

Highlights

Global	US president Trump's visit to South Korea saw him calling North Korea to "come to the table" to negotiate, but said the US stands ready "if need be" with South Korea. As Trump heads to Beijing, anticipate further rhetoric on North Korea and trade, even as back home the Senate Republican leaders are reportedly considering a delay in the implementation of the tax bill of up to a year to save US\$100b. Meanwhile, RBA left its policy rate steady at a record low 1.5% but sounded more upbeat on the investment picture. Separately, Saudi Arabia said it only froze bank accounts of individuals and not the companies owned amid global investor concerns over the crackdown. Today's key market focus will be BOT which is tipped to stay on hold at 1.5%, as well as RBNZ who will also keep its OCR steady at 1.75%. Asian bourses look set to open mixed given the undercurrents of geopolitical and policy noises. The economic data calendar is fairly light with only China's Oct trade data and US' MBA mortgage applications.
US	Consumer credit surged by the most since Nov16, with credit-card debt exceeding US\$1tn for the first time since 2009. JOLTs job openings were little changed at 6093 in Sep, near the record high despite the impact from hurricanes Harvey and Irma. Meanwhile, newly appointed Fed vice-chair for supervision Randal Quarles has called for a "fresh look" at banking regulations and said "everything is up for a fresh look".
CN	China's FX reserve rose for the ninth consecutive month in October to US\$3.109 trillion from US\$3.1085 in September. The unfavourable valuation effect due to dollar appreciation in the global market in October was partially offset by the capital appreciation according to the SAFE. The stabilization of FX reserve shows balanced capital flow, which will continue to support RMB's two-way movement.
AU	RBA governor Lowe said "the bank's forecasts for growth in the Australian economy are largely unchanged" but "the outlook for non-mining business investment has improved", albeit "one continuing source of uncertainty is the outlook for household consumption" as "wage growth remains low" and "inflation is likely to remain low for some time, reflecting the slow growth in labour costs and increased competitive pressures, especially in retailing". We see RBA to remain in neutral mode for the near-future.
EZ	ECB's Nouy said that 50 banks have talked about Brexit-related moves with supervisors in the EU, and license applications from some 20 banks are in some stage of assessment.
JP	BOJ governor Kuroda suggested that "I don't think any adjustment is needed now and we will carry on the purchases appropriately by examining risk premiums" for ETF targets to increase holdings by JPY6 tn annually.
TH	Bank of Thailand is to meet later today, where we expect the central bank to keep rates static at 1.50%.
CMD	Crude oil eases from its 2.5 year high amid tensions between Saudi Arabia and Iran & Saudi crown prince's attempt to consolidate power, while the US EIA upgrades its 2018 production estimate to rise 720k bpd (up from 680k bpd). Gold prices were relatively flattish (-0.45%) even as bets for a Fed rate hike in Dec (87.5% implied probability) is met with some likely safe haven buying from the current Middle East tensions.

Major Market

- **US:** Equities plied a narrow range intraday, with late trading erasing most of the day's declines. Overall, equities ended mixed, with the S&P 500 marginally lower, the Nasdaq Composite shedding 0.28% and the Dow gaining 0.04%. Stocks in different industrial sectors are moving depending on developments in the tax reform debates. VIX is higher again, closing at 9.89 compared to 9.40 previously.
- Meanwhile, the US Treasury yield curve continued to flatten. The 2y benchmark yield firmed to 1.629%, while the 10y softened to 2.315%. Note that the yield is at the flattest in years, with the spread between 5y and 30y benchmark yields standing at just 78.4 bps.
- **Singapore:** The STI added 0.92% to close at 3413.10 yesterday, but may find it challenging to sustain its upward momentum today amid softer signals from Wall Street overnight. STI's initial support is tipped at 3400. With the inexorable flattening bias in the UST bond yield curve, SGS bonds may be confined to small moves within the same direction as well today.
- **Korea:** Recent central bank meeting minutes suggest that policy members are evenly split over when to raise rates, with three members favouring a rate hike now or soon while three members preferred to wait for more information.
- **Indonesia:** Indonesian foreign reserves fell from a record high of US\$129.4b in September, to US\$126.55b in October. This is a reflection of Bank Indonesia's attempts at stabilizing the IDR in line with fundamentals after the September rate cut. On that front, note that the USD-IDR is consolidating in the 13500 region after hitting a high of 13645 in late October.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened marginally yesterday, with the shorter tenors and the belly trading 1bps higher, while the longer tenors traded little changed. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps. Similarly, the yield on JACI HY Corp traded little changed at 6.83%. 10Y UST yields traded little changed at 2.31%, as markets lacked key directional catalysts.
- **New Issues:** Eastern Air Overseas (Hong Kong) Corporation Limited has priced a SGD500mn 3-year bond (guaranteed by China Eastern Airlines Corporation Limited) at 2.8%, tightening from initial guidance of 3.05% area. SMRT Capital Pte Ltd has priced a SGD300mn 3-year bond (guaranteed by SMRT Corp Ltd) at 1.6%. The issue ratings are 'NR/NR/AAA'. KWG Property Holding Ltd has priced a USD300mn 7NC4 bond at 5.875%, tightening from initial guidance of 6.2%. The expected issue ratings are 'NR/NR/BB-'. Yunnan Energy Investment Overseas Finance Company Ltd has priced a two-tranche deal (guaranteed by Yunnan Energy Investment (HK) Co and supported with a keepwell and equity interest purchase undertaking by Yunnan Provincial Energy Investment Group Co), with the USD300mn 3-year bond priced at CT3+215bps, tightening from initial guidance of CT3+245bps area; and the USD300mn 5-year bond priced at CT5+235bps, tightening from initial guidance of CT5+265bps area. The expected issue ratings are 'NR/NR/BBB'. Concord New Energy Group has scheduled investor meetings for potential USD bond issuance from 8 Nov. The expected issue ratings are 'BB-/NR/BB-'. WTT Investment Ltd has scheduled investor meetings for potential USD bond issuance from 7 Nov. The expected issue ratings are 'NR/B1/BB-'.

