

Highlights

Global	As financial markets await the outcome of the US presidential elections with abated breath, the key developments yesterday were China's trade (the trade surplus widened to US\$49006b but exports fell more than tipped by 7.3% yoy). Expect that Asian markets to potentially trade on tenterhooks this morning, as market watchers receive the US presidential election results. Also important would be who takes the Senate and the House, and if Trump contests the results if Clinton wins. The ongoing tally suggests Trump wins 19 electoral votes versus Clinton's 3 for Indiana, Kentucky and Vermont. Elsewhere, BOT is also meeting today but is likely to keep its policy rate steady at 1.5%. On the economic data front, US' wholesale inventories, UK' trade balance, Japan's Eco Watchers Survey, China's CPI/PPI and S'pore's COE tender results. Speakers include ECB's Praet and Nouy, as well as Fed's Evans.
US	The NFIB small business optimism index improved more than expected from 94.1 to 94.9 in Oct, the highest this year, amid the increase in inventories and a tight labor market. Notably, the unfilled positions rose 3% points to 28%, highest since Aug. The JOLTs job openings also rose from a revised 5453 in Aug to 5486 in Sep, reflecting steady hiring.
UK	Manufacturing production surged 0.6% mom, the most in five months, led by repair and maintenance of transport equipment including ships and machinery. However, industrial production fell 0.4% mom (+0.3% yoy) in Sep, versus Aug prints of -0.4% mom (+0.7% yoy), amid the continued maintenance at North Sea oilfields which dragged down oil and gas extraction. For now, the GBP's slump appeared to have aided UK industry.
SG	The next presidential election due in 2017 will be reserved for Malay candidates. Separately, the downtown Marina Bay land plot saw a \$2.6b bid by Wealthy Link Pte Ltd (part of IOI Properties Group Bhd).
CH	External demand remains weak with export in dollar term falling by 7.3% in October. This is in line with the decline of new export order of PMI to below 50 again in October. However, the weak external demand was partially offset by an improving domestic demand, which is the key element to having a stabilised Chinese economy for the past few months. The decline of import narrowed to 1.4%. The fresh round of property tightening may cap demand for commodity, which may continue to weigh down on import growth. In its 3Q monetary policy report, PBoC said the monetary policy is constrained by both change of asset price and exchange rate. As such, it is still important for monetary policy to remain neutral.
ID	Government has lowered the income tax bracket for export-oriented sectors. Companies which export at least 50% of its production last year will be eligible. Shoemakers and textile companies that employ at least 2000 workers and bear its employees' tax payments, will see the tax rate reduced from 5% to 2.5% for the first IDR50mn per year for employees' salary, for instance.

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Major Markets

- **US:** General themes were carried over from Monday as the relief rally continued ahead of the election outcome. Early voting trends appear to favour Clinton. 10 of 11 of S&P 500's main industries rose, with utilities and industrials leading gains. S&P 500 overcame an early slide to close 0.4% higher, while the Dow and S&P 500 closed 0.4% and 0.5% higher. VIX is effectively unchanged at 18.74. US Treasury yields rose 3-4 bps, with the 2- and 10-year benchmark yields closing at 0.85% and 1.85% respectively. Amidst all the election fever, markets are increasingly pricing in a December rate hike, with the implied probability of a hike standing at 84%.
- **Singapore:** The STI regained more ground yesterday, adding 0.69% to close at 2820.24 and may extend gains today – so far the overnight cues from Wall Street and morning rallies in Nikkei and Kospi suggest market remains hopeful of a Clinton victory. Assuming the plot goes according to plan, then STI could face resistance at 2840, with support at 2800. SGS bonds may range trade in the interim.
- **Commodities:** Both gold and crude oil were generally flattish over previous trading day, as market-watchers eye closely on the US presidential election. Gainers included crude palm oil futures (+1.82%) to its highest since Sept, while copper bucked its 12th consecutive gain trend to print marginally lower.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday with swap rates trading 1-3bps lower across all tenors. Flows in the SGD corporates were light ahead of US elections. In the broader dollar space, the spread on JACI IG corporates decreased 1bps to 206bps while the yield on JACI HY corporates decreased 2bps to 6.57%. 10y UST yield increased 4bps to 1.87% as safe haven asset demand continues to wane on expectations of a Clinton victory.
- **New Issues:** Korea Southern Power has scheduled investor meetings from 14 November for a potential USD bond issue.
- **Rating Changes:** S&P upgraded its issuer credit ratings on KEB Hana Bank to "A+" from "A" with a stable outlook. The rating was upgraded mainly because the bank and the parent group, Hana Financial Group (HFG), have sustainably strengthened their capitalization to an adequate level. S&P downgraded Yuexiu Real Estate Investment Trust's corporate credit rating to "BBB-" from "BBB" with a stable outlook. The downgrade reflects S&P's expectation that Yuexiu REIT's leverage is likely to remain elevated over the next 12-24 months. Moody's withdrew its ratings on Nextgen Networks Group Pty. Ltd. for business reasons. The rating prior withdrawal was "B1".

