

### Highlights

Global	<p>US mid-term election results yielded a Democrat House and a Republican Senate as polls had tipped, prompting Wall Street higher, a flatter yield curve with the 10-year UST bond yield to continue to tread around 3.23% and the USD also slipped against the majors. We do not see Democrat control of the House as severely impeding the Republican agenda in the immediate term, especially for trade policy, but contentious issues like healthcare, immigration and the budget deficit may remain hot button issues in 2019. Essentially market attention will now likely turn to the upcoming FOMC meeting where consensus is for no change to the Fed Funds rate, but a potential tweak to the IOER may materialise. There is no refresh of the dots plot or a Powell press conference, so market players may have to look elsewhere for other market catalysts.</p> <p>Asian bourses may resume on a more positive tone with the US mid-term election uncertainties out of the way. First up is the BNM policy meeting where the OPR is likely to be static at 3.25% notwithstanding a lower growth forecast for both 2018-2019 and a looser fiscal policy stance. Today's economic data calendar comprises of China trade data, Philippines' 3Q GDP growth, US' initial jobless claims, European Commission's updated forecasts, German trade, and Spore's COE tender results. ECB's Draghi and Coeure are speaking.</p>
US	<p>Attorney General Jeff Sessions has resigned at the request of President Trump.</p>
NZ	<p>This morning, RBNZ kept its official cash rate unchanged at 1.75% and tips to maintain it through 2019-2020, leaving the central bank as potentially the last bastion of the accommodative camp in the G10 space. RBNZ opined that the pickup in 2Q growth was partly due to temporary factors, core CPI remains below the 2% mid-point target (despite higher fuel prices which were deemed to pass through as volatility) and downside risks to the growth outlook remain from weak business sentiments and trade tensions.</p>
CH	<p>China's FX reserve fell further to US\$3.058 trillion in October from US\$3.087 trillion in September partly due to valuation effect as a result of stronger dollar in October. However, with the USDCNY approaching 7, pressure on capital outflows may also heighten which may further weighed down the FX reserve.</p>
SG	<p>Prime Minister Lee Hsien Loong said that a general election in 2019 is "always possible".</p>
MY	<p>Foreign reserves fell to US\$101.7bn as of 31st October 2018 (15th Oct 2018: US\$102.8bn).</p>
ID	<p>The government sold Rp20t worth of debt as of 6th November 2018, which is twice the initial target of Rp10t. The Ministry of Finance also said that incoming bids were at Rp59.5t, the highest it has been since the 18th January 2018 auction. Meanwhile, foreign reserves rose for the month of October to US\$115.2bn (Sept 2018: US\$114.9bn), the first time since January 2018</p>