Pacific International Lines (Private) Ltd has announced a final guidance of its new SGD-denominated 3-year bonds to be issued at 8.5%.

- **Rating Changes:** There were no major rating changes for Asia as of 7 Nov 2017.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	94.913	0.16%	USD-SGD	1.3641	0.19%
USD-JPY	114.010	0.26%	EUR-SGD	1.5806	--
EUR-USD	1.1587	-0.20%	JPY-SGD	1.1964	-0.08%
AUD-USD	0.7645	-0.60%	GBP-SGD	1.7960	0.16%
GBP-USD	1.3166	-0.04%	AUD-SGD	1.0428	-0.42%
USD-MYR	4.2295	-0.05%	NZD-SGD	0.9414	-0.44%
USD-CNY	6.6405	0.10%	CHF-SGD	1.3647	-0.01%
USD-IDR	13515	-0.07%	SGD-MYR	3.1004	-0.15%
USD-VND	22716	-0.09%	SGD-CNY	4.8677	0.11%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.1839	--
2M	-0.3420	--	1M	1.2442	--
3M	-0.3290	--	2M	1.3347	--
6M	-0.2760	--	3M	1.3970	--
9M	-0.2210	--	6M	1.5941	--
12M	-0.1910	--	12M	1.8643	--

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	87.5%	87.5%	0.0%	0.0%	0.0%
01/31/2018	87.9%	85.4%	2.5%	0.0%	0.0%
03/21/2018	94.1%	48.0%	44.8%	1.3%	0.0%
05/02/2018	94.4%	46.0%	44.9%	3.4%	0.1%
06/13/2018	96.2%	33.0%	45.3%	16.7%	1.1%
08/01/2018	96.4%	31.6%	44.7%	18.1%	1.9%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	57.20	-0.26%	Copper (per mt)	6,810.1	-2.17%
Brent (per barrel)	63.69	-0.90%	Nickel (per mt)	12,871.0	--
Heating Oil (per gallon)	1.9219	-1.05%	Aluminium (per mt)	2,155.0	--
Gasoline (per gallon)	1.8153	-0.80%			
Natural Gas (per MMBtu)	3.1520	0.57%			
			Asian Commodities	Futures	% chg
Precious Metals	Futures	% chg	Crude Palm Oil (MYR/MT)	2,785.0	0.07%
Gold (per oz)	1,275.8	-0.45%	Rubber (JPY/KG)	206.0	0.49%
Silver (per oz)	16.940	-1.71%			

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

Equity and Commodity

Index	Value	Net change
DJIA	23,557.23	8.81
S&P	2,590.64	-0.49
Nasdaq	6,767.78	-18.65
Nikkei 225	22,937.60	389.25
STI	3,413.10	31.25
KLCI	1,750.94	8.65
JCI	6,060.45	9.63
Baltic Dry	1,473.00	--
VIX	9.89	0.49

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (--)	1.63 (+0.01)
5Y	1.63 (+0.01)	1.99 (--)
10Y	2.13 (-0.01)	2.31 (--)
15Y	2.43 (--)	--
20Y	2.42 (--)	--
30Y	2.52 (--)	2.78 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	9.99	-0.06
EURIBOR-OIS	2.79	0.09
TED	21.35	--

