

Highlights

Global	<p>With the US markets closed yesterday and few important data cues overnight (apart from China's Caixin services and composite PMIs which were softer in Sep and stronger-than-expected German industrial production), global risk appetite is likely to remain unconvinced this morning amid news of a deepening US-Turkey diplomatic spat and ahead of the US' 3Q corporate earnings season, IMF-World Bank meetings and FOMC minute release later this week.</p> <p>Asian bourses may again tread water today, but watch for the Catalan president Puigdemont's address to lawmakers which could risk further political uncertainty. Today's economic data calendar remains lightweight with only US' NFIB small business optimism, UK' industrial production, Japan's Eco Watchers survey and Philippines' Aug trade data. Speakers include RBA's Debelle, Fed's Kashkari and Kaplan.</p>
US	<p>Equities continued to fade on light trading on Monday. Overall, the S&P 500 and Nasdaq Composite were weaker by 0.18% and 0.16% respectively, while the Dow closed marginally lower. Breaking down into industry sectors, losses were led by healthcare and financials, while the energy and tech sectors gained. Watch for earnings from major US banks this week, with JPMorgan, Citigroup, Bank of America and Well Fargo all reporting. VIX jumped to 10.33, compared to 9.65 previously. US Treasury markets were closed for Columbus Day.</p>
CN	<p>China's FX reserve rose for the eighth consecutive month in September to US\$3.108 trillion, up from US\$3.091 trillion in August. The recovery of FX reserve in September was probably due to asset appreciation despite less favourable valuation effect as a result of stronger broad dollar. In addition, the volatile RMB movement, which strengthened strongly in the first half of the month but weakened dramatically in the second half of the month did not stop China from achieving a more balanced capital flow goal. Given RMB's two-way movement expectation has been formed recently, we expect China's FX reserve to remain stable on the back of more balanced capital flow picture.</p>
ID	<p>In the latest reading, foreign ownership of government bonds slipped towards 39%, after reaching a high of 40.5% in September. However, we note that the country is well-prepared to withstand capital outflows at the moment, with foreign reserves standing at a record high.</p>
MA	<p>Median monthly household income rose 6.6% yoy to MYR5,228/month in 2016, according to the Department of Statistics. Workers in the urban area saw a larger leap in wages by 6.4%, while employees in the rural areas saw a 5.3% growth in income.</p>
CMD	<p>Some relief buying in crude oil was seen overnight, as Saudi Arabia plans to make "the deepest customer allocation cuts in its history", specifically by an "unprecedented" cut of 560,000 barrels per day (bpd) in oil supplies in the next month to reduce global inventories. Both WTI and Brent rose, with the latter seeing support above its \$55/bbl handle.</p>

Major Market

- **Singapore:** The STI were mostly flat (0.01%) and closed at 3291.56 yesterday and may continue to range trade today, with support and resistance tipped at 3280 and 3300, notwithstanding Kospi re-opening today and trying to play catch-up. The SGS bond market rallied by 1-2bps yesterday, led by the longer dated tenors, and may remain supported on the slight risk-off mood prevailing today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading 1-5bps lower across all tenors. In the broader dollar space, the spread on JACI IG Corp fell 2bps to 183bps, while the yield on JACI HY Corp traded little changed at 6.88%. 10Y USTs were unchanged at 2.36% as US markets were closed for the Columbus Day holiday in US.
- **New Issues:** CapitaLand Treasury Ltd has priced a SGD500mn 10-year bond (guaranteed by CapitaLand Ltd) at 3.08%, tightening from initial guidance of 3.25% area.
- **Rating Changes:** Moody's has upgraded Ausdrill Limited's (Ausdrill) corporate family rating (CFR) to 'Ba3' from 'B1', while upgrading the senior unsecured rating of Ausdrill Finance Pty Ltd to 'Ba3' from 'B2'. The outlook has been changed to stable from positive. The rating action reflects Ausdrill's sustained improvement in its credit profile and Moody's expectation that Ausdrill's earnings will continue to grow. Moody's has affirmed China CITIC Bank International Limited's (CNCBI) 'Baa1' long-term deposit rating, 'Baa2' adjusted baseline credit assessment (BCA) and adjusted BCA, and its 'A3' counterparty risk assessment. The outlook has been revised to stable from negative. The rating action reflects CNCBI's enhanced capital position after it completes the capital injection that was announced by its parent bank, China CITIC Bank Corporation Limited. Fitch has assigned Baoji Investment (Group) Co Ltd (BIG) an Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable. The rating of BIG is credit-linked to, but not equalized with, that of the Baoji Municipality due to the strong oversight and supervision by the municipal government, as well as the strategic importance of BIG to the municipality. However, BIG's standalone credit profile is constrained by its large capex, negative funds from operations and high leverage.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.675	-0.13%	USD-SGD	1.3633	-0.12%
USD-JPY	112.680	0.03%	EUR-SGD	1.6007	-0.02%
EUR-USD	1.1740	0.09%	JPY-SGD	1.2102	-0.08%
AUD-USD	0.7753	-0.18%	GBP-SGD	1.7916	0.40%
GBP-USD	1.3142	0.58%	AUD-SGD	1.0569	-0.30%
USD-MYR	4.2320	-0.12%	NZD-SGD	0.9634	-0.39%
USD-CNY	6.6251	-0.42%	CHF-SGD	1.3916	-0.11%
USD-IDR	13518	-0.01%	SGD-MYR	3.1022	0.05%
USD-VND	22727	0.11%	SGD-CNY	4.8598	-0.22%

