

Highlights

Global	<p>Global risk appetite retracted again amid concerns about the US tax bill prospects as the Senate plans to push through a different proposal (with a 1-year delay to 2019 for the corporate tax cut to 20%) from the House. VIX saw its biggest surge since Aug. Meanwhile, President Trump wrapped up his Beijing trip again with little to show on new trade concessions and North Korea apart from rhetoric and he now heads to the APEC summit in Danang, Vietnam. On the central bank front, BNM and BSP both kept their policy rates static at 3%, but BNM noted that “given the strength of the global and domestic macroeconomic conditions, the Monetary Policy Committee may consider reviewing the current degree of monetary accommodation” and BSP noted that “balance of risks to the inflation outlook continues to lean towards the upside due to possible higher crude oil prices”. China’s PPI was also surprisingly strong in Oct, albeit the CPI rose less to 1.9% yoy (0.1% mom).</p> <p>Asian bourses may continue to trade with a soft tone for today. Today’s economic data releases include US’ University of Michigan sentiments, UK’s trade and manufacturing data, HK’s 3Q17 GDP growth and S’pore’s Sep retail sales. ECB’s Mersch is also speaking. For the weekend, keep an eye on the Singles’ Day sales promotion (where analysts tip sales to exceed 2016’s CNY120.7b), ECB’s Draghi’s speech and Trump’s speech to the APEC summit where he will share his vision for a “free and open Indo-Pacific region” according to the White House.</p>
US	US initial jobless claims rose 10k to 239k, bringing the 4-week average to 231.25k (lowest since Mar73).
EZ	The 2017 forecast has been raised from 1.7% to 2.2%, with 2018 tipped to slow slightly to 2.1%, according to the European Commission. UK, on the other hand, may see 2017 growth at 1.5% (previously 1.8%) and will moderate further to 1.3%. Meanwhile, ECB’s Coeure warned that “this recovery is carried in no small part by monetary policy and the exchange rate and equally by low commodity prices”, but “there are factors that won’t last forever. And if we accept this, the states of the euro zone will find themselves unarmed when the next crisis arrives”.
CN	China’s October inflation beat market expectation. CPI re-accelerated to 1.9% yoy in October from 1.6% yoy in August while PPI remained elevated at 6.9% yoy, intact from September’s reading. On a sequential reading, CPI grew by 0.1% mom in line with seasonal patterns, which is mainly driven by non-food items. However, the pickup of PPI is more surprising - although the input price component of PMI retreated in October, PPI continued to expand by 0.7% mom, leading to a widening gap between the PPI and CPI.
SG	Retail sales likely rose 3.1% yoy (2.4% mom sa) in Sep, a moderation from 3.5% yoy (-0.3% mom sa) in Aug.
MA	BNM kept rates unchanged at 3.0% in line with our expectations, but importantly hinted at a possible review of its current accommodative stance “given the strength of the global and domestic macroeconomic conditions”.
CMD	Crude oil continues to climb as geopolitical concerns dominated news of higher US oil supplies. There seems little resolution in sight for both Saudi Arabia’s anti-graft measures and the ongoing spat between Saudi Arabia and Iran. Safe haven demand into gold resumed, with the yellow metal rising 0.3% to \$1,287.5/oz overnight.