## Major Markets

- **US:** Wall Street surged on Wednesday, with the S&P500 rising by 2.12%. The DJIA gained 2.13%, while the Nasdaq composite climbed 2.64%. The US midterm elections panned out as per market expectations (Democrats win the House and Republicans keep the Senate), sparing markets from shock and buoyed investor confidence across the board as all 3 major indexes closed by more than 2% higher.
- Michael Kors equity plunged 14.62% after the fashion designer firm reported same-store sales which missed expectations and revised its full-year forecast downwards due to currency exchange woes.
- Noble Energy (+4.18%) and Anadarko Petroleum (+5.70%) were among the oil drillers which saw shares rise following the rejection of Proposition 112 in Colorado, which proposed measures to curb drilling activity.
- **Singapore:** After gaining 0.15% to close at 3065.36 yesterday, the STI may extend gains today and potentially eye the 3100 resistance amid the overnight rally in Wall Street and morning gains in Kospi. UST bond yields climbed by up to 3bps, led by the shorter-dated tenors which flattened the yield curve, and this sets the tone for the SGS bond market for today as well.
- **Philippines:** The country's trade deficit for September 2018 was at US\$3.93bn (Aug 2018: US\$3.49bn), the widest known level based on Bloomberg data. Imports grew by 26.1% yoy for the month whilst exports contracted by 2.6% yoy. Meanwhile, 2Q 2018 growth was raised to 6.2% yoy from 6.0% yoy due to adjustments for the real estate and mining sector.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with swap rates trading 1bps higher across most tenors (with the exception of the 30-year swap rates trading 2bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 148bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 3bps to 574bps. 10Y UST yields fell 5bps to 3.18% in the earlier part of the trading session as the results of a divided Congress after the US midterm elections caused concerns over the impact on government spending and borrowing in the coming year. Yields subsequently rose 6bps to close at 3.24% on the back of supply pressure from a USD19bn 30-year bond auction as well as a rally in Wall Street stocks.
- **New Issues:** Geely Sweden Finance AB has priced a USD250mn 3-year bond (guaranteed by Zhejiang Geely Holding Group Company Limited) at 5%, tightening from its initial price guidance of 5.25%. PT Indonesia Asahan Aluminium (Persero) has priced a USD4bn deal across 4 tranches, with the USD1bn 3-year bond priced at 5.5%, tightening from its initial price guidance of 5.875%; the USD1.25bn 5-year bond at 6.0%, tightening from its initial price guidance of 6.5%; the USD1bn 10-year bond at 6.875%, tightening from its initial price guidance of 7.375% and the USD750mn 30-year bond at 7.375%, tightening from its initial price guidance of 8.0%. LG Display Co Ltd has priced a USD300mn 3-year green bond (guaranteed by Korea Development Bank) at CT3+90bps, tightening from its initial price guidance of CT3+115bps area. Suhyup Bank has scheduled for investor meetings from 12 Nov for its potential bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	95.997	-0.33%	<b>USD-SGD</b>	1.3719	-0.11%
<b>USD-JPY</b>	113.520	0.08%	<b>EUR-SGD</b>	1.5676	-0.11%
<b>EUR-USD</b>	1.1426	-0.01%	<b>JPY-SGD</b>	1.2086	-0.17%
<b>AUD-USD</b>	0.7276	0.40%	<b>GBP-SGD</b>	1.8008	0.11%
<b>GBP-USD</b>	1.3126	0.21%	<b>AUD-SGD</b>	0.9982	0.29%
<b>USD-MYR</b>	4.1635	-0.32%	<b>NZD-SGD</b>	0.9308	0.56%
<b>USD-CNY</b>	6.9200	0.01%	<b>CHF-SGD</b>	1.3687	-0.09%
<b>USD-IDR</b>	14590	-1.45%	<b>SGD-MYR</b>	3.0442	0.13%
<b>USD-VND</b>	23310	--	<b>SGD-CNY</b>	5.0540	0.35%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3690	--	<b>O/N</b>	2.1766	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.3169	--
<b>3M</b>	-0.3170	--	<b>2M</b>	2.4286	--
<b>6M</b>	-0.2580	--	<b>3M</b>	2.5913	--
<b>9M</b>	-0.1970	--	<b>6M</b>	2.8415	--
<b>12M</b>	-0.1490	--	<b>12M</b>	3.1164	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
11/08/2018	13.4%	13.4%	0.0%	0.0%	0.0%
12/19/2018	78.1%	68.1%	10.0%	0.0%	0.0%
01/30/2019	79.5%	65.2%	13.6%	0.6%	0.0%
03/20/2019	94.7%	32.1%	51.8%	10.2%	0.5%
05/01/2019	95.3%	29.1%	49.6%	15.0%	1.6%
06/19/2019	98.1%	14.5%	37.3%	35.8%	9.6%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	26,180.30	545.29
<b>S&amp;P</b>	2,813.89	58.44
<b>Nasdaq</b>	7,570.75	194.79
<b>Nikkei 225</b>	22,085.80	-61.95
<b>STI</b>	3,065.36	4.74
<b>KLCI</b>	1,714.88	6.08
<b>JCI</b>	5,939.89	15.96
<b>Baltic Dry</b>	1,395.00	--
<b>VIX</b>	16.36	-3.55

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	2.12 (-)	2.96 (+0.03)
<b>5Y</b>	2.30 (+0.01)	3.08 (+0.02)
<b>10Y</b>	2.52 (+0.01)	3.24 (+0.01)
<b>15Y</b>	2.80 (-)	--
<b>20Y</b>	2.83 (-)	--
<b>30Y</b>	2.95 (-)	3.44 (-)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	27.57	-0.61
<b>EURIBOR-OIS</b>	4.18	0.88
<b>TED</b>	25.06	--

