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Highlights

Global	<p>The global bond rout continued apace (with the 10-year UST bond yield nearing the year-to-date high of 2.27%) and fuelled the USD's advance, whereas Wall Street treaded water for now, with bank stocks outperforming tech and dividend stocks. Key economic data releases revealed that China's retail sales slowed more than expected from 10.7% in Sep to 10% in Oct, whilst industrial production and fixed asset investments were around expectations. For today, RBA minutes are due and RBA governor Lowe is also speaking, with US' retail sales, Empire manufacturing and import prices, Eurozone/Germany's 3Q GDP and ZEW survey, UK' CPI/RPI/PPI, S'pore's retail sales, Indonesia's trade and Indian CPI on tap. Speakers were Fed's Rosengren and BOE's Carney.</p>
US	<p>Fed's Lacker opined that "a more stimulative fiscal outlook usually warrants higher policy rates" and "that can pose challenges for us when the extent of the prospective fiscal stimulus is uncertain". Separately, Kaplan suggested the Fed may tighten in "near future" and noted that he would have been "comfortable removing some amount of accommodation" after the September and November meetings, but he said it was too soon to judge how US fiscal policy will materialise.</p>
SG	<p>The STI sank another 0.97% to close at 2787.27 yesterday, and may remain vulnerable to further consolidation in the interim amid weak cues for EM/Asia. The STI' resistance and support are at 2800 and 2760 respectively. SGS bond yields jumped higher again and remain susceptible to the US reflation and EM capital flow reversal themes in the near-term.</p>
CH	<p>The latest economic activity data are largely in line with market expectation except retail sales growth, which decelerated to 10% short of market consensus of 10.6%. The weaker than expected retail sales could be distorted by the single's day shopping in November, as retailers may delay their shopping to November waiting for big discount. In addition, capital outflow trends continue in China with the forex purchase by central bank in October falling by CNY267.9 billion.</p> <p>RMB extended its loss against the dollar with less resistance around 6.83-84 range, which is initially considered as a strong resistance as China used to peg RMB against USD around this level for almost two years after the Lehman crisis. This signalled China's higher tolerance for RMB volatility. RMB is expected to weaken further against the dollar should dollar strength continue.</p>
Commodities	<p>The dollar index rallied past its 100 mark overnight and touched its highest since a year ago, prompting dollar-denominated commodities lower. Key decliners were seen in the precious metal space (ex-Palladium) with gold pointing south. Energy prices turned weaker still, dragged by the stronger dollar as well as increasing doubts that a concrete OPEC oil deal can be reached in two weeks time. The bottom-line is that there is a lack of indications pointing towards a quick and firm production reduction in the weeks to come, especially with US oil inventory print estimates highlighting another week of increase for the week ended 11 Nov.</p>

Major Markets

- **US:** Equity markets ended mixed as declines in energy producers and technology stocks offset gains in financials. Bank of America rose 5.6% to lead gains, as rising bond yields aided financials in becoming the biggest winner post-Trump. Energy producers traded lower with crude, while Facebook declined 3.3% to lead the broader technology sector lower. Overall, S&P 500 was essentially unchanged, while Nasdaq posted a 0.36% decline. The Dow continued to power ahead, ending with a second consecutive record close, up 0.11%. VIX closed at 14.48, fluctuating around the 14-15 region since the election. US Treasury yields continued its recent upswing, with gains of around 10 bps across the board. 2- and 10-year benchmark yields stand at 1.00% and 2.26% respectively.
- **Macau:** Upbeat sentiment combined with low borrowing costs drove the housing transaction volume up by 86.8% yoy to 878 units in September. New residential mortgage loan also climbed 44.3% yoy to MOP5.36 billion in the same month. However, average housing price (-2% yoy to MOP81769/sq. m.) held rather stable in September as compared to the previous month. With the housing cooling measures in place, and adding that fewer sellers are willing to cut prices on a rebounding market, demand of end-users may shrink gradually. Also, as any recovery in the tourism and gaming sectors may be moderate, upward risks on the housing demand will be limited. Moreover, increasing expectations on Fed's rate hikes following a Trump presidency indicate that higher borrowing costs will weigh on housing demand in Macau. More notably, unlike HK's property market, Macau's is less attractive to Mainland investors and may not benefit from the continuous capital outflows from the Mainland market. On the supply side, increasing supply will also pose downward pressure to the housing market. In all, stabilization in the housing market may not last in the longer term. Besides, we opine that average housing price may end this year at slightly above MOP80,000/sq.m..

