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Highlights

Global	Wall Street closed slightly lower amid the oil price slippage and as market players awaited the PMI data releases and slew of upcoming central bank meetings this week, namely the BOJ and RBA who are tipped to stay on hold today. Expect Asian markets to tread cautiously again today. The Philippines remains closed for a holiday. Today's economic data calendar comprises of US' manufacturing ISM, construction spending and Markit manufacturing PMI, Thai and Indo CPI, and the whole data dump of regional manufacturing PMIs including China.
US	US' personal spending rebounded more than expected by 0.5% in Sep, the most in three months and up from a revised 0.1% decline in Aug. This came on the back of higher incomes which also accelerated from 0.2% in Aug to 0.3% in Sep. This suggested that 3Q growth ended on a relatively healthy trajectory. The savings rate fell from 5.8% to 5.7%, although wages and salaries rose 0.3%. Meanwhile, the Chicago PMI retreated from 54.2 in Sep to 50.6 in Oct and the Dallas Fed manufacturing activity was at -1.5 (previously -3.7), while the core PCE deflator moderated to 0.1% mom (+1.7% yoy).
UK	BOE governor Carney will extend his term of office by one year until 2019 to help with an "orderly transition to the UK's new relationship with Europe".
SG	Bank loans fell by a less severe 0.8% yoy (-0.1% mom) in Sep, compared to a 1.6% decline in Aug. The data suggests that June 2016 was likely the bottom with a 2.7% yoy slump. Business loans declined by 3.4% yoy (-0.6% mom) in Sep versus -4.2% in Aug, with general commerce (-20% yoy) and manufacturing (-14.7% yoy) outweighing the growth in financial institutions (+13.4% yoy) and transport/storage/comms (+1.8% yoy). Consumer loans accelerated further from 2.6% yoy in Aug to 3.1% in Sep, aided by healthy housing/bridging loans (+3.4% yoy for the last three months). According to an EDB survey, businesses expect conditions to remain or improve in the manufacturing sector. However, business conditions in the computer peripherals, infocomms and consumer electronics segments are expected to deteriorate from now till March 2017. Businesses in the electronics sector have the most optimistic outlook for the same period.
ID	Bank Indonesia said that it is watching out for potential risks on the horizon, including more robust rate hikes from Federal Reserve of US compared to market expectations, as well as slower growth momentum from China. Deputy Governor of the central bank, Hendar, mentioned these issues in a meeting of Southeast Asia's central banks in Bali this week.
TH	Official sources commented that Crown Prince Maha Vajiralongkorn will ascend the throne on 1 December.
Commodities	Oil prices trended lower below the \$50/bbl mark, as market-watchers continue to digest the inconclusive OPEC technical meeting over the weekend, and highlighting the possibility that an oil deal may not even come to pass in the November meeting. Interestingly as well, oil prices were unreactive to OPEC Sec-General Barkindo's comment that OPEC is "on course" to deliver a deal later this month.

