	12.20%	--
11/24/2017 17:30	UK UK Finance Loans for Housing	Oct	40650	--	41584	--
11/24/2017 22:45	US Markit US Manufacturing PMI	Nov P	55	--	54.6	--
11/24/2017 22:45	US Markit US Services PMI	Nov P	55.3	--	55.3	--
11/24/2017 22:45	US Markit US Composite PMI	Nov P	--	--	55.2	--

Source: Bloomberg

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