

Highlights

Global	<p>Global equity markets rebounded on Monday, ignoring Germany's political drama. Merkel rejected the idea of a minority government and said she rather face new election. The renewed political uncertainty in the Euro Zone weighed down the outlook of Euro. As a result, dollar strengthened with the dollar index returning above the 94 level. Fed Chairwoman Yellen officially announced her resignation from the Fed Board and said she will step down from the Board of Governors after new Chairman Jerome Powell is sworn into office. This is largely in line with market expectation. Four out of seven Board of Governors seats will be vacant, which may create uncertainty for next year's Fed rate hike trajectory.</p> <p>In addition, President Trump said US labels North Korea as a state sponsor of terrorism again, which will trigger additional sanctions on North Korea. The markets will also monitor the development of geopolitical risk in North Asia.</p>
US	<p>Equities opened the shortened week firmer, with small-caps and technology stocks leading the market. Overall, the S&P 500 was up 0.13%, while the Dow and Nasdaq Composite added 0.31% and 0.12% respectively. VIX slumped to 10.65, compared to 11.43 previously. US Treasuries slid as equities rose, with the curve continuing to flatten. 2y and 10y benchmark yields rose 2-3 bps to 1.75% and 2.37%. The Senate looks to vote on its version of the tax proposal on 30 November. Yellen announced her intention to step down, leaving Trump with the ability to fill 4 out of 7 Federal Reserve Board of Governor members.</p>
ID	<p>Bank Indonesia Senior Deputy Governor Mirza Adityaswara reiterated that the current policy rate at 4.25% is "low enough and sufficient". This reinforces our belief that BI will be largely on hold until early 2018.</p>
TH	<p>Thailand's 3Q17 GDP growth surprised higher at 4.3% y/y (+1.0% qoqsa), against our call for a 3.7% y/y (-1.7% qoqsa) print. This marks Thailand's strongest GDP growth since 1Q13, suggesting that growth remains on track underpinned by the uptick in exports and a booming tourism industry. In view of the stellar growth print, the National Economic and Social Development Board (NESDB) pencilled in a 3.9% y/y growth for 2017, at the upper end of its previous growth range outlook of 3.5 – 4.0%. Into 2018, the agency highlighted its call for growth to range between 3.6 – 4.6%.</p>
KR	<p>A BOK bi-annual survey highlighted that mounting household debt, international tensions with North Korea and normalisation of monetary policy in major economies are amongst the top risks to South Korea's financial system.</p>
CMD	<p>Gold prices staged its biggest daily fall (-1.64%) in 2 months just as market-watchers approach the last FOMC meeting for the year, even as the dollar index rallied 0.45% overnight. The stronger dollar overnight also dragged other dollar-denominated commodity prices including the energy space, where WTI and Brent fell 0.8%, although profit-taking could also be in the cards as market-participants await the upcoming OPEC meeting on 30th November.</p>

Major Market

- **Singapore:** The Straits Times Index clocked its 2nd day of consecutive gains Monday to rise 0.12% to finish at 3,386.6, after recovering from 5 straight sessions in the red. The index could be testing the next resistance, tipped to be at 3,400 after cues from Wall Street overnight showed major US indices rise. Gainers yesterday include CapitaLand Commercial Trust (+3.24%) and Thai Beverage PCL (+2.66%).

