

Highlights

Global	Global investor sentiments are likely to remain tentative if not soft approaching a Thanksgiving-shortened week in the US, but questions are likely to remain over the US tax reform bill, especially with the Senate scheduled to vote on their own version after the holidays, and a relatively light economic calendar week. Meanwhile, German Chancellor Merkel's negotiation to form a new 4-party coalition government fell through over the weekend, weighing on the Euro. Separately, India's sovereign credit rating was upgraded by Moody's for the first time in 14 years from Baa3 to Baa2 with stable outlook. Asian bourses may continue to be defensive amid the delay in the US tax bill proposal and the Xinhua News Agency warning over Kweichow Moutai shares on Friday. Today's economic data releases include US' Oct leading index, Taiwan's export orders, and Thai 3Q17 GDSP growth. Speakers include RBA's Kearns and Kohler, ECB's Nowotny, Lautenschlaeger, Draghi and Constancio. Key market focus would be the RBA minutes tomorrow, FOMC minutes and chair Yellen speaking on Wednesday, and ECB's minutes on Thursday.
EZ	ECB president Draghi opined that "while we are confident in the recovery, we still need a patient and persistent approach to our monetary policy to ensure that medium-term price stability is achieved" and "with well-anchored inflation expectations, the effects of past low inflation in wage formation should not be persistent".
SG	PM Lee said 2017 growth could top 3%, and warned future tax rises are not a matter of "whether, but when" in his speech to the PAP 2017 convention yesterday. The 3Q17 GDP growth revised estimates will be released on Thursday, and our house view remains unchanged at 4.8% yoy (7.5% qoq saar) for 3Q17, with full-year GDP growth coming in at 3.3% yoy.
CN	China's central bank started to seek market opinion about regulation of the asset management industry, which has grown at a rapid pace in the past few years. This is also part of China's campaign to prevent the systemic financial risk after 19th Party Congress. The new guideline will set the debt ratio ceiling for publically offered wealth management products. However, the central bank will give asset managers one and half years to prepare and the new rules will only take effect from July 2019.
TH	Thailand's 3Q17 growth data is slated to be out later this morning, where we pencil a 3.7% y/y growth print (vs market expectations for 3.9%).
MA	Malaysia's 3Q17 growth surprised higher at 6.2% y/y (+1.8% qoqsa), higher than market expectation of +5.7% y/y (+1.1% qoqsa). This marks Malaysia's fastest year-on-year growth since 2Q14, suggesting that growth remains robust, underpinned by the uptick in global trade activities amid positive spill-over effects into its domestic environment. We upgrade our Malaysia's GDP 2017 outlook to 5.5%, up from an initial 5.2%, after the economy posted a strong 6.2% in 3Q17.
CMD	Crude oil rallied as Saudi Arabia's energy minister Khalid al-Falih commented that OPEC should announce an extension to supply cuts when OPEC meets at the end of this month. Our outlook is for OPEC to deliver at least a three to six months extension to supply cuts, which could further support oil prices post November.

