

Highlights

Global	<p>Wall Street fell yesterday amid concerns over the trade tensions and declines in the share price of some big technology firms such as Apple, which would reportedly be cutting production orders of its iPhones. Federal Reserve Bank of New York President John Williams reiterated his positive assessment on the US economy and job market, and said: "We'll be likely raising interest rates somewhat but it's really in the context of a very strong economy," whilst also emphasizing that they are not "on a preset course" but instead they work to adjust "to keep this economy going strong with low inflation" and get "monetary policy back to more normal levels". This suggests that cracks in growth overseas are not the key constraints to the Fed as long as the domestic economy remains resilient. On the Brexit front, the threshold of 48 lawmakers submitting letters for a vote of no confidence in May's leadership has reportedly still not been reached with just more than 20 MPs known to have publicly confirmed to have done so. The Prime Minister has been in talks with some key Brexiters including having just met Iain Duncan Smith and Owen Paterson yesterday. EU officials have said that any extension of a transition period should have a maximum cut-off date of end-2022 whilst May's spokesman says it must end before the next general election, which also has to be held by 2022. Meanwhile, Germany has said that 18 Saudi citizens who are suspected to be involved in the killing of Jamal Khashoggi have been banned from travelling into the Schengen area. Asian markets are likely to decline following the fall in the US markets yesterday. Key economic data releases today includes Germany PPI, French jobs data, US housing data and Taiwan trade data.</p>
US	<p>The NAHB Housing Market Index slipped 8 points to 60 in November from 68 in the previous month (lowest since August 2016), with the current run of rising interest rates likely cooling the housing market due to higher mortgage costs.</p>
CH	<p>China's tax authority rolled out more measures to support private owned companies via tax cut for small and micro companies. Meanwhile, the interest income from loans to small and micro companies will be exempted from the value added tax to incentivize banks to lend to small companies.</p>
HK	<p>Unemployment rate has remained unchanged at an over two-decade low of 2.8% for seven consecutive three-month periods during August to October 2018. This indicates a still tight labor market. Nonetheless, we expect hiring sentiments to weaken in the coming quarters amid a slew of external uncertainties.</p>
TH	<p>Growth slowed to 3.3% yoy for 3Q 2018 (2Q 2018: 4.6% yoy) as weaker net exports offset any strengthening in the domestic demand. Household spending rose by 5.0% yoy whilst investment increased by 3.9% yoy. However, imports rose by 10.7% yoy whilst exports decreased by 0.1% yoy.</p>
ID	<p>According to Bank Indonesia data, private sector debt grew by 6.7% yoy in 3Q 2018 compared to 5.8% yoy in the previous quarter. Meanwhile, the government will be undertaking a bond auction tomorrow, which is expected to be the last for the year.</p>

Major Markets

- **US:** Wall Street ended sharply lower on Monday, with the Nasdaq composite plummeting 3.03%. The S&P500 fell by 1.66%, while the DJIA dipped 1.56%.
- Nissan Motor shares plunged 5.85% on the arrest of Chairman Carlos Ghosn in Japan on financial misconduct, including under-reporting of securities compensation and “personal use of company assets”.
- Apple equity dipped 3.96% along with several of its suppliers on a Wall Street Journal report that Apple cut production of the iPhone XR “in the past week”, dampening revenue outlook on concerns of lower sales.
- JD.com stock fell 8.42% after the Chinese e-commerce giant said it expected 4Q revenue that was below market consensus.
- **Singapore:** The STI fell 0.60% on Monday to 3,065.07. Hong Kong Land Holdings (+0.78%) and City Developments (+0.72%) led the ascent, while Jardine Matheson Holdings (-2.91%) and Jardine Strategic Holdings (-2.91%) marked losses.
- **Philippines:** Central Bank Governor Nestor Espenilla has assured that he is “physically fine” but he will be limiting public appearances as he says that he has “temporary speaking limitations”.
- **Hong Kong:** Looking at unemployment by sector, first, trade sector’s unemployment rate decreased to 2.3%, the lowest since 2Q 2018. Should US-China trade tensions become a prolonged war, HK’s trade sector and the sector’s employment would inevitably take a hit. Second, the jobless rate of retail sector hovered around a nearly five-year low at 3.9%. Nonetheless, inbound tourism and tourist spending have been weighed down by trade war fears, China’s slowdown and a strong HKD. Recent stock rout and higher interest rates may also hurt local consumer sentiment. As such, we expect retail sector’s unemployment rate to increase gradually. Third, the unemployment rate of financial sector dropped to 2.0%, the lowest since December 2017 to January 2018. Stock market correction and local rates hike cycle together would also weigh down the outlook of the financial sector and its employment. In a nutshell, we expect overall unemployment rate to increase gradually to 2.9%.