Major Market

- **US:** Equities slipped on Thursday, pulled down by the Senate Republicans' version of the tax reform plan included a delay in the cuts to the corporate rate. Investors may need to re-assess the odds of the tax reform package passing within this year. Given the trade-offs, the tight timeline may prove to be challenging. Tech stocks bore the brunt of the declines, halting a good run in recent sessions. Overall, the Nasdaq Composite saw heaviest losses, down 0.58%, while the S&P 500 and Dow shed 0.38% and 0.43% respectively. VIX spiked higher to 10.5, compared to 9.78 previously. Meanwhile, the US Treasury curve reversed its recent flattening moves. The 2y benchmark yield softened to 1.63%, while the 10y yield firmed to 2.34%.
- **Singapore:** The STI eked out a 0.08% gain yesterday to close at a new 2.5 year high of 3423.91 despite a soft start initially. Given weak cues from Wall Street overnight and Kospi this morning, investors may take some chips off the table ahead of the weekend. STI may continue to hover around 3400-3425 range. With the UST bond yield curve steepening a tad, the SGS bonds may reverse its earlier flattening bias.
- **Korea:** BOK's quarterly monetary policy statement commented that conditions are coming together for an adjustment to monetary policy. Future policy decisions will account growth and inflation prints, household debt, and North Korea risk's impact on its financial markets.
- **Indonesia:** Bank Indonesia Deputy Governor Perry Warjiyo has called on the government to accelerate its fiscal stimulus programme to stimulate overall growth. This may be aimed at lifting the pressure on BI to cut further, and shifting the weight of stimulating growth from monetary policy to fiscal policy.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday, with gains led by the belly of the curve, as the 7-year tenor recorded the largest increase in yields at 3bps. The shorter-end of the curve traded little changed, while the longer-end traded 1-2bps higher. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps, while the yield on JACI HY Corp rose 2bps to 6.85%. 10Y UST yields rose 1bps to 2.34%, following the gains in yields of European Government Bonds and the release of details of the US tax plan.
- **New Issues:** China Development Bank has priced a two-tranche deal, with the USD500mn 5-year bond priced at CT5+78bps, tightening from initial guidance of CT5+100bps area; and the EUR1bn 4-year bond priced at MS+43bps, tightening from initial guidance of MS+60/65bps. The expected issue ratings are 'NR/A1/NR'. China Minsheng Banking Corp (Hong Kong Branch) has priced a two-tranche deal, with the USD450mn 3-year floating rate bond priced at 3mL+92bps, tightening from initial guidance of 3mL+120bps area; and the USD250mn 3-year fixed rate bond priced at CT3+115bps, tightening from initial guidance of CT3+140bps area. The expected issue ratings are 'BBB-/NR/NR'. Jiayuan International Group Ltd has priced a USD300mn 364-day bond at 8.25%, tightening from initial guidance of 8.5% area. The expected issue ratings are 'NR/B2/NR'. The Siam Commercial Bank PCL, Cayman Islands Branch has priced a USD500mn 5.5-year bond at CT5.5+92.5bps, tightening from initial guidance of CT5.5+115bps area. The expected issue ratings are 'BBB+/Baa1/BBB+'. Telstra Corporation Ltd has priced a USD500mn 10-year bond at CT10+95bps, tightening from initial guidance of CT10+110bps area. The expected issue ratings are

'A/A2/NR'. Yango Justice International Ltd has may price a USD-denominated 3-year bond today, with the initial guidance set at 7.625% area. The expected issue ratings are 'B-/B3/B-'. Wing Lung Bank Ltd has scheduled investor meetings for potential USD Tier 2 bond issuance from 10 Nov. The expected issue ratings are 'NR/Baa2/NR'.