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday, swap rates traded 15-23bps higher across all tenors as the dollar appreciated on strong buying momentum, spurred by rising treasury yields. In the broader dollar space, the spread on JACI IG corporates remained relatively unchanged at 202bps while the yield on JACI HY corporates increased 23bps to 6.93%. 10y UST yields increased a further 10bps to 2.25.
- **New Issues:** Westpac Banking Corp. has indicated that it plans to issue a USD 15NC10 Tier-2 bond.
- **Rating Changes:** Moody's has affirmed Yanlord Land Group Ltd.'s "Ba3" corporate family rating with a positive outlook, concluding the review initiated on 18 August, 2016. The positive outlook reflects Yanlord's strong contracted sales growth and a better financial profile than its "Ba3" Chinese property peers. Additionally, the outlook also takes into account that the business environment could become less favourable with the introduction of regulatory measures that are intended to cool the property market.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	100.110	1.06%	USD-SGD	1.4149	0.16%
USD-JPY	108.420	1.66%	EUR-SGD	1.5192	-0.96%
EUR-USD	1.0737	-1.09%	JPY-SGD	1.3050	-1.46%
AUD-USD	0.7554	0.11%	GBP-SGD	1.7673	-0.65%
GBP-USD	1.2490	-0.84%	AUD-SGD	1.0688	0.27%
USD-MYR	4.3305	-0.26%	NZD-SGD	1.0071	0.18%
USD-CNY	6.8600	0.70%	CHF-SGD	1.4175	-0.85%
USD-IDR	13375	-0.06%	SGD-MYR	3.0564	-1.05%
USD-VND	22332	--	SGD-CNY	4.8393	0.31%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3740	--	O/N	0.4323	--
2M	-0.3390	--	1M	0.5382	--
3M	-0.3120	--	2M	0.6949	--
6M	-0.2100	--	3M	0.9057	--
9M	-0.1300	--	6M	1.2621	--
12M	-0.0690	--	12M	1.5879	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.42	7.20	3.54
Italy	0.11	2.30	2.08
Ireland	-0.35	-0.20	1.00
Greece	7.65	--	7.41
Spain	-0.11	0.70	1.52
Russia	2.76	38.30	4.48

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	43.32	-0.21%	Coffee (per lb)	1.618	1.47%
Brent (per barrel)	44.43	-0.72%	Cotton (per lb)	0.6890	0.67%
Heating Oil (per gallon)	1.3855	-1.12%	Sugar (per lb)	0.2163	-0.32%
Gasoline (per gallon)	1.2778	-2.11%	Orange Juice (per lb)	2.0610	-2.76%
Natural Gas (per MMBtu)	2.7490	4.96%	Cocoa (per mt)	2,392	-2.49%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,559.0	0.18%	Wheat (per bushel)	3.9400	-2.23%
Nickel (per mt)	11,215.0	0.45%	Soybean (per bushel)	9.710	-0.77%
Aluminium (per mt)	1,745.0	0.09%	Corn (per bushel)	3.3725	-0.88%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,221.7	-0.21%	Crude Palm Oil (MYR/MT)	2,856.0	-4.00%
Silver (per oz)	16.893	-2.81%	Rubber (JPY/KG)	194.8	-2.60%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	18,868.69	21.03
S&P	2,164.20	-0.25
Nasdaq	5,218.40	-18.72
Nikkei 225	17,672.62	297.83
STI	2,787.27	-27.33
KLCI	1,616.64	-17.55
JCI	5,115.74	-116.23
Baltic Dry	1,065.00	20.00
VIX	14.48	0.31

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.11 (+0.13)	1.00 (+0.09)
5Y	1.71 (+0.21)	1.68 (+0.12)
10Y	2.33 (+0.19)	2.26 (+0.11)
15Y	2.68 (+0.18)	--
20Y	2.76 (+0.16)	--
30Y	2.76 (+0.14)	3.01 (+0.08)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	37.67	0.12
EURIBOR-OIS	3.70	--
TED	43.88	--

CFTC Commodities Futures and Options

For the week ended: 08 Nov 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Corn	45,800	-19,184	64,984	Gold	194,895	210,597	-15,702
Wheat	-76,742	-107,570	30,828	Copper	-11,175	4,227	-15,402
Natural Gas	-31,352	-54,608	23,256	Sugar	326,347	338,714	-12,367
Soybean	110,697	93,000	17,697	Platinum	20,382	25,328	-4,946
Cotton	93,303	82,807	10,496	Nymex Crude	454,404	458,776	-4,372
Coffee	48,892	41,006	7,886	Live Cattle	30,279	33,924	-3,645
Cocoa	24,409	22,541	1,868	Silver	61,996	65,537	-3,541
RBOB Gasoline	65,347	64,609	738	Heating Oil	29,656	32,840	-3,184
Lean Hogs	31,202	32,859	-1,657	Palladium	9,536	12,439	-2,903

