

Highlights

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|---------------|--|
| Global | <p>Rising Wal-Mart shares (+11% on strong sales growth) amid Washington's one step closer to tax reforms while PBOC injected the most cash this week led market sentiment soaring. US House reportedly approved the tax overhaul (227-205) which included a broad package of tax cuts affecting businesses, individuals and families. On central bank rhetoric, note that Fed's Mester commented that inflation is poised to pick up, thus giving the US central bank more reason to hike rates, while Kaplan iterated that he is "actively thinking about" a possible rate hike at the FOMC's next policy meeting. BOE Carney hinted the need for another two more rate hikes in coming years if its economy "evolves broadly in line with our projections".</p> <p>For today, watch out for a slew of important data prints from Asia, especially Singapore's non-oil domestic exports, Malaysia's 3Q GDP print and Thailand's Foreign Reserve. Elsewhere, watch out for US housing starts and CA CPI as well later tonight.</p> |
| US | <p>Industrial production surged, printing the strongest growth in six months in October as hurricane-related disruption effects tapered further. Empirically, industrial production growth printed 0.9%, although a separate report by the Philadelphia Fed indicated that factory activity in the mid-Atlantic region fell marginally to 22.7 (from 27.9 in October). Initial jobless claims rose 10,000 to a seasonally-adjusted 249,000 for the week ended 11th November.</p> |
| CN | <p>Forex purchase rose for the second consecutive month by CNY2.098 billion in October. In addition, Chinese banks bought net CNY50.1 billion of FX from clients in October, more than doubling the amount of CNY21.8 billion in September. Both data prints confirm that China continued to witness mild capital inflows due to firmer expectations on RMB's two-way volatility. We expect capital flows across the border to be more balanced in the near term.</p> |
| SG | <p>NODX surprised market-expectations with a whopping 20.9% y/y (+12.5% m/m sa) growth in October. Exports of non-electronic products (+28.5%) especially pharmaceuticals and petrochemicals surged, even as export growth of electronics (+4.5%) turned positive after Sept's contraction print. Across export destinations, exports to China rose to its highest (+53.3%) since Feb 2017, while exports to Korea and Emerging Markets also surged considerably from previous prints.</p> |
| ID | <p>Bank Indonesia kept policy rates unchanged yesterday, as largely expected. The accompanying statement continues to highlight that the BI is comfortable with the current policy rate, and does not appear to be gearing up for further cuts.</p> |
| MA | <p>Malaysia is slated to release its 3Q GDP print later this afternoon, where market-watchers are expecting a 5.7% y/y (+1.1% qoqsa) print.</p> |
| CMD | <p>With crude oil prices falling for most of this week, one would wonder if prices have peaked again. The fall in oil prices isn't surprising, especially with the rising US crude oil production and inventories yesterday which likely fueled renewed over-supply concerns once again. Into the trading day ahead, WTI's support at \$55/bbl will be perceptually interesting, and could potentially edge lower should it breaks. Moreover, market-watchers failed to find any enthusiasm from Saudi Arabia's call for an extension of a production cut in the upcoming OPEC meeting.</p> |

