

Highlights

Global	<p>Risk off as recent optimism over oil prices were dented by IEA's trimming of demand forecasts for 2018 and ahead of the anticipated GOP vote on its tax bill. Meanwhile, Fed's Bostic argued that the FOMC is "An institution that has consistently and historically been very evidence-based" and "I'm comfortable with the notion of us continuing to go on our pace towards a more balanced monetary policy" despite governor changes, whereas Bullard argued the current Fed Funds rate "is likely to remain appropriate over the near term".</p> <p>Asian bourses may continue to trade with a soft tone for today, notwithstanding Japan reporting its 7th consecutive quarter of growth at 1.4% annualised (consensus forecast: 1.5%) in 3Q17. While this print marked Japan's longest expansion streak since 2001, nevertheless, it was a moderation from 2Q17's revised 2.6%. Today's economic data releases include US' retail sales, CPI and Empire manufacturing, UK's jobless claims and ILO unemployment rate, Indonesia's trade data, and Japan's industrial production. Speakers include RBA's Ellis, ECB's Lane, Praet, Fed's Evans and Rosengren, BOE's Haldane and Broadbent.</p>
US	<p>US' PPI rose more than expected by 0.4% mom in Oct, while the NFIB small business optimism also improved from 103.0 in Sep to 103.8 in Oct, suggesting a post-hurricane boost. Notably, small firms trying to hire qualified workers but were not able to fill them rose 5 points to 35 (highest since Jul and matching the Nov2000 reading). The question going forward is if the tax reform, or the lack thereof, would sway the latest optimism for small firms.</p>
EZ	<p>German ZEW current situation and expectations gauges rose to 88.8 and 18.7 respectively in Nov, up from 87.0 and 17.6 in Oct, which may suggest a stronger 4Q17 footing. Similarly, the Eurozone's ZEW sentiments also improved from 26.7 to 30.9 for the same period. Meanwhile, ECB president Draghi opined that ECB guidance "has become a fully-fledged monetary policy instrument" and it "succeeded contrary to everybody's expectation at the time".</p>
CN	<p>Fixed asset investment growth decelerated further to 7.3% yoy in the first ten months from 7.5% yoy in the first nine months, albeit in line with expectations. On the other hand, growth in industrial production and retail sales fell short of expectations, decelerating to 6.2% yoy and 10% yoy in October from 6.6% yoy and 10.3% in September respectively. Despite weaker economic data for October, China's 10-year government bond yield went up to 4% for the first time since Oct 2014. This reveals fragile sentiment amid rising concerns about further crackdown on financial leverage. We will closely monitor what the PBOC will do to calm the bond market rout.</p>
SG	<p>S'pore workers could see a 2.7% real wage increase next year, assuming 1.3% inflation, according to an ECA International poll.</p>
ID	<p>National Development Planning Minister Bambang Brodjonegoro opined that overall GDP growth in 2017 will come in at 5.1%, but remained optimistic that the 5.2-5.4% target will be hit in 2018. Drivers include faster investment growth and optimized government spending.</p>