Major Market

- **US:** Equities ended the week softer on Friday, with declines led mainly by tech and utilities. Overall, the S&P 500 fell 0.26%, while the Dow and Nasdaq Composite was lower by 0.43% and 0.16% respectively. VIX slipped to 11.43, compared to 11.76 previously. Meanwhile, US Treasury curve bull flattened again, with the 2y and 10y yields moving in opposite directions. 2y yield rose 1.5 bps to 1.72%, while the 10y yield slipped 3 bps to 2.34%.
- With the House having already passed their version of the tax proposal, we keep a close watch on the Senate front this week, in expectation of more horse-trading ahead of the expected vote next week. Meanwhile, Yellen will speak on Tuesday and Nov FOMC minutes will be released on Wednesday. Watch for any internal discussions that may derail the potential rate hike in December. On the data front, watch for initial jobless claims and UMich consumer sentiment survey, among others.
- **Singapore:** The STI added 1.23% on Friday to close up at 3382.38, but may not see further bargain-hunting interest for now amid mixed morning signals from Nikkei and Kospi. STI's support and resistance are tipped at 3360 and 3400. With the UST bond yield curve flattening further led by gains in the longer-dated bonds on Friday, SGS bonds are likely to follow suit today.
- **Indonesia:** Bank Indonesia Governor Agus Martowardojo revealed that he will be announcing further macroprudential measures in an event on 28 Nov. One possible area for changes is the loan-to-value limits for property loans.
- **Malaysia:** Delving into the data, it is obvious that Malaysia's growth has picked up steam in the first 9 months of this year. Overall growth is driven largely by Malaysia's key growth pillars, including trade, private consumption, investment and public sector spending. More importantly, private consumption, which makes up more than 50% of Malaysia's GDP, grew 7.2% y/y, thus marking the fastest pace since 1Q15. Note that recent data also showed that industrial production grew a 3-month average of 5.9% y/y in September, the fastest print since 1Q15, while salaries of manufacturing sales continue to grow at double-digits for six consecutive months into Sept 2017.
- Note that BNM commented its "flexibility to adjust the degree of monetary policy accommodativeness" should growth continue to stay positive while inflation is "within what we've expected". BNM governor Ibrahim however iterated specifically that any adjustment to its monetary policy is "not a tightening, but rather, a normalisation of interest rate". BNM added that headline inflation may remain elevated in the coming months on higher global oil prices.
- Today's growth print has indeed shown Malaysia's ability to accelerate further into the next year. Importantly, growth is not only backed merely by the recovery of its external environment, but also by the transmission into its domestic environment especially in the consumption and investment sectors. Moreover, BNM's persistent rhetoric in indicating its want to adjust monetary policy suggests to us that the central bank is gearing up market expectation for an eventual rate hike in its upcoming meetings. Barring the intensification of geopolitical wildcard events and the deceleration of global growth, we remain optimistic on Malaysia's growth into 2018 especially given today's growth print, as well as the positive spill-over effects from Malaysia's Budget 2018 which spelt tax cuts and bonus payments to government workers, which will surely spur consumer spending into the next year. As such, we upgrade our full-year GDP outlook to 5.5% (up from 5.2%) for 2017, and look BNM to deliver at least a one-time rate hike into 2018 then.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded lower yesterday, with swap rates trading 1-3bps lower across all tenors. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps, while the yield on JACI HY Corp fell 2bps to 6.95%. 10Y UST yields fell 3bps to 2.34%, as the UST yield curve continued to flattened, following a large block trade in 10Y UST futures in the morning session.
- **New Issues:** Chiyu Banking Corporation Ltd has scheduled investor meetings for potential USD AT1 bond issuance on 20 Nov. Tewoo Group No 4 Ltd has scheduled investor meetings for potential USD 3-year bond issuance (supported with a keepwell deed by Tewoo Group Co and standby letter of credit by ICBC Tianjin Branch) from 20 Nov. The expected issue ratings are 'NR/A1/NR'. Binhai Investment Co Ltd has scheduled investor meetings for potential USD bond issuance (with a letter of support provided by Tianjin TEDA Investmnet Holding Co Ltd) from 20 Nov. Orient HuiZhi Ltd has scheduled investor meetings for potential USD bond issuance (guaranteed by Orient Securities Co Ltd) from 20 Nov. The expected issue ratings are 'NR/Baa3/NR'.
- **Rating Changes:** Moody's has upgraded CK Hutchison Holdings Limited's (CKHH) issuer rating and the ratings on the senior unsecured bonds that CKHH guarantees, to 'A2' from 'A3' with a stable outlook. Moody's has also upgraded the ratings on CKHH's subsidiaries. At the same time, Moody's has upgraded Jardine Strategic Holdings Limited's (Jardine) issuer rating to 'A1' from 'A2' with a stable outlook. The rating action concludes the ratings review initiated following Moody's publication of its updated cross-sector methodology regarding priority of claim and structural subordination at the operating subsidiary level. Moody's views that CKHH and Jardine's diversified business profiles with cash flow generation across a large number of operating subsidiaries mitigates structural subordination risks. S&P has affirmed PT Bank Rakyat Indonesia (Persero) Tbk's (BRI)'BB+' long-term issuer credit ratings and senior unsecured notes rating. The outlook has been revised to positive from stable. The rating action reflects S&P's expectation that BRI's asset quality will remain better than industry average and that its credit costs will gradually decline as it has built sufficient buffers against stressed loans. S&P has downgraded MyState Bank's issuer rating to 'BBB-' from 'BBB' with a stable outlook. S&P then withdrew the ratings at MyState Bank's request. Moody's has upgraded Export-Import Bank of India (EXIM India), HDFC Bank Limited (HDFC Bank), Indian Railway Finance Corporation Limited (IFRC) and State Bank of India's (SBI) long-term ratings to 'Baa2' from 'Baa3'. At the same time, Moody's has upgraded the foreign-currency issuer ratings of Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Ltd (HPCL), Indian Oil Corporation Ltd (IOCL), and Petronet LNG Limited (PLL) to 'Baa2' from 'Baa3', while upgrading the issuer rating of Oil and Natural Gas Corporation Ltd (ONGC) to 'Baa1' from 'Baa2'. The outlook for the ratings is stable. The rating action follows Moody's upgrade of the Government of India's issuer ratings to 'Baa2' from 'Baa3'. The upgrade on ONGC, which is rated above the sovereign rating, reflects the raising of the ceiling for foreign currency bonds, as well as ONGC's baseline credit assessment and issuer rating of 'Baa1'. Moody's has affirmed Citibank Korea Inc's (Citibank Korea) 'A2' long-term deposit ratings, 'A1' Counterparty Risk Assessment and 'Baa2' baseline credit assessment and adjusted baseline credit assessment. The outlook has been revised to positive from stable. The rating action follows the change outlook of Citibank Korea's parent, Citibank NA, to positive from stable following its reengineering that has resulted in a more solvent institution. Moody's has affirmed Yida China Holdings Limited's (Yida) 'B2' corporate family rating and 'B3' senior unsecured rating. The outlook has been

