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Highlights

Global	<p>In FOMC chair Yellen's testimony to the Joint Economic Committee, she reiterated that "the US economy has made further progress this year towards the Federal Reserve's dual-mandate objectives of maximum employment and price stability" and suggested that the "case for an increase in the target range had continued to strength and that such an increase could well become appropriate relatively soon". This further solidified the Dec fed funds future pricing to 96% probability. She also noted that "it is fully my intention to serve out that term" which ends at the end of January 2018.</p> <p>Separately, BI chose to keep its 7day reverse repo rate at 4.75% as anticipated amid the recent IDR volatility. BI governor Martowardjo said "the policy is in line with Bank Indonesia's prudence in responding to the rising uncertainty in global markets after US presidential elections" and "we are responding to external uncertainty amid a stable domestic situation".</p> <p>Today's economic data calendar is relatively light with only China's property prices, German PPI and US' leading index on tap. Speakers include Fed's Bullard and George, ECB's Draghi, Bundesbank's Weidmann, BOE's Broadbent.</p>
US	<p>US' CPI accelerated to 0.4% mom (+1.6% yoy) in Oct, up from 0.3% mom (+1.5% yoy) amid higher gasoline prices (+7% which was the biggest hike since Apr) which offset flat food prices. However, core CPI rose 0.1% mom (+2.1% yoy), versus Sep's +0.1% mom (+2.2% yoy), amid lower services prices. Meanwhile, building permits unexpectedly rose 0.3% mom to 1229k annual pace in Oct, whilst housing starts also rebounded strongly by 25.5% mom to a 9-year high of 1323k, amid a strong pickup in single-family housing and multi-family apartment projects. On the labor front, initial jobless claims fell 19k to 235k, the lowest since 1973, with the 4-week average falling to 253.5k and continuing claims also declining 66k to a 16-year low of 1.98m. However, the Philadelphia Fed business outlook survey improved for the second straight month from 9.7 to 7.6 in Nov, despite growing headwinds from USD strength and a higher interest rate environment.</p>
UK	<p>Eurozone's CPI rose 0.5% yoy in Oct, aided by oil-related base effects, but core CPI was unchanged at 0.8% yoy (static since Aug) and suggesting that the ECB may still feel compelled to extend its QE horizon at its Dec meeting. Meanwhile, UK' retail sales surged amid cooler weather-induced clothing expenditure (+5.1% in its largest increase since Mar14), which lifted sales volume by 1.9%.</p>
PH	<p>3Q16 GDP growth unexpectedly accelerated from 7.0% yoy (+2.1% qoq sa) in 2Q to 7.1% yoy (+1.2% qoq sa), versus market expectations for 6.7% yoy (+1.2% qoq sa), marking the strongest pace in three years and also the highest growth among the Asian economies that have reported for the quarter amid more upbeat investment and consumption.</p>
Commodities	<p>The DXY rallied further to close 100.89, the highest since 2003. Gold is clearly a casualty to the firmer dollar; the yellow metal has already plunged by more than 9% since the US election day, and traded as low as \$1,210/oz in intraday trading yesterday, the lowest since June 2016. The stronger dollar also dragged crude oil futures, even as Saudi Arabia oil minister Khalid al-Falih commented that he is "optimistic" for an OPEC oil deal to be reached at the end of this month.</p>