- **US:** Equities rebounded strongly on Thursday, fully reversing losses earlier in the week. The broad based rally saw all industry sectors marking gains, with the exception of energy and utilities. The S&P 500 rose 0.82%, while the Dow added 0.80%. Tech and healthcare stocks saw good gains, pushing the Nasdaq Composite 1.30% higher to a new record. VIX slipped to 11.76, compared to 13.13 previously.
- Meanwhile, 2y and 10y US Treasury yields were firmer for the day by 2-5 bps, standing at 1.708% and 2.375% respectively. News that the House Republicans have passed their version of the tax proposal should provide some sense of optimism for markets. On the flip side, the Senate version appeared to have stalled, with a full vote now only scheduled after Thanksgiving. Taken together, the Senate timeline, if adhered to, may leave very little time for the tax proposal to pass into legislation before Christmas.
- **Singapore:** The Straits Times Index fell its 5th consecutive session (-0.81%) to close 3,341.3 on Thursday. Bears broke through the support handle of 3,400, with 3320 tipped to be tested next. Counters in focus yesterday include ComfortDelGro Corp Ltd (-3.83%) and Wilmar International Ltd (-2.17%) and SATS Ltd (+2.42%). For today, the STI might find comfort from Wall Street overnight to end the weekend with a gain after House Republications passed their version of the tax bill, giving bulls the impetus to lift equities higher.
- **Hong Kong:** Unemployment rate decreased to its lowest since early 1998 at 3.0% yoy for the three months through October 2017. Specifically, jobless rate of the trade sector improved notably from 2.9% to 2.6%, the lowest since 4Q 2015 due to improved trade activities. As the outlook of the trade sector remains positive in the run-up to Christmas Holiday, we expect trade sector's employment to keep elevated. In the consumption- and tourism-related sector, unemployment rate was unchanged at its lowest level since 4Q 2014 of 4.4% given tourism recovery and resilient domestic consumption. For other major industries, including financial sector and public sector, the unemployment rate also remained near its multi-year low. Hiring sentiments across all sectors have been upbeat amid strong economic growth at home and abroad. All in all, we expect a solid labor market to sustain in the short-to-medium term. If this is the case, domestic consumption will remain supported and continue to contribute to economic growth. Tight labor market could also help to cap housing market correction which may be resulted from increasing supply, cooling measures and higher interest rates.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded marginally lower yesterday, with the exception of the 12-year tenor, which traded 1bps higher. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps, while the yield on the JACI HY Corp also traded little changed at 6.97%. 10Y UST yields had little reaction to economic data released and the passing of a tax-overhaul bill by House Republicans, but rose 5bps to 2.38%, as block trades triggered a sell-off into the close of the trading session.
- **New Issues:** Fragrance Group Ltd has priced a SGD100mn 4-year bond at 4.75%. Barclays Plc has priced a SGD200mn 12NC7 Tier 2 bond at 3.75%, tightening from initial guidance of 4% area. The expected issue ratings are 'NR/Baa3/A-'. JIC Zhixin Ltd has priced a three-tranche deal (guaranteed by China Jiayin Investment Ltd), with the USD500mn 5-year bond priced at CT5+97.5bps, tightening from initial guidance of

CT5+125bps; the USD400mn 10-year bond priced at CT10+125bps, tightening from initial guidance of 145bps; and the EUR500mn 3-year bond priced at MS+60bps, tightening from initial guidance of MS+75bps. The expected issue ratings are 'A/A2/A+'. Tongfang Aqua 2017 Limited has scheduled investor meetings for potential USD bond issuance (guaranteed by Tsinghua Tongfang Co Ltd) from 20 Nov. Shenzhen International Holdings Ltd has scheduled investor meetings for potential USD senior perp issuance from 17 Nov. The expected issue ratings are 'NR/Baa2/NR'. Tahoe Group Global (Co) Ltd has scheduled investor meetings for potential USD bond issuance from 17 Nov. The expected issue ratings are 'B-/B2/B-'.