revised to negative from stable. The rating action follows Yida's announcement that it has entered into agreements to acquire a 70% ownership in the Dalian Tiandi project, which will weaken its liquidity position and increase debt leverage.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	93.662	-0.29%	USD-SGD	1.3561	-0.03%
USD-JPY	112.100	-0.85%	EUR-SGD	1.5994	0.18%
EUR-USD	1.1790	0.17%	JPY-SGD	1.2097	0.83%
AUD-USD	0.7564	-0.32%	GBP-SGD	1.7916	0.11%
GBP-USD	1.3215	0.15%	AUD-SGD	1.0258	-0.33%
USD-MYR	4.1610	-0.36%	NZD-SGD	0.9247	-0.48%
USD-CNY	6.6268	-0.05%	CHF-SGD	1.3720	0.56%
USD-IDR	13531	-0.06%	SGD-MYR	3.0669	-0.38%
USD-VND	22714	-0.01%	SGD-CNY	4.8877	-0.01%

Equity and Commodity

Index	Value	Net change
DJIA	23,358.24	-100.12
S&P	2,578.85	-6.79
Nasdaq	6,782.79	-10.50
Nikkei 225	22,396.80	45.68
STI	3,382.38	41.08
KLCI	1,721.66	3.55
JCI	6,051.73	13.82
Baltic Dry	1,371.00	10.00
VIX	11.43	-0.33

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	-0.0010	O/N	1.1828	--
2M	-0.3410	--	1M	1.2872	0.0045
3M	-0.3290	--	2M	1.3828	0.0033
6M	-0.2740	0.0010	3M	1.4407	0.0050
9M	-0.2180	--	6M	1.6321	0.0004
12M	-0.1920	--	12M	1.9062	0.0056

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.46 (-)	1.72 (+0.01)
5Y	1.69 (-)	2.06 (-0.01)
10Y	2.13 (-)	2.34 (-0.03)
15Y	2.45 (-)	--
20Y	2.44 (-)	--
30Y	2.53 (-)	2.78 (-0.05)

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	98.2%	25.7%	47.8%	23.4%	1.3%
08/01/2018	98.3%	24.5%	46.8%	24.6%	2.3%

Financial Spread (bps)

	Value	Change
LIBOR-OIS	10.70	1.08
EURIBOR-OIS	2.80	--
TED	18.22	-0.26

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	56.55	2.56%	Copper (per mt)	6,814.5	0.63%
Brent (per barrel)	62.72	2.22%	Nickel (per mt)	11,531.5	1.99%
Heating Oil (per gallon)	1.9466	2.34%	Aluminium (per mt)	2,092.5	0.07%
Gasoline (per gallon)	1.7447	1.81%			
Natural Gas (per MMBtu)	3.0970	1.44%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,714.0	-0.88%
			Rubber (JPY/KG)	190.3	-0.42%
Precious Metals	Futures	% chg			
Gold (per oz)	1,296.5	1.43%			
Silver (per oz)	17.373	1.76%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Positioning Update

For the week ended: 14 Nov 2017

	Current	Previous	Net Chg		Current	Previous	Net Chg
Sugar	17,996	-30,272	48,268	Corn	-166,835	-132,661	-34,174
Nymex Crude	621,717	583,091	38,626	Soybean	36,481	57,737	-21,256
Natural Gas	-65,140	-86,640	21,500	Copper	39,656	42,265	-2,609
Wheat	-81,206	-96,052	14,846	Lean Hogs	76,440	77,512	-1,072
Cocoa	19,134	8,245	10,889	Palladium	22,494	22,759	-265
RBOB Gasoline	86,710	82,958	3,752	Live Cattle	158,822	158,890	-68
Coffee	-37,227	-40,610	3,383	Cotton	57,680	57,602	78
Platinum	25,553	22,184	3,369	Silver	68,214	67,619	595
Heating Oil	60,420	57,985	2,435	Gold	202,469	201,352	1,117