Major Markets

- **US:** Equities markets ended higher as investors' faith in the US economy increased. S&P 500, the Dow and Nasdaq rose 0.47%, 0.19% and 0.74% respectively. VIX slumped to close at 13.35, down from 13.72 the day before. Longer term Treasuries continued to be sold off, with yields rising another 8 bps for the 10-year note, standing at 2.30%. 2-year benchmark yield were higher, settling at 1.05%.
- **Singapore:** The STI added 0.7% to close at 2813.48 yesterday, and may continue to extend gains given positive cues from Wall Street overnight. STI's resistance and support are tipped at 2820 and 2800 respectively. SGS bonds gained yesterday, but may retreat today given Fed chair Yellen's indication that "the case for an increase in the federal funds rate has continued to strengthen".
- **Hong Kong:** The seasonally adjusted unemployment rate of HK remained at 3.4% in October and underemployment rate was unchanged at 1.4%. The labor market held largely stable in overall terms. As the downtrend of inbound tourism appeared to have eased slightly, unemployment rate in the retail sector notched down by 0.2 percentage point to 5.3% in October. However, the considerable external uncertainties and dimmer domestic outlook could continue to dampen local consumption. Unemployment rate in trade and wholesale sector fell slightly from 3.1% to 3.0%, hovering over high level. Given the rise of trade protectionism and negative spillover effects to China amid post-Trump world, HK's trade sector may take a hit. It looks to us that the tepid external demand could continue to pose downward risk to HK exports and unemployment in this sector is likely to climb up again. On the flip side, unemployment rate in construction sector dropped to lowest level since record, on back of the accelerating construction activities. What is also worth noticing is that unemployment rate in financing and business sector fell further from 2.8% to 2.7%. It is plausible that the Shenzhen-Hong Kong connect will bring more employment opportunities in security firms and fund houses amid the increasing need for brokerage and asset management from mainland investors.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday with swap rates trading mostly 2-7bps lower across all tenors. In the broader dollar space, the spread on JACI IG corporates increased 3bps to 202bps while the yield on JACI HY corporates decreased 3bps to 6.84%. 10y UST yield increased 9bps to 2.3% as the case for interest rate hike continues to strengthen following Yellen's speech ("interest rate hike could come 'relatively soon') and positive economic data (initial jobless claim lowest in 43 years).
- **New Issues:** CEFC Shanghai International has launched a USD 2-year bond with initial price guidance at 6%. China Energy Reserve has launched a USD 3-year bond with initial price guidance at 6.25%. Tieling Public Asset Investment plans to issue a USD200mn bond before the end of the year.
- **Rating Changes:** S&P upgraded Nomura Holdings Inc. counterparty credit rating to "A-" from "BBB+". Additionally, the counterparty credit ratings of Nomura's core subsidiaries were also upgraded to "A" from "A-". The outlooks on the ratings are negative and the upgrades reflects S&P's view that the group has swiftly improved its risk-adjusted capital ratio in 2016 by slashing its risk assets, increasing the likelihood for it to keep the ratio steadily and sufficiently above 10%. Moody's affirmed the corporate family rating of PT MNC Investama Tbk. (BJIT) at "Caa1" and the "Caa2" senior secured rating of the bonds issued by its wholly-owned subsidiary Ottawa Holdings Pte. Ltd. The outlook on the ratings is negative. The rating action concludes the review for downgrade initiated on 5 September and reflects the announcement on 11 November from Sky Vision (BJIT's

subsidiary) that it has signed a new syndicated loan facility to refinance the balance of the company's existing three-year loan maturing in mid-December.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	100.890	0.48%	USD-SGD	1.4208	0.40%
USD-JPY	110.120	0.95%	EUR-SGD	1.5098	-0.20%
EUR-USD	1.0626	-0.61%	JPY-SGD	1.2902	-0.55%
AUD-USD	0.7406	-0.99%	GBP-SGD	1.7641	0.20%
GBP-USD	1.2417	-0.21%	AUD-SGD	1.0522	-0.59%
USD-MYR	4.3945	1.03%	NZD-SGD	0.9982	-0.23%
USD-CNY	6.8781	-0.03%	CHF-SGD	1.4108	-0.11%
USD-IDR	13373	0.21%	SGD-MYR	3.1057	1.00%
USD-VND	22420	0.26%	SGD-CNY	4.8543	-0.07%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.4329	--
2M	-0.3390	--	1M	0.5546	--
3M	-0.3110	--	2M	0.6989	--
6M	-0.2140	--	3M	0.9087	--
9M	-0.1330	--	6M	1.2754	--
12M	-0.0730	--	12M	1.6118	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.47	-2.30	3.74
Italy	0.06	-0.10	2.09
Ireland	-0.38	-0.80	0.99
Greece	7.65	--	7.32
Spain	-0.12	-0.60	1.59
Russia	2.70	0.80	4.44