- **Rating Changes:** S&P has assigned Tahoe Group Co Ltd (Tahoe) a 'B' corporate credit rating, while issuing a 'B-' issue rating to its proposed senior unsecured notes. The outlook is stable. The rating action reflects Tahoe's high leverage, weak interest coverage, limited land bank and sellable resources, and average profitability. However, S&P does take into account Tahoe's sizable and fast growing sales, strong brand name and product quality, good geographical diversity of its land bank, and balanced product mix between residential and commercial properties. At the same time, Moody's has assigned a 'B1' corporate family rating to Tahoe and a 'B2' senior unsecured rating to the proposed notes. The outlook is negative due to its high leverage. Fitch has also assigned Tahoe a long-term Issuer Default Rating of 'B' with a stable outlook. Moody's has placed the ratings of subordinated Tier-2 contractual point of non-viability securities (Tier-2 PONV) of DBS Bank Ltd (DBS), DBS Group Holdings Ltd (DBSH), Oversea-Chinese Banking Corp Ltd (OCBC) and United Overseas Bank Limited (UOB) under review for upgrade. The rating action reflects Moody's opinion that the Tier 2 PONV will represent a lower credit risk once the Monetary Authority of Singapore introduces the enhanced bank resolution regime. Moody's has affirmed Binhai Investment Company Limited's (BICL) 'Ba1' corporate family and senior unsecured debt ratings, while changing the outlook to stable from negative. The rating action reflects the stable growth in BICL's gas volumes and a reduced reliance on connected party gas sales. Moody's has affirmed Yuexiu Real Estate Investment Trust's (Yuexiu REIT) 'Baa3' issuer rating and senior unsecured rating, while revising the outlook to negative from stable. The rating action follows Yuexie REIT's announcement that it will be acquiring a commercial complex in Wuhan, which will be funded by a bank loan. Fitch has assigned Adani Abbot Point Terminal Pty Limited's (AAPT) senior secured notes and upcoming bonds a 'BBB-' rating. The outlooks are stable. The rating reflects AAPT's stable cash flow, but is limited by its reliance on coal.

Key Financial Indicators

Foreign Exchange

| | Day Close | % Change | | Day Close | % Change |
|----------------|-----------|----------|----------------|-----------|----------|
| DXY | 93.932 | 0.13% | USD-SGD | 1.3565 | -0.01% |
| USD-JPY | 113.060 | 0.16% | EUR-SGD | 1.5965 | -0.20% |
| EUR-USD | 1.1770 | -0.18% | JPY-SGD | 1.1997 | -0.18% |
| AUD-USD | 0.7588 | -0.01% | GBP-SGD | 1.7897 | 0.15% |
| GBP-USD | 1.3195 | 0.18% | AUD-SGD | 1.0292 | -0.04% |
| USD-MYR | 4.1760 | 0.04% | NZD-SGD | 0.9292 | -0.40% |
| USD-CNY | 6.6303 | 0.10% | CHF-SGD | 1.3643 | -0.60% |
| USD-IDR | 13539 | 0.03% | SGD-MYR | 3.0787 | -0.03% |
| USD-VND | 22716 | 0.01% | SGD-CNY | 4.8881 | 0.05% |

Interbank Offer Rates (%)

| Tenor | EURIBOR | Change | Tenor | USD LIBOR | Change |
|------------|---------|--------|------------|-----------|--------|
| 1M | -0.3720 | -- | O/N | 1.1828 | -- |
| 2M | -0.3410 | -- | 1M | 1.2660 | -- |
| 3M | -0.3290 | -- | 2M | 1.3641 | -- |
| 6M | -0.2750 | -- | 3M | 1.4219 | -- |
| 9M | -0.2180 | -- | 6M | 1.6181 | -- |
| 12M | -0.1920 | -- | 12M | 1.8862 | -- |

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 | 97.1% | 97.1% | 0.0% | 0.0% | 0.0% |
| 01/31/2018 | 96.0% | 96.0% | 0.0% | 0.0% | 0.0% |
| 03/21/2018 | 98.2% | 43.4% | 54.9% | 0.0% | 0.0% |
| 05/02/2018 | 98.3% | 41.3% | 54.3% | 2.7% | 0.0% |
| 06/13/2018 | 99.0% | 24.9% | 48.9% | 24.0% | 1.1% |
| 08/01/2018 | 99.1% | 23.8% | 47.8% | 25.2% | 2.2% |

