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**Highlights**

Global	Market is taking in the news that OPEC has managed to secure a production cut agreement with non-OPEC countries. These countries, including Russia, have reportedly agreed to trim output by as much as 558k barrels per day next year, in what is the first agreement between the cartel and other non-OPEC oil producing countries in 15 years. Oil price surged as a result, with Brent trading around USD56.5 per barrel this morning. Meanwhile, for the week ahead, market is gearing up for the FOMC meeting which ends on December 14th, with futures market pricing a 25bps rate hike virtually as a certainty. Prior to that, market will also be looking out for a host of data coming from China on Tuesday, including retail sales and new loans.
US	Equity markets closed the week on a high, gaining for the 6th consecutive session on Friday. As the rally broadens across different sectors, healthcare and technology stocks got their turn to lead the market. Overall, the Dow rose 0.73%, while the S&P 500 and Nasdaq followed up with gains of 0.59% and 0.50% respectively. VIX retreated sharply to close at 11.75, down 7.04%. Meanwhile, US Treasury yields stand near 18-month highs on strong consumer data, and market expectations of a rate hike later this week. 2- and 10-year benchmark yields were higher by 2-6 bps, closing at 1.13% and 2.47% respectively.
SG	STI clocked its second consecutive day of decline (-0.09%) on Friday last week. The decline was seen from some profit-taking in Golden Agri-Resources (-3.41%), while DBS (-1.71%) and Genting Singapore (-1.51%) followed suit. Gainers however, which included Jardine Matheson Holdings (+2.78%) and Hutchison Port Holdings (+23.8%), limited the losses. For today, do look for some upside bias driven especially from energy names given higher oil prices seen this morning.
CH	Top policy makers held its last monthly politburo meeting on 9 Dec, outlining the key economic tasks for 2017. The details will be discussed in the Central Economic Working Conference later this week. Based on the message from the latest politburo meeting, we expect five key focuses for the CEWC including 1) supply side reform for agriculture sectors, 2) containing risk from property market, 3) promoting consumption, 4) ongoing four basic reforms including SOE reform, fiscal and tax reform, financial reform and social security reform, 5) promoting one belt one road. China's CPI growth accelerated to 2.3% yoy in November, in line with market expectation. However, producer prices continued to increase at a faster than expected pace with PPI grew by 3.3% yoy in November, up from 1.2% in October.
Commodities	A historic agreement has been reached, or so says Saudi Arabia in the meeting between OPEC and non-OPEC members over the weekend. Crude oil prices jumped by more than 4% on news that 11 non-OPEC countries will cut their oil output by 558,000 barrels per day. The deal was agreed to by Russia (-300kbpd), Oman (-45kbpd), Kazakhstan (-20bpd), Azerbaijan, Bahrain, Brunei, Equatorial Guinea, Malaysia, Mexico, Sudan and South Sudan. Market-watchers however, shrugged off the latest US oil rig counts, which rose by 21 rig counts for the week ended 9 Dec, clocking its fastest pace since April 2014.