- **Rating Changes:** Moody's has assigned Wing Lung Bank Limited's (Wing Lung Bank) proposed subordinated notes a 'Baa2' rating. The rating on the notes are one notch below Wing Lung Bank's 'Baa1' adjusted baseline credit assessment as the notes are subjected to a partial or full principal write-down at the point of non-viability on a contractual basis. Moody's has assigned Woori Card Co Ltd (Woori Card) an issuer rating of 'Baa1'. The outlook is stable. The rating benefits from a three-notch uplift from Woori Bank's standalone rating of 'Ba1' as Moody's expects support from its parent, Woori Bank and the Government of Korea if necessary. Fitch has affirmed Yancheng Oriental Investment & Development Group Co Ltd's (Yancheng Oriental) 'BB+' Issuer Default Rating. The outlook is stable. At the same time, Fitch has affirmed the 'BB+' rating on the notes issued by Yancheng Oriental's wholly-owned subsidiary, Oriental Capital Company Limited. The ratings are credit-linked to, but not equalized with that of China's Yancheng Municipality, as there is strong government control and oversight and Fitch views that Yancheng Oriental is of strategic importance to the municipality.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.444	-0.44%	USD-SGD	1.3590	-0.21%
USD-JPY	113.470	-0.35%	EUR-SGD	1.5821	0.19%
EUR-USD	1.1642	0.41%	JPY-SGD	1.1977	0.15%
AUD-USD	0.7680	0.03%	GBP-SGD	1.7864	0.01%
GBP-USD	1.3145	0.22%	AUD-SGD	1.0437	-0.18%
USD-MYR	4.2065	-0.54%	NZD-SGD	0.9442	-0.46%
USD-CNY	6.6402	0.18%	CHF-SGD	1.3672	0.40%
USD-IDR	13516	0.01%	SGD-MYR	3.0953	-0.18%
USD-VND	22716	0.01%	SGD-CNY	4.8814	0.32%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1833	--
2M	-0.3410	--	1M	1.2461	--
3M	-0.3290	--	2M	1.3417	--
6M	-0.2760	--	3M	1.4098	--
9M	-0.2190	--	6M	1.6016	--
12M	-0.1910	--	12M	1.8732	--

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	87.5%	87.5%	0.0%	0.0%	0.0%
01/31/2018	87.9%	85.4%	2.5%	0.0%	0.0%
03/21/2018	94.1%	48.0%	44.8%	1.3%	0.0%
05/02/2018	94.4%	46.0%	44.9%	3.4%	0.1%
06/13/2018	96.2%	33.0%	45.3%	16.7%	1.1%
08/01/2018	96.4%	31.6%	44.7%	18.1%	1.9%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	57.17	0.63%	Copper (per mt)	6,803.5	-0.44%
Brent (per barrel)	63.93	0.69%	Nickel (per mt)	12,652.5	--
Heating Oil (per gallon)	1.9469	1.32%	Aluminium (per mt)	2,093.3	--
Gasoline (per gallon)	1.8197	-0.09%			
Natural Gas (per MMBtu)	3.2000	0.79%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,809.0	-0.39%
			Rubber (JPY/KG)	203.1	-0.78%
Precious Metals	Futures	% chg			
Gold (per oz)	1,287.5	0.30%			
Silver (per oz)	16.975	-0.95%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,461.94	-101.42
S&P	2,584.62	-9.76
Nasdaq	6,750.05	-39.07
Nikkei 225	22,868.71	-45.11
STI	3,423.91	2.66
KLCI	1,746.81	2.61
JCI	6,042.46	-6.92
Baltic Dry	1,486.00	--
VIX	10.50	0.72