Commodities Futures

| Energy | Futures | % chg | Base Metals | Futures | % chg |
|--------------------------|----------------|--------------|--------------------------|----------------|--------------|
| WTI (per barrel) | 55.14 | -0.34% | Copper (per mt) | 6,771.5 | -0.18% |
| Brent (per barrel) | 61.36 | -0.82% | Nickel (per mt) | 11,306.0 | -2.92% |
| Heating Oil (per gallon) | 1.9021 | -0.35% | Aluminium (per mt) | 2,091.0 | -0.14% |
| Gasoline (per gallon) | 1.7137 | -1.44% | | | |
| Natural Gas (per MMBtu) | 3.0530 | -0.88% | | | |
| | | | Asian Commodities | Futures | % chg |
| | | | Crude Palm Oil (MYR/MT) | 2,738.0 | 0.92% |
| | | | Rubber (JPY/KG) | 191.1 | -0.98% |
| Precious Metals | Futures | % chg | | | |
| Gold (per oz) | 1,278.2 | 0.04% | | | |
| Silver (per oz) | 17.072 | 0.60% | | | |

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

| Index | Value | Net change |
|-------------------|-----------|------------|
| DJIA | 23,458.36 | 187.08 |
| S&P | 2,585.64 | 21.02 |
| Nasdaq | 6,793.29 | 87.08 |
| Nikkei 225 | 22,351.12 | 322.80 |
| STI | 3,341.30 | -27.40 |
| KLCI | 1,718.11 | -4.88 |
| JCI | 6,037.91 | 65.60 |
| Baltic Dry | 1,374.00 | -- |
| VIX | 11.76 | -1.37 |

Government Bond Yields (%)

| Tenor | SGS (chg) | UST (chg) |
|------------|--------------|--------------|
| 2Y | 1.46 (--) | 1.71 (+0.02) |
| 5Y | 1.69 (+0.01) | 2.07 (+0.04) |
| 10Y | 2.13 (--) | 2.38 (+0.05) |
| 15Y | 2.45 (--) | -- |
| 20Y | 2.44 (--) | -- |
| 30Y | 2.53 (--) | 2.83 (+0.06) |

Financial Spread (bps)

| | Value | Change |
|--------------------|-------|--------|
| LIBOR-OIS | 9.12 | -0.85 |
| EURIBOR-OIS | 2.80 | -- |
| TED | 19.13 | -- |

