

**Highlights**

<b>Global</b>	<p>It was a mixed session yesterday on Wall Street as all the main indices only slightly moved. Tech stocks rallied but the energy shares fell as oil prices declined further amid worries over excess supplies. Earlier, US President Trump had criticized Saudi Arabia's move to curb output via twitter and back in June, such tweets by the US President had led to OPEC ending 18 months of production cuts and increasing production. Meanwhile, regarding US – China relations, White House Economic Adviser Larry Kudlow has stated that the two countries are talking at all levels of government. However, he also said that there is no certainty China will cede to US demands but he insisted that "it's better to talk than to not talk". According to Commerce Secretary Wilbur Ross, Chinese Vice Premier Liu He will be visiting Washington shortly. The Trump administration will also apparently be holding off imposing new car tariffs as top officials consider revisions on the report on the national security implications. On the Brexit front, the UK and EU have agreed on a draft exit deal but UK Prime Minister Theresa May would still have to put it to her cabinet, who could still decide to reject it and resign. Asian markets will probably have a mixed start today. Key data releases today include Japan and Germany 3Q 2018 GDP results, China's retail sales and industrial production index and French, British and US CPI data. Markets will also be awaiting the Bank of Thailand's interest rate decision with our expectations being that it will hold. Fed Chair Jerome Powell will also be speaking later.</p>
<b>EU</b>	<p>UK and EU Brexit negotiators have drafted a deal, which PM May will present to her Cabinet at 2pm UK timing, or 10pm in Singapore/HK. EU has said that the deal will only be considered a success if it gets signed in by UK officials. Meanwhile, Italy has submitted unrevised budget deficit numbers to the EU.</p>
<b>CH</b>	<p>China's October credit and monetary data surprised on the downside. Total new Yuan loan increased by CNY697 billion, down from CNY1.38 trillion in September. Meanwhile, aggregate social financing also collapsed to CNY728.8 billion, down from CNY2.168 trillion in September, lowest since July 2016. The sharp decline of credit expansion in October is partially attributable to seasonality due to holiday short month. However, even after taking seasonality into account, the pace of decline is still worrying with the decline of loan to corporate paints a weak prospect. Market should pay more attention to November number as China started to roll out more measures to support private owned enterprise's funding demand in early November.</p>
<b>JP</b>	<p>3Q GDP shrank 0.3% qoq on weaker exports due to the US-Sino trade tariffs weighing on trade, as well as on domestic consumption due to Typhoon Jebi's impact in September. Private consumption fell by 0.1% qoq, but the softer print could mostly be attributed to the typhoon, as it actually grew 1.2% yoy.</p>
<b>TH</b>	<p>The central bank will announce its decision today regarding the benchmark interest rate with our expectations that it would hold this time around at 1.50%.</p>
<b>ID</b>	<p>Bank Indonesia will begin its two day long policy meeting today with expectations that the central bank will hold the 7D reverse repo rate at 5.75% this time round. However, we are expecting Bank Indonesia (BI) to raise the benchmark rate in December at around the same time when the Fed is widely expected to hike too.</p>