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.43 (+0.01)	1.63 (-0.01)
5Y	1.66 (+0.01)	2.01 (--)
10Y	2.13 (+0.01)	2.34 (+0.01)
15Y	2.43 (--)	--
20Y	2.42 (--)	--
30Y	2.52 (--)	2.82 (+0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	9.73	-0.17
EURIBOR-OIS	2.94	0.17
TED	18.94	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
11/09/2017 04:00	NZ RBNZ Official Cash Rate	Nov-09	1.75%	1.75%	1.75% --
11/09/2017 07:50	JN Trade Balance BoP Basis	Sep	¥832.5b	¥852.2b	¥318.7b --
11/09/2017 07:50	JN Core Machine Orders YoY	Sep	2.00%	-3.50%	4.40% --
11/09/2017 07:50	JN Core Machine Orders MoM	Sep	-2.00%	-8.10%	3.40% --
11/09/2017 07:50	JN BoP Current Account Balance	Sep	¥2363.4b	¥2271.2b	¥2380.4b --
11/09/2017 08:01	UK RICS House Price Balance	Oct	4%	1%	6% --
11/09/2017 08:30	AU Home Loans MoM	Sep	2.00%	-2.30%	1.00% 1.50%
11/09/2017 09:30	CH PPI YoY	Oct	6.60%	6.90%	6.90% --
11/09/2017 09:30	CH CPI YoY	Oct	1.80%	1.90%	1.60% --
11/09/2017 12:00	MA Industrial Production YoY	Sep	6.30%	4.70%	6.80% --
11/09/2017 15:00	GE Trade Balance	Sep	22.3b	24.1b	20.0b 20.1b
11/09/2017 15:00	MA BNM Overnight Policy Rate	Nov-09	3.00%	3.00%	3.00% --
11/09/2017 16:00	PH BSP Overnight Borrowing Rate	Nov-09	3.00%	3.00%	3.00% --
11/09/2017 21:30	CA New Housing Price Index MoM	Sep	0.20%	0.20%	0.10% --
11/09/2017 21:30	US Continuing Claims	Oct-28	1885k	1901k	1884k --
11/09/2017 21:30	US Initial Jobless Claims	Nov-04	232k	239k	229k --
11/09/2017 22:45	US Bloomberg Consumer Comfort	Nov-05	--	51.5	51.7 --
11/09/2017 23:00	US Wholesale Inventories MoM	Sep F	0.30%	0.30%	0.30% --
11/10/2017 07:50	JN Money Stock M3 YoY	Oct	3.40%	--	3.40% --
11/10/2017 07:50	JN Money Stock M2 YoY	Oct	4.10%	--	4.10% --
11/10/2017 09:00	PH Trade Balance	Sep	-\$2200m	--	-\$2411m --
11/10/2017 09:00	PH Exports YoY	Sep	8.80%	--	9.40% --
11/10/2017 12:30	JN Tertiary Industry Index MoM	Sep	-0.10%	--	-0.20% --
11/10/2017 13:00	SI Retail Sales YoY	Sep	3.00%	--	3.50% --
11/10/2017 15:30	TH Foreign Reserves	Nov-03	--	--	\$199.8b --
11/10/2017 15:45	FR Manufacturing Production YoY	Sep	3.40%	--	1.10% --
11/10/2017 15:45	FR Manufacturing Production MoM	Sep	0.80%	--	-0.40% --
11/10/2017 15:45	FR Industrial Production YoY	Sep	3.10%	--	1.10% --
11/10/2017 15:45	FR Industrial Production MoM	Sep	0.50%	--	-0.30% --
11/10/2017 16:30	HK GDP YoY	3Q	3.50%	--	3.80% --
11/10/2017 17:00	IT Industrial Production WDA YoY	Sep	4.80%	--	5.70% --
11/10/2017 17:00	IT Industrial Production MoM	Sep	-0.30%	--	1.20% --
11/10/2017 17:30	UK Manufacturing Production YoY	Sep	2.40%	--	2.80% --
11/10/2017 17:30	UK Trade Balance Non EU GBP/Mn	Sep	-£5,000	--	-£5,835 --
11/10/2017 17:30	UK Visible Trade Balance GBP/Mn	Sep	-£12,800	--	-£14,245 --
11/10/2017 17:30	UK Industrial Production YoY	Sep	1.90%	--	1.60% --
11/10/2017 17:30	UK Trade Balance	Sep	-£4,300	--	-£5,626 --
11/10/2017 17:30	UK Mfg Production MoM	Sep	0.30%	--	0.40% --
11/10/2017 17:30	UK Industrial Production MoM	Sep	0.30%	--	0.20% --
11/10/2017 20:00	IN Industrial Production YoY	Sep	3.80%	--	4.30% --
11/10/2017 23:00	US U. of Mich. Sentiment	Nov P	100.9	--	100.7 --
11/10/2017 11/13	VN Domestic Vehicle Sales YoY	Oct	--	--	-20.20% --
11/10/2017 11/14	NZ REINZ House Sales YoY	Oct	--	--	-26.20% --
11/10/2017 11/15	CH New Yuan Loans CNY	Oct	783.0b	--	1270.0b --
11/10/2017 11/15	CH Money Supply M2 YoY	Oct	9.20%	--	9.20% --

Source: Bloomberg

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