Major Market

- **US:** Equities again recovered from heavy early losses in what has become a common pattern over the last few sessions. Early trade saw S&P 500 decline around 0.70%, before recovering somewhat over the course of the day, eventually closing down 0.23%. The Dow and Nasdaq Composite also shed 0.13% and 0.29% respectively. This dip-buying approach has contributed to consistent stock market performance over this year. VIX marginally higher at 11.59, compared to 11.50 previously.
- Meanwhile, the US Treasury curve resumed its flattening movements. 2y benchmark yield rose marginally to 1.69%, while the 10y benchmark is softer at 2.37%. Various measures of curve flatness are now at multi-year lows. On the data front, PPI numbers came in stronger than expected, with goods and services at the wholesale level still feeling some effects from the hurricanes. While transient, some follow through effects might be expected on CPI data later today.
- **China:** Over the first ten months, private investment and investment in manufacturing both grew at a slower pace by 5.8% yoy and 4.1% yoy partially due to higher borrowing costs and environmental policies. Meanwhile, October infrastructure investment growth moderated to 11.6% yoy amid curbed leverage of local governments. Furthermore, property investment growth softened to 7.8%, its weakest in 2017 given further tightened housing measures. We expect various policies will continue to weigh on fixed asset investment in the coming months and in turn cloud the growth outlook in 4Q17.
- The slowdown in industrial production growth in October was due to the deceleration of manufacturing output from September's 8.1% yoy to 6.7%. This is also in line with softer exports growth and weaker manufacturing PMI resulted from softer external demand and internal production cut. Elsewhere, retail sales grew at the weakest pace in eight months, probably due to diminished wealth effect from a cooling housing market. Also, some households might have delayed their spending until single's day for more promotions. All in all, the tepid economic data reinforces our view that economic growth will moderate in 4Q17. Still, given the rosy economic activities over the first three quarters, our GDP growth forecast at 6.8% for 2017 remains unchanged.
- **Singapore:** The STI declined 0.59% yesterday to close at 3399.09 amid weak investor sentiments. With the sea of red ink dominating across Wall Street overnight and most Asian bourses this morning, STI may be set to test initial support at 3391. With the UST bond market rallying on flight to quality, SGS bonds may also be better supported today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday, with swap rates trading 1-3bps higher across all tenors. The largest rise in yields were seen in the 7-year and 12-year tenors. In the broader dollar space, the spread on JACI IG Corp fell 1bps to 178bps, while the yield on JACI HY Corp traded little changed at 6.96%. 10Y UST yields fell 3bps to 2.37%, as weaknesses in oil prices and USD reversed the gains in yields due to stronger-than-expected PPI data.
- **New Issues:** WTT Investment Ltd has priced a USD670mn 5NC3 bond (guaranteed by WTT Development Ltd, WTT Cayman Corp, WTT HK Ltd, COL Ltd) at 5.50%, tightening from initial guidance of 5.875% area. The expected issue ratings are 'NR/B1/B+'. Trafigura Group Pte Ltd has priced a USD200mn retap of its TRAFIG 6.875%-PERP at 103.625, in line with initial guidance. Tianqi Finco Co has scheduled investor meetings for potential USD bond issuance (guaranteed by Tianqi Lithium

Corporation) from 15 Nov. The expected issue ratings are 'NR/Baa3/NR'. SNTON International Finance I (BVI) Company Ltd has scheduled investor meetings for potential USD bond issuance (guaranteed by Shandong SNTON Group Co Ltd) from 15 Nov. The expected issue ratings are 'NR/NR/BB+'.

- **Rating Changes:** Moody's has placed Anton Oilfield Services Group's (Anton) 'Caa1' corporate family rating and senior unsecured rating on review for upgrade following Anton's debt exchange offer announcement. The debt exchange does not constitute a default event under Moody's definition, and Moody's views it as credit positive as the debt exchange should extend Anton's debt maturity profile. Moody's has affirmed China National Gold Group Corporation's (CNG) 'Baa3' issuer rating, while changing the outlook to stable from negative. The rating action reflects CNG's stable operating profile and ongoing deleveraging as metal prices strengthened from 2016 to date. Moody's has assigned Tianqi Lithium Corporation (Tianqi Lithium) an issuer rating of 'Baa3', while assigning a 'Baa3' senior unsecured rating to the proposed bonds to be issued by Tianqi Finco Co Ltd and guaranteed by Tianqi Lithium. The rating action reflects Tianqi Lithium's robust profitability and low leverage, as well as the positive demand outlook for lithium chemical products.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.827	-0.70%	USD-SGD	1.3591	-0.20%
USD-JPY	113.460	-0.14%	EUR-SGD	1.6035	0.93%
EUR-USD	1.1798	1.12%	JPY-SGD	1.1979	-0.05%
AUD-USD	0.7631	0.10%	GBP-SGD	1.7894	0.18%
GBP-USD	1.3165	0.37%	AUD-SGD	1.0372	-0.09%
USD-MYR	4.1935	0.05%	NZD-SGD	0.9344	-0.60%
USD-CNY	6.6361	-0.07%	CHF-SGD	1.3736	0.49%
USD-IDR	13551	-0.01%	SGD-MYR	3.0792	0.05%
USD-VND	22714	0.00%	SGD-CNY	4.8786	0.03%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.1828	--
2M	-0.3410	--	1M	1.2503	--
3M	-0.3290	--	2M	1.3560	--
6M	-0.2750	--	3M	1.4159	--
9M	-0.2190	--	6M	1.6162	--
12M	-0.1910	--	12M	1.8843	--