Source: CFTC

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/14/2016	04:30	NZ REINZ House Sales YoY	Oct	--	-14.20%	-9.50%	--
11/14/2016	07:50	JN GDP SA QoQ	3Q P	0.20%	0.50%	0.20%	--
11/14/2016	07:50	JN GDP Annualized SA QoQ	3Q P	0.80%	2.20%	0.70%	--
11/14/2016	07:50	JN GDP Nominal SA QoQ	3Q P	-0.10%	0.20%	0.30%	0.10%
11/14/2016	07:50	JN GDP Deflator YoY	3Q P	0.30%	-0.10%	0.70%	--
11/14/2016	08:01	UK Rightmove House Prices MoM	Nov	--	-1.10%	0.90%	--
11/14/2016	10:00	CH Industrial Production YoY	Oct	6.20%	6.10%	6.10%	--
11/14/2016	10:00	CH Retail Sales YoY	Oct	10.70%	10.00%	10.70%	--
11/14/2016	12:30	JN Industrial Production MoM	Sep F	--	0.60%	0.00%	--
11/14/2016	12:30	JN Industrial Production YoY	Sep F	--	1.50%	0.90%	--
11/14/2016	12:30	JN Capacity Utilization MoM	Sep	--	-2.00%	2.60%	--
11/14/2016	17:03	IT CPI EU Harmonized YoY	Oct F	-0.10%	-0.10%	-0.10%	--
11/14/2016	18:00	EC Industrial Production SA MoM	Sep	-1.00%	-0.80%	1.60%	1.80%
11/15/2016	13:00	SI Retail Sales YoY	Sep	2.00%	--	-1.00%	--
11/15/2016	14:00	JN Machine Tool Orders YoY	Oct F	--	--	-8.90%	--
11/15/2016	14:30	IN Wholesale Prices YoY	Oct	3.74%	--	3.57%	--
11/15/2016	15:00	GE GDP SA QoQ	3Q P	0.30%	--	0.40%	--
11/15/2016	15:00	GE GDP WDA YoY	3Q P	1.80%	--	1.80%	--
11/15/2016	15:00	GE GDP NSA YoY	3Q P	1.60%	--	3.10%	--
11/15/2016	15:45	FR CPI EU Harmonized YoY	Oct F	0.50%	--	0.50%	--
11/15/2016	15:45	FR CPI YoY	Oct F	0.40%	--	0.40%	--
11/15/2016	17:00	IT GDP WDA QoQ	3Q P	0.20%	--	0.00%	--
11/15/2016	17:00	IT GDP WDA YoY	3Q P	0.80%	--	0.80%	--
11/15/2016	17:30	UK CPI MoM	Oct	0.30%	--	0.20%	--
11/15/2016	17:30	UK CPI YoY	Oct	1.10%	--	1.00%	--
11/15/2016	17:30	UK CPI Core YoY	Oct	1.40%	--	1.50%	--
11/15/2016	17:30	UK RPI MoM	Oct	0.20%	--	0.20%	--
11/15/2016	17:30	UK PPI Output NSA MoM	Oct	0.40%	--	0.20%	--
11/15/2016	17:30	UK PPI Output NSA YoY	Oct	1.80%	--	1.20%	--
11/15/2016	18:00	GE ZEW Survey Current Situation	Nov	61.6	--	59.5	--
11/15/2016	18:00	GE ZEW Survey Expectations	Nov	8.1	--	6.2	--
11/15/2016	18:00	EC ZEW Survey Expectations	Nov	--	--	12.3	--
11/15/2016	18:00	EC GDP SA QoQ	3Q P	0.30%	--	0.30%	--
11/15/2016	18:00	EC GDP SA YoY	3Q P	1.60%	--	1.60%	--
11/15/2016	20:00	IN CPI YoY	Oct	4.15%	--	4.31%	--
11/15/2016	21:30	US Import Price Index MoM	Oct	0.40%	--	0.10%	--
11/15/2016	21:30	US Empire Manufacturing	Nov	-2.5	--	-6.8	--
11/15/2016	21:30	US Retail Sales Advance MoM	Oct	0.60%	--	0.60%	--
11/15/2016	21:30	US Retail Sales Ex Auto MoM	Oct	0.50%	--	0.50%	--
11/15/2016	21:30	US Retail Sales Ex Auto and Gas	Oct	0.30%	--	0.30%	--
11/15/2016		ID Trade Balance	Oct	\$1011m	--	\$1217m	--
11/15/2016		ID Exports YoY	Oct	3.60%	--	-0.59%	--
11/15/2016		PH Overseas Remittances YoY	Sep	5.10%	--	16.30%	--
11/13/2016	11/15	IN Exports YoY	Oct	--	--	4.60%	--

Source: Bloomberg

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