Equity and Commodity

Index	Value	Net change
DJIA	22,761.07	-12.60
S&P	2,544.73	-4.60
Nasdaq	6,579.73	-10.45
Nikkei 225	20,690.71	--
STI	3,291.56	0.27
KLCI	1,764.03	--
JCI	5,914.93	9.56
Baltic Dry	1,405.00	--
VIX	10.33	0.68

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	1.1822	--
2M	-0.3400	--	1M	1.2350	--
3M	-0.3290	--	2M	1.2713	--
6M	-0.2730	--	3M	1.3503	--
9M	-0.2200	--	6M	1.5188	--
12M	-0.1730	--	12M	1.8046	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.34 (-0.02)	1.50 (--)
5Y	1.61 (-0.01)	1.96 (--)
10Y	2.13 (-0.02)	2.36 (--)
15Y	2.41 (-0.02)	--
20Y	2.41 (-0.02)	--
30Y	2.49 (-0.02)	2.89 (--)

Fed Rate Hike Probability

Meeting	Prob Hike	1.25 - 1.5	1.5 - 1.75	1.75 - 2.0	2.0 - 2.25
11/01/2017	0.3%	0.3%	0.0%	0.0%	0.0%
12/13/2017	80.2%	80.0%	0.2%	0.0%	0.0%
01/31/2018	80.7%	78.3%	2.5%	0.0%	0.0%
03/21/2018	89.4%	51.8%	36.4%	1.1%	0.0%
05/02/2018	89.6%	51.1%	36.7%	1.7%	0.0%
06/13/2018	92.9%	38.1%	41.3%	12.9%	0.6%

Financial Spread (bps)

