

Highlights

Global	<p>Risk-taking appetite continued to climb higher despite the intensification of North Korean aggression overnight, with Wall Street hitting record highs again. Market-watchers cheered on further progress over President Trump's proposed tax reforms following a decision to send the tax bill for a vote by the Senate floor as early as Thursday. Note that Trump commented that the bill is "going to have lots of adjustments before it ends, but the end result will be very, very massive." Moreover, further progress on UK-EU talks on the divorce bill was seen as well, with negotiators reaching a preliminary agreement on the financial settlement Britain has to pay to unblock further talks. Elsewhere, the firing of yet another ICBM by North Korea into Japan's waters could spark fresh concerns over intensifying geopolitical tensions, and potentially weigh on Asian risk appetite today. Note comments by US Trump "we will take care of it" while Japan Abe described it as a "violent" act that can "never be tolerated".</p> <p>Market-watchers will eye closely on Fed Yellen's speech before the Congressional Committee in Washington, as well as US 3Q17 GDP and pending home sales data. Also note the slew of central bank speak including from BOC, RBNZ, BOJ, ECB and BOE later today.</p>
US	<p>Buoyed by positives relating to the tax reform package, equities staged yet another rally on Tuesday. The S&P 500 rose 0.99%, reaching yet another record. The Dow and Nasdaq Composite also rose 1.09% and 0.49% respectively. Optimism once again prevailed as Trump reached out to Republican senators who still hold reservations, potentially giving a boost to the pace of progress ahead of the anticipated Senate vote on Thursday. VIX closed higher at 10.03.</p>
SG	<p>Singapore civil servants is slated to receive a year-end Annual Variable Component (AVC) of one month's pay, higher than the 0.5 month they received last year, on the back of Singapore's improving economy.</p>
MA	<p>BNM appoints Jessica Chew to replace deputy governor Sukhdave Singh, who is retiring at the end of this month. Chew, who is an assistant governor, will be responsible for financial sector regulation and development, including payment systems.</p>
KR	<p>Despite the recent climb in consumer confidence, Korea's manufacturing confidence continued to falter into November. Recent reading is at 84, which is below the 100 mark suggesting that pessimists outnumber optimists. Note that the KOSPI declined significantly to its 2,500 support on intraday trading yesterday given the intensification of North Korean aggression.</p>
CMD	<p>Oil prices continue to tumble lower as market-watchers eye on tomorrow's OPEC meeting. As iterated previously, we are penciling in a scenario for OPEC to extend production cuts between 3 – 6 months, against street consensus for a 9 months cut instead. Regardless, should OPEC surprise with a lengthier period of cuts into 2019, it may resuscitate further rally momentum into crude oil prices, though we find that scenario unlikely. Elsewhere, gold remained supported near its \$1,300/oz level even as the dollar index rallied 0.39% overnight, suggesting that some safe haven demand continues to buoy the bullion.</p>

Major Market

- **US:** US Treasury yields were flat to firmer as the market digested Powell's confirmation hearing. Overall, his comments tilted towards the dovish side, as he suggested that there was no evidence of an excessively tight labour market at the moment. In response, the 2y yield firmed to 1.746%, while the 10y yield held steady at 2.327%. Attention shifts to Yellen's upcoming testimony to the congressional committee.
- **Singapore:** The Straits Times Index rose 0.17% to close at 3,442.4. Tickers in focus on Tuesday include Yangzijiang Shipbuilding Holdings Ltd (-4.79%) and CapitaLand Mall Trust (+1.96%). For today, the STI might be poised to move higher after Wall Street indices from the likes of DJIA (+1.09%) and S&P 500 (+0.98%) rallied on an advancement of the GOP tax bill by the Senate Budget Committee.