Major Markets

- **US:** Equities closed effectively unchanged, with the S&P 500 and Nasdaq edging down less than 0.02%, while the Dow lost 0.1%. Some optimism was noted due to heightened M&A activities. A merger of the oil and gas businesses of Baker Hughes Inc. and General Electric Co. being the latest in line. Overall, S&P 500 has been largely range-bound since hitting a high in August. VIX continued its recent upward trajectory, adding another 5.4% to close at 17.06. US Treasuries pared losses seen in October, with benchmark yields trading 2-3 bps lower. 2- and 10-year notes yielded 0.84% and 1.83% respectively.
- **Singapore:** The STI declined a further modest 0.08% to close at 2813.87 yesterday, with the 2800 support again being closed watched amid the weak overnight cues by Wall Street and morning declines in Nikkei and Kospi. The STI's resistance is tipped at 2820 range. SGS bond yields tilted 1-2bps higher yesterday, but may be side-lined ahead of BOJ and RBA.
- **China:** The curb on purchase of investment-linked life insurance in Hong Kong by onshore investors is expected to ease capital outflow risks. Also, retreat in the greenback due to FBI's reinvestigation of Clinton's emails has helped mitigate downward pressure on the Yuan. Elsewhere, concern about tighter liquidity intensifies after the politburo meeting reinforced the top leadership's focus on containing asset bubble rather than spurring growth. Short-end money market rate and bond market are expected to show higher volatility in near term.
- **Hong Kong:** Total deposits increased 9.1% yoy in September to HK\$ 11,628 billion with total demand deposits increasing by 12.9% yoy to HK\$ 1,043 billion. RMB deposits shrank by 25.7% yoy for the 13th straight month. On monthly basis, RMB deposits rose 1.9% to RMB 665 billion as CNH appreciated 2% in the last month. This is because PBoC has strived to maintain RMB stability before its inclusion into the SDR. However, RMB deposit pool stayed at a low level, which was partly attributed to PBoC's intervention in the offshore market through soaking up the liquidity to lift the cost of shorting RMB in mid-September. Looking ahead, RMB could remain dampened given (1) China's economic slowdown amid the government's control on property market, (2) sustained capital outflow amid diversified portfolios of residents, and the (3) strong greenback amid the expected rate hike of the Fed. As a result, the on-going angst of RMB depreciation could result in persistent contraction in offshore RMB deposit. In addition, USD deposits skyrocketed 24.9% yoy to HKD 4,180 billion. Heightened probability of Fed's rate hike in December continued to lend support to USD. This propels people to hold more greenback in their portfolio and push up USD deposit in HK. Total loan and advances increased by 3.5% yoy to HK\$ 7,824 billion. Loans for use outside HK grew 1.4% mom (0.1% yoy), indicating that demand for Mainland related loan remained soft amid cheaper borrowing cost in Mainland and the still high credit risk of Mainland enterprises. Also, the effect of debt-equity-swap remains uncertain in Mainland and is unable to reduce the credit risk in the short term. Moreover, loans for use in HK rose by 1.1% mom while loan to finance HK's visible trade slumped by 0.2% mom. Sagging trade activity amid weak external demand could continue to depress growth in loan to finance HK's visible trade.
- **Macau:** The number of hotel guests grew at its fastest pace since May 2013, increasing by 20.2% yoy in Sep. A combination of preferential offers given by the whole hotel sector, two new hotel openings and the effect of the Mid-Autumn Festival have been the main forces driving growth. Despite four more hotels and guesthouses that were completed as compared to last year, room glut did not constrain improvements in hotel occupancy, with occupancy rate up by 3.7 percentage points to 82.1% in Sep. As Mainland visitors increase by 7% yoy during the Golden Week Holiday, we expect that occupancy rate and the number of hotel guests will continue to edge up in Oct. However, given that guest rooms of hotels and guesthouses increased significantly by 20.7% yoy in Sep, hotel room glut remains a concern that will limit upward pressure on hotel occupancy rate and hotel

sector's profitability after seasonality effect abates.