## Major Markets

- **US:** The US Treasury Department reported a \$100.5bn budget deficit for the month of October, with the deficit widening from \$63.2bn from a year ago. The US fiscal year begins in October. Total receipts increased by 7.4% yoy, while total spending surged 18.3% from the same period last year.
- Wall Street ended lower on Tuesday, with the S&P500 slipping by 0.15%. The DJIA dipped 0.4%, while the Nasdaq composite was flat at yesterday's close.
- Boeing shares fell 2.11% after it was reported that the aircraft firm was revealed to have withheld safety information related to a flight-control feature in the Boeing 737 MAX 8 and MAX 9 models, which is allegedly linked to the Lion Air crash.
- **Europe:** It is said that the Brexit draft deal contains a UK-wide customs "backstop" instead of being specific to Northern Ireland only. However, the EU has said that it would only "take stock" whilst the Irish government has insisted that negotiations are still ongoing. The DUP leader however has warned that they would oppose any Brexit deal which it believed would undermine the union between Britain and Northern Ireland. EU representatives will meet at the same time as the UK Cabinet to be briefed on the Brexit draft deal. An EU summit on 25 November would be possible if the draft gets signed off.
- **China:** Off-balance sheet lending failed to recover despite easing monetary stance with entrusted loan, trust loan and banker's acceptance fell by CNY267.5 billion on aggregate level in October. In addition, the ongoing unwind of foreign currency loan also contributed to slow expansion of China's social financing. Foreign currency loan declined by CNY80 billion in October, largest since January 2016. This is the result of recent RMB weakness
- **Malaysia:** Prime Minister Mahathir Mohamad has mentioned that the US Department of Justice "promised that they will give back the money" of which Goldman Sachs had charged for its dealings with 1MDB.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates trading 1bps lower across most tenors (with the exception of the 12-year swap rates trading 2bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 150bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 15bps to 581bps. Overall, 10Y UST yields fell 4bps to close at 3.14% due to a sharp drop in oil prices which suggested lower inflation going forward.
- **New Issues:** Bank of China Ltd, Hong Kong Branch has priced a CNH1bn 3-year bond at 4.45%, tightening from its initial price guidance of 4.75%. Bank of China Ltd., Macau Branch has priced a USD800mn deal across two tranches with the USD550mn 3-year FRN priced at 3mL+75bps, tightening from its initial price guidance of 3mL+100bps area and the USD250mn 5-year FRN at 3mL+85bps, tightening from its initial price guidance of 3mL+110bps area. Industrial Bank Co Ltd/Hong Kong has priced a USD600mn 3-year FRN at 3mL+85bps, tightening from its initial price guidance of 3mL+110bps area. Zhongyuan Bank Co Ltd has priced a USD1.395bn Perp NC5 AT1 at 5.6%, tightening from its initial price guidance of 5.5%-6.0% area. Export-Import Bank of Thailand has priced a USD300mn 5-year FRN at 3mL+90bps, tightening from its initial price guidance of 3mL+115bps area. Power Finance Corp has hired banks for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	97.303	-0.25%	<b>USD-SGD</b>	1.3798	-0.32%
<b>USD-JPY</b>	113.810	-0.03%	<b>EUR-SGD</b>	1.5578	0.33%
<b>EUR-USD</b>	1.1290	0.64%	<b>JPY-SGD</b>	1.2123	-0.30%
<b>AUD-USD</b>	0.7218	0.63%	<b>GBP-SGD</b>	1.7907	0.69%
<b>GBP-USD</b>	1.2977	1.00%	<b>AUD-SGD</b>	0.9961	0.33%
<b>USD-MYR</b>	4.1925	0.11%	<b>NZD-SGD</b>	0.9328	0.41%
<b>USD-CNY</b>	6.9560	-0.11%	<b>CHF-SGD</b>	1.3699	0.04%
<b>USD-IDR</b>	14805	-0.10%	<b>SGD-MYR</b>	3.0318	0.11%
<b>USD-VND</b>	23293	-0.02%	<b>SGD-CNY</b>	5.0361	-0.04%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3690	--	<b>O/N</b>	2.1750	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.3066	--
<b>3M</b>	-0.3160	--	<b>2M</b>	2.4453	--
<b>6M</b>	-0.2570	--	<b>3M</b>	2.6141	--
<b>9M</b>	-0.1960	--	<b>6M</b>	2.8554	--
<b>12M</b>	-0.1480	--	<b>12M</b>	3.1348	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	74.4%	74.4%	0.0%	0.0%	0.0%
01/30/2019	76.0%	71.4%	4.6%	0.0%	0.0%
03/20/2019	91.7%	40.4%	48.2%	3.0%	0.0%
05/01/2019	92.4%	37.5%	47.5%	7.2%	0.3%
06/19/2019	96.4%	22.0%	42.3%	28.0%	3.9%
07/31/2019	96.6%	20.7%	40.9%	29.0%	5.6%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	55.69	-7.07%	Coffee (per lb)	1.092	-0.86%
Brent (per barrel)	65.47	-6.63%	Cotton (per lb)	0.7586	-0.68%
Heating Oil (per gallon)	2.0625	-4.32%	Sugar (per lb)	0.1261	-2.55%
Gasoline (per gallon)	1.5427	-5.74%	Orange Juice (per lb)	1.3415	-0.96%
Natural Gas (per MMBtu)	4.1010	8.26%	Cocoa (per mt)	2,211	0.09%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,923.8	0.39%	Wheat (per bushel)	5.0775	-2.31%
Nickel (per mt)	11,327.0	--	Soybean (per bushel)	8.673	-0.52%
Aluminium (per mt)	1,934.0	--	Corn (per bushel)	3.6650	-1.28%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,201.4	-0.17%	Crude Palm Oil (MYR/MT)	1,825.0	-2.14%
Silver (per oz)	13.977	-0.24%	Rubber (JPY/KG)	136.8	-0.51%