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	92.4%	91.6%	0.8%	0.0%	0.0%
03/21/2018	96.7%	43.6%	52.7%	0.4%	0.0%
05/02/2018	96.9%	41.6%	52.2%	3.0%	0.0%
06/13/2018	97.9%	29.2%	48.8%	18.8%	1.0%
08/01/2018	98.0%	28.5%	48.3%	19.7%	1.5%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	55.70	-1.87%	Copper (per mt)	6,757.2	-1.65%
Brent (per barrel)	62.21	-1.50%	Nickel (per mt)	12,432.0	--
Heating Oil (per gallon)	1.9070	-1.30%	Aluminium (per mt)	2,089.1	--
Gasoline (per gallon)	1.7612	-1.77%			
Natural Gas (per MMBtu)	3.1020	-2.05%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,717.0	-1.59%
			Rubber (JPY/KG)	202.0	0.05%
Precious Metals	Futures	% chg			
Gold (per oz)	1,282.9	0.31%			
Silver (per oz)	17.073	0.15%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,409.47	-30.23
S&P	2,578.87	-5.97
Nasdaq	6,737.87	-19.72
Nikkei 225	22,380.01	-0.98
STI	3,399.09	-20.04
KLCI	1,733.61	-3.88
JCI	5,988.29	-33.16
Baltic Dry	1,445.00	--
VIX	11.59	0.09