Economic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
11/07/2017 06:30	AU	AiG Perf of Construction Index	Oct	--	53.2	54.7	--
11/07/2017 08:00	JN	Labor Cash Earnings YoY	Sep	0.50%	0.90%	0.90%	0.70%
11/07/2017 09:00	PH	CPI YoY	Oct	3.50%	3.50%	3.40%	--
11/07/2017 11:30	AU	RBA Cash Rate Target	Nov-07	1.50%	1.50%	1.50%	--
11/07/2017 13:30	AU	Foreign Reserves	Oct	--	A\$78.1b	A\$74.9b	--
11/07/2017 15:00	GE	Industrial Production SA MoM	Sep	-0.90%	-1.60%	2.60%	--
11/07/2017 15:00	GE	Industrial Production WDA YoY	Sep	4.50%	3.60%	4.70%	4.60%
11/07/2017 15:00	MA	Foreign Reserves	Oct-31	--	\$101.5b	\$101.4b	--
11/07/2017 15:35	PH	Foreign Reserves	Oct	--	\$80.6b	\$81.3b	\$81.0b
11/07/2017 16:00	TA	CPI YoY	Oct	0.20%	-0.32%	0.50%	--
11/07/2017 16:00	TA	Exports YoY	Oct	7.00%	3.00%	28.10%	--
11/07/2017 16:00	TA	Imports YoY	Oct	2.10%	0.10%	22.20%	--
11/07/2017 16:00	TA	Trade Balance	Oct	\$5.85b	\$5.20b	\$6.69b	--
11/07/2017 16:27	HK	Foreign Reserves	Oct	--	\$419.2b	\$419.2b	\$419.3b
11/07/2017 16:30	FR	Budget Balance YTD	Sep	--	-76.3b	-93.0b	--
11/07/2017 16:30	GE	Construction PMI	Oct	--	53.3	53.4	--
11/07/2017 16:30	UK	Halifax House Prices MoM	Oct	0.20%	0.30%	0.80%	--
11/07/2017 16:30	UK	Halifax House Price 3Mths/Year	Oct	4.50%	4.50%	4.00%	--
11/07/2017 17:00	IT	Retail Sales MoM	Sep	0.20%	0.90%	-0.30%	-0.20%
11/07/2017 17:00	IT	Retail Sales YoY	Sep	0.50%	3.40%	-0.50%	-0.10%
11/07/2017 17:00	SI	Foreign Reserves	Oct	--	\$276.01b	\$275.41b	--
11/07/2017 17:10	GE	Markit Germany Retail PMI	Oct	--	51.2	52.8	--
11/07/2017 17:10	EC	Markit Eurozone Retail PMI	Oct	--	51.1	52.3	--
11/07/2017 17:10	FR	Markit France Retail PMI	Oct	--	51.5	53.3	--
11/07/2017 17:10	IT	Markit Italy Retail PMI	Oct	--	50.3	50.2	--
11/07/2017 17:30	ID	Foreign Reserves	Oct	--	\$126.55b	\$129.40b	--
11/07/2017 17:33	CH	Foreign Reserves	Oct	\$3110.0b	\$3109.2b	\$3108.5b	--
11/07/2017 18:00	EC	Retail Sales MoM	Sep	0.60%	0.70%	-0.50%	-0.10%
11/07/2017 18:00	EC	Retail Sales YoY	Sep	2.80%	3.70%	1.20%	2.30%
11/08/2017 04:00	US	Consumer Credit	Sep	\$17.500b	\$20.830b	\$13.065b	\$13.141b
11/08/2017 07:50	JN	Official Reserve Assets	Oct	--	--	\$1266.3b	--
11/08/2017 13:00	JN	Leading Index CI	Sep P	106.6	--	107.2	--
11/08/2017 15:05	TH	BoT Benchmark Interest Rate	Nov-08	1.50%	--	1.50%	--
11/08/2017 15:45	FR	Trade Balance	Sep	-4680m	--	-4514m	--
11/08/2017 16:00	SI	Automobile COE Open Bid Cat A	Nov-08	--	--	41617	--
11/08/2017 16:00	SI	Automobile COE Open Bid Cat B	Nov-08	--	--	49996	--
11/08/2017 16:00	SI	Automobile COE Open Bid Cat E	Nov-08	--	--	52000	--
11/08/2017 20:00	US	MBA Mortgage Applications	Nov-03	--	--	-2.60%	--
11/08/2017 21:15	CA	Housing Starts	Oct	211.0k	--	217.1k	217.3k
11/08/2017 21:30	CA	Building Permits MoM	Sep	1.00%	--	-5.50%	--
11/08/2017	CH	Imports YoY	Oct	17.00%	--	18.70%	18.60%
11/08/2017	CH	Exports YoY	Oct	7.10%	--	8.10%	--
11/08/2017	CH	Trade Balance	Oct	\$39.10b	--	\$28.50b	\$28.61b
11/07/2017 11/13	VN	Domestic Vehicle Sales YoY	Oct	--	--	-20.20%	--

Source: Bloomberg

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