

Highlights

Global	<p>President Trump failed to have a last minute visit to the DMZ with South Korean president Moon, but was received with fanfare in Beijing. Still, Trump has little to show in terms of trade deals with Japan and South Korea to address the trade imbalances so far, but may turn up the pressure on China to open up and on North Korea issues. Meanwhile, the Senate said the tax proposal will only be released later today, even as White House is continuing to work with lawmakers on the treatment of state and local tax deductions (SALT) in an uphill battle within Congress. RBNZ kept its OCR steady at 1.75% as expected and tipped no rate hikes for a “considerable period” (likely 2Q19 instead of 3Q19 initially) even though inflation may reach its 2% target earlier than expected. RBNZ also noted that “the exchange rate has eased...if sustained, will increase tradeables inflation and promote more balanced growth”. Similarly, BOT kept rates unchanged but warned that inflation may accelerate to its target range in 2018. On the markets front, Wall Street climbed higher on a tech surge, as did the Nikkei and Bitcoin, but the USD fell with UST bonds and crude oil prices.</p> <p>Today’s key market focus will be on BNM and BSP policy decisions (likely to both be static at 3%) as well as China’s CPI/PPI, Japan’s Eco Watchers survey, German trade data, US initial jobless claims and wholesale inventories. Asian bourses may continue to trade with a mixed tone for now amid disappointing Chinese trade data.</p>
UK	BOE’s McCafferty warned that banks “cannot wait until the last minute” and “I suspect we will start to see some things happen if we don’t get any news certainly by next spring”.
SG	COE premiums surged in the latest tender to 15-month highs for >1,600cc and open categories amid concerns about the recent announcement to freeze the vehicle population
TH	Bank of Thailand holds rates unchanged in line with our expectations. The one-day repurchase bond rate was left at 1.50%, with all members of the committee voting in favour of the decision. In its policy decision, the policy-makers assessed that GDP will grow faster than previous assessment driven by growth in exports and domestic demand. Overall, the current accommodative monetary policy stance is seen to be conducive to growth. Aside, inflation is slated to rise to target of between 1 – 4%, though “this could take some time”.
KR	BOK board member Hahm Joon-ho commented that the pace of rate “adjustment will be gradual” even as the economy recovers. He added that the central will observe both consumption and inflation prints in deciding the pace of policy adjustment.
CMD	Some signs pertaining to higher oil supplies are seen overnight, with US total oil production volume surging to its highest in three decades to 9.62mbpd last week. In the same period, US implied crude oil demand has fallen, leading overall inventories to climb by 2.2 million barrels. Note that we remain skeptical on further crude oil price rally; the recent rally has largely been a technical move despite the Middle-East tensions.

Major Market

- **US:** Aided once again by a rising tech sector, equities overcame early losses to squeeze out a small gain. Trump's tax agenda was in the spotlight again, as investors reassessed the odds of it passing into legislation, especially after Republicans lost two state governor elections. Overall, the S&P 500 and Nasdaq Composite added 0.14% and 0.32% respectively, while the Dow closed marginally higher. VIX closed lower at 9.78, compared to 9.89 previously.
- US Treasuries were also lower across the board. Benchmark yields firmed 1-2 bps higher, with the 2y and 10y yields standing at 1.645% and 2.334% at NY close.
- **Singapore:** The STI extended gains by another 0.24% to close at another 2.5 year high of 3421.25 yesterday. Given positive overnight cues from Wall Street and modest morning gains in Kospi, STI may continue to trade at this altitude for now amid elevated earnings optimism. With UST bond yields higher by 2-3bps, SGS bonds may see some selling pressure today.
- **Indonesia:** Retail sales growth moderated to 1.8% yoy in September, compared to 2.2% yoy in August. Food sales remained relatively supported, growing 7.6% yoy, but non-food sales saw a 6.2% decline compared to the previous year. The retail sector may remain challenged in October as well, with initial forecasts of retail sales coming in at a lower 1.3% yoy.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-steepened slightly yesterday, with the shorter 1-year and 2-year tenors trading 1bps higher, while the longer tenors traded 1-2bps lower. In the broader dollar space, the spread on JACI IG Corp traded little changed at 180bps. Similarly, the yield on JACI HY Corp traded little changed at 6.83%. 10Y UST yields rose 2bps to 2.34%, as the rise in oil prices pushed yields higher across the treasury curve.
- **New Issues:** Suntec REIT, acting through HSBC Institutional Trust Services (Singapore) Limited, has priced a SGD300mn convertible bond at 100.0. The bonds will bear interest at 1.75%, and the initial conversion price is set at SGD2.189 for each new unit. ICBCIL Finance Co has priced a two tranche deal (supported with a keepwell, liquidity support deed/deed of asset purchase undertaking by ICBC Financial Leasing Co), with the USD700mn 5-year bond priced at CT5+115bps, tightening from initial guidance of CT5+140bps area; and the USD250mn 10-year bond priced at CT10+132.5bps, tightening from initial guidance of CT10+150bps area. The expected issue ratings are 'NR/A2/A'. Redco Properties Group Ltd has priced a USD250mn 364-day bond at 7.00%, tightening from initial guidance of 7.5% area.
- **Rating Changes:** Suntec REIT, acting through HSBC Institutional Trust Services (Singapore) Limited, has priced a SGD300mn convertible bond at 100.0. The bonds will bear interest at 1.75%, and the initial conversion price is set at SGD2.189 for each new unit. ICBCIL Finance Co has priced a two tranche deal (supported with a keepwell, liquidity support deed/deed of asset purchase undertaking by ICBC Financial Leasing Co), with the USD700mn 5-year bond priced at CT5+115bps, tightening from initial guidance of CT5+140bps area; and the USD250mn 10-year bond priced at CT10+132.5bps, tightening from initial guidance of CT10+150bps area. The expected