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.861	0.08%	USD-SGD	1.3864	-0.22%
USD-JPY	105.160	0.67%	EUR-SGD	1.5285	-0.37%
EUR-USD	1.1026	-0.14%	JPY-SGD	1.3183	-0.88%
AUD-USD	0.7762	0.44%	GBP-SGD	1.7163	-0.37%
GBP-USD	1.2379	-0.14%	AUD-SGD	1.0761	0.20%
USD-MYR	4.2017	-0.26%	NZD-SGD	1.0240	0.35%
USD-CNY	6.7870	0.15%	CHF-SGD	1.4177	-0.60%
USD-IDR	13084	-0.02%	SGD-MYR	3.0237	-0.13%
USD-VND	22335	0.01%	SGD-CNY	4.8853	0.26%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	0.4346	--
2M	-0.3390	--	1M	0.5353	--
3M	-0.3120	--	2M	0.6706	--
6M	-0.2110	--	3M	0.8868	--
9M	-0.1300	--	6M	1.2516	--
12M	-0.0700	--	12M	1.5684	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.32	-0.70	3.22
Italy	-0.02	0.20	1.72
Ireland	-0.42	0.30	0.69
Greece	7.65	--	7.30
Spain	-0.22	0.60	1.25
Russia	2.25	-15.80	4.00