- **Malaysia:** Treasury Secretary-General Mohd Irwan Serigar Abdullah, said that Malaysia's 620km-long East Coast Rail network will be funded and built by China. This would be part of a set of bilateral deals to be signed during PM Najib Razak's visit in China this week. Separately, Bank Negara's Governor, Muhammad Ibrahim, said that the central bank is planning a code of conduct for the foreign exchange and money markets. It is currently seeking industry feedback on a proposed set of codes that will apply to broad segments of the wholesale financial market.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-steepened yesterday with the short-end rates trading mostly 2-4bps lower while the middle-to-longer term rates traded 1-2bps lower. Flows in the SGD corporates were heavy with better buying seen in UOBSP 4%'49s and GENSSP 5.13%'49s while mixed interests were seen in SOCGEN 4.3%'26s, TATAIN 4.95%'23s and ABNAV 4.7%'22s. In the broader dollar space, the spread on JACI IG corporates decreased 2bps to 203bps while the yield on JACI HY corporates decreased 8bps to 6.54%. 10y UST yield decreased 2bps to 1.83%.
- **New Issues:** Chalco Hong Kong Investment Co. Ltd. has priced a USD500mn perpetual, non-callable for 5-year bond at 4.25%, tightening from its initial guidance at 4.75%. The expected issue ratings are "NR/NR/BBB". Central China Real Estate has launched a USD 5NC3 bond deal with initial price guidance at 6% with expected issue ratings of "B+/Ba3/NR". The deal is expected to be priced later today. United Photovoltaics Group Ltd. has scheduled investor road shows from 1 November onwards for potential USD bond issue. Bohai Capital Holding Co. has scheduled investor road shows from 1 – 2 November for potential USD bond issue.
- **Rating Changes:** S&P assigned China National Chemical Corp. a "BBB" corporate credit rating with a stable outlook. The assignment reflects the company's strong business diversity, silicon derivatives, and agriculture chemicals and significant vertical integration in its focused products. S&P placed China South City Holdings' "B" corporate credit rating on CreditWatch with negative implications. The CreditWatch status reflects the uncertainties S&P sees over the company's business strategy execution and management stability following the potential sale of shares by one of the company's founders and largest shareholder. S&P revised its rating outlook on 25 financial institutions in Australia to negative, with one-in-three chance that the rating would be downgraded in the next two years. The rating actions reflects S&P's view that the trend in economic risks facing financial institutions operating in Australia has become negative due to the strong growth in private sector debt and residential property prices in the past four years, notwithstanding some signs of moderation in growth in recent months. Moody's assigned a first time corporate family rating of "Ba3" to United Photovoltaics Group Ltd. with a stable outlook. The rating assignment combines its standalone credit strength and an one-notch uplift based on Moody's expectations that the company will receive moderate support from its largest shareholders – China Merchants Group and China Merchants New Energy Group Ltd. in times of need.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.445	0.10%	USD-SGD	1.3911	-0.06%
USD-JPY	104.820	0.08%	EUR-SGD	1.5276	-0.12%
EUR-USD	1.0981	-0.04%	JPY-SGD	1.3271	-0.16%
AUD-USD	0.7609	0.13%	GBP-SGD	1.7031	0.41%
GBP-USD	1.2242	0.47%	AUD-SGD	1.0586	0.06%
USD-MYR	4.1945	-0.13%	NZD-SGD	0.9948	-0.24%
USD-CNY	6.7758	-0.05%	CHF-SGD	1.4066	-0.17%
USD-IDR	13048	-0.02%	SGD-MYR	3.0129	0.01%
USD-VND	22324	-0.02%	SGD-CNY	4.8619	-0.02%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	0.4354	--
2M	-0.3360	--	1M	0.5327	--
3M	-0.3130	--	2M	0.6722	--
6M	-0.2120	--	3M	0.8859	--
9M	-0.1310	--	6M	1.2582	--
12M	-0.0690	--	12M	1.5823	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.36	2.90	3.32
Italy	0.00	0.20	1.66
Ireland	-0.41	0.30	0.65
Greece	7.65	--	8.29
Spain	-0.17	-2.10	1.20
Russia	2.16	-4.80	4.01

Equity and Commodity

Index	Value	Net change
DJIA	18,142.42	-18.77
S&P	2,126.15	-0.26
Nasdaq	5,189.14	-0.97
Nikkei 225	17,425.02	-21.39
STI	2,813.87	-2.39
KLCI	1,672.46	2.19
JCI	5,422.54	12.27
Baltic Dry	857.00	23.00
VIX	17.06	0.87