Source: Bloomberg, Reuters  
(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,286.49	-100.69
<b>S&amp;P</b>	2,722.18	-4.04
<b>Nasdaq</b>	7,200.88	--
<b>Nikkei 225</b>	21,810.52	-459.36
<b>STI</b>	3,053.60	-14.55
<b>KLCI</b>	1,687.57	-8.57
<b>JCI</b>	5,835.20	58.15
<b>Baltic Dry</b>	1,125.00	--
<b>VIX</b>	20.02	-0.43

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	2.08 (-0.02)	2.89 (-0.03)
<b>5Y</b>	2.30 (-0.01)	2.98 (-0.05)
<b>10Y</b>	2.50 (-)	3.14 (-0.04)
<b>15Y</b>	2.77 (-)	--
<b>20Y</b>	2.79 (-0.01)	--
<b>30Y</b>	2.89 (-0.01)	3.36 (-0.02)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	27.91	--
<b>EURIBOR-OIS</b>	4.06	-0.11
<b>TED</b>	27.33	--

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/13/2018 05:45	NZ Food Prices MoM	Oct	--	-0.60%	-0.10%	--
11/13/2018 08:30	AU NAB Business Conditions	Oct	--	12	15	14
11/13/2018 08:30	AU NAB Business Confidence	Oct	--	4	6	--
11/13/2018 15:00	GE CPI MoM	Oct F	0.20%	0.20%	0.20%	--
11/13/2018 15:00	GE CPI YoY	Oct F	2.50%	2.50%	2.50%	--
11/13/2018 15:00	GE CPI EU Harmonized MoM	Oct F	0.10%	0.10%	0.10%	--
11/13/2018 15:00	GE CPI EU Harmonized YoY	Oct F	2.40%	2.40%	2.40%	--
11/13/2018 16:27	VN Domestic Vehicle Sales YoY	Oct	--	39.10%	24.70%	--
11/13/2018 16:48	CH Money Supply M1 YoY	Oct	4.20%	2.70%	4.00%	--
11/13/2018 16:48	CH Money Supply M0 YoY	Oct	2.80%	2.80%	2.20%	--
11/13/2018 16:50	CH Money Supply M2 YoY	Oct	8.40%	8.00%	8.30%	--
11/13/2018 16:50	CH New Yuan Loans CNY	Oct	904.5b	697.0b	1380.0b	--
11/13/2018 17:30	UK Claimant Count Rate	Oct	--	2.70%	2.60%	--
11/13/2018 17:30	UK Jobless Claims Change	Oct	--	20.2k	18.5k	23.2k
11/13/2018 17:30	UK Average Weekly Earnings 3M/YoY	Sep	3.00%	3.00%	2.70%	2.80%
11/13/2018 17:30	UK ILO Unemployment Rate 3Mths	Sep	4.00%	4.10%	4.00%	--
11/13/2018 18:00	GE ZEW Survey Current Situation	Nov	65	58.2	70.1	--
11/13/2018 18:00	GE ZEW Survey Expectations	Nov	-26	-24.1	-24.7	--
11/13/2018 18:00	EC ZEW Survey Expectations	Nov	--	-22	-19.4	--
11/13/2018 19:00	US NFIB Small Business Optimism	Oct	108	107.4	107.9	--
11/14/2018 03:00	US Monthly Budget Statement	Oct	-\$100.0b	-\$100.5b	-\$63.2b	--
11/14/2018 04:00	NZ REINZ House Sales YoY	Oct	--	15.50%	-3.00%	--
11/14/2018 07:00	SK Unemployment rate SA	Oct	4.00%	3.90%	4.00%	--
11/14/2018 07:30	AU Westpac Consumer Conf SA MoM	Nov	--	2.80%	1.00%	--
11/14/2018 07:50	JN GDP SA QoQ	3Q P	-0.30%	--	0.70%	--
11/14/2018 07:50	JN GDP Annualized SA QoQ	3Q P	-1.00%	--	3.00%	--
11/14/2018 07:50	JN GDP Nominal SA QoQ	3Q P	-0.30%	--	0.70%	--