Equity and Commodity

Index	Value	Net change
DJIA	18,332.74	73.14
S&P	2,139.56	8.04
Nasdaq	5,193.49	27.32
Nikkei 225	17,171.38	-5.83
STI	2,820.24	19.29
KLCI	1,663.82	13.23
JCI	5,470.68	84.47
Baltic Dry	911.00	41.00
VIX	18.74	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.85 (--)	0.85 (+0.04)
5Y	1.30 (-0.03)	1.33 (+0.04)
10Y	1.97 (--)	1.85 (+0.03)
15Y	2.34 (--)	--
20Y	2.44 (+0.01)	--
30Y	2.45 (+0.02)	2.62 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	37.53	-0.65
EURIBOR-OIS	3.80	0.15
TED	48.59	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	44.98	0.20%	Coffee (per lb)	1.675	-3.93%
Brent (per barrel)	46.04	-0.24%	Cotton (per lb)	0.6875	0.44%
Heating Oil (per gallon)	1.441	0.03%	Sugar (per lb)	0.2197	-1.35%
Gasoline (per gallon)	1.37	-0.13%	Orange Juice (per lb)	2.2225	-3.31%
Natural Gas (per MMBtu)	2.633	-6.50%	Cocoa (per mt)	2,501	0.40%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,235.5	2.70%	Wheat (per bushel)	4.1525	1.28%
Nickel (per mt)	11,219	1.17%	Soybean (per bushel)	10.018	1.26%
Aluminium (per mt)	1,726.5	0.28%	Corn (per bushel)	3.5425	2.31%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,274.5	-0.38%	Crude Palm Oil (MYR/MT)	2,854.0	1.82%
Silver (per oz)	18.356	1.13%	Rubber (JPY/KG)	184.3	1.60%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/08/2016 08:30	AU	NAB Business Conditions	Oct	--	6	8	--
11/08/2016 08:30	AU	NAB Business Confidence	Oct	--	4	6	--
11/08/2016 08:30	TA	CPI YoY	Oct	0.48%	1.70%	0.33%	--
11/08/2016 10:01	PH	Budget Balance PHP	Sep	--	-75.3b	32.6b	--
11/08/2016 10:33	CH	Trade Balance CNY	Oct	366.61b	325.25b	278.35b	--
11/08/2016 10:33	CH	Exports YoY CNY	Oct	-0.80%	-3.20%	-5.60%	--
11/08/2016 10:40	CH	Trade Balance	Oct	\$51.70b	\$49.06b	\$41.99b	--
11/08/2016 10:40	CH	Exports YoY	Oct	-6.00%	-7.30%	-10.00%	--
11/08/2016 10:40	CH	Imports YoY	Oct	-1.00%	-1.40%	-1.90%	--
11/08/2016 13:00	JN	Leading Index Cl	Sep P	100.5	100.5	100.9	--
11/08/2016 15:00	GE	Industrial Production SA MoM	Sep	-0.50%	-1.80%	2.50%	3.00%
11/08/2016 15:00	GE	Industrial Production WDA YoY	Sep	2.00%	1.20%	1.90%	2.40%
11/08/2016 15:00	GE	Trade Balance	Sep	22.4b	24.4b	20.0b	19.9b
11/08/2016 15:00	GE	Current Account Balance	Sep	24.5b	24.2b	17.9b	17.4b
11/08/2016 15:00	GE	Exports SA MoM	Sep	-0.80%	-0.70%	5.40%	3.40%
11/08/2016 15:00	GE	Imports SA MoM	Sep	-0.20%	-0.50%	3.00%	1.90%
11/08/2016 15:45	FR	Trade Balance	Sep	-4200m	-4769m	-4255m	-4185m
11/08/2016 17:30	UK	Industrial Production MoM	Sep	0.00%	-0.40%	-0.40%	--
11/08/2016 17:30	UK	Industrial Production YoY	Sep	0.80%	0.30%	0.70%	--
11/08/2016 17:30	UK	Mfg Production MoM	Sep	0.40%	0.60%	0.20%	--
11/08/2016 17:30	UK	Manufacturing Production YoY	Sep	-0.10%	0.20%	0.50%	--
11/08/2016 19:00	US	NFIB Small Business Optimism	Oct	94.1	94.9	94.1	--
11/08/2016 21:15	CA	Housing Starts	Oct	195.0k	192.9k	220.6k	219.4k
11/08/2016 21:30	CA	Building Permits MoM	Sep	-5.80%	-7.00%	10.40%	11.00%
11/08/2016 23:00	UK	NIESR GDP Estimate	Oct	--	0.40%	0.40%	0.50%
11/09/2016 07:00	SK	Unemployment rate SA	Oct	4.00%	3.70%	4.00%	--
11/09/2016 07:50	JN	BoP Current Account Balance	Sep	¥2020.0b	--	¥2000.8b	--
11/09/2016 07:50	JN	Trade Balance BoP Basis	Sep	¥668.8b	--	¥243.2b	--
11/09/2016 09:30	CH	CPI YoY	Oct	2.10%	--	1.90%	--
11/09/2016 09:30	CH	PPI YoY	Oct	0.90%	--	0.10%	--
11/09/2016 13:00	JN	Eco Watchers Survey Current	Oct	44.4	--	44.8	--
11/09/2016 13:00	JN	Eco Watchers Survey Outlook	Oct	47.8	--	48.5	--
11/09/2016 15:00	TH	BoT Benchmark Interest Rate	Nov-09	1.50%	--	1.50%	--
11/09/2016 15:30	FR	Bank of France Bus. Sentiment	Oct	99	--	98	--
11/09/2016 16:00	SI	Automobile COE Open Bid Cat A	Nov-09	--	--	50991	--
11/09/2016 16:00	SI	Automobile COE Open Bid Cat B	Nov-09	--	--	56410	--
11/09/2016 17:30	UK	Visible Trade Balance GBP/Mn	Sep	-£11,363	--	-£12,112	--
11/09/2016 17:30	UK	Trade Balance Non EU GBP/Mn	Sep	-£3,450	--	-£3,756	--
11/09/2016 17:30	UK	Trade Balance	Sep	-£3,950	--	-£4,733	--
11/09/2016 20:00	US	MBA Mortgage Applications	Nov-04	--	--	-1.20%	--
11/09/2016 23:00	US	Wholesale Inventories MoM	Sep F	0.20%	--	0.20%	--
11/09/2016 11/13	VN	Domestic Vehicle Sales YoY	Oct	--	--	25.30%	--

Source: Bloomberg

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