

Highlights

Global	<p>Ahead of the US mid-term election results which market players may interpret as a test of Trump's policies and agenda (especially for immigration, healthcare, economy and trade) for his term to date, Wall Street closed higher overnight in thin volumes while the 2- and 10-year UST bond yields climbed to 2.92% (highest since 2008) and 3.22% respectively. Chinese president Xi's earlier speech and Vice-President Wang Qishan's speech at the Bloomberg New Economy Forum may set a somewhat confrontational tone (essentially ready to discuss solutions but China will not be bullied and oppressed) for the upcoming Trump-Xi meeting on the sidelines of the G20 meeting later this month.</p> <p>Asian bourses may continue to tread water in the interim, awaiting the US mid-term election results - essentially, the Democrats need a minimum of net 23 seats to take control of the House for the first time since 2010. Today's economic data calendar comprises of foreign reserve data from Asia including China, Malaysia and Indonesia, Taiwan's Oct trade data, German industrial production and S'pore's COE tender results. RBNZ is likely to keep its OCR unchanged at 1.75% early tomorrow morning as well, even as the 3Q unemployment rate fell more than expected to a 10-year low of 3.9%.</p>
US	<p>Job openings fell from a record 7.29m in Aug to 7.01m in Sep, and the hiring rate also decreased to 3.8%, even as American continued to voluntarily quit their jobs at the fastest pace since 2001, according to JOLTs data.</p>
UK	<p>PM May is preparing to ask Cabinet to sign off on the draft Brexit deal within days, following the Parliament meeting yesterday where lawmakers had demanded to see the full government legal advice for the plan.</p>
EU	<p>The European Commission could impose sanctions on Italy as a last resort if the latter did not amend its budgetary plans before the 13 Nov deadline.</p>
AU	<p>RBA left its policy rate static at 1.5% yesterday, but signalled faster growth as the economy was "performing well" and growth may average 3.5% for 2018-2019. In turn, the unemployment rate may fall from the current 5% to 4.75% in 2020, but wage growth remains low and inflation is at risk from falling property prices. Governor Lowe also warned that "credit conditions are tighter than they have been for some time". Judging from this, the next RBA rate hike may still be relatively distant in the horizon.</p>
CH	<p>PBoC Governor Yi Gang announced three arrows to provide financing support to China's private owned companies including refined macro prudential assessment to encourage banks to lend more to POEs, increasing corporate bond issuance as well as equity financing. The strong support from PBoC is likely to contain the concerns about the rising default risks in China. In addition, Chinese Premier Li Keqiang reiterated that China has the confidence to maintain RMB exchange rate at a reasonable and balanced level.</p>
SG	<p>PM Lee opined that the UK cannot use S'pore as a post-Brexit model of a small nation that succeeded after leaving a bigger union because of completely different histories and social welfare systems.</p>
ID	<p>The IDR advanced to close at 14,804 on Tuesday 6th November 2018 whilst the yield on the 10 year government bonds ended lower by about 15 basis points. This comes just after the announcement of the 3Q 2018 GDP result which came out at 5.2% yoy. Foreign reserves data will also be due later.</p>

Major Markets

- **US:** Wall Street edged higher on Tuesday, with the S&P500 rising by 0.63%. The DJIA gained 0.68%, while the Nasdaq composite climbed 0.64%. Investors have mostly priced in the consensus prediction of the Democrats taking the House, while the Republicans keep control the Senate for the US midterm elections.
- Marriott International equity plunged 5.08% after the hospitality chain announced 3Q revenue that were below market expectations, and added that 4Q outlook for the North American market may face headwinds from weaker demand.
- Mylan shares surged 16.13% on higher quarterly profits reported, and beat adjusted EPS estimates.
- Ralph Lauren stock fell 6.59% on moderating EBIT growth, despite posting quarterly results that exceeded market estimates.

- **Singapore:** The STI was unable to sustain above the 3100 handle and had closed down 1.79% at 3060.62 on Monday. Whilst the S'pore market was out for a public holiday yesterday, Asian markets had closed mixed. Although Wall Street had closed higher overnight, the STI may trade a cautious 3030-3080 range today. With firmer UST bond yields overnight, led by the sell-off in the belly of the curve, the SGS bond market may also feel some pressure today.

- **Malaysia:** According to Bloomberg, PKR President Anwar Ibrahim has said that Malaysian investigators are working with the US Department of Justice to examine earlier deals carried out in Malaysia by former Goldman Sachs' banker Tim Leissner. Meanwhile, ex-Bank Negara Malaysia Governor Muhammad Ibrahim is currently being quizzed over the central bank's land purchase from the Ministry of Finance. Foreign reserves data is due later.

