

Highlights

Global	<p>Whilst the US' August CPI accelerated from 0% mom (+0.8% yoy) to 0.2% (+1.1% yoy), and core CPI also picked up speed to 0.3% mom (+2.3% yoy), this dataset is unlikely to significantly alter the likelihood of a Fed tightening this week, given that other macro-economic data including the University of Michigan confidence was less robust amid weekend news of a bomb blast in New York. Key central bank meetings will dominate this week, kicking off with BOJ (starting tomorrow amid a highly anticipated comprehensive assessment of the monetary policy stance), FOMC (likely to delay a 25bp rate hike till December hence a slightly hawkish signal is necessary but a lowering/flattening of the median dots graph and Yellen's news conference will be closely watched), BI (potentially a 25bp cut to the new 7-day reverse repo rate to 5%), RBNZ (tipped on hold at 2%) and BSP (likely steady at 2.5%) on Thursday.</p> <p>Expect Asian markets are likely to remain rangebound today and slightly cautious ahead of the key central bank policy decision that lie ahead. With the Japanese market closed today, the economic data calendar is also light and will zoom in on US' NAHB housing market index. Further ahead, US presidential debates will also commence on 26 September, with the VP debate on 4 October, followed by the final two top-of-the-ticket meetings on 9 and 19 October.</p>
US	<p>The University of Michigan confidence was unexpectedly unchanged at 89.8 (lowest since April) in September, with the current conditions (103.5 versus 107.0 previously) and expectations (81.1 versus 78.7) gauges mixed as Americans were more upbeat in their economic outlook but less sanguine about income prospects and plans to purchase big-ticket items. The 1-year inflation gauge as also softer at 2.3% (previously 2.5%) but the 5-10 year inflation gauge was steady at 2.5%. Meanwhile,</p>
SG	<p>NODX flatlined yoy in August and fell 1.9% mom sa, which is milder than market and our expectations, as electronics exports declined by a less severe 6.0% yoy (previously -12.9% yoy), albeit pharmaceuticals exports slumped 17.9% yoy. July NODX had contracted 10.6% yoy (-1.9% mom sa).</p> <p>STI finally rebounded to close last week on a slightly firmer note at +0.78% at 2827.45 on Friday. Given soft Friday cues from Wall Street, but a firmer Kospi opening this morning, the STI could be stuck in a range of 2800-2840 today. The SGS bonds saw some reprieve last Friday as yields retraced 2-5bps lower after heavy selling pressure for most of last week.</p>
Commodities	<p>Oil prices fell on news mentioning that the OPEC informal meeting, to be held between 26 – 28 Sept, has no agenda for decision-making. Still, should there be a consensus on between producers, an extraordinary meeting will be scheduled, according to Secretary General Mohammed Barkindo. Elsewhere, as we approach this week's FOMC and BOJ meeting, gold prices have fallen to near its critical \$1,300/oz support level. Still, our opinion is that the Fed will likely keep rates unchanged at this meeting, given that (1) the implied probability for the rate hike is printing a mere 20%, and (2) the committee is traditionally reluctant to surprise the market.</p>

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Major Market

- **US:** Equities retreated moderately on Friday, with financials leading the retreat after Deutsche Bank was slapped with a US\$14b settlement request from the US Department of Justice. S&P 500 declined 0.38%, Dow falling 0.49%, and Nasdaq closing lower by 0.10%. This capped a volatile week for equities, with the indices moving more than 1% in 4 of the last 6 sessions after a sustained period of calm. In the Treasury space, 2-year benchmark yields climbed 3 bps to 0.76%, while the 10-year yield was largely flat at 1.69%. Meanwhile, VIX continue to fade, closing down 5.71% at 15.37.
- **Singapore:** For NODX, within non-electronics, higher exports of non-electric engines & motors (+80.7% yoy), specialized machinery (+23.0%) and structural parts made of iron, steel & aluminium (+809.6% yoy) offset the slump in pharmaceuticals exports (-17.9% yoy) and petrochemicals (-15.9% yoy). Within electronics, PCs (-21.6%), disk drives (-31.2%) and ICs (-1.9%) exports continued to contract, with the exception of exports of disk media products which grew by 1.7% yoy. Broad-based weakness continues to persist in many of the electronics industries. Six of the top ten NODX markets saw NODX growth in August, led by Taiwan (+22.2% yoy), Hong Kong (+10.6% yoy) and the US (+4.8% yoy) due to improving non-electronics NODX. Leading the declining NODX by market was the EU28 which reverted back to negative territory (-31.5% yoy) after eking out positive growth (+3.0% yoy) in July, as both electronics and non-electronics demand fell, reaffirming our view that July was a blip. Other top NODX markets which registered a contraction in August were Japan (-8.9% yoy), Indonesia (-8.4% yoy), and China (-5.4%). Looking ahead, NODX performance is likely to stabilize but remain choppy in the months ahead. The modest pickup in US economy, mitigated by sluggish growth in the Eurozone and Japan, and continued deceleration in China, point to a greater reliance on regional trade momentum driven by domestic demand at this juncture. We tip 2016 NODX growth to be -4% yoy, with the year-to-date currently running at -4.1% yoy.

