

Highlights

Global	<p>A somewhat mixed US nonfarm data payrolls, upbeat Apple's post-market close results (+2.6% to a record), and higher crude oil prices (amid a crackdown of Saudi Arabian princes) contributed to higher Wall Street close, softer UST bond yields and a fairly resilient USD. Given a light economic data calendar ahead comprising only of Indonesia's 3Q GDP growth and German factory orders, Asian bourses are likely to range trade with a close eye on US president Trump's Asian tour through Japan (5-7 Nov), S. Korea (7 Nov), China (8 Nov), Vietnam (10-11 Nov, including his first APEC summit where he's delivering a speech), Philippines (12 Nov) would likely focus on North Korean tensions, bilateral trade relations (recall "America First?") and investments, even as back home in the US the tax bill is still up in the air between the House and the Senate. ECB's Praet and Hansson, and BOJ governor Kuroda are also speaking today. This week, RBA policy decision tomorrow (likely unchanged at 1.5%, but note some market speculation of a dovish tilt given soft economic data of late), BOJ's Sep minutes and BOT policy decision (likely static at 1.5%) on 8 Nov, RBNZ, BNM and BSP rate decisions (all likely static as well) on 9 Nov and the resumption of Brexit talks.</p>
US	<p>US' Oct nonfarm payrolls disappointed at 216k, below market consensus forecast of 313k, but the previous two months' data were revised up 90k and bringing the average for the three months to a respectable 162k. Moreover, the unemployment rate unexpectedly fell to 4.1% (lowest since Dec 2000), beating market expectations to be unchanged at 4.2%, and the U-6 under-employment rate also slipped from 8.3% to 7.9% (lowest since Dec 2006). The labour force participation rate also fell to 62.7%, whilst the average hourly earnings were flat on-month (2.4% yoy) in Oct. That said, the data did not significant shift Fed rate hike expectations for Dec. Meanwhile, the non-manufacturing ISM surged from 59.8 in Sep to 60.1 in Oct, while Sep factory orders also rose a stronger than expected 1.4% mom in Sep. The trade deficit widened a tad to US\$43.2b for Sep. Separately, Fed's Dudley is expected to announce this week that he'll retire in spring or summer of 2018, ahead of his term which ends in Jan 19, according to CNBC.</p>
CN	<p>PBoC published its Governor Zhou Xiaochuan's articles in the website over the weekend titled "safeguarding the bottom line to prevent from systemic financial risk." The title of the article is self-explanatory and showed that containing financial risk will be the key task for China's financial regulator including PBoC for the next few years. As such, PBoC is expected to exercise its caution to keep financial leverage in check. In addition, Mr. Zhou also reiterated the importance of reform and opening to optimise the structure of financial system.</p>
CMD	<p>Another round of technical buying amid news of an anti-graft probe in Saudi Arabia which is seen to consolidate power in the hands of Crown Prince Mohammed bin Salman lifted oil prices on Friday. Oil prices are now effectively beyond their 2-year highs, with both WTI and Brent at \$55.6/bbl and \$62.1/bbl, respectively, in line with our expectations for crude oil prices to gain into year-end. Still, we think that the crude oil rally has been a little too fast for our comfort; current higher prices could be an effective impetus for other producing nations to increase oil production especially with Brent at above \$60/bbl, which could effectively cap the rally in the near future.</p>

Major Market

- **US:** Equities closed the week firmer, with all three major indices at record highs yet again. The S&P 500 closed at 2587.84, up 0.31%, while the Dow and Nasdaq Composite were higher by 0.10% and 0.74%. Overall, tech stocks are again the star performer, supported by a better than expected earnings from Apple Inc. VIX took a big step lower, closing at 9.14, compared to 9.93 previously.
- Meanwhile, the Treasury yield curve continued to flatten, with the 2yr and 10yr benchmark yields heading in different directions. The 2y yield firmed to 1.615%, while the 10yr slipped to 2.33%. This week, look out for Trump in Asia, with North Korea likely to be on the agenda. Fedspeak is also heavy for the week, starting from Potter later today, and featuring Dudley, Quarles, Yellen and Harker. On the data front, watch for initial jobless claims on Thursday and U.Mich consumer sentiments on Friday.
- **Singapore:** The STI added 0.05% to close at 3382.31 on Friday, but may tread water today amid mixed morning cues from Nikkei and Kospi. STI support and resistance are tipped at 3360 and 3400 respectively. With UST bonds bear-flattening slightly on Friday as initial NFP-led gains unwound, SGS bonds are likely to similarly range trade today.
- **Malaysia:** Trade growth printed double digits in Sept, although disappointing expectations for both exports and imports growth to touch 20%. Across industries, exports of petroleum products (+22.4%) and electrical & electronic products (+17.7%) buoyed trade, while palm oil exports (-1.7%) dragged. Elsewhere, heavy rain induced flood in Penang so far saw seven killed and over 3,000 people evacuated on Sunday.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards on Friday, with swap rates trading 1-4bps higher across all tenors. The belly of the curve moved less as compared to the shorter and longer-ends of the curve. In the broader dollar space, the spread on JACI IG Corp rose 1bps to 178bps, while the yield on JACI HY Corp fell 1bps to 6.85%. 10Y UST yields fell 1bps to 2.33% on Friday, after Non-Farm Payroll data came in weaker than expected.
- **New Issues:** China Wanda International Funding Pte Ltd has scheduled investor meetings for potential USD bond issuance from 6 Nov. Telstra Corp Ltd has scheduled investor meetings for potential USD bond issuance from 6 Nov. QBE Insurance Group has scheduled investor meetings for potential USD Perp AT1 issuance from 6 Nov. The expected issue ratings are 'NR/Baa3/BBB-'.
- **Rating Changes:** There are no rating changes on 3 Nov 2017.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.941	0.27%	USD-SGD	1.3649	0.43%
USD-JPY	114.070	-0.01%	EUR-SGD	1.5851	0.04%
EUR-USD	1.1608	-0.43%	JPY-SGD	1.1967	0.45%
AUD-USD	0.7650	-0.82%	GBP-SGD	1.7848	0.56%
GBP-USD	1.3077	0.14%	AUD-SGD	1.0443	-0.37%
USD-MYR	4.2365	0.13%	NZD-SGD	0.9428	0.34%
USD-CNY	6.6390	0.45%	CHF-SGD	1.3641	0.31%
USD-IDR	13498	-0.40%	SGD-MYR	3.1119	0.09%
USD-VND	22712	-0.02%	SGD-CNY	4.8671	0.08%