## Major Market

- **Macau:** China's authorities were rumoured to cut UnionPay's daily withdrawal limit by half to MOP5,000, effective as of 10 Dec. Though the rumor was denied by the UnionPay, policy risks are still likely to be a potential drag on the VIP segment in the near term.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened last Friday as swap rates traded mostly 1-9bps higher across tenors. In the broader dollar space, the spread on JACI IG corporates remained relatively unchanged at 200bps while the yield on JACI HY corporates increased 3bps to 6.91%. 10y UST yield increased 6bps to 2.47% as the market continues to re-price the European Central Bank's decision to extend its easing program.
- **New Issues:** Danyang Investment has priced a USD220mn 3-year bond at 5.85%, tightening from its initial guidance at 6%. Shangxi Road & Bridge Construction Group Co. Ltd. has launched a re-tap of its existing USD250mn 4.85%'19s bond with initial guidance at 5.9%. The expected issue ratings for the bond are "BB/NR/NR" and are expected to be priced later today. Fujian Zhanglong Group Co. Ltd. priced a USD150mn 3-year bond at 4.8%, tightening from its initial guidance at 5%. The expected issue ratings are "NR/NR/BB+". Xiangxing Overseas Investment Co. Ltd. has launched a USD 3-year bond with initial price guidance at 6.5%. The bond is expected to be price later today.
- **Rating Changes:** S&P assigned "AA-" foreign and local currency ratings to Brisbane Housing Co. Ltd. (BHC) with a stable outlook. The rating assignment reflects the company's stand-alone credit profile of "a+" and S&P's view that there is moderately high likelihood that the state of Queensland would provide timely and sufficient extraordinary support to BHC in the event of financial distress. Moody's downgraded Yingde Gases Group Co. Ltd.'s corporate family rating to "B2" from "B1" and placed its rating on review for further downgrade. The downgrade and review reflect Moody's concerns over Yingde Gases' heightened level of liquidity risk, as caused by the delay in its new share issuance, which is designed to address the company's offshore funding needs.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	101.590	0.48%	USD-SGD	1.4309	0.53%
USD-JPY	115.320	1.12%	EUR-SGD	1.5112	0.02%
EUR-USD	1.0561	-0.51%	JPY-SGD	1.2407	-0.60%
AUD-USD	0.7449	-0.19%	GBP-SGD	1.7999	0.47%
GBP-USD	1.2572	-0.11%	AUD-SGD	1.0662	0.38%
USD-MYR	4.4245	0.05%	NZD-SGD	1.0210	0.01%
USD-CNY	6.9080	0.25%	CHF-SGD	1.4075	0.51%
USD-IDR	13319	0.24%	SGD-MYR	3.1080	-0.46%
USD-VND	22563	-0.31%	SGD-CNY	4.8288	-0.22%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	0.0010	O/N	0.4342	0.0011
2M	-0.3370	--	1M	0.6800	0.0161
3M	-0.3160	0.0020	2M	0.7714	0.0056
6M	-0.2170	--	3M	0.9565	0.0034
9M	-0.1380	-0.0040	6M	1.2960	0.0028
12M	-0.0810	-0.0030	12M	1.6484	0.0039

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.26	1.50	3.85
Italy	-0.09	-3.90	2.04
Ireland	-0.50	1.30	0.99
Greece	7.65	--	6.70
Spain	-0.25	-3.70	1.51
Russia	2.53	12.60	4.48

### Equity and Commodity

Index	Value	Net change
DJIA	19,756.85	142.04
S&P	2,259.53	13.34
Nasdaq	5,444.50	27.14
Nikkei 225	18,996.37	230.90
STI	2,956.13	-2.73
KLCI	1,641.42	-2.33
JCI	5,308.13	4.39
Baltic Dry	1,090.00	-32.00
VIX	11.75	-0.89

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.22 (+0.06)	1.13 (+0.02)
5Y	1.81 (+0.05)	1.89 (+0.05)
10Y	2.41 (+0.08)	2.47 (+0.06)
15Y	2.74 (+0.08)	--
20Y	2.79 (+0.08)	--
30Y	2.78 (+0.08)	3.15 (+0.05)

### Financial Spread (bps)

	Value	Change
LIBOR-OIS	31.35	-0.57
EURIBOR-OIS	3.40	0.12
TED	42.35	-2.71

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	51.50	1.30%	Coffee (per lb)	1.356	-1.49%
Brent (per barrel)	54.33	0.82%	Cotton (per lb)	0.7080	-0.87%
Heating Oil (per gallon)	1.6374	0.71%	Sugar (per lb)	0.1924	-1.08%
Gasoline (per gallon)	1.5073	0.17%	Orange Juice (per lb)	2.1300	-0.19%
Natural Gas (per MMBtu)	3.7460	1.38%	Cocoa (per mt)	2,163	-4.38%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	5,826.0	0.76%	Wheat (per bushel)	4.0025	2.43%
Nickel (per mt)	11,425.5	3.30%	Soybean (per bushel)	10.375	1.02%
Aluminium (per mt)	1,755.5	1.40%	Corn (per bushel)	3.5250	1.73%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,159.4	-0.89%	Crude Palm Oil (MYR/MT)	3,123.0	-1.42%
Silver (per oz)	16.897	-0.75%	Rubber (JPY/KG)	236.7	1.98%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### CFTC Commodities Futures and Options

