

Highlights

Global	<p>Investors' concern about the status of a US tax overhaul weighed on risk appetite and Wall Street over the weekend, with the DJIA seeing its first weekly decline since September. Incoming data especially the weaker-than-expected University of Mich. Sentiment at 97.8 (vs est 100.8) likely dragged risk appetite lower. VIX continued to climb for the second day (11.29, highest in two weeks), although gold and USTs retreated.</p> <p>An eventful week is upon us with several important events upcoming, including a two-day scrutiny of UK's Brexit Bill by the MPs on 14 - 15 Nov, though it may result in a deadlock scenario given the contentious EUR60bn "fine" UK has to pay in order to leave the EU. The Brexit day, as coined as the day UK finally leaves, is at 11pm London Time on March 29, 2019. Elsewhere, watch for remarks from a handful of Fed speakers including outgoing chair Janet Yellen, who is slated to speak on a European Central Bank panel on Tuesday, alongside ECB chief Mario Draghi, Bank of Japan governor Haruhiko Kuroda and Bank of England's Mark Carney. The speeches come at a time of uncertainty on the outlook for US monetary policy as Jay Powell will replace Ms Yellen as the chair from February and after New York Fed president Bill Dudley announced his early retirement earlier this month. Importantly, any hints that Yellen might stay on the Board of Governors after she passes the Chair baton to Powell would be particularly market moving.</p>
US	<p>Equities closed the week marginally weaker on Friday on persistent skepticism on the ability of congressional Republicans in passing the tax reforms. Energy and healthcare stocks bore the brunt of declines, which saw the S&P 500 close lower at 2582.3. The Dow shed 0.17%, while the Nasdaq Composite was unchanged. VIX jumped higher to 11.29, compared to 10.50 in the previous session. This week, equity movements should be dependent on headlines coming from the tax reforms.</p>
SG	<p>Retail sales unexpectedly fell 0.5% (vs mkt est: +3.0%) in September, dragged primarily by the fall in Motor Vehicle sales (-15.3%) and Furniture & Household Equipment (-3.1%). Comfortingly, retail sales growth excluding motor vehicles remained positive at 3.3% y/y, supported by Supermarket sales (+9.8%), Department Stores (+7.7%), Recreational Goods (+4.7%) and Watches & Jewelry (+4.4%).</p>
MA	<p>The appreciation of the MYR took center-stage on BNM's comment that it may review the current degree of monetary accommodation. The MYR appreciated to below 4.20 per USD on Friday, from a weaker 4.23 per USD last week.</p>
CMD	<p>Crude oil prices fell as supply disruption concerns in the Middle East eased into Friday. Still, note that concerns remain on the table, especially with Saudi Arabia's move to raise security at its crude facilities after a fire occurred on a Saudi-Bahraini pipeline. Should tensions ease further into the week, market-players will likely continue to engage in profit-taking, in line with our view that oil prices remain a tad too rich. Elsewhere, gold and silver prices retreated further last week, especially with the yellow metal falling the most in more than three weeks.</p>