Equity and Commodity

Index	Value	Net change
DJIA	23,539.19	22.93
S&P	2,587.84	7.99
Nasdaq	6,764.44	49.49
Nikkei 225	22,539.12	--
STI	3,382.31	1.81
KLCI	1,740.93	-0.12
JCI	6,039.54	8.43
Baltic Dry	1,482.00	--
VIX	9.14	-0.79

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1844	0.0006
2M	-0.3410	--	1M	1.2432	0.0011
3M	-0.3290	--	2M	1.3339	0.0012
6M	-0.2760	--	3M	1.3919	0.0006
9M	-0.2190	0.0010	6M	1.5902	0.0011
12M	-0.1910	-0.0020	12M	1.8629	-0.0003

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.42 (+0.01)	1.61 (+0.01)
5Y	1.65 (-)	1.99 (-0.01)
10Y	2.16 (+0.01)	2.33 (-0.01)
15Y	2.45 (-0.01)	--
20Y	2.44 (-0.01)	--
30Y	2.54 (-0.01)	2.81 (-0.01)

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	92.5%	89.9%	2.6%	0.0%	0.0%
03/21/2018	96.3%	47.9%	47.1%	1.3%	0.0%
05/02/2018	96.5%	45.7%	47.1%	3.6%	0.1%
06/13/2018	97.8%	30.2%	46.6%	19.6%	1.4%
08/01/2018	97.9%	29.4%	46.2%	20.4%	1.9%

Financial Spread (bps)

	Value	Change
LIBOR-OIS	10.05	0.44
EURIBOR-OIS	2.73	-0.04
TED	22.27	-0.96

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	55.64	2.02%	Copper (per mt)	6,872.9	-0.83%
Brent (per barrel)	62.07	2.39%	Nickel (per mt)	12,683.0	0.92%
Heating Oil (per gallon)	1.8866	1.76%	Aluminium (per mt)	2,170.0	0.50%
Gasoline (per gallon)	1.7934	1.34%			
Natural Gas (per MMBtu)	2.9840	1.67%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,806.0	-0.53%
			Rubber (JPY/KG)	199.8	0.00%
Precious Metals	Futures	% chg			
Gold (per oz)	1,269.2	-0.70%			
Silver (per oz)	16.834	-1.77%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Positioning Update

For the week ended: 31 Oct 2017

	Current	Previous	Net Chg		Current	Previous	Net Chg
Nymex Crude	544,301	496,074	48,227	Natural Gas	-103,896	-72,139	-31,757
Sugar	-35,216	-63,836	28,620	Wheat	-84,199	-53,965	-30,234
Live Cattle	148,240	138,489	9,751	Corn	-129,677	-109,066	-20,611
Soybean	57,243	49,670	7,573	Silver	59,021	64,034	-5,013
Lean Hogs	69,794	62,423	7,371	Copper	47,145	52,114	-4,969
Heating Oil	54,912	49,728	5,184	Gold	196,686	198,596	-1,910
RBOB Gasoline	76,753	72,231	4,522	Platinum	19,518	20,904	-1,386
Cocoa	3,981	1,496	2,485	Palladium	21,526	21,635	-109
Cotton	63,392	62,315	1,077	Coffee	-37,212	-37,605	393