Bond Market Updates

- **Market Commentary:** The SGD dollar swap curve traded downward last Friday with swap rates trading 1-4bps lower across all tenors with the exception of the shorter term rates (<1Y) that traded 2-11bps higher. Flows in the SGD corporates were light with two-way flow seen in OLAMSP 4.25%'19s and GALVSP 5.9%'17s. In the broader dollar space, the spread on JACI IG corporates increased 2bps to 204bps while the yield on JACI HY corporates decreased 1bps to 6.50%. 10y UST yield remained relatively unchanged at 1.69%.
- **New Issues:** Ascendas Hospitality Trust has priced a SGD70mn 6-year bond at 3.325%.
- **Rating Changes:** S&P revised its outlook on Newcrest Mining Ltd.'s corporate credit rating of "BBB-" to positive from stable. The outlook revision reflects S&P's expectations that Newcrest could maintain its strong credit metrics in the year ended 30 June, 2016 over the next two years. Also, S&P considered the company could sustain its low cost production, reduced leverage, and stable operations at the Lihir gold mine.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.108	0.86%	USD-SGD	1.3681	0.34%
USD-JPY	102.290	0.19%	EUR-SGD	1.5268	-0.40%
EUR-USD	1.1155	-0.79%	JPY-SGD	1.3376	0.16%
AUD-USD	0.7491	-0.32%	GBP-SGD	1.7789	-1.44%
GBP-USD	1.3002	-1.79%	AUD-SGD	1.0242	-0.04%
USD-MYR	4.1305	-0.17%	NZD-SGD	0.9941	-0.35%
USD-CNY	6.6747	--	CHF-SGD	1.3950	-0.56%
USD-IDR	13155	-0.15%	SGD-MYR	3.0301	-0.07%
USD-VND	22315	0.03%	SGD-CNY	4.8798	-0.27%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.4204	-0.0011
2M	-0.3390	-0.0010	1M	0.5318	0.0008
3M	-0.3010	--	2M	0.6688	-0.0011
6M	-0.2010	-0.0020	3M	0.8571	0.0006
9M	-0.1270	-0.0020	6M	1.2473	-0.0048
12M	-0.0540	-0.0010	12M	1.5449	-0.0052

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread
Portugal	0.56	7.60	3.42	-0.80	3.41
Italy	-0.07	-0.40	1.34	0.90	1.34
Ireland	-0.38	-1.90	0.47	-2.40	0.47
Greece	7.65	--	8.61	1.00	8.60
Spain	-0.18	-1.00	1.08	0.60	1.07
Russia	2.07	1.80	3.98	-3.00	3.97

Equity and Commodity

Index	Value	Net change
DJIA	18,123.80	-88.68
S&P	2,139.16	-8.10
Nasdaq	5,244.57	-5.12
Nikkei 225	16,519.29	114.28
STI	2,827.45	21.93
KLCI	1,652.99	--
JCI	5,267.77	1.95
Baltic Dry	800.00	36.00
VIX	15.37	-0.93

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.86 (-0.01)	0.76 (+0.04)
5Y	1.32 (-0.04)	1.20 (+0.02)
10Y	1.86 (-0.06)	1.69 (--)
15Y	2.17 (-0.05)	--
20Y	2.25 (-0.05)	--
30Y	2.25 (-0.04)	2.45 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	41.96	0.81
EURIBOR-OIS	3.90	1.00
TED	57.81	0.56

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	43.03	-2.00%	Coffee (per lb)	1.471	-0.34%
Brent (per barrel)	45.77	-1.76%	Cotton (per lb)	0.6774	-0.94%
Heating Oil (per gallon)	1.405	-0.78%	Sugar (per lb)	0.2178	6.35%
Gasoline (per gallon)	1.46	2.20%	Orange Juice (per lb)	1.9670	1.08%
Natural Gas (per MMBtu)	2.948	0.72%	Cocoa (per mt)	2,803	-2.40%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,788.0	0.15%	Wheat (per bushel)	4.0325	0.94%
Nickel (per mt)	9,675	0.11%	Soybean (per bushel)	9.660	1.63%
Aluminium (per mt)	1,561.5	0.35%	Corn (per bushel)	3.3700	2.12%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,306.2	-0.59%	Crude Palm Oil (MYR/MT)	2,833.0	--
Silver (per oz)	18.781	-0.94%	Rubber (JPY/KG)	170.3	2.84%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 13 Sep 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Nymex Crude	384,230	327,808	56,422	Cotton	86,609	90,121	-3,512
Soybean	158,110	132,810	25,300	Silver	86,768	88,800	-2,032
Natural Gas	-118,990	-136,566	17,576	Live Cattle	49,397	51,208	-1,811
Sugar	338,090	323,770	14,320	Palladium	14,863	16,082	-1,219
Cocoa	47,145	33,927	13,218	Copper	-5,718	-4,737	-981
Gold	322,699	312,438	10,261	Platinum	54,983	55,085	-102
Corn	-30,690	-40,853	10,163	Lean Hogs	44,720	42,405	2,315
RBOB Gasoline	56,931	48,036	8,895	Wheat	-87,458	-90,004	2,546
Heating Oil	24,975	18,348	6,627	Coffee	37,608	31,398	6,210