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.88 (--)	0.84 (-0.01)
5Y	1.34 (-0.04)	1.31 (-0.02)
10Y	1.89 (-0.04)	1.83 (-0.02)
15Y	2.18 (-0.05)	--
20Y	2.28 (-0.04)	--
30Y	2.27 (-0.04)	2.58 (-0.04)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	38.89	0.77
EURIBOR-OIS	3.70	-0.10
TED	60.69	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	46.86	-3.78%	Coffee (per lb)	1.642	-0.82%
Brent (per barrel)	48.30	-2.84%	Cotton (per lb)	0.6886	-2.77%
Heating Oil (per gallon)	1.496	-3.03%	Sugar (per lb)	0.2157	-2.66%
Gasoline (per gallon)	1.45	-1.33%	Orange Juice (per lb)	2.2195	2.61%
Natural Gas (per MMBtu)	3.026	-2.54%	Cocoa (per mt)	2,735	-0.76%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,853.0	0.21%	Wheat (per bushel)	4.1625	1.90%
Nickel (per mt)	10,438	0.41%	Soybean (per bushel)	10.023	0.10%
Aluminium (per mt)	1,734.0	0.89%	Corn (per bushel)	3.5475	-0.07%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,273.1	-0.29%	Crude Palm Oil (MYR/MT)	2,764.0	-0.93%
Silver (per oz)	17.796	--	Rubber (JPY/KG)	180.3	-0.17%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
10/31/2016 07:00	SK	Industrial Production SA MoM	Sep	-0.20%	0.30%	-2.40%	--
10/31/2016 07:00	SK	Industrial Production YoY	Sep	-1.10%	-2.00%	2.30%	2.20%
10/31/2016 07:50	JN	Industrial Production MoM	Sep P	0.90%	0.00%	1.30%	--
10/31/2016 07:50	JN	Industrial Production YoY	Sep P	1.90%	0.90%	4.50%	--
10/31/2016 07:50	JN	Retail Trade YoY	Sep	-1.80%	-1.90%	-2.10%	-2.20%
10/31/2016 07:50	JN	Retail Sales MoM	Sep	0.20%	0.00%	-1.10%	-1.20%
10/31/2016 08:00	AU	Melbourne Insti. Inflation MoM	Oct	--	0.20%	0.40%	--
10/31/2016 08:00	NZ	ANZ Business Confidence	Oct	--	24.5	27.9	--
10/31/2016 08:30	AU	Private Sector Credit MoM	Sep	0.40%	0.40%	0.40%	--
10/31/2016 12:50	MU	Hotel Occupancy Rate	Sep	--	82.1	90.3	--
10/31/2016 15:00	GE	Retail Sales MoM	Sep	0.20%	-1.40%	-0.40%	-0.30%
10/31/2016 15:30	TH	Exports YoY	Sep	--	3.50%	2.70%	--
10/31/2016 15:30	TH	Trade Balance	Sep	--	\$3721m	\$2736m	--
10/31/2016 15:30	TH	BoP Current Account Balance	Sep	\$2550m	\$2929m	\$3805m	--
10/31/2016 17:30	UK	Mortgage Approvals	Sep	61.5k	62.9k	60.1k	61.0k
10/31/2016 18:00	EC	CPI Estimate YoY	Oct	0.50%	0.50%	0.40%	--
10/31/2016 18:00	EC	CPI Core YoY	Oct A	0.80%	0.80%	0.80%	--
10/31/2016 18:00	EC	GDP SA QoQ	3Q A	0.30%	0.30%	0.30%	--
10/31/2016 18:00	EC	GDP SA YoY	3Q A	1.60%	1.60%	1.60%	--
10/31/2016 18:00	IT	CPI NIC incl. tobacco MoM	Oct P	0.20%	0.00%	-0.20%	--