Source: CFTC, OCBC

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
11/03/2017 05:00	SK Foreign Reserves	Oct	--	\$384.46b	\$384.67b	--
11/03/2017 06:00	AU CBA Australia PMI Services	Oct	--	53	53.2	--
11/03/2017 07:00	SK Current Account Balance	Sep	--	\$12205.0m	\$6061.1m	--
11/03/2017 08:30	HK Nikkei Hong Kong PMI	Oct	--	50.3	51.2	--
11/03/2017 08:30	AU Retail Sales MoM	Sep	0.40%	0.00%	-0.60%	-0.50%
11/03/2017 09:45	CH Caixin China PMI Composite	Oct	--	51	51.4	--
11/03/2017 09:45	CH Caixin China PMI Services	Oct	--	51.2	50.6	--
11/03/2017 12:00	MA Exports YoY	Sep	20.00%	14.80%	21.50%	21.60%
11/03/2017 13:00	IN Nikkei India PMI Services	Oct	--	51.7	50.7	--
11/03/2017 13:00	IN Nikkei India PMI Composite	Oct	--	51.3	51.1	--
11/03/2017 15:30	TH Foreign Reserves	Oct-27	--	\$199.8b	\$200.2b	--
11/03/2017 16:30	HK Retail Sales Value YoY	Sep	1.00%	5.60%	2.70%	--
11/03/2017 16:30	HK Retail Sales Volume YoY	Sep	1.40%	5.50%	3.20%	--
11/03/2017 17:30	UK Markit/CIPS UK Services PMI	Oct	53.3	55.6	53.6	--
11/03/2017 17:30	UK Markit/CIPS UK Composite PMI	Oct	53.8	55.8	54.1	--
11/03/2017 20:30	CA Int'l Merchandise Trade	Sep	-3.00b	-3.18b	-3.41b	-3.18b
11/03/2017 20:30	CA Net Change in Employment	Oct	15.0k	35.3k	10.0k	--
11/03/2017 20:30	US Change in Nonfarm Payrolls	Oct	313k	261k	-33k	18k
11/03/2017 20:30	CA Unemployment Rate	Oct	6.20%	6.30%	6.20%	--
11/03/2017 20:30	US Change in Manufact. Payrolls	Oct	15k	24k	-1k	6k
11/03/2017 20:30	US Unemployment Rate	Oct	4.20%	4.10%	4.20%	--
11/03/2017 20:30	US Trade Balance	Sep	-\$43.2b	-\$43.5b	-\$42.4b	-\$42.8b
11/03/2017 21:45	US Markit US Services PMI	Oct F	55.9	55.3	55.9	--
11/03/2017 21:45	US Markit US Composite PMI	Oct F	--	55.2	55.7	--
11/03/2017 22:00	US ISM Non-Manf. Composite	Oct	58.5	60.1	59.8	--
11/03/2017 22:00	US Factory Orders	Sep	1.20%	1.40%	1.20%	--
11/03/2017 22:00	US Durable Goods Orders	Sep F	2.00%	2.00%	2.20%	--
11/03/2017 22:00	US Durables Ex Transportation	Sep F	--	0.70%	0.70%	--
11/03/2017 22:00	US Cap Goods Orders Nondef Ex Air	Sep F	--	1.70%	1.30%	--
11/03/2017 22:00	US Cap Goods Ship Nondef Ex Air	Sep F	--	0.90%	0.70%	--
11/06/2017 08:00	AU Inflation MoM	Oct	--	--	0.30%	--
11/06/2017 08:00	NZ ANZ Commodity Price	Oct	--	--	0.80%	--
11/06/2017 08:30	JN Nikkei Japan PMI Services	Oct	--	--	51	--
11/06/2017 08:30	JN Nikkei Japan PMI Composite	Oct	--	--	51.7	--
11/06/2017 08:30	AU ANZ Job Advertisements MoM	Oct	--	--	0.00%	--
11/06/2017 10:00	NZ 2Yr Inflation Expectation	4Q	--	--	2.09%	--
11/06/2017 12:00	ID GDP QoQ	3Q	3.24%	--	4.00%	--
11/06/2017 15:00	GE Factory Orders MoM	Sep	-1.10%	--	3.60%	--
11/06/2017 15:00	GE Factory Orders WDA YoY	Sep	7.10%	--	7.80%	--
11/06/2017 16:45	IT Markit/ADACI Italy Services PMI	Oct	52.9	--	53.2	--
11/06/2017 16:45	IT Italy Composite PMI	Oct	54.3	--	54.3	--
11/06/2017 16:50	FR Markit France Services PMI	Oct F	57.4	--	57.4	--
11/06/2017 16:50	FR Markit France Composite PMI	Oct F	57.5	--	57.5	--
11/06/2017 16:55	GE Markit Germany Services PMI	Oct F	55.2	--	55.2	--
11/06/2017 16:55	GE Germany Composite PMI	Oct F	56.9	--	56.9	--
11/06/2017 17:00	EC Markit Eurozone Services PMI	Oct F	54.9	--	54.9	--
11/06/2017 17:00	EC Markit Eurozone Composite PMI	Oct F	55.9	--	55.9	--
11/06/2017	ID GDP YoY	3Q	5.18%	--	5.01%	--
11/06/2017 11/13	VN Domestic Vehicle Sales YoY	Oct	--	--	-20.20%	--

Source: Bloomberg

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