

Highlights

Global	<p>Fresh facts on the Brexit front amid fresh political friction between US-Saudi Arabia left risk appetite subdued. On Brexit issues, the Irish border remains to be a sensitive topic for the UK and EU with a lack of compromise over the preferred approach in dealing with North Ireland's borders even as the next EU summit starting this Wednesday looms closer. Meanwhile, market-watchers will likely be monitoring US Treasury Secretary Steven Mnuchin's decision to participate in the Riyadh conference following fresh political conflict over the recent disappearance of Jamal Khashoggi. While Wall Street did trend south overnight, oil prices however rose given mounting political turmoil, though short-covering behaviour after lower prices were seen by negative market data cannot be fully discounted. Given the uptick in uncertainties seen this week, do expect Asia trading to take a cautious tone; Asian stock futures appear poised for a muted start today amid higher safe haven valuation seen in gold and the yen. Calendar-wise, China is slated to release its inflation data later today, amid a slew of Eurozone-centric data including industrial sales and import price prints, notwithstanding Germany's ZEW Survey release which will be particularly interesting in gauging growth and confidence levels to-date. In the US, do watch out for JOLTS job openings, industrial production and capacity utilisation prints as well.</p>
EU	<p>Leaders attempted to sound optimistic and conciliatory as UK Prime Minister Theresa May said she does "not believe the UK and the EU are far apart". She also said that "the shape of a deal across the vast majority of the withdrawal agreement" is "now clear". French President Emmanuel Macron also said he believed "collective intelligence" will prevail. Leaders appeared to be hoping to have the outline of an agreement ready for Wednesday's EU summit, in order to allow the final divorce agreement to be signed off in mid-November.</p>
CH	<p>The focus is likely to shift to the US Treasury semi-annual report on whether US will name China as currency manipulator. It is clear that China does not meet the criteria of currency manipulator based on the current assessment as China's current account surplus as % of GDP has fallen below 3% and China's current intervention is to stop RMB from depreciation rather than appreciation.</p>
ID	<p>The country posted its first trade surplus at US\$227m in three month for the month of September as imports rose by 14.2% yoy versus about 24.7% yoy, a month prior. Exports growth did slow to 1.7% yoy, compared to 4.2% yoy in August. The government has unveiled a slew of measures recently to curb imports as they bid to rein in the current-account gap.</p>
CMD	<p>Oil prices edged higher on fresh political concerns involving US-Saudi Arabia conflict, amid Trump's threat that the US would impose "severe punishment" on Riyadh if investigations implicate the Saudi government in the recent