Major Market

- **US:** US Treasury yields firmed, with the selloff in UK gilts weighing on Treasuries. The recent curve flattening moves were reversed on Friday, as the long-end led declines. The 2y benchmark yield rose 2 bps to 1.65%, and the 10y benchmark gained 6 bps to close at 2.398%, just shy of the 2.40% handle. This week, the schedule for Fed speakers is heavy, headlined by Yellen as part of a panel which also includes Draghi, Kuroda and Carney on Tuesday, and Williams on Friday. Watch also for the PPI and CPI data this week, though it will have to miss significantly to alter rate hike expectations ahead of December FOMC.
- **Singapore:** The Straits Times Index fell last Friday by 0.11% to end the week at 3,420.1, holding well above its resistance turned support of 3,400. Amongst blue chips, Golden Agri-Resources Ltd (-1.23%) and DBS Group Holdings Ltd (-1.19%) were the top losers, while SATS Ltd (+6.37%) and Yangzijiang Shipbuilding Holdings Ltd (+4.79%) lifted the index.
- **Hong Kong:** GDP expanded briskly by 3.6% yoy in 3Q 2017 while the previous quarter's growth revised up to 3.9% yoy from 3.8% yoy. The economy's rosy performance was mainly driven by robust exports, strong private consumption and improved tourism activities on China's resilient growth. Externally, improved external demand has continued to underpin Asia's exports, including HK's overseas shipments. Total exports of goods jumped by 5.5% yoy. Therefore, trade and cargo flows also sustained the vibrancy. In addition, recovery of tourism sector was buoyed by better-than-expected growth of China in 2H 2017. Growth in exports of services accelerated to 3.7% yoy in 3Q 2017 from 2.6% in 2Q 2017. Internally, sizeable fiscal reserve allowed the government to accelerate public investment (public investment in building and construction rose by 12.3% yoy) and government spending (+4.1% yoy). More importantly, domestic consumption growth strengthened further to 6.7% yoy given a solid labour market and stronger wealth effects from both stock market and property market. Moving forward, we expect external factors to continue supporting export of goods and tourism recovery. Tight labour market and fiscal stimulus will also keep private consumption as well as government spending and investment elevated. Therefore, despite unfavourable base effect in 4Q, we still expect GDP to expand by 3.6% yoy for 2017 (upwardly revised from 3.2%). According to the government, economic growth for 2017 as a whole is now forecast at 3.7%. This will be the strongest growth since 2011.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards on Friday, with swap rates trading 3-4bps higher across the 1-year, 1.5-year, 7-year and 12-year tenors. The other tenors traded unchanged. In the broader dollar space, the spread on JACI IG Corp rose 1bps to 180bps, while the yield on JACI HY Corp rose 6bps to 6.91%. 10Y UST yields rose 6bps to 2.40%, following the surge in yields of UK Gilts after industrial and manufacturing data in UK came in better-than-expected.
- **New Issues:** Pacific International Lines (Private) Limited has priced a SGD60mn 3-year bond at 8.50%, unchanged from initial guidance of 8.50%. Citadel Limited Partnership has scheduled investor meetings for potential bond issuance from 13 Nov. VLL International has scheduled investor meetings for potential USD bond issuance from 13 Nov.

- **Rating Changes:** S&P has affirmed Societe Generale's (SG) 'A' long-term issuer credit rating. The outlook is stable. The rating action reflects SG's sound operating performance, supported by its diversified earnings stream, as well as S&P's view that SG will continue building up capital. Fitch has upgraded China Baowu Steel Group Corporation Limited's (Baowu Steel) Issuer Default Ratings (IDR) to 'A' from 'A-', while upgrading Baoshan Iron & Steel Co Ltd's (Baosteel) Long-Term IDR to 'A' from 'A-'. The ratings have been removed from Rating Watch Evolving (RWE), and the outlook is stable. Baowu steel standalone rating of 'BBB+' was affirmed, but it now receives a two-notch uplift, as compared to its previous one-notch uplift to reflect its enhanced linkages with the Chinese state. Baosteel's ratings were also equalized with its parent, Baowu Steel, due to their strong operational and strategic linkages. The ratings now receive a two-notch uplift as Fitch deems that the creation of its parent, Baowu Steel, through the combination of Baosteel Group Corporation and Wuhan Iron and Steel Group signal a stronger linkage with the state.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.391	-0.06%	USD-SGD	1.3602	0.09%
USD-JPY	113.530	0.05%	EUR-SGD	1.5870	0.31%
EUR-USD	1.1665	0.20%	JPY-SGD	1.1981	0.03%
AUD-USD	0.7661	-0.25%	GBP-SGD	1.7947	0.46%
GBP-USD	1.3196	0.39%	AUD-SGD	1.0423	-0.13%
USD-MYR	4.1918	-0.35%	NZD-SGD	0.9439	-0.03%
USD-CNY	6.6409	0.01%	CHF-SGD	1.3663	-0.07%
USD-IDR	13543	0.20%	SGD-MYR	3.0809	-0.47%
USD-VND	22715	0.00%	SGD-CNY	4.8881	0.14%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.1833	--
2M	-0.3410	0.0010	1M	1.2461	0.0011
3M	-0.3290	--	2M	1.3543	0.0022
6M	-0.2750	0.0010	3M	1.4129	--
9M	-0.2190	0.0010	6M	1.6146	0.0022
12M	-0.1910	--	12M	1.8815	-0.0003