For the week ended: 06 Dec 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
12/09/2016 07:50	JN	Money Stock M2 YoY	Nov	3.70%	4.00%	3.70%	--
12/09/2016 07:50	JN	Money Stock M3 YoY	Nov	3.20%	3.40%	3.20%	3.10%
12/09/2016 08:30	AU	Home Loans MoM	Oct	-1.00%	-0.80%	1.60%	1.50%
12/09/2016 09:00	PH	Exports YoY	Oct	7.90%	3.70%	5.10%	--
12/09/2016 09:00	PH	Imports YoY	Oct	7.50%	5.90%	13.50%	--
12/09/2016 09:00	PH	Trade Balance	Oct	-\$2050m	-\$2163m	-\$1890m	--
12/09/2016 09:30	CH	CPI YoY	Nov	2.20%	2.30%	2.10%	--
12/09/2016 09:30	CH	PPI YoY	Nov	2.30%	3.30%	1.20%	--
12/09/2016 12:00	MA	Industrial Production YoY	Oct	3.40%	4.20%	3.20%	3.10%
12/09/2016 15:00	GE	Trade Balance	Oct	22.0b	19.3b	24.4b	24.2b
12/09/2016 15:00	GE	Current Account Balance	Oct	22.0b	18.4b	24.2b	24.4b
12/09/2016 15:00	GE	Exports SA MoM	Oct	0.90%	0.50%	-0.70%	-1.00%
12/09/2016 15:00	GE	Imports SA MoM	Oct	1.10%	1.30%	-0.50%	-0.70%
12/09/2016 15:30	TH	Foreign Reserves	Dec-02	--	\$175.6b	\$175.7b	--
12/09/2016 15:45	FR	Budget Balance YTD	Oct	--	-85.5b	-83.0b	--
12/09/2016 15:45	FR	Industrial Production MoM	Oct	0.60%	-0.20%	-1.10%	-1.40%
12/09/2016 15:45	FR	Industrial Production YoY	Oct	-0.60%	-1.80%	-1.10%	--
12/09/2016 15:45	FR	Manufacturing Production MoM	Oct	0.70%	-0.60%	-1.10%	-1.40%
12/09/2016 15:45	FR	Manufacturing Production YoY	Oct	0.10%	-1.50%	-0.90%	-0.80%
12/09/2016 17:30	UK	Visible Trade Balance GBP/Mn	Oct	-11,800	-9,711	-12,698	-13,832
12/09/2016 17:30	UK	Trade Balance Non EU GBP/Mn	Oct	-3,450	-1,598	-3,969	-5,268
12/09/2016 17:30	UK	Trade Balance	Oct	-4,300	-1,971	-5,221	-5,812
12/09/2016 18:13	VN	Domestic Vehicle Sales YoY	Nov	--	25.70%	27.30%	--
12/09/2016 20:00	IN	Industrial Production YoY	Oct	1.00%	-1.90%	0.70%	--
12/09/2016 23:00	US	Wholesale Inventories MoM	Oct F	-0.40%	-0.40%	-0.40%	--
12/09/2016 23:00	US	U. of Mich. Sentiment	Dec P	94.5	98	93.8	--
12/09/2016 23:00	US	U. of Mich. 1 Yr Inflation	Dec P	--	2.30%	2.40%	--
12/12/2016 03:30	NZ	REINZ House Sales YoY	Nov	--	-6.00%	-14.20%	--
12/12/2016 07:50	JN	Machine Orders MoM	Oct	1.10%	4.10%	-3.30%	--
12/12/2016 07:50	JN	Machine Orders YoY	Oct	-4.90%	-5.60%	4.30%	--
12/12/2016 07:50	JN	PPI MoM	Nov	0.30%	0.40%	-0.10%	--
12/12/2016 07:50	JN	PPI YoY	Nov	-2.30%	-2.20%	-2.70%	--
12/12/2016 08:01	UK	Rightmove House Prices MoM	Dec	--	--	-1.10%	--
12/12/2016 08:01	UK	Rightmove House Prices YoY	Dec	--	--	4.50%	--
12/12/2016 12:30	JN	Tertiary Industry Index MoM	Oct	0.30%	--	-0.10%	--
12/12/2016 14:00	JN	Machine Tool Orders YoY	Nov P	--	--	-8.90%	--
12/12/2016 12/15	IN	Imports YoY	Nov	--	--	8.10%	--
12/12/2016 12/15	IN	Exports YoY	Nov	--	--	9.60%	--
12/10/2016 12/15	CH	New Yuan Loans CNY	Nov	720.0b	--	651.3b	--
12/10/2016 12/15	CH	Money Supply M2 YoY	Nov	11.50%	--	11.60%	--

Source: Bloomberg

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