Source: Bloomberg, CFTC, OCBC Bank

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/17/2017 05:30	NZ Manufacturing PMI	Oct	--	57.2	57.5	57.6
11/17/2017 05:45	NZ PPI Output QoQ	3Q	--	1.00%	1.30%	--
11/17/2017 05:45	NZ PPI Input QoQ	3Q	--	1.00%	1.40%	--
11/17/2017 08:30	SI Non-oil Domestic Exports YoY	Oct	11.90%	20.90%	-1.10%	--
11/17/2017 08:30	SI Electronic Exports YoY	Oct	--	4.50%	-7.90%	-8.00%
11/17/2017 08:30	AU New Motor Vehicle Sales YoY	Oct	--	1.00%	-0.80%	-0.60%
11/17/2017 12:00	MA GDP YoY	3Q	5.70%	6.20%	5.80%	--
11/17/2017 12:00	MA GDP SA QoQ	3Q	1.10%	1.80%	1.30%	--
11/17/2017 12:00	MA Current Account Balance MYR	3Q	12.9b	12.5b	9.6b	--
11/17/2017 15:30	TH Foreign Reserves	Nov-10	--	\$199.1b	\$199.1b	--
11/17/2017 16:54	HK Composite Interest Rate	Oct	--	0.50%	0.30%	--
11/17/2017 17:00	EC ECB Current Account SA	Sep	--	37.8b	33.3b	34.5b
11/17/2017 17:00	IT Current Account Balance	Sep	--	4307m	3679m	3721m
11/17/2017 21:30	US Housing Starts	Oct	1190k	1290k	1127k	1135k
11/17/2017 21:30	CA CPI NSA MoM	Oct	0.10%	0.10%	0.20%	--
11/17/2017 21:30	US Housing Starts MoM	Oct	5.60%	13.70%	-4.70%	-3.20%
11/17/2017 21:30	CA CPI YoY	Oct	1.40%	1.40%	1.60%	--
11/17/2017 21:30	US Building Permits	Oct	1250k	1297k	1215k	1225k
11/17/2017 21:30	CA Consumer Price Index	Oct	130.8	130.9	130.8	--
11/17/2017 21:30	US Building Permits MoM	Oct	2.00%	5.90%	-4.50%	-3.70%
11/17/2017 21:30	CA CPI Core- Common YoY%	Oct	--	1.60%	1.50%	--
11/17/2017 21:30	CA CPI Core- Trim YoY%	Oct	--	1.50%	1.50%	--
11/17/2017 21:30	CA CPI Core- Median YoY%	Oct	--	1.70%	1.80%	--
11/17/2017 23:00	US MBA Mortgage Foreclosures	3Q	--	1.23%	1.29%	--
11/17/2017 23:00	US Mortgage Delinquencies	3Q	--	4.88%	4.24%	--
11/18/2017 00:00	US Kansas City Fed Manf. Activity	Nov	21	16	23	--
11/18/2017 09:30	CH China October Property Prices					
11/20/2017 05:00	SK PPI YoY	Oct	--	3.50%	3.60%	3.80%
11/20/2017 05:30	NZ Performance Services Index	Oct	--	55.6	56	55.9
11/20/2017 05:45	NZ Food Prices MoM	Oct	--	-1.10%	-0.20%	--
11/20/2017 07:50	JN Trade Balance	Oct	¥330.0b	--	¥670.2b	¥667.7b
11/20/2017 07:50	JN Trade Balance Adjusted	Oct	¥206.7b	--	¥240.3b	--
11/20/2017 07:50	JN Exports YoY	Oct	15.70%	--	14.10%	--
11/20/2017 07:50	JN Imports YoY	Oct	20.20%	--	12.00%	12.10%
11/20/2017 10:30	TH GDP SA QoQ	3Q	0.60%	--	1.30%	--
11/20/2017 10:30	TH GDP YoY	3Q	3.90%	--	3.70%	--
11/20/2017 15:00	JN Convenience Store Sales YoY	Oct	--	--	0.00%	--
11/20/2017 15:00	GE PPI YoY	Oct	2.70%	--	3.10%	--
11/20/2017 16:00	TA Export Orders YoY	Oct	8.00%	--	6.90%	--
11/20/2017 16:20	TA BoP Current Account Balance	3Q	--	--	\$17650m	--
11/20/2017 23:00	CA Bloomberg Nanos Confidence	Nov-17	--	--	58.8	--
11/20/2017 23:00	US Leading Index	Oct	0.70%	--	-0.20%	--
11/20/2017	PH BoP Overall	Oct	--	--	\$24m	--
11/20/2017 11/29	PH Budget Balance PHP	Oct	--	--	-36.9b	--

Source: Bloomberg

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