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	61.67	-0.87%	Coffee (per lb)	1.156	2.08%
Brent (per barrel)	72.07	-0.08%	Cotton (per lb)	0.7896	1.98%
Heating Oil (per gallon)	2.2371	2.23%	Sugar (per lb)	0.1301	0.39%
Gasoline (per gallon)	1.6474	-2.75%	Orange Juice (per lb)	1.3685	0.59%
Natural Gas (per MMBtu)	3.5550	--	Cocoa (per mt)	2,383	0.17%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,072.6	0.81%	Wheat (per bushel)	5.1025	-0.34%
Nickel (per mt)	11,709.0	--	Soybean (per bushel)	8.678	-0.49%
Aluminium (per mt)	1,942.0	--	Corn (per bushel)	3.7225	-0.27%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,228.7	0.20%	Crude Palm Oil (MYR/MT)	1,950.0	--
Silver (per oz)	14.569	0.48%	Rubber (JPY/KG)	139.4	-0.29%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/07/2018 05:45	<b>NZ Unemployment Rate</b>	<b>3Q</b>	<b>4.40%</b>	<b>3.90%</b>	<b>4.50%</b>	<b>4.40%</b>
11/07/2018 05:45	<b>NZ Employment Change QoQ</b>	<b>3Q</b>	<b>0.50%</b>	<b>1.10%</b>	<b>0.50%</b>	<b>0.60%</b>
11/07/2018 05:45	NZ Employment Change YoY	3Q	2.00%	2.80%	3.70%	--
11/07/2018 08:00	JN Labor Cash Earnings YoY	Sep	1.10%	1.10%	0.90%	0.80%
11/07/2018 09:00	PH Exports YoY	Sep	4.50%	-2.60%	3.10%	3.40%
11/07/2018 09:00	PH Imports YoY	Sep	18.10%	26.10%	11.00%	--
11/07/2018 09:00	PH Trade Balance	Sep	-\$3100m	-\$3927m	-\$3513m	-\$3494m
11/07/2018 10:00	NZ 2Yr Inflation Expectation	4Q	--	2.03%	2.04%	--
11/07/2018 13:00	JN Leading Index CI	Sep P	103.9	103.9	104.5	--
11/07/2018 15:00	<b>GE Industrial Production SA MoM</b>	<b>Sep</b>	<b>0.00%</b>	<b>0.20%</b>	<b>-0.30%</b>	<b>0.10%</b>
11/07/2018 15:00	GE Industrial Production WDA YoY	Sep	0.50%	0.80%	-0.10%	0.20%
11/07/2018 15:00	MA Foreign Reserves	Oct-31	--	\$101.7b	\$102.8b	--
11/07/2018 16:00	TA Trade Balance	Oct	\$4.20b	\$3.36b	\$4.33b	--
11/07/2018 16:00	TA Exports YoY	Oct	8.00%	7.30%	2.60%	--
11/07/2018 16:00	TA Imports YoY	Oct	12.60%	17.60%	13.90%	--
11/07/2018 16:19	PH Foreign Reserves	Oct	--	\$74.8b	\$75.2b	\$74.9b
11/07/2018 16:30	<b>UK Halifax House Prices MoM</b>	<b>Oct</b>	<b>0.80%</b>	<b>0.70%</b>	<b>-1.40%</b>	<b>-1.30%</b>
11/07/2018 16:30	UK Halifax House Price 3Mths/Year	Oct	1.30%	1.50%	2.50%	--
11/07/2018 16:30	GE Markit Germany Construction PMI	Oct	--	49.8	50.2	--
11/07/2018 16:30	CH Foreign Reserves	Oct	\$3058.50b	\$3053.10b	\$3087.03b	--
11/07/2018 16:30	HK Foreign Reserves	Oct	--	\$423.1b	\$426.4b	--
11/07/2018 17:00	<b>IT Retail Sales MoM</b>	<b>Sep</b>	<b>-0.20%</b>	<b>-0.80%</b>	<b>0.70%</b>	<b>0.60%</b>
11/07/2018 17:00	<b>IT Retail Sales YoY</b>	<b>Sep</b>	<b>2.10%</b>	<b>-2.50%</b>	<b>2.20%</b>	<b>2.10%</b>
11/07/2018 17:00	SI Foreign Reserves	Oct	--	\$290.27b	\$291.33b	--