- **Philippines:** Inflation for October was unchanged at 6.7% yoy (Sept 2018: 6.7% yoy). BSP Monetary Board member Felipe Medalla though has said that "more data is needed" to decide whether there would be a pause in rate hikes.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened on Monday, with swap rates trading 2-3bps higher across most tenors (with the exception of the 30-year swap rates trading 1bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 148bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 577bps. Overall, 10Y UST yields rose 2bps to close at 3.23% on Tuesday on the back of supply pressure from a record USD27bn 10-year bond auction.

- **New Issues:** Chengdu Hi-Tech Investment Group Co Ltd has priced a USD300mn 3-year bond at 6.5%, tightening from its initial price guidance of 6.625%. Jiayuan International Group Limited has priced a USD70mn re-tap of its JIAYUA 12.0%'20s (guaranteed by certain restricted subsidiaries incorporated outside of the PRC) at 12.0%. Industrial Bank Co Ltd has scheduled for investor meetings from 9 Nov for its potential USD bond issuance.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.317	0.04%	USD-SGD	1.3734	-0.12%
USD-JPY	113.430	0.21%	EUR-SGD	1.5694	0.05%
EUR-USD	1.1427	0.18%	JPY-SGD	1.2107	-0.31%
AUD-USD	0.7247	0.50%	GBP-SGD	1.7989	0.32%
GBP-USD	1.3099	0.44%	AUD-SGD	0.9953	0.38%
USD-MYR	4.1768	--	NZD-SGD	0.9256	1.04%
USD-CNY	6.9194	-0.09%	CHF-SGD	1.3699	0.08%
USD-IDR	14804	-1.16%	SGD-MYR	3.0402	0.17%
USD-VND	23310	0.01%	SGD-CNY	5.0364	-0.03%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3690	--	O/N	2.1753	--
2M	-0.3360	--	1M	2.3160	--
3M	-0.3180	--	2M	2.4295	--
6M	-0.2570	--	3M	2.5893	--
9M	-0.1960	--	6M	2.8358	--
12M	-0.1480	--	12M	3.1169	--

Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
11/08/2018	12.5%	12.5%	0.0%	0.0%	0.0%
12/19/2018	75.0%	66.1%	8.9%	0.0%	0.0%
01/30/2019	76.6%	63.5%	12.5%	0.6%	0.0%
03/20/2019	93.1%	35.2%	48.5%	9.0%	0.4%
05/01/2019	94.0%	31.7%	46.9%	13.9%	1.5%
06/19/2019	97.4%	17.3%	38.3%	32.5%	8.5%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.21	-1.41%	Coffee (per lb)	1.133	-3.29%
Brent (per barrel)	72.13	-1.42%	Cotton (per lb)	0.7743	-1.83%
Heating Oil (per gallon)	2.1883	-0.36%	Sugar (per lb)	0.1296	-1.44%
Gasoline (per gallon)	1.6940	0.12%	Orange Juice (per lb)	1.3605	-0.95%
Natural Gas (per MMBtu)	3.5550	-0.34%	Cocoa (per mt)	2,379	2.90%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,024.1	-0.85%	Wheat (per bushel)	5.1200	0.94%
Nickel (per mt)	11,685.0	--	Soybean (per bushel)	8.720	-0.11%
Aluminium (per mt)	1,964.0	--	Corn (per bushel)	3.7325	-0.20%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,226.3	-0.49%	Crude Palm Oil (MYR/MT)	1,950.0	--
Silver (per oz)	14.500	-1.00%	Rubber (JPY/KG)	139.8	-1.20%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	25,635.01	173.31
S&P	2,755.45	17.14
Nasdaq	7,375.96	47.11
Nikkei 225	22,147.75	248.76
STI	3,060.62	--
KLCI	1,708.80	--
JCI	5,923.93	3.34
Baltic Dry	1,428.00	--
VIX	19.91	-0.05