Equity and Commodity

Index	Value	Net change
DJIA	18,903.82	35.68
S&P	2,187.12	10.18
Nasdaq	5,333.97	39.39
Nikkei 225	17,862.63	0.42
STI	2,813.48	19.49
KLCI	1,626.77	-0.86
JCI	5,193.02	7.55
Baltic Dry	1,231.00	86.00
VIX	13.35	-0.37

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.06 (-0.02)	1.05 (+0.04)
5Y	1.64 (-0.03)	1.74 (+0.07)
10Y	2.23 (-0.06)	2.30 (+0.08)
15Y	2.60 (-0.06)	--
20Y	2.69 (-0.07)	--
30Y	2.67 (-0.07)	3.01 (+0.09)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	34.81	-0.31
EURIBOR-OIS	3.68	0.08
TED	44.68	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	45.42	-0.33%	Coffee (per lb)	1.593	-1.21%
Brent (per barrel)	46.49	-0.30%	Cotton (per lb)	0.7338	1.73%
Heating Oil (per gallon)	1.4470	0.84%	Sugar (per lb)	0.2022	-0.69%
Gasoline (per gallon)	1.3430	1.81%	Orange Juice (per lb)	2.1240	1.65%
Natural Gas (per MMBtu)	2.7030	-2.21%	Cocoa (per mt)	2,426	0.58%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,495.5	1.15%	Wheat (per bushel)	4.0300	1.51%
Nickel (per mt)	11,215.0	-0.75%	Soybean (per bushel)	9.895	0.38%
Aluminium (per mt)	1,686.5	-0.46%	Corn (per bushel)	3.4200	1.03%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,216.9	-0.57%	Crude Palm Oil (MYR/MT)	2,883.0	0.42%
Silver (per oz)	16.772	-0.92%	Rubber (JPY/KG)	206.6	0.78%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
11/17/2016 05:00	05:00	US Total Net TIC Flows	Sep	--	-\$152.9b	\$73.8b	\$40.0b
11/17/2016 05:00	05:00	US Net Long-term TIC Flows	Sep	--	-\$26.2b	\$48.3b	\$45.5b
11/17/2016 05:00	05:00	NZ ANZ Job Advertisements MoM	Oct	--	0.60%	0.30%	1.00%
11/17/2016 07:50	07:50	JN Foreign Buying Japan Bonds	Nov-11	--	¥421.9b	¥6.2b	¥6.5b
11/17/2016 07:50	07:50	JN Foreign Buying Japan Stocks	Nov-11	--	¥545.8b	¥106.4b	--
11/17/2016 08:30	08:30	SI Non-oil Domestic Exports YoY	Oct	-3.00%	-12.00%	-4.80%	-5.00%
11/17/2016 08:30	08:30	AU Employment Change	Oct	16.0k	9.8k	-9.8k	-29.0k
11/17/2016 08:30	08:30	AU Unemployment Rate	Oct	5.70%	5.60%	5.60%	--
11/17/2016 08:30	08:30	AU Full Time Employment Change	Oct	--	41.5k	-53.0k	-74.3k
11/17/2016 08:30	08:30	AU Participation Rate	Oct	64.60%	64.40%	64.50%	64.40%
11/17/2016 10:00	10:00	PH GDP YoY	3Q	6.70%	7.10%	7.00%	--
11/17/2016 16:30	16:30	HK Unemployment Rate SA	Oct	3.40%	3.40%	3.40%	--
11/17/2016 16:49	16:49	HK Composite Interest Rate	Oct	--	0.25%	0.25%	--