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.50 (+0.01)	1.69 (+0.01)
5Y	1.72 (+0.01)	2.06 (-0.02)
10Y	2.18 (+0.01)	2.37 (-0.03)
15Y	2.50 (+0.02)	--
20Y	2.49 (+0.02)	--
30Y	2.57 (+0.01)	2.83 (-0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	9.93	-0.16
EURIBOR-OIS	2.77	-0.01
TED	18.78	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/14/2017 03:00	US Monthly Budget Statement	Oct	-\$59.0b	-\$63.2b	-\$45.8b	--
11/14/2017 10:00	CH Industrial Production YoY	Oct	6.30%	6.20%	6.60%	--
11/14/2017 14:30	IN Wholesale Prices YoY	Oct	3.01%	3.59%	2.60%	--
11/14/2017 15:00	GE GDP SA QoQ	3Q P	0.60%	0.80%	0.60%	--
11/14/2017 15:00	GE GDP NSA YoY	3Q P	2.00%	2.30%	0.80%	1.00%
11/14/2017 15:00	GE CPI MoM	Oct F	0.00%	0.00%	0.00%	--
11/14/2017 15:00	GE CPI YoY	Oct F	1.60%	1.60%	1.60%	--
11/14/2017 15:00	GE CPI EU Harmonized YoY	Oct F	1.50%	1.50%	1.50%	--
11/14/2017 17:00	IT GDP WDA QoQ	3Q P	0.50%	0.50%	0.40%	0.30%
11/14/2017 17:00	IT GDP WDA YoY	3Q P	1.70%	1.80%	1.50%	--
11/14/2017 17:30	UK CPI MoM	Oct	0.20%	0.10%	0.30%	--
11/14/2017 17:30	UK CPI YoY	Oct	3.10%	3.00%	3.00%	--
11/14/2017 17:30	UK CPI Core YoY	Oct	2.80%	2.70%	2.70%	--
11/14/2017 17:30	UK PPI Output NSA MoM	Oct	0.30%	0.20%	0.20%	--
11/14/2017 17:30	UK PPI Output NSA YoY	Oct	2.90%	2.80%	3.30%	--
11/14/2017 18:00	GE ZEW Survey Current Situation	Nov	88	88.8	87	--
11/14/2017 18:00	GE ZEW Survey Expectations	Nov	19.5	18.7	17.6	--
11/14/2017 18:00	EC GDP SA QoQ	3Q P	0.60%	0.60%	0.60%	--
11/14/2017 18:00	EC GDP SA YoY	3Q P	2.50%	2.50%	2.50%	--
11/14/2017 18:06	IT CPI EU Harmonized YoY	Oct F	1.10%	1.10%	1.10%	--
11/14/2017 19:37	IN Exports YoY	Oct	--	-1.10%	25.70%	--
11/14/2017 21:30	US PPI Final Demand MoM	Oct	0.10%	0.40%	0.40%	--
11/15/2017 04:00	NZ REINZ House Sales YoY	Oct	--	-15.80%	-26.20%	--
11/15/2017 07:00	SK Unemployment rate SA	Oct	3.70%	3.60%	3.70%	--
11/15/2017 07:30	AU Consumer Conf SA MoM	Nov	--	-1.70%	3.60%	--
11/15/2017 07:50	JN GDP SA QoQ	3Q P	0.40%	--	0.60%	--
11/15/2017 07:50	JN GDP Annualized SA QoQ	3Q P	1.50%	--	2.50%	--
11/15/2017 07:50	JN GDP Deflator YoY	3Q P	0.10%	--	-0.40%	--
11/15/2017 12:00	ID Exports YoY	Oct	15.40%	--	15.60%	--
11/15/2017 12:00	ID Trade Balance	Oct	\$1608m	--	\$1761m	--
11/15/2017 12:30	JN Industrial Production MoM	Sep F	--	--	-1.10%	--
11/15/2017 15:45	FR CPI EU Harmonized YoY	Oct F	1.20%	--	1.20%	--
11/15/2017 15:45	FR CPI YoY	Oct F	1.10%	--	1.10%	--
11/15/2017 17:30	UK Claimant Count Rate	Oct	--	--	2.30%	--
11/15/2017 17:30	UK Jobless Claims Change	Oct	--	--	1.7k	--
11/15/2017 17:30	UK Unemployment Rate 3Mths	Sep	4.30%	--	4.30%	--
11/15/2017 20:00	US MBA Mortgage Applications	Nov-10	--	--	0.00%	--
11/15/2017 21:30	US CPI MoM	Oct	0.10%	--	0.50%	--
11/15/2017 21:30	US CPI Ex Food and Energy MoM	Oct	0.20%	--	0.10%	--
11/15/2017 21:30	US Empire Manufacturing	Nov	25.1	--	30.2	--
11/15/2017 21:30	US Retail Sales Advance MoM	Oct	0.00%	--	1.60%	--
11/15/2017	PH Overseas Remittances YoY	Sep	7.50%	--	7.80%	--

Source: Bloomberg

<u>OCBC Treasury Research</u>	
<u>Macro Research</u> Selena Ling LingSSSelena@ocbc.com Emmanuel Ng NgCYEmmanuel@ocbc.com Tommy Xie Dongming XieD@ocbc.com Barnabas Gan BarnabasGan@ocbc.com Terence Wu TerenceWu@ocbc.com	<u>Credit Research</u> Andrew Wong WongVKAM@ocbc.com Wong Liang Mian (Nick) NickWong@ocbc.com Ezien Hoo EzienHoo@ocbc.com Wong Hong Wei WongHongWei@ocbc.com

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