Economic Calendar

| Date Time | Event | Survey | Actual | Prior | Revised | |
|-------------------------|--|---------------|---------------|----------------|-----------------|----------------|
| 11/16/2017 05:00 | US Total Net TIC Flows | Sep | \$75.0b | -\$51.3b | \$125.0b | \$130.2b |
| 11/16/2017 05:00 | US Net Long-term TIC Flows | Sep | -- | \$80.9b | \$67.2b | \$73.2b |
| 11/16/2017 07:50 | JN Japan Buying Foreign Bonds | Nov-10 | -- | ¥105.0b | ¥729.7b | ¥729.6b |
| 11/16/2017 07:50 | JN Foreign Buying Japan Stocks | Nov-10 | -- | ¥182.4b | ¥12.4b | ¥4.8b |
| 11/16/2017 08:30 | AU Employment Change | Oct | 18.8k | 3.7k | 19.8k | 26.6k |
| 11/16/2017 08:30 | AU Unemployment Rate | Oct | 5.50% | 5.40% | 5.50% | -- |
| 11/16/2017 08:30 | AU Full Time Employment Change | Oct | -- | 24.3k | 6.1k | 9.3k |
| 11/16/2017 08:30 | AU Participation Rate | Oct | 65.20% | 65.10% | 65.20% | -- |
| 11/16/2017 08:30 | AU RBA FX Transactions Market | Oct | -- | A\$609m | A\$731m | -- |
| 11/16/2017 10:00 | PH GDP YoY | 3Q | 6.60% | 6.90% | 6.50% | 6.70% |
| 11/16/2017 10:00 | NZ Non Resident Bond Holdings | Oct | -- | 60.90% | 60.40% | -- |
| 11/16/2017 14:00 | JN Machine Tool Orders YoY | Oct F | -- | 49.80% | 49.90% | -- |
| 11/16/2017 15:00 | EC EU27 New Car Registrations | Oct | -- | 5.90% | -2.00% | -- |
| 11/16/2017 16:30 | HK Unemployment Rate SA | Oct | 3.10% | 3.00% | 3.10% | -- |
| 11/16/2017 17:30 | UK Retail Sales Ex Auto Fuel YoY | Oct | -0.40% | -0.30% | 1.60% | -- |
| 11/16/2017 17:30 | UK Retail Sales Inc Auto Fuel YoY | Oct | -0.50% | -0.30% | 1.20% | 1.30% |
| 11/16/2017 18:00 | EC CPI MoM | Oct | 0.10% | 0.10% | 0.40% | -- |
| 11/16/2017 18:00 | EC CPI YoY | Oct F | 1.40% | 1.40% | 1.40% | -- |
| 11/16/2017 18:00 | EC CPI Core YoY | Oct F | 0.90% | 0.90% | 0.90% | -- |
| 11/16/2017 21:30 | CA Manufacturing Sales MoM | Sep | -0.50% | 0.50% | 1.60% | 1.40% |
| 11/16/2017 21:30 | CA Int'l Securities Transactions | Sep | -- | 16.81b | 9.85b | 9.77b |
| 11/16/2017 21:30 | US Initial Jobless Claims | Nov-11 | 235k | 249k | 239k | -- |
| 11/16/2017 21:30 | US Continuing Claims | Nov-04 | 1900k | 1860k | 1901k | 1904k |
| 11/16/2017 21:30 | US Business Outlook | Nov | 24.6 | 22.7 | 27.9 | -- |
| 11/16/2017 21:30 | US Import Price Index MoM | Oct | 0.40% | 0.20% | 0.70% | 0.80% |
| 11/16/2017 22:15 | US Industrial Production MoM | Oct | 0.50% | 0.90% | 0.30% | 0.40% |
| 11/16/2017 22:15 | US Capacity Utilization | Oct | 76.30% | 77.00% | 76.00% | 76.40% |
| 11/16/2017 22:45 | US Bloomberg Consumer Comfort | Nov-12 | -- | 52.1 | 51.5 | -- |
| 11/16/2017 22:45 | US Economic Expectations | Nov | -- | 53 | 47.5 | -- |
| 11/16/2017 23:00 | US NAHB Housing Market Index | Nov | 67 | 70 | 68 | -- |
| 11/17/2017 05:30 | NZ Manufacturing PMI | Oct | -- | 57.2 | 57.5 | 57.6 |
| 11/17/2017 05:45 | NZ PPI Output QoQ | 3Q | -- | 1.00% | 1.30% | -- |
| 11/17/2017 05:45 | NZ PPI Input QoQ | 3Q | -- | 1.00% | 1.40% | -- |
| 11/17/2017 08:30 | SI Non-oil Domestic Exports YoY | Oct | 11.90% | -- | -1.10% | -- |
| 11/17/2017 08:30 | AU New Motor Vehicle Sales YoY | Oct | -- | -- | -0.80% | -- |
| 11/17/2017 12:00 | MA GDP YoY | 3Q | 5.70% | -- | 5.80% | -- |
| 11/17/2017 15:30 | TH Foreign Reserves | Nov-10 | -- | -- | \$199.1b | -- |
| 11/17/2017 21:30 | US Housing Starts | Oct | 1190k | -- | 1127k | -- |
| 11/17/2017 21:30 | CA CPI NSA MoM | Oct | 0.10% | -- | 0.20% | -- |
| 11/17/2017 21:30 | CA CPI YoY | Oct | 1.40% | -- | 1.60% | -- |
| 11/17/2017 21:30 | US Building Permits | Oct | 1250k | -- | 1215k | 1225k |
| 11/17/2017 | HK Composite Interest Rate | Oct | -- | -- | 0.30% | -- |

Source: Bloomberg

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