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading 3-5bps lower across all tenors. This followed the bull-flattening of the UST curve on Friday. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps, while the yield on JACI HY Corp fell 1bps to 6.93%. 10Y UST yields rose 2bps to 2.37% after a sell-off was seen in the morning session as risk appetite recovered.
- **New Issues:** VLL International Inc has priced a USD350mn 7NC4 bond (guaranteed by Vista Land & Lifescapes, Inc and subsidiary guarantors) at 5.75%, tightening from initial guidance of 6.125%. Tianqi Finco Co Ltd has priced a USD300mn 5-year bond at CT5+180bps, tightening from initial guidance of CT5+120bps area. The expected issue ratings are 'NR/Baa3/NR'. PT ABM Investama has priced a USD50mn re-tap of its ABMMIJ 7.125%'22s at 103.25, higher than initial guidance of 102.5 area. The issue ratings are 'NR/Ba3/BB-'. Macquarie Group Ltd has priced three-tranche deal, with the USD1.1bn 6NC5 bond priced at CT5+110bps, tightening from initial guidance of CT5+130bps; the USD650mn 6NC5 floating rate bond priced at 3mL+102bps, with the initial guidance at Libor equivalent; and the USD750mn 11NC10 bond priced at CT10+140bps, tightening from initial guidance of CT10+160bps area. The expected issue ratings are 'BBB/A3/A-'. Adani Abbot Point Terminal Pty Ltd has scheduled investor meetings for potential USD bond issuance from 20 Nov. The expected issue ratings are 'BBB-/NR/BBB-'. BlueFocus Communication Group Co Ltd has scheduled investor meetings for potential USD bond issuance from 20 Nov. The expected issue ratings are 'NR/B1/B+'. Liaoning Fangda Group Industrial Co Ltd has scheduled investor meetings for potential USD bond issuance from 21 Nov. Banco Vontorantim SA has scheduled investor meetings for potential USD Perp issuance from 23 Nov.
- **Rating Changes:** S&P has affirmed SIX Group AG's (SIX) 'AA-' long-term issuer credit ratings, while revising its outlook to negative from stable. The rating action reflects S&P's view that the group's revenues and profitability may be hampered by changes in market dynamics and payment services, as seen by the decrease in earnings for 1H2017. Moody's has upgraded Doosan Bobcat Inc's (DBI) corporate family rating to 'Ba3' from 'B1'. At the same time, Moody's has upgraded the rating on the senior secured loan that DBI guarantees to 'Ba3' from 'B1'. The outlook on the ratings are stable. The rating action reflects Moody's expectation that DBI's financial leverage will continue to improve through debt reductions and healthy earnings, as well as the improving financial profile of its parent, Doosan Infracore Co Ltd (DI). However, DBI's ratings are constrained by the highly cyclical nature of the compact farm and construction equipment industry, moderate market position in Europe and weaker credit profile of DI. Fitch has assigned BlueFocus Communication Group Co Ltd (BlueFocus) a Long-Term Issuer Default Rating (IDR) of 'B+', while assigning an expected 'B+' rating on its proposed senior unsecured notes. The outlook is stable. The rating action reflects BlueFocus's strong position in China, its position to benefit from the growth in China's

advertising market, but is constrained by its weaker profitability and free cash flow generation, as compared with global majors. Fitch has assigned Huarong Real Estate Co Ltd (Huarong Real Estate) an IDR of 'A'. The outlook is stable. At the same time, Fitch has assigned an expected rating of 'A' to the proposed senior unsecured notes that Huarong Real Estate will guarantee. The ratings of Huarong Real Estate are equalized with that of its parent China Huarong Asset Management Ltd Co Ltd (China Huarong), as Fitch views that the probability of support from China Huarong is extremely high in the case of default.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.080	0.45%	USD-SGD	1.3569	0.06%
USD-JPY	112.620	0.46%	EUR-SGD	1.5920	-0.46%
EUR-USD	1.1733	-0.48%	JPY-SGD	1.2046	-0.42%
AUD-USD	0.7550	-0.19%	GBP-SGD	1.7957	0.23%
GBP-USD	1.3235	0.15%	AUD-SGD	1.0244	-0.14%
USD-MYR	4.1495	-0.28%	NZD-SGD	0.9239	-0.09%
USD-CNY	6.6372	0.16%	CHF-SGD	1.3658	-0.45%
USD-IDR	13529	-0.01%	SGD-MYR	3.0632	-0.12%
USD-VND	22718	0.02%	SGD-CNY	4.8908	0.06%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	--	O/N	1.1828	--
2M	-0.3410	--	1M	1.2872	--
3M	-0.3290	--	2M	1.3828	--
6M	-0.2740	--	3M	1.4407	--
9M	-0.2180	--	6M	1.6321	--
12M	-0.1920	--	12M	1.9062	--

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	97.2%	38.4%	58.3%	0.5%	0.0%
05/02/2018	97.3%	36.6%	57.3%	3.4%	0.0%
06/13/2018	98.4%	22.6%	48.8%	25.7%	1.4%
08/01/2018	98.6%	21.1%	47.0%	27.3%	3.1%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	56.09	-0.81%	Copper (per mt)	6,868.5	0.79%
Brent (per barrel)	62.22	-0.80%	Nickel (per mt)	11,614.0	0.72%
Heating Oil (per gallon)	1.9321	-0.74%	Aluminium (per mt)	2,074.5	-0.86%
Gasoline (per gallon)	1.7438	-0.05%			
Natural Gas (per MMBtu)	3.0470	-1.61%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,628.0	-3.17%
			Rubber (JPY/KG)	189.5	-0.42%
Precious Metals	Futures	% chg			
Gold (per oz)	1,275.3	-1.64%			
Silver (per oz)	16.842	-3.06%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,430.33	72.09
S&P	2,582.14	3.29
Nasdaq	6,790.71	7.92
Nikkei 225	22,261.76	-135.04
STI	3,386.59	4.21
KLCI	1,718.36	-3.30
JCI	6,053.28	1.55
Baltic Dry	1,371.00	--
VIX	10.65	-0.78