Source: CFTC

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
09/16/2016 06:00	NZ ANZ Job Advertisements MoM	Aug	--	3.10%	1.40%	--
09/16/2016 08:30	SI Electronic Exports YoY	Aug	--	-6.00%	-12.90%	--
09/16/2016 08:30	SI Non-oil Domestic Exports YoY	Aug	-3.30%	0.00%	-10.60%	--
09/16/2016 08:30	SI Non-oil Domestic Ex. SA MoM	Aug	-3.10%	-1.90%	-1.80%	-1.90%
09/16/2016 09:00	NZ ANZ Consumer Confidence Index	Sep	--	121	117.7	--
09/16/2016 09:00	NZ ANZ Consumer Confidence MoM	Sep	--	2.80%	-0.40%	--
09/16/2016 11:00	NZ Non Resident Bond Holdings	Aug	--	66.70%	67.20%	--
09/16/2016 14:45	FR Wages QoQ	2Q F	0.30%	0.30%	0.30%	--
09/16/2016 15:30	TH Foreign Reserves	Sep-09	--	\$180.7b	\$181.1b	--
09/16/2016 15:30	TH Forward Contracts	Sep-09	--	\$19.8b	\$19.0b	--
09/16/2016 16:00	IT Trade Balance Total	Jul	--	7795m	4662m	4661m
09/16/2016 16:00	IT Trade Balance EU	Jul	--	2907m	1202m	1201m
09/16/2016 17:00	EC Labour Costs YoY	2Q	--	1.00%	1.70%	1.60%
09/16/2016 17:20	ID Local Auto Sales	Aug	--	96294	62585	62603
09/16/2016 17:20	ID Motorcycle Sales	Aug	--	527536	305153	--
09/16/2016 20:30	CA Int'l Securities Transactions	Jul	--	5.23b	9.02b	--
09/16/2016 20:30	CA Manufacturing Sales MoM	Jul	1.00%	0.10%	0.80%	--
09/16/2016 20:30	US CPI MoM	Aug	0.10%	0.20%	0.00%	--
09/16/2016 20:30	US CPI Ex Food and Energy MoM	Aug	0.20%	0.30%	0.10%	--
09/16/2016 20:30	US CPI YoY	Aug	1.00%	1.10%	0.80%	--
09/16/2016 20:30	US CPI Ex Food and Energy YoY	Aug	2.20%	2.30%	2.20%	--
09/16/2016 20:30	US CPI Index NSA	Aug	240.679	240.853	240.647	--
09/16/2016 20:30	US CPI Core Index SA	Aug	248.071	248.338	247.713	--
09/16/2016 20:30	US Real Avg Weekly Earnings YoY	Aug	--	0.40%	1.40%	1.20%
09/16/2016 22:00	US U. of Mich. Sentiment	Sep P	90.6	89.8	89.8	--
09/17/2016 00:00	US Household Change in Net Worth	2Q	--	\$1075b	\$837b	\$818b
09/17/2016 04:00	US Total Net TIC Flows	Jul	--	\$140.6b	-\$202.8b	-\$194.5b
09/17/2016 04:00	US Net Long-term TIC Flows	Jul	\$30.0b	\$103.9b	-\$3.6b	-\$0.5b
09/19/2016 06:00	NZ Westpac Consumer Confidence	3Q	--	108	106	--
09/19/2016 06:30	NZ Performance Services Index	Aug	--	57.9	54.2	54.5
09/19/2016 07:01	UK Rightmove House Prices MoM	Sep	--	0.70%	-1.20%	--
09/19/2016 07:01	UK Rightmove House Prices YoY	Sep	--	4.00%	4.10%	--
09/19/2016 16:00	EC ECB Current Account SA	Jul	--	--	28.2b	--
09/19/2016 16:00	EC Current Account NSA	Jul	--	--	37.6b	--
09/19/2016 16:30	IT Current Account Balance	Jul	--	--	7185m	--
09/19/2016 16:30	HK Unemployment Rate SA	Aug	3.40%	--	3.40%	--
09/19/2016 17:00	EC Construction Output MoM	Jul	--	--	0.00%	--
09/19/2016 17:00	EC Construction Output YoY	Jul	--	--	0.60%	--
09/19/2016 22:00	CA Bloomberg Nanos Confidence	Sep-16	--	--	57.7	--
09/19/2016 22:00	US NAHB Housing Market Index	Sep	60	--	60	--
09/19/2016	PH BoP Overall	Aug	--	--	\$215m	--
09/15/2016 09/30	IN BoP Current Account Balance	2Q	\$2.70b	--	-\$0.30b	--

Source: Bloomberg

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