11/07/2018 18:00	EC Retail Sales MoM	Sep	0.10%	0.00%	-0.20%	0.30%
11/07/2018 18:00	EC Retail Sales YoY	Sep	0.90%	0.80%	1.80%	2.20%
11/07/2018 18:14	<b>ID Foreign Reserves</b>	<b>Oct</b>	<b>--</b>	<b>\$115.20b</b>	<b>\$114.85b</b>	<b>--</b>
11/07/2018 20:00	<b>US MBA Mortgage Applications</b>	<b>Nov-02</b>	<b>--</b>	<b>-4.00%</b>	<b>-2.50%</b>	<b>--</b>
11/08/2018 04:00	<b>NZ RBNZ Official Cash Rate</b>	<b>Nov-08</b>	<b>1.75%</b>	<b>1.75%</b>	<b>1.75%</b>	<b>--</b>
11/08/2018 07:50	<b>JN Core Machine Orders MoM</b>	<b>Sep</b>	<b>-9.00%</b>	<b>-18.30%</b>	<b>6.80%</b>	<b>--</b>
11/08/2018 07:50	JN Core Machine Orders YoY	Sep	7.70%	-7.00%	12.60%	--
11/08/2018 07:50	<b>JN BoP Current Account Balance</b>	<b>Sep</b>	<b>¥1786.5b</b>	<b>¥1821.6b</b>	<b>¥1838.4b</b>	<b>--</b>
11/08/2018 07:50	JN Trade Balance BoP Basis	Sep	¥334.2b	¥323.3b	¥219.3b	--
11/08/2018 07:50	JN Japan Buying Foreign Bonds	Nov-02	--	¥167.3b	¥1077.8b	¥1074.9b
11/08/2018 07:50	JN Foreign Buying Japan Bonds	Nov-02	--	¥547.4b	¥556.8b	¥554.9b
11/08/2018 07:50	JN Foreign Buying Japan Stocks	Nov-02	--	¥107.6b	¥349.0b	¥356.9b
11/08/2018 08:01	UK RICS House Price Balance	Oct	-2%	--	-2%	--
11/08/2018 10:00	<b>PH GDP YoY</b>	<b>3Q</b>	<b>6.20%</b>	<b>--</b>	<b>6.00%</b>	<b>6.20%</b>
11/08/2018 15:00	<b>MA BNM Overnight Policy Rate</b>	<b>Nov-08</b>	<b>3.25%</b>	<b>--</b>	<b>3.25%</b>	<b>--</b>
11/08/2018 15:00	GE Trade Balance	Sep	20.0b	--	17.2b	17.1b
11/08/2018 15:00	GE Current Account Balance	Sep	21.0b	--	15.3b	--
11/08/2018 15:00	GE Exports SA MoM	Sep	0.40%	--	-0.10%	0.10%
11/08/2018 15:00	GE Imports SA MoM	Sep	0.80%	--	-2.70%	-2.40%
11/08/2018 15:45	FR Trade Balance	Sep	-5833m	--	-5632m	--
11/08/2018 16:00	SI Automobile COE Open Bid Cat A	Nov-07	--	--	25556	--
11/08/2018 16:00	SI Automobile COE Open Bid Cat B	Nov-07	--	--	31302	--
11/08/2018 21:15	<b>CA Housing Starts</b>	<b>Oct</b>	<b>198.0k</b>	<b>--</b>	<b>188.7k</b>	<b>--</b>
11/08/2018 21:30	CA New Housing Price Index MoM	Sep	0.00%	--	0.00%	--
11/08/2018 21:30	<b>US Initial Jobless Claims</b>	<b>Nov-03</b>	<b>213k</b>	<b>--</b>	<b>214k</b>	<b>--</b>
11/08/2018 21:30	US Continuing Claims	Oct-27	1634k	--	1631k	--
11/08/2018 22:45	US Bloomberg Consumer Comfort	Nov-04	--	--	60.3	--
11/08/2018	<b>CH Trade Balance</b>	<b>Oct</b>	<b>\$35.15b</b>	<b>--</b>	<b>\$31.69b</b>	<b>\$31.70b</b>
11/08/2018	CH Imports YoY	Oct	14.50%	--	14.30%	--
11/08/2018	CH Exports YoY	Oct	11.70%	--	14.50%	--
11/08/2018 11/13	<b>VN Domestic Vehicle Sales YoY</b>	<b>Oct</b>	<b>--</b>	<b>--</b>	<b>24.70%</b>	<b>--</b>

Source: Bloomberg

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