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.02)	1.75 (+0.03)
5Y	1.65 (-0.03)	2.09 (+0.04)
10Y	2.09 (-0.04)	2.37 (+0.02)
15Y	2.41 (-0.04)	--
20Y	2.40 (-0.04)	--
30Y	2.50 (-0.03)	2.78 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	10.70	0.50
EURIBOR-OIS	2.87	0.07
TED	18.22	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
11/20/2017 05:00	SK PPI YoY	Oct	--	3.50%	3.80%
11/20/2017 05:30	NZ Performance Services Index	Oct	--	55.6	55.9
11/20/2017 05:45	NZ Food Prices MoM	Oct	--	-1.10%	-0.20%
11/20/2017 07:50	JN Trade Balance	Oct	¥330.0b	¥285.4b	¥667.7b
11/20/2017 07:50	JN Trade Balance Adjusted	Oct	¥206.7b	¥322.9b	¥266.6b
11/20/2017 07:50	JN Exports YoY	Oct	15.70%	14.00%	14.10%
11/20/2017 07:50	JN Imports YoY	Oct	20.20%	18.90%	12.00%
11/20/2017 10:30	TH GDP SA QoQ	3Q	0.70%	1.00%	1.40%
11/20/2017 10:30	TH GDP YoY	3Q	3.90%	4.30%	3.70%
11/20/2017 15:00	JN Convenience Store Sales YoY	Oct	--	-1.80%	0.00%
11/20/2017 15:00	GE PPI MoM	Oct	0.30%	0.30%	0.30%
11/20/2017 15:00	GE PPI YoY	Oct	2.70%	2.70%	3.10%
11/20/2017 16:00	TA Export Orders YoY	Oct	7.80%	9.20%	6.90%
11/20/2017 16:20	TA BoP Current Account Balance	3Q	--	\$20514m	\$17650m
11/20/2017 23:00	CA Bloomberg Nanos Confidence	Nov-17	--	59.5	58.8
11/20/2017 23:00	US Leading Index	Oct	0.80%	1.20%	-0.20%
11/20/2017	PH BoP Overall	Oct	--	-\$368m	\$24m
11/21/2017 06:30	AU Consumer Confidence Index	Nov-19	--	116.4	114.8
11/21/2017 08:00	SK Exports 20 Days YoY	Nov	--	--	6.90%
11/21/2017 08:00	SK Imports 20 Days YoY	Nov	--	--	3.10%
11/21/2017 10:00	NZ Credit Card Spending MoM	Oct	--	--	0.70%
11/21/2017 10:00	NZ Credit Card Spending YoY	Oct	--	--	4.90%
11/21/2017 12:30	JN All Industry Activity Index MoM	Sep	-0.40%	--	0.10%
11/21/2017 13:00	JN Supermarket Sales YoY	Oct	--	--	-0.30%
11/21/2017 13:30	JN Nationwide Dept Sales YoY	Oct	--	--	4.40%
11/21/2017 13:30	JN Tokyo Dept Store Sales YoY	Oct	--	--	4.60%
11/21/2017 16:30	HK CPI Composite YoY	Oct	1.70%	--	1.40%
11/21/2017 17:00	IT Italy Economic Forecasts				
11/21/2017 17:30	UK Public Finances (PSNCR)	Oct	--	--	11.2b
11/21/2017 17:30	UK Central Government NCR	Oct	--	--	19.3b
11/21/2017 17:30	UK Public Sector Net Borrowing	Oct	6.5b	--	5.3b
11/21/2017 17:30	UK PSNB ex Banking Groups	Oct	7.1b	--	5.9b
11/21/2017 19:00	UK CBI Trends Total Orders	Nov	3	--	-2
11/21/2017 19:00	UK CBI Trends Selling Prices	Nov	--	--	18
11/21/2017 21:30	CA Wholesale Trade Sales MoM	Sep	0.60%	--	0.50%
11/21/2017 21:30	US Chicago Fed Nat Activity Index	Oct	0.2	--	0.17
11/21/2017 23:00	US Existing Home Sales	Oct	5.40m	--	5.39m
11/21/2017 23:00	US Existing Home Sales MoM	Oct	0.20%	--	0.70%
11/21/2017	MU CPI Composite YoY	Oct	--	--	1.39%
11/20/2017 11/29	PH Budget Balance PHP	Oct	--	--	-36.9b

Source: Bloomberg

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Co.Reg.no.:193200032W