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Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.866	-0.05%	USD-SGD	1.3618	-0.17%
USD-JPY	113.870	-0.12%	EUR-SGD	1.5791	-0.09%
EUR-USD	1.1595	0.07%	JPY-SGD	1.1959	-0.04%
AUD-USD	0.7678	0.43%	GBP-SGD	1.7862	-0.55%
GBP-USD	1.3116	-0.38%	AUD-SGD	1.0456	0.27%
USD-MYR	4.2292	-0.01%	NZD-SGD	0.9486	0.76%
USD-CNY	6.6280	-0.19%	CHF-SGD	1.3617	-0.22%
USD-IDR	13514	-0.01%	SGD-MYR	3.1010	0.02%
USD-VND	22714	-0.01%	SGD-CNY	4.8660	-0.03%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1839	--
2M	-0.3420	--	1M	1.2439	--
3M	-0.3290	--	2M	1.3394	--
6M	-0.2750	--	3M	1.4026	--
9M	-0.2200	--	6M	1.5981	--
12M	-0.1900	--	12M	1.8684	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.25 - 1.5	1.5 - 1.75	1.75 - 2.0	2.0 - 2.25
12/13/2017	92.3%	92.3%	0.0%	0.0%	0.0%
01/31/2018	92.5%	89.9%	2.6%	0.0%	0.0%
03/21/2018	95.9%	53.0%	41.7%	1.2%	0.0%
05/02/2018	96.1%	50.6%	42.3%	3.2%	0.1%
06/13/2018	97.5%	33.4%	45.3%	17.5%	1.2%
08/01/2018	97.6%	32.6%	45.0%	18.3%	1.7%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	56.81	-0.68%	Copper (per mt)	6,833.2	0.34%
Brent (per barrel)	63.49	-0.31%	Nickel (per mt)	12,602.0	--
Heating Oil (per gallon)	1.9216	-0.02%	Aluminium (per mt)	2,115.8	--
Gasoline (per gallon)	1.8213	0.33%			
Natural Gas (per MMBtu)	3.1750	0.73%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,820.0	1.26%
			Rubber (JPY/KG)	204.7	-0.63%
Precious Metals	Futures	% chg			
Gold (per oz)	1,283.7	0.62%			
Silver (per oz)	17.138	1.17%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,563.36	6.13
S&P	2,594.38	3.74
Nasdaq	6,789.12	21.34
Nikkei 225	22,913.82	-23.78
STI	3,421.25	8.15
KLCI	1,744.20	-6.74
JCI	6,049.38	-11.07
Baltic Dry	1,477.00	--
VIX	9.78	-0.11