11/14/2018 07:50	JN GDP Deflator YoY	3Q P	-0.10%	--	0.10%	--
11/14/2018 08:30	AU Wage Price Index QoQ	3Q	0.60%	--	0.60%	--
11/14/2018 08:30	AU Wage Price Index YoY	3Q	2.30%	--	2.10%	--
11/14/2018 10:00	CH Retail Sales YoY	Oct	9.20%	--	9.20%	--
11/14/2018 10:00	CH Retail Sales YTD YoY	Oct	9.30%	--	9.30%	--
11/14/2018 10:00	CH Industrial Production YoY	Oct	5.80%	--	5.80%	--
11/14/2018 10:00	CH Industrial Production YTD YoY	Oct	6.30%	--	6.40%	--
11/14/2018 10:00	CH Fixed Assets Ex Rural YTD YoY	Oct	5.50%	--	5.40%	--
11/14/2018 12:30	JN Tertiary Industry Index MoM	Sep	-0.40%	--	0.50%	--
11/14/2018 12:30	JN Capacity Utilization MoM	Sep	--	--	2.20%	--
11/14/2018 12:30	JN Industrial Production MoM	Sep F	--	--	-1.10%	--
11/14/2018 12:30	JN Industrial Production YoY	Sep F	--	--	-2.90%	--
11/14/2018 14:30	IN Wholesale Prices YoY	Oct	4.93%	--	5.13%	--
11/14/2018 15:00	GE GDP SA QoQ	3Q P	-0.10%	--	0.50%	--
11/14/2018 15:00	GE GDP NSA YoY	3Q P	1.20%	--	2.30%	--
11/14/2018 15:00	GE GDP WDA YoY	3Q P	1.30%	--	2.00%	--
11/14/2018 15:05	TH BoT Benchmark Interest Rate	Nov-14	1.50%	--	1.50%	--
11/14/2018 15:45	FR CPI EU Harmonized MoM	Oct F	0.10%	--	0.10%	--
11/14/2018 15:45	FR CPI EU Harmonized YoY	Oct F	2.50%	--	2.50%	--
11/14/2018 15:45	FR CPI MoM	Oct F	0.10%	--	0.10%	--
11/14/2018 15:45	FR CPI YoY	Oct F	2.20%	--	2.20%	--
11/14/2018 15:45	FR CPI Ex-Tobacco Index	Oct	103.36	--	103.25	--
11/14/2018 17:30	UK CPI MoM	Oct	0.20%	--	0.10%	--
11/14/2018 17:30	UK CPI YoY	Oct	2.50%	--	2.40%	--
11/14/2018 17:30	UK CPI Core YoY	Oct	1.90%	--	1.90%	--
11/14/2018 17:30	UK Retail Price Index	Oct	284.6	--	284.1	--
11/14/2018 17:30	UK RPI MoM	Oct	0.20%	--	0.00%	--
11/14/2018 17:30	UK RPI YoY	Oct	3.40%	--	3.30%	--
11/14/2018 17:30	UK RPI Ex Mort Int.Payments (YoY)	Oct	3.30%	--	3.30%	--
11/14/2018 17:30	UK PPI Output NSA MoM	Oct	0.20%	--	0.40%	--
11/14/2018 17:30	UK PPI Output NSA YoY	Oct	3.10%	--	3.10%	--
11/14/2018 18:00	EC Industrial Production SA MoM	Sep	-0.40%	--	1.00%	--
11/14/2018 18:00	EC Industrial Production WDA YoY	Sep	0.30%	--	0.90%	--
11/14/2018 18:00	EC GDP SA QoQ	3Q P	0.20%	--	0.20%	--
11/14/2018 18:00	EC GDP SA YoY	3Q P	1.70%	--	1.70%	--
11/14/2018 20:00	US MBA Mortgage Applications	Nov-09	--	--	-0.70%	--
11/14/2018 21:30	US CPI MoM	Oct	0.30%	--	0.10%	--
11/14/2018 21:30	US CPI Ex Food and Energy MoM	Oct	0.20%	--	0.10%	--
11/14/2018 21:30	US CPI YoY	Oct	2.50%	--	2.30%	--
11/14/2018 21:30	US CPI Ex Food and Energy YoY	Oct	2.20%	--	2.20%	--

Source: Bloomberg

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