10/31/2016 18:00	IT	CPI EU Harmonized MoM	Oct P	0.40%	0.20%	1.90%	--
10/31/2016 18:00	IT	CPI EU Harmonized YoY	Oct P	0.10%	-0.10%	0.10%	--
10/31/2016 19:00	IT	PPI MoM	Sep	--	-0.10%	-0.30%	-0.20%
10/31/2016 20:30	US	Personal Income	Sep	0.40%	0.30%	0.20%	--
10/31/2016 20:30	US	Personal Spending	Sep	0.40%	0.50%	0.00%	-0.10%
10/31/2016 20:30	CA	Industrial Product Price MoM	Sep	0.40%	0.40%	-0.50%	-0.40%
10/31/2016 21:45	US	Chicago Purchasing Manager	Oct	54	50.6	54.2	--
11/01/2016 06:30	AU	AiG Perf of Mfg Index	Oct	--	50.9	49.8	--
11/01/2016 07:00	SK	CPI MoM	Oct	-0.10%	0.10%	0.60%	--
11/01/2016 07:00	SK	CPI YoY	Oct	1.10%	1.30%	1.20%	--
11/01/2016 07:00	NZ	QV House Prices YoY	Oct	--	12.70%	14.30%	--
11/01/2016 07:00	SK	BoP Current Account Balance	Sep	--	\$8260.5m	\$5513.2m	\$5275.7m
11/01/2016 08:00	SK	Exports YoY	Oct	-3.10%	--	-5.90%	--
11/01/2016 08:30	ID	Nikkei Indonesia PMI Mfg	Oct	--	--	50.9	--
11/01/2016 08:30	MA	Nikkei Malaysia PMI	Oct	--	--	48.6	--
11/01/2016 08:30	TA	Nikkei Taiwan PMI Mfg	Oct	--	--	52.2	--
11/01/2016 08:30	VN	Nikkei Vietnam PMI Mfg	Oct	--	--	52.9	--
11/01/2016 08:30	SK	Nikkei South Korea PMI Mfg	Oct	--	--	47.6	--
11/01/2016 08:30	JN	Nikkei Japan PMI Mfg	Oct F	--	--	51.7	--
11/01/2016 08:30	TH	Nikkei Thailand PMI Mfg	Oct	--	--	48.8	--
11/01/2016 09:00	CH	Manufacturing PMI	Oct	50.3	--	50.4	--
11/01/2016 09:00	CH	Non-manufacturing PMI	Oct	--	--	53.7	--
11/01/2016 09:45	CH	Caixin China PMI Mfg	Oct	50.1	--	50.1	--
11/01/2016 11:30	AU	RBA Cash Rate Target	Nov-01	1.50%	--	1.50%	--
11/01/2016 13:00	IN	Nikkei India PMI Mfg	Oct	--	--	52.1	--
11/01/2016 13:00	JN	Vehicle Sales YoY	Oct	--	--	3.70%	--
11/01/2016 13:30	AU	Commodity Index SDR YoY	Oct	--	--	3.10%	--
11/01/2016 17:30	UK	Markit UK PMI Mfg SA	Oct	54.5	--	55.4	--
11/01/2016 20:30	CA	GDP MoM	Aug	0.20%	--	0.50%	--
11/01/2016 21:30	CA	RBC CA Manufacturing PMI	Oct	--	--	50.3	--
11/01/2016 21:45	US	Markit US Manufacturing PMI	Oct F	53.2	--	53.2	--
11/01/2016 22:00	US	Construction Spending MoM	Sep	0.50%	--	-0.70%	--
11/01/2016 22:00	US	ISM Manufacturing	Oct	51.7	--	51.5	--
11/01/2016 22:00	US	ISM Prices Paid	Oct	54.3	--	53	--
11/01/2016	ID	CPI YoY	Oct	3.30%	--	3.07%	--
11/01/2016	ID	CPI Core YoY	Oct	3.20%	--	3.21%	--
11/01/2016	TH	CPI YoY	Oct	0.40%	--	0.38%	--
11/01/2016	TH	CPI Core YoY	Oct	0.76%	--	0.75%	--
11/01/2016 11/07	ID	Foreign Reserves	Oct	--	--	\$115.67b	--

Source: Bloomberg

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