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.42 (+0.01)	1.65 (+0.02)
5Y	1.64 (+0.01)	2.01 (+0.02)
10Y	2.12 (-0.01)	2.33 (+0.02)
15Y	2.43 (--)	--
20Y	2.42 (--)	--
30Y	2.52 (--)	2.79 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	9.90	-0.09
EURIBOR-OIS	2.77	-0.02
TED	20.51	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
11/08/2017 04:00	US Consumer Credit	Sep \$17.500b	\$20.830b	\$13.065b	\$13.141b
11/08/2017 11:42	CH Exports YoY	Oct 7.10%	6.90%	8.10%	8.00%
11/08/2017 11:42	CH Imports YoY	Oct 17.00%	17.20%	18.70%	18.60%
11/08/2017 13:00	JN Leading Index Cl	Sep P 106.6	106.6	107.2	--
11/08/2017 14:54	CH Trade Balance	Oct \$39.10b	\$38.17b	\$28.50b	\$28.61b
11/08/2017 15:05	TH BoT Benchmark Interest Rate	Nov-08 1.50%	1.50%	1.50%	--
11/08/2017 15:45	FR Trade Balance	Sep -4680m	-4669m	-4514m	-4195m
11/08/2017 16:00	SI Automobile COE Open Bid Cat A	Nov-08 --	47112	41617	--
11/08/2017 16:00	SI Automobile COE Open Bid Cat B	Nov-08 --	57414	49996	--
11/08/2017 16:00	SI Automobile COE Open Bid Cat E	Nov-08 --	57000	52000	--
11/08/2017 20:00	US MBA Mortgage Applications	Nov-03 --	0.00%	-2.60%	--
11/08/2017 21:15	CA Housing Starts	Oct 211.0k	222.8k	217.1k	219.3k
11/08/2017 21:30	CA Building Permits MoM	Sep 1.00%	3.80%	-5.50%	-5.10%
11/09/2017 04:00	NZ RBNZ Official Cash Rate	Nov-09 1.75%	1.75%	1.75%	--
11/09/2017 07:50	JN Japan Buying Foreign Bonds	Nov-03 --	--	¥1084.2b	--
11/09/2017 07:50	JN Foreign Buying Japan Bonds	Nov-03 --	--	¥81.7b	--
11/09/2017 07:50	JN Foreign Buying Japan Stocks	Nov-03 --	--	¥697.0b	--
11/09/2017 07:50	JN Core Machine Orders YoY	Sep 2.00%	--	4.40%	--
11/09/2017 07:50	JN BoP Current Account Balance	Sep ¥2363.4b	--	¥2380.4b	--
11/09/2017 07:50	JN Trade Balance BoP Basis	Sep ¥832.5b	--	¥318.7b	--
11/09/2017 07:50	JN Bank Lending Incl Trusts YoY	Oct 3.00%	--	3.00%	--
11/09/2017 07:50	JN Bank Lending Ex-Trusts YoY	Oct 3.00%	--	3.00%	--
11/09/2017 08:01	UK RICS House Price Balance	Oct 4%	--	6%	--
11/09/2017 08:30	AU Home Loans MoM	Sep 2.00%	--	1.00%	--
11/09/2017 08:30	AU Investment Lending	Sep --	--	4.30%	--
11/09/2017 08:30	AU Owner-Occupier Loan Value MoM	Sep --	--	0.90%	--
11/09/2017 09:30	CH CPI YoY	Oct 1.80%	--	1.60%	--
11/09/2017 09:30	CH PPI YoY	Oct 6.60%	--	6.90%	--
11/09/2017 11:30	TH Consumer Confidence Economic	Oct --	--	62.5	--
11/09/2017 12:00	MA Industrial Production YoY	Sep 6.30%	--	6.80%	--
11/09/2017 12:30	JN Bankruptcies YoY	Oct --	--	4.62%	--
11/09/2017 15:00	MA Overnight Policy Rate	Nov-09 3.00%	--	3.00%	--
11/09/2017 15:00	GE Trade Balance	Sep 22.3b	--	20.0b	20.1b
11/09/2017 15:00	GE Current Account Balance	Sep 23.5b	--	17.8b	--
11/09/2017 15:00	GE Exports SA MoM	Sep -1.30%	--	3.10%	2.90%
11/09/2017 15:00	GE Imports SA MoM	Sep 0.30%	--	1.20%	1.10%
11/09/2017 15:30	FR Bank of France Ind. Sentiment	Oct 105	--	104	--
11/09/2017 16:00	PH BSP Overnight Borrowing Rate	Nov-09 3.00%	--	3.00%	--
11/09/2017 21:30	CA New Housing Price Index MoM	Sep 0.20%	--	0.10%	--
11/09/2017 21:30	US Initial Jobless Claims	Nov-04 232k	--	229k	--
11/09/2017 21:30	US Continuing Claims	Oct-28 1885k	--	1884k	--
11/09/2017 22:45	US Bloomberg Consumer Comfort	Nov-05 --	--	51.7	--
11/09/2017 23:00	US Wholesale Inventories MoM	Sep F 0.30%	--	0.30%	--
11/07/2017 11/13	VN Domestic Vehicle Sales YoY	Oct --	--	-20.20%	--

Source: Bloomberg

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