	Value	Change
LIBOR-OIS	13.83	0.31
EURIBOR-OIS	2.68	-0.25
TED	28.81	--

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	49.58	0.59%	Copper (per mt)	6,682.2	0.07%
Brent (per barrel)	55.79	0.31%	Nickel (per mt)	10,937.5	3.93%
Heating Oil (per gallon)	1.7352	-0.50%	Aluminium (per mt)	2,153.0	0.88%
Gasoline (per gallon)	1.5594	0.04%			
Natural Gas (per MMBtu)	2.8330	-1.05%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,735.0	0.18%
			Rubber (JPY/KG)	207.2	0.00%
Precious Metals	Futures	% chg			
Gold (per oz)	1,285.0	0.79%			
Silver (per oz)	16.971	1.08%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
10/09/2017 09:45	CH Caixin China PMI Composite	Sep --	51.4	52.4	--
10/09/2017 09:45	CH Caixin China PMI Services	Sep --	50.6	52.7	--
10/09/2017 13:30	AU Foreign Reserves	Sep --	A\$74.9b	A\$76.3b	--
10/09/2017 14:00	GE Industrial Production SA MoM	Aug 0.90%	2.60%	0.00%	-0.10%
10/09/2017 14:00	GE Industrial Production WDA YoY	Aug 2.90%	4.70%	4.00%	4.20%
10/09/2017 14:30	FR Bank of France Ind. Sentiment	Sep 105	104	104	--
10/09/2017 15:59	CH Foreign Reserves	Sep \$3100.0b	\$3108.5b	\$3091.5b	--
10/09/2017 16:34	HK Foreign Reserves	Sep --	\$419.2b	\$413.7b	--
10/09/2017 17:00	SI Foreign Reserves	Sep --	\$275.41b	\$273.11b	--
10/10/2017 05:45	NZ Card Spending Total MoM	Sep --	-0.10%	0.60%	--
10/10/2017 07:50	JN BoP Current Account Balance	Aug ¥2223.3b	--	¥2320.0b	--
10/10/2017 07:50	JN BoP Current Account Adjusted	Aug ¥1978.6b	--	¥2032.9b	--
10/10/2017 07:50	JN Trade Balance BoP Basis	Aug ¥264.3b	--	¥566.6b	--
10/10/2017 08:30	AU NAB Business Conditions	Sep --	--	15	--
10/10/2017 08:30	AU NAB Business Confidence	Sep --	--	5	--
10/10/2017 09:00	PH Exports YoY	Aug 8.10%	--	10.40%	--
10/10/2017 09:00	PH Imports YoY	Aug -3.00%	--	-3.20%	--
10/10/2017 09:00	PH Trade Balance	Aug -\$1580m	--	-\$1646m	--
10/10/2017 12:30	JN Bankruptcies YoY	Sep --	--	-11.98%	--
10/10/2017 14:00	GE Trade Balance	Aug 19.5b	--	19.5b	19.4b
10/10/2017 14:00	GE Current Account Balance	Aug 17.0b	--	19.4b	--
10/10/2017 14:00	GE Exports SA MoM	Aug 1.10%	--	0.20%	--
10/10/2017 14:00	GE Imports SA MoM	Aug 0.50%	--	2.20%	2.30%
10/10/2017 14:45	FR Industrial Production MoM	Aug 0.40%	--	0.50%	--
10/10/2017 14:45	FR Industrial Production YoY	Aug 1.50%	--	3.70%	--
10/10/2017 14:45	FR Manufacturing Production MoM	Aug --	--	0.30%	--
10/10/2017 14:45	FR Manufacturing Production YoY	Aug 2.70%	--	3.90%	--
10/10/2017 16:00	IT Industrial Production NSA YoY	Aug 2.50%	--	4.40%	--
10/10/2017 16:00	IT Industrial Production WDA YoY	Aug 2.90%	--	4.40%	--
10/10/2017 16:00	IT Industrial Production MoM	Aug 0.10%	--	0.10%	--
10/10/2017 16:30	UK Industrial Production MoM	Aug 0.20%	--	0.20%	--
10/10/2017 16:30	UK Industrial Production YoY	Aug 0.90%	--	0.40%	--
10/10/2017 16:30	UK Manufacturing Production MoM	Aug 0.20%	--	0.50%	--
10/10/2017 16:30	UK Manufacturing Production YoY	Aug 1.90%	--	1.90%	--
10/10/2017 16:30	UK Visible Trade Balance GBP/Mn	Aug -£11,150	--	-£11,576	--
10/10/2017 16:30	UK Trade Balance Non EU GBP/Mn	Aug -£3,600	--	-£3,842	--
10/10/2017 16:30	UK Trade Balance	Aug -£2,800	--	-£2,872	--
10/10/2017 18:00	US NFIB Small Business Optimism	Sep 105	--	105.3	--
10/10/2017 20:00	UK NIESR GDP Estimate	Sep --	--	0.40%	--
10/10/2017 20:15	CA Housing Starts	Sep 212.0k	--	223.2k	--
10/10/2017 20:30	CA Building Permits MoM	Aug -1.00%	--	-3.50%	--
10/10/2017 10/13	VN Domestic Vehicle Sales YoY	Sep --	--	0.90%	--
10/10/2017 10/18	CH Money Supply M2 YoY	Sep 9.00%	--	8.90%	--
10/10/2017 10/18	CH Money Supply M1 YoY	Sep 13.60%	--	14.00%	--
10/10/2017 10/18	CH Money Supply M0 YoY	Sep 6.60%	--	6.50%	--
10/10/2017 10/18	CH New Yuan Loans CNY	Sep 1230.0b	--	1090.0b	--
10/10/2017 10/16	NZ REINZ House Sales YoY	Sep --	--	-20.00%	--

Source: Bloomberg

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