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	92.4%	91.6%	0.8%	0.0%	0.0%
03/21/2018	96.7%	43.6%	52.7%	0.4%	0.0%
05/02/2018	96.9%	41.6%	52.2%	3.0%	0.0%
06/13/2018	97.9%	29.2%	48.8%	18.8%	1.0%
08/01/2018	98.0%	27.9%	47.9%	20.3%	1.9%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	56.74	-0.75%	Copper (per mt)	6,781.4	-0.32%
Brent (per barrel)	63.52	-0.64%	Nickel (per mt)	12,056.0	-1.57%
Heating Oil (per gallon)	1.9349	-0.62%	Aluminium (per mt)	2,085.0	0.39%
Gasoline (per gallon)	1.8124	-0.40%			
Natural Gas (per MMBtu)	3.2130	0.41%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,797.0	-0.43%
			Rubber (JPY/KG)	198.6	-2.22%
Precious Metals	Futures	% chg			
Gold (per oz)	1,274.2	-1.03%			
Silver (per oz)	16.871	-0.61%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,422.21	-39.73
S&P	2,582.30	-2.32
Nasdaq	6,750.94	0.89
Nikkei 225	22,681.42	-187.29
STI	3,420.10	-3.81
KLCI	1,742.28	-4.53
JCI	6,021.83	-20.63
Baltic Dry	1,464.00	-17.00
VIX	11.29	0.79

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.47 (+0.04)	1.65 (+0.02)
5Y	1.70 (+0.04)	2.05 (+0.04)
10Y	2.17 (+0.04)	2.40 (+0.06)
15Y	2.47 (+0.04)	--
20Y	2.46 (+0.04)	--
30Y	2.55 (+0.03)	2.88 (+0.06)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	10.09	0.36
EURIBOR-OIS	2.80	-0.14
TED	19.27	0.27