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, as the 1-year to 3-year tenors traded 1-2bps higher, while the 7-year to 30-year tenors traded 1-2bps lower. The 5-year tenor traded little changed. In the broader dollar space, the spread on JACI IG Corp rose 1bps to 6.73%, while the yield on JACI HY Corp rose 2bps to 6.95%. 10Y UST yields traded little changed at 2.33%, as gains in yields after the senate advanced the GOP tax bill was erased by a soft 7-year report and the launch of an ICBM missile by North Korea.
- **New Issues:** Fortune Star (BVI) Ltd has priced a USD300mn 3-year bond (guaranteed by Fosun International Ltd) at 5.375%, tightening from initial guidance of 5.5%. The expected issue ratings are 'BB/NR/NR'. Huarong Universe Investment Holding Ltd has priced a EUR300mn 5-year bond (guaranteed by Huarong Real Estate Co) at MS+150bps, tightening from initial guidance of MS+170bps area. The expected issue ratings are 'NR/NR/A'. Anton Oilfield Services Group has priced a USD300mn 3-year bond at 99.366%, to yield approximately 10%. The expected issue ratings are 'NR/Caa1/CCC-'. Power Finance Corporation Ltd may price a USD-denominated 10-year green bond today, with the initial guidance set at CT10+180bps area. The expected issue ratings are 'BBB-/NR/BBB-'.
- **Rating Changes:** S&P has upgraded CITIC Securities Co Ltd (CITICS) and CITIC Securities International Co Ltd's (CSI) long-term issuer credit ratings to 'BBB+' from 'BBB'. The outlook on both companies is stable. At the same time, S&P has upgraded the rating on the senior unsecured debt that CITICS guarantees to 'BBB+' from 'BBB', while affirming the 'A' issue rating on CITICS bonds that are supported by the Bank of China Ltd's standby letter of credit. The rating action reflects S&P's view that CITICS's principal risk management is strong, and that it has fully resolved governance issues experienced in the wake of China's market turmoil in 2015. Moody's has downgraded Export-Import Bank of Malaysia Berhad's (MEXIM) stand-alone credit profile to 'B1' from 'Ba3', while affirming its 'A3' issuer rating, senior unsecured debt rating and senior unsecured MTN program rating. The outlook is stable. The downgrade on MEXIM's stand-alone credit profile reflects weaknesses in its solvency metrics and risk positioning, as impaired loans increased and its capital position decreased following a period of rapid credit expansion. However, Moody's still classifies MEXIM as a government-related issuer, and thus MEXIM benefits from a multi-notch uplift. Moody's has upgraded Yuzhou Properties Company Limited's corporate credit rating to 'Ba3' from 'B1'. The outlook has been revised to stable from positive. The rating action

reflects Moody's expectation that Yuzhou's credit metrics will improve, due to stronger contracted sales and slower debt growth. Moody's has upgraded GPT Group's issuer ratings and senior unsecured ratings to 'A2' from 'A3'. The outlook remains stable. The rating action reflects GPT Group's commitment to a conservative financial profile, and its ownership of a large and excellent portfolio of assets in the office, retail and industrial sector. Fitch has downgraded General Electric Company's (GE) and GE Capital Global Holdings, LLC's (GE Capital) Issuer Default Ratings (IDRs) to 'A+' from 'AA-'. The outlook is negative. The rating action reflects the deterioration in operating and financial performance, as it is being affected by secular changes in the Power segment's gas turbine business, which has reduced long-term prospects for growth. Fitch has affirmed PT Pan Brothers Tbk's (Pan Brothers) IDR at 'B', while revising the outlook to stable from positive. The rating action reflects Fitch's expectation that Pan Brother's intensifying working capital requirements and delay in capacity addition would affect the company's operating scale and bargaining power among global apparel brands. Fitch has assigned Qingdao Conson Development (Group) Co Ltd (Qingdao Conson Development) a 'BB+' IDR and rating on its senior unsecured US dollar notes. The outlook is stable. The rating reflects Qingdao Conson Development's 100% government ownership and strong government controls, which results in a high likelihood of extraordinary support, if needed. As such, the ratings on Qingdao Conson Development are credit-linked to, but not equalized to, those of the Qingdao municipality. Fitch has assigned Xiamen Xiangyu Group Corporation an IDR (Xiangyu Group) of 'BBB'. The outlook is stable. The rating reflects Xiangyu Group's 100% ownership by China's Xiamen municipality, which results in a high likelihood of extraordinary support, if Xiangyu Group defaults. As such, Xiangyu Group's ratings are credit-linked to, but not equalized with China's Xiamen municipality.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.270	0.39%	USD-SGD	1.3461	0.01%
USD-JPY	111.480	0.35%	EUR-SGD	1.5938	-0.47%
EUR-USD	1.1840	-0.49%	JPY-SGD	1.2074	-0.39%
AUD-USD	0.7595	-0.09%	GBP-SGD	1.7957	0.18%
GBP-USD	1.3339	0.16%	AUD-SGD	1.0224	-0.09%
USD-MYR	4.1025	-0.28%	NZD-SGD	0.9287	-0.20%
USD-CNY	6.6078	0.13%	CHF-SGD	1.3677	-0.26%
USD-IDR	13510	0.01%	SGD-MYR	3.0496	-0.28%
USD-VND	22721	0.00%	SGD-CNY	4.9122	0.17%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	1.1838	--
2M	-0.3420	--	1M	1.3468	--
3M	-0.3290	--	2M	1.4171	--
6M	-0.2720	--	3M	1.4773	--
9M	-0.2170	--	6M	1.6583	--
12M	-0.1860	--	12M	1.9429	--