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.12 (-)	2.93 (+0.02)
5Y	2.28 (-)	3.06 (+0.03)
10Y	2.51 (-)	3.23 (+0.03)
15Y	2.80 (-)	--
20Y	2.83 (-)	--
30Y	2.95 (-)	3.44 (+0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	28.18	-0.36
EURIBOR-OIS	3.20	-0.78
TED	26.91	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/06/2018 07:00	SK BoP Current Account Balance	Sep	--	\$10831.4m	\$8439.8m	--
11/06/2018 07:30	JN Household Spending YoY	Sep	1.50%	-1.60%	2.80%	--
11/06/2018 09:00	PH CPI YoY 2012=100	Oct	6.60%	6.70%	6.70%	--
11/06/2018 11:30	AU RBA Cash Rate Target	Nov-06	1.50%	1.50%	1.50%	--
11/06/2018 15:00	GE Factory Orders MoM	Sep	-0.50%	0.30%	2.00%	2.50%
11/06/2018 15:00	GE Factory Orders WDA YoY	Sep	-2.80%	-2.20%	-2.10%	-1.80%
11/06/2018 16:00	TA CPI YoY	Oct	1.65%	1.17%	1.72%	--
11/06/2018 16:45	IT Markit/ADACI Italy Services PMI	Oct	52	49.2	53.3	--
11/06/2018 16:45	IT Markit/ADACI Italy Composite PMI	Oct	51	49.3	52.4	--
11/06/2018 16:50	FR Markit France Services PMI	Oct F	55.6	55.3	55.6	--
11/06/2018 16:50	FR Markit France Composite PMI	Oct F	54.3	54.1	54.3	--
11/06/2018 16:55	GE Markit Germany Services PMI	Oct F	53.6	54.7	53.6	--
11/06/2018 16:55	GE Markit/BME Germany Composite PMI	Oct F	52.7	53.4	52.7	--
11/06/2018 17:00	EC Markit Eurozone Services PMI	Oct F	53.3	53.7	53.3	--
11/06/2018 17:00	EC Markit Eurozone Composite PMI	Oct F	52.7	53.1	52.7	--
11/06/2018 18:00	EC PPI YoY	Sep	4.30%	4.50%	4.20%	4.30%
11/06/2018 21:30	CA Building Permits MoM	Sep	0.30%	0.40%	0.40%	-1.10%
11/07/2018 05:45	NZ Unemployment Rate	3Q	4.40%	3.90%	4.50%	4.40%
11/07/2018 05:45	NZ Employment Change QoQ	3Q	0.50%	1.10%	0.50%	0.60%
11/07/2018 05:45	NZ Employment Change YoY	3Q	2.00%	2.80%	3.70%	--
11/07/2018 08:00	JN Labor Cash Earnings YoY	Sep	1.10%	--	0.90%	0.80%
11/07/2018 09:00	PH Exports YoY	Sep	4.50%	--	3.10%	--
11/07/2018 09:00	PH Imports YoY	Sep	18.10%	--	11.00%	--
11/07/2018 09:00	PH Trade Balance	Sep	-\$3100m	--	-\$3513m	--
11/07/2018 10:00	NZ 2Yr Inflation Expectation	4Q	--	--	2.04%	--
11/07/2018 13:00	JN Leading Index CI	Sep P	103.9	--	104.5	--
11/07/2018 15:00	GE Industrial Production SA MoM	Sep	0.00%	--	-0.30%	--
11/07/2018 15:00	GE Industrial Production WDA YoY	Sep	0.50%	--	-0.10%	--
11/07/2018 15:00	MA Foreign Reserves	Oct-31	--	--	\$102.8b	--
11/07/2018 16:00	SI Automobile COE Open Bid Cat A	Nov-07	--	--	25556	--
11/07/2018 16:00	SI Automobile COE Open Bid Cat B	Nov-07	--	--	31302	--
11/07/2018 16:00	TA Trade Balance	Oct	\$4.20b	--	\$4.33b	--
11/07/2018 16:00	TA Exports YoY	Oct	8.00%	--	2.60%	--
11/07/2018 16:00	TA Imports YoY	Oct	12.60%	--	13.90%	--
11/07/2018 16:30	UK Halifax House Prices MoM	Oct	0.80%	--	-1.40%	--
11/07/2018 16:30	UK Halifax House Price 3Mths/Year	Oct	1.30%	--	2.50%	--
11/07/2018 16:30	GE Markit Germany Construction PMI	Oct	--	--	50.2	--
11/07/2018 17:00	IT Retail Sales MoM	Sep	-0.20%	--	0.70%	--
11/07/2018 17:00	IT Retail Sales YoY	Sep	2.10%	--	2.20%	--
11/07/2018 17:00	SI Foreign Reserves	Oct	--	--	\$291.33b	--
11/07/2018 18:00	EC Retail Sales MoM	Sep	0.10%	--	-0.20%	--
11/07/2018 18:00	EC Retail Sales YoY	Sep	0.90%	--	1.80%	--
11/07/2018 20:00	US MBA Mortgage Applications	Nov-02	--	--	-2.50%	--
11/07/2018	CH Foreign Reserves	Oct	\$3059.00b	--	\$3087.03b	--
11/07/2018	HK Foreign Reserves	Oct	--	--	\$426.4b	--
11/07/2018	ID Foreign Reserves	Oct	--	--	\$114.85b	--
11/07/2018	PH Foreign Reserves	Oct	--	--	\$75.2b	\$74.9b
11/06/2018 11/13	VN Domestic Vehicle Sales YoY	Oct	--	--	24.70%	--

Source: Bloomberg

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