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates trading 1-2bps lower across most tenors. The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 155bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 12bps to 614bps. 10Y UST yields rose 4bps to 3.09% in the earlier part of the trading session ahead of the speech from New York Federal Reserve President John Williams. Yields subsequently fell 3bps to close at a six-week low of 3.06% on the back of safe haven demand due to tumbling tech stocks.
- **New Issues:** Takeda Pharmaceutical Co Ltd has priced a USD5.5bn deal across 4 tranches, with the USD1bn 2-year bond priced at CT2+105bps, tightening from its initial price guidance of CT2+120bps area; the USD1.25bn 3-year bond at CT3+120bps, tightening from its initial price guidance of CT3+130bps area, the USD1.5bn 5-year bond at CT5+155bps, tightening from its initial price guidance of CT5+160bps area and the USD1.75bn 10-year bond at CT10+200bps, tightening from its initial price guidance of CT10+200bps area. DBS Bank Ltd has priced a USD1.25bn 3-year covered bond (guaranteed by Bayfront Covered Bonds Pte Ltd) at MS+31bps, tightening from its initial

price guidance of MS+33bps area. The Export-Import Bank of Korea has priced USD1bn deal across two tranches, with the USD500mn 3-year bond priced at CT3+67.5bps, tightening from its initial price guidance of CT3+90bps area and the USD500mn 5-year bond at CT5+87.5bps, tightening from its initial price guidance of CT5+110bps area. Scenery Journey Ltd has priced a USD1bn re-tap of its TIANHL 11.0%'20s (guaranteed by Tianji Holding Limited, keepwell provider: Hengda Real Estate Group Co Ltd) at 100, in line with the final price guidance. Times China Holdings Limited has priced a USD300mn 2-year bond (subsidiary guarantors: certain of the Issuer's restricted subsidiaries incorporated outside of the PRC) at 11.0%, in line with its initial price guidance. Greenland Global Investment Limited has priced a USD200mn 1.5-year bond (guaranteed by Greenland Holdings Group Company Limited) at 9.25%, tightening from its initial price guidance of low 9%. Shanghai Pudong Development Bank Co Ltd., Singapore Branch has priced a USD300mn FRN at 3mL+87bps, tightening from its initial price guidance of 3mL+110bps area. Minor International PLC has scheduled for investor meetings from 20 Nov for its potential USD bond issuance. Hyundai Motor Co Ltd has scheduled for investor meetings from 28 Nov for its potential bond issuance. Chugoku Electric Power Co Inc has scheduled for investor meetings from 26 Nov for its potential 5-year USD bond issuance. Eastern Creation II Investment Holdings Ltd has scheduled for investor meetings from 20 Nov for its potential bond issuance (guaranteed by Beijing Infrastructure Investment Co Ltd). Yunnan Energy Investment Overseas Finance Company Ltd has scheduled for investor meetings from 20 Nov for its potential bond issuance (guaranteed by Yunnan Provincial Energy Investment Group Co Ltd). Chengdu Economic & Technological Development Zone State-owned Assets Investment Co Ltd has scheduled for investor meetings from 20 Nov for its potential USD bond issuance. Yancoal International Resources Development Co Ltd has scheduled for investor meetings from 20 Nov for its potential USD bond issuance (guaranteed by Yanzhou Coal Mining Co Ltd).

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	96.193	-0.28%	USD-SGD	1.3724	-0.05%
USD-JPY	112.550	-0.25%	EUR-SGD	1.5718	0.26%
EUR-USD	1.1454	0.34%	JPY-SGD	1.2194	0.20%
AUD-USD	0.7294	-0.52%	GBP-SGD	1.7641	0.03%
GBP-USD	1.2854	0.16%	AUD-SGD	1.0011	-0.61%
USD-MYR	4.1875	-0.10%	NZD-SGD	0.9386	-0.64%
USD-CNY	6.9420	0.06%	CHF-SGD	1.3811	0.55%
USD-IDR	14588	-0.16%	SGD-MYR	3.0522	0.23%
USD-VND	23307	0.03%	SGD-CNY	5.0606	0.10%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3690	--	O/N	2.1754	--
2M	-0.3380	--	1M	2.3009	--
3M	-0.3160	--	2M	2.4521	--
6M	-0.2570	--	3M	2.6445	--
9M	-0.1960	--	6M	2.8626	--
12M	-0.1470	--	12M	3.1236	--

Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	68.7%	68.7%	0.0%	0.0%	0.0%
01/30/2019	70.0%	67.2%	2.8%	0.0%	0.0%
03/20/2019	85.4%	48.1%	35.8%	1.5%	0.0%
05/01/2019	87.2%	44.0%	37.3%	5.7%	0.2%
06/19/2019	91.4%	33.7%	39.5%	16.1%	2.0%
07/31/2019	92.1%	31.8%	39.1%	17.9%	3.1%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	56.76	0.53%	Coffee (per lb)	1.124	-0.22%
Brent (per barrel)	66.79	0.04%	Cotton (per lb)	0.7588	-0.32%
Heating Oil (per gallon)	2.0864	0.61%	Sugar (per lb)	0.1280	0.87%
Gasoline (per gallon)	1.5829	0.37%	Orange Juice (per lb)	1.4035	2.22%
Natural Gas (per MMBtu)	4.7000	10.02%	Cocoa (per mt)	2,155	-1.73%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,170.7	0.02%	Wheat (per bushel)	4.9850	-1.63%
Nickel (per mt)	11,288.0	--	Soybean (per bushel)	8.738	-2.07%
Aluminium (per mt)	1,921.5	--	Corn (per bushel)	3.6225	-0.69%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,225.3	0.19%	Crude Palm Oil (MYR/MT)	1,800.0	1.41%
Silver (per oz)	14.403	0.15%	Rubber (JPY/KG)	132.9	-1.63%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	25,017.44	-395.78
S&P	2,690.73	-45.54
Nasdaq	7,028.48	-219.40
Nikkei 225	21,821.16	140.82
STI	3,065.07	-18.53
KLCI	1,710.71	4.33
JCI	6,005.30	-7.05
Baltic Dry	1,031.00	--
VIX	20.10	1.96