11/17/2016 17:00	17:00	IT Trade Balance Total	Sep	--	3670m	2519m	2494m
11/17/2016 17:30	17:30	UK Retail Sales Ex Auto Fuel MoM	Oct	0.40%	2.00%	0.00%	0.10%
11/17/2016 17:30	17:30	UK Retail Sales Ex Auto Fuel YoY	Oct	5.40%	7.60%	4.00%	--
11/17/2016 17:30	17:30	UK Retail Sales Inc Auto Fuel MoM	Oct	0.50%	1.90%	0.00%	0.10%
11/17/2016 17:30	17:30	UK Retail Sales Inc Auto Fuel YoY	Oct	5.30%	7.40%	4.10%	4.20%
11/17/2016 18:00	18:00	EC CPI MoM	Oct	0.30%	0.20%	0.40%	--
11/17/2016 18:00	18:00	EC CPI YoY	Oct F	0.50%	0.50%	0.40%	--
11/17/2016 18:00	18:00	EC CPI Core YoY	Oct F	0.80%	0.80%	0.80%	--
11/17/2016 21:30	21:30	CA Int'l Securities Transactions	Sep	--	11.77b	12.74b	12.75b
11/17/2016 21:30	21:30	US Housing Starts	Oct	1156k	1323k	1047k	1054k
11/17/2016 21:30	21:30	US Building Permits	Oct	1193k	1229k	1225k	--
11/17/2016 21:30	21:30	US CPI MoM	Oct	0.40%	0.40%	0.30%	--
11/17/2016 21:30	21:30	US CPI Ex Food and Energy MoM	Oct	0.20%	0.10%	0.10%	--
11/17/2016 21:30	21:30	US CPI YoY	Oct	1.60%	1.60%	1.50%	--
11/17/2016 21:30	21:30	US CPI Ex Food and Energy YoY	Oct	2.20%	2.10%	2.20%	--
11/17/2016 21:30	21:30	US CPI Index NSA	Oct	241.747	241.729	241.428	--
11/17/2016 21:30	21:30	US CPI Core Index SA	Oct	249.058	248.981	248.611	--
11/17/2016 21:30	21:30	US Initial Jobless Claims	Nov-12	257k	235k	254k	--
11/17/2016 21:30	21:30	US Continuing Claims	Nov-05	2030k	1977k	2041k	2043k
11/17/2016 21:30	21:30	US Philadelphia Fed Biz Outlook	Nov	7.8	7.6	9.7	--
11/17/2016 22:45	22:45	US Bloomberg Consumer Comfort	Nov-13	--	45.4	45.1	--
11/18/2016 05:00	05:00	SK PPI YoY	Oct	--	-0.20%	-1.10%	--
11/18/2016 15:00	15:00	GE PPI MoM	Oct	0.20%	--	-0.20%	--
11/18/2016 15:00	15:00	GE PPI YoY	Oct	-0.90%	--	-1.40%	--
11/18/2016 15:30	15:30	TH Foreign Reserves	Nov-11	--	--	\$181.6b	--
11/18/2016 21:30	21:30	CA CPI NSA MoM	Oct	0.20%	--	0.10%	--
11/18/2016 21:30	21:30	CA CPI YoY	Oct	1.50%	--	1.30%	--
11/18/2016 21:30	21:30	CA CPI Core MoM	Oct	0.30%	--	0.20%	--
11/18/2016 21:30	21:30	CA CPI Core YoY	Oct	1.80%	--	1.80%	--
11/18/2016 23:00	23:00	US Leading Index	Oct	0.10%	--	0.20%	--
11/18/2016		PH BoP Overall	Oct	--	--	\$117m	--
11/18/2016 11/21	11/21	NZ Retail Sales Ex Inflation QoQ	3Q	0.90%	--	2.30%	--
11/18/2016 11/21	11/21	NZ PPI Output QoQ	3Q	--	--	0.20%	--
11/18/2016 11/21	11/21	NZ PPI Input QoQ	3Q	--	--	0.90%	--

Source: Bloomberg

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