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
11/10/2017 07:50	JN Money Stock M2 YoY	Oct	4.10%	4.10%	4.10%	4.00%
11/10/2017 07:50	JN Money Stock M3 YoY	Oct	3.40%	3.50%	3.40%	--
11/10/2017 09:00	PH Exports YoY	Sep	8.80%	4.30%	9.40%	9.60%
11/10/2017 09:00	PH Imports YoY	Sep	8.60%	1.70%	10.50%	10.40%
11/10/2017 09:00	PH Trade Balance	Sep	-\$2200m	-\$1915m	-\$2411m	-\$2393m
11/10/2017 11:31	VN Domestic Vehicle Sales YoY	Oct	--	-17.50%	-20.20%	--
11/10/2017 12:30	JN Tertiary Industry Index MoM	Sep	-0.10%	-0.20%	-0.20%	-0.10%
11/10/2017 13:00	SI Retail Sales SA MoM	Sep	-0.10%	-4.20%	-0.30%	0.00%
11/10/2017 13:00	SI Retail Sales YoY	Sep	3.00%	-0.50%	3.50%	3.70%
11/10/2017 15:30	TH Foreign Reserves	Nov-03	--	\$199.1b	\$199.8b	--
11/10/2017 15:45	FR Industrial Production MoM	Sep	0.50%	0.60%	-0.30%	-0.20%
11/10/2017 15:45	FR Industrial Production YoY	Sep	3.10%	3.20%	1.10%	1.00%
11/10/2017 15:45	FR Manufacturing Production MoM	Sep	0.80%	0.40%	-0.40%	-0.30%
11/10/2017 15:45	FR Manufacturing Production YoY	Sep	3.40%	3.10%	1.10%	--
11/10/2017 15:45	FR Wages QoQ	3Q P	0.30%	0.30%	0.40%	--
11/10/2017 16:30	HK GDP SA QoQ	3Q	0.60%	0.50%	1.00%	1.10%
11/10/2017 16:30	HK GDP YoY	3Q	3.50%	3.60%	3.80%	3.90%
11/10/2017 17:00	IT Industrial Production NSA YoY	Sep	--	-0.80%	5.60%	5.80%
11/10/2017 17:00	IT Industrial Production WDA YoY	Sep	4.80%	2.40%	5.70%	5.80%
11/10/2017 17:00	IT Industrial Production MoM	Sep	-0.30%	-1.30%	1.20%	--
11/10/2017 17:30	UK Industrial Production MoM	Sep	0.30%	0.70%	0.20%	0.30%
11/10/2017 17:30	UK Industrial Production YoY	Sep	1.90%	2.50%	1.60%	1.80%
11/10/2017 17:30	UK Mfg. Prdn. MoM	Sep	0.30%	0.70%	0.40%	--
11/10/2017 17:30	UK Manufacturing Production YoY	Sep	2.40%	2.70%	2.80%	--
11/10/2017 17:30	UK Visible Trade Balance GBP/Mn	Sep	£12,800	£11,253	£14,245	£12,350
11/10/2017 17:30	UK Trade Balance Non EU GBP/Mn	Sep	£5,000	£2,982	£5,835	£4,186
11/10/2017 17:30	UK Trade Balance	Sep	£4,300	£2,754	£5,626	£3,455
11/10/2017 17:41	ID BoP Current Account Balance	3Q	-\$4500m	-\$4337m	-\$4963m	-\$4834m
11/10/2017 20:00	IN Industrial Production YoY	Sep	4.10%	3.80%	4.30%	4.50%
11/10/2017 21:00	UK NIESR GDP Estimate	Oct	--	0.50%	0.40%	0.00%
11/10/2017 23:00	US U. of Mich. Sentiment	Nov P	100.8	97.8	100.7	--
11/13/2017 05:00	SK Export Price Index MoM	Oct	--	0.50%	0.90%	1.10%
11/13/2017 05:00	SK Export Price Index YoY	Oct	--	8.00%	10.90%	11.20%
11/13/2017 05:00	SK Import Price Index YoY	Oct	--	6.80%	10.70%	10.80%
11/13/2017 07:50	JN PPI YoY	Oct	3.10%	--	3.00%	--
11/13/2017 07:50	JN PPI MoM	Oct	0.10%	--	0.20%	--
11/13/2017 08:01	UK Rightmove House Prices MoM	Nov	--	--	1.10%	--
11/13/2017 08:01	UK Rightmove House Prices YoY	Nov	--	--	1.40%	--
11/13/2017 14:00	JN Machine Tool Orders YoY	Oct P	--	--	45.00%	--
11/13/2017 20:00	IN CPI YoY	Oct	3.45%	--	3.28%	--
11/13/2017 11:15	CH Money Supply M2 YoY	Oct	9.20%	--	9.20%	--
11/13/2017 11:15	CH Money Supply M1 YoY	Oct	13.70%	--	14.00%	--
11/13/2017 11:15	CH Money Supply M0 YoY	Oct	7.00%	--	7.20%	--
11/13/2017 11:15	CH New Yuan Loans CNY	Oct	783.0b	--	1270.0b	--
11/13/2017 11:17	NZ REINZ House Sales YoY	Oct	--	--	-26.20%	--
11/13/2017 11:15	IN Exports YoY	Oct	--	--	25.70%	--
11/13/2017 11:15	IN Imports YoY	Oct	--	--	18.10%	--
11/13/2017 11:18	US Mortgage Delinquencies	3Q	--	--	4.24%	--

Source: Bloomberg

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