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.06 (--)	2.79 (-0.01)
5Y	2.21 (-0.01)	2.87 (-0.01)
10Y	2.44 (-0.01)	3.06 (--)
15Y	2.72 (-0.02)	--
20Y	2.75 (-0.01)	--
30Y	2.83 (-0.01)	3.32 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	30.24	--
EURIBOR-OIS	3.40	-0.79
TED	30.21	--

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
11/19/2018 05:30	NZ Performance Services Index	Oct	--	55.4	53.9	54.2
11/19/2018 05:45	NZ PPI Output QoQ	3Q	--	1.50%	0.90%	--
11/19/2018 05:45	NZ PPI Input QoQ	3Q	--	1.40%	1.00%	--
11/19/2018 07:50	JN Trade Balance	Oct	¥70.0b	¥449.3b	¥139.6b	¥131.3b
11/19/2018 07:50	JN Trade Balance Adjusted	Oct	¥48.3b	¥302.7b	¥238.9b	¥141.5b
11/19/2018 07:50	JN Exports YoY	Oct	8.90%	8.20%	-1.20%	-1.30%
11/19/2018 07:50	JN Imports YoY	Oct	14.10%	19.90%	7.00%	--
11/19/2018 08:01	UK Rightmove House Prices MoM	Nov	--	-1.70%	1.00%	--
11/19/2018 08:01	UK Rightmove House Prices YoY	Nov	--	-0.20%	0.90%	--
11/19/2018 10:30	TH GDP YoY	3Q	4.20%	3.30%	4.60%	--
11/19/2018 10:30	TH GDP SA QoQ	3Q	0.60%	0.00%	1.00%	0.90%
11/19/2018 16:17	PH BoP Overall	Oct	--	-\$458m	-\$2696m	--
11/19/2018 16:30	HK Composite Interest Rate	Oct	--	0.77%	0.76%	--
11/19/2018 17:00	EC ECB Current Account SA	Sep	--	16.9b	23.9b	24.3b
11/19/2018 17:00	IT Current Account Balance	Sep	--	3154m	4994m	5049m
11/19/2018 18:00	EC Construction Output MoM	Sep	--	2.00%	-0.50%	-0.60%
11/19/2018 18:00	EC Construction Output YoY	Sep	--	4.60%	2.50%	2.20%
11/19/2018 23:00	CA Bloomberg Nanos Confidence	Nov-16	--	56.6	57.6	--
11/19/2018 23:00	US NAHB Housing Market Index	Nov	67	60	68	--
11/20/2018 05:00	SK PPI YoY	Oct	--	2.20%	2.70%	--
	ANZ Roy Morgan Weekly Consumer Confidence Index	Nov-18	--	117.8	119.8	--
11/20/2018 06:30	AU Confidence Index	Nov-18	--	117.8	119.8	--
11/20/2018 08:30	AU RBA Nov. Meeting Minutes					
11/20/2018 14:30	FR ILO Unemployment Rate	3Q	9.20%	--	9.10%	--
11/20/2018 14:30	FR Mainland Unemp. Change 000s	3Q	--	--	-48k	--
11/20/2018 14:30	FR ILO Mainland Unemployment Rate	3Q	8.90%	--	8.70%	--
11/20/2018 15:00	JN Convenience Store Sales YoY	Oct	--	--	3.50%	--
11/20/2018 15:00	GE PPI MoM	Oct	0.30%	--	0.50%	--
11/20/2018 15:00	GE PPI YoY	Oct	3.30%	--	3.20%	--
11/20/2018 16:00	TA Export Orders YoY	Oct	4.00%	--	4.20%	--
11/20/2018 16:20	TA BoP Current Account Balance	3Q	--	--	\$17820m	--
11/20/2018 16:30	HK CPI Composite YoY	Oct	2.70%	--	2.70%	--
11/20/2018 19:00	UK CBI Trends Total Orders	Nov	-5	--	-6	--
11/20/2018 19:00	UK CBI Trends Selling Prices	Nov	--	--	10	--
11/20/2018 21:30	US Housing Starts	Oct	1225k	--	1201k	--
11/20/2018 21:30	US Housing Starts MoM	Oct	1.80%	--	-5.30%	--
11/20/2018 21:30	US Building Permits	Oct	1260k	--	1241k	1270k
11/20/2018 21:30	US Building Permits MoM	Oct	-0.80%	--	-0.60%	1.70%
11/19/2018 11/24	TH Car Sales	Oct	--	--	88706	--

Source: Bloomberg

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