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	95.9%	95.9%	0.0%	0.0%	0.0%
01/31/2018	95.9%	95.1%	0.8%	0.0%	0.0%
03/21/2018	98.3%	43.1%	54.7%	0.5%	0.0%
05/02/2018	98.3%	41.0%	54.1%	3.1%	0.0%
06/13/2018	99.1%	23.8%	48.4%	25.4%	1.4%
08/01/2018	99.1%	22.3%	46.7%	27.0%	3.1%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	57.99	-0.21%	Copper (per mt)	6,831.0	-1.87%
Brent (per barrel)	63.61	-0.36%	Nickel (per mt)	11,297.5	-1.93%
Heating Oil (per gallon)	1.9507	0.15%	Aluminium (per mt)	2,089.5	-1.57%
Gasoline (per gallon)	1.7720	-0.97%			
Natural Gas (per MMBtu)	3.0740	4.99%			
			Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,587.0	-0.08%
			Rubber (JPY/KG)	196.0	0.93%
Precious Metals	Futures	% chg			
Gold (per oz)	1,299.2	0.02%			
Silver (per oz)	16.918	-1.17%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,836.71	255.93
S&P	2,627.04	25.62
Nasdaq	6,912.36	33.84
Nikkei 225	22,486.24	-9.75
STI	3,442.35	5.99
KLCI	1,714.42	-5.44
JCI	6,070.72	6.13
Baltic Dry	1,477.00	--
VIX	10.03	0.16

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.48 (+0.02)	1.75 (+0.01)
5Y	1.72 (-)	2.06 (+0.01)
10Y	2.13 (-)	2.33 (-)
15Y	2.45 (-)	--
20Y	2.44 (-)	--
30Y	2.55 (-)	2.76 (-0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	11.94	0.53
EURIBOR-OIS	2.89	0.09
TED	20.58	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
11/28/2017 05:00	SK Business Survey Manufacturing	Dec --	82	84	--
11/28/2017 10:35	MU Trade Balance	Oct --	-5442m	-6200m	-6065m
11/28/2017 15:00	GE Import Price Index MoM	Oct 0.40%	0.60%	0.90%	--
11/28/2017 15:00	GE Import Price Index YoY	Oct 2.50%	2.60%	3.00%	--
11/28/2017 15:45	FR Consumer Confidence	Nov 101	102	100	--
11/28/2017 17:00	EC M3 Money Supply YoY	Oct 5.10%	5.00%	5.10%	5.20%
11/28/2017 20:00	GE GfK Consumer Confidence	Dec 10.7	10.7	10.7	--
11/28/2017 21:30	US Wholesale Inventories MoM	Oct P 0.40%	-0.40%	0.30%	0.10%
11/28/2017 21:30	CA Industrial Product Price MoM	Oct 0.50%	1.00%	-0.30%	-0.30%
11/28/2017 21:30	CA Raw Materials Price Index MoM	Oct 3.00%	3.80%	-0.10%	-0.20%
11/28/2017 22:00	US FHFA House Price Index MoM	Sep 0.50%	0.30%	0.70%	0.80%
11/28/2017 22:00	US S&P CoreLogic CS 20-City YoY NSA	Sep 6.04%	6.19%	5.92%	5.82%
11/28/2017 22:00	US S&P CoreLogic CS 20-City NSA Index	Sep --	203.5	202.87	202.68
11/28/2017 23:00	US Conf. Board Consumer Confidence	Nov 124	129.5	125.9	126.2
11/28/2017 23:00	US Richmond Fed Manufact. Index	Nov 14	30	12	--
11/29/2017 07:50	JN Retail Sales MoM	Oct 0.20%	0.00%	0.80%	--
11/29/2017 07:50	JN Retail Trade YoY	Oct 0.20%	-0.20%	2.20%	2.30%
11/29/2017 10:00	SK Discount Store Sales YoY	Oct --	--	-4.90%	--
11/29/2017 10:00	SK Department Store Sales YoY	Oct --	--	4.90%	--
11/29/2017 15:45	FR GDP QoQ	3Q P 0.50%	--	0.50%	--
11/29/2017 15:45	FR GDP YoY	3Q P 2.20%	--	2.20%	--
11/29/2017 17:30	UK Mortgage Approvals	Oct 65.0k	--	66.2k	--
11/29/2017 17:30	UK Money Supply M4 MoM	Oct --	--	-0.20%	--
11/29/2017 17:30	UK M4 Money Supply YoY	Oct --	--	4.80%	--
11/29/2017 18:00	EC Economic Confidence	Nov 114.6	--	114	--
11/29/2017 18:00	EC Consumer Confidence	Nov F 0.1	--	0.1	--
11/29/2017 20:00	US MBA Mortgage Applications	Nov-24 --	--	0.10%	--
11/29/2017 21:00	GE CPI MoM	Nov P 0.30%	--	0.00%	--
11/29/2017 21:00	GE CPI YoY	Nov P 1.70%	--	1.60%	--
11/29/2017 21:00	GE CPI EU Harmonized MoM	Nov P 0.20%	--	-0.10%	--
11/29/2017 21:00	GE CPI EU Harmonized YoY	Nov P 1.70%	--	1.50%	--
11/29/2017 21:30	US GDP Annualized QoQ	3Q S 3.20%	--	3.00%	--
11/29/2017 21:30	US Personal Consumption	3Q S 2.50%	--	2.40%	--
11/29/2017 21:30	US GDP Price Index	3Q S 2.20%	--	2.20%	--
11/29/2017 21:30	US Core PCE QoQ	3Q S 1.30%	--	1.30%	--
11/29/2017 23:00	US Pending Home Sales MoM	Oct 1.00%	--	0.00%	--
11/29/2017	VN CPI YoY	Nov 2.80%	--	2.98%	--
11/29/2017	VN Exports YTD YoY	Nov 21.40%	--	20.70%	--
11/29/2017	PH Bank Lending YoY	Oct --	--	20.10%	--

Source: Bloomberg

<u>OCBC Treasury Research</u>	
<u>Macro Research</u> Selena Ling LingSSSelena@ocbc.com Emmanuel Ng NgCYEmmanuel@ocbc.com Tommy Xie Dongming XieD@ocbc.com Barnabas Gan BarnabasGan@ocbc.com Terence Wu TerenceWu@ocbc.com	<u>Credit Research</u> Andrew Wong WongVKAM@ocbc.com Wong Liang Mian (Nick) NickWong@ocbc.com Ezien Hoo EzienHoo@ocbc.com Wong Hong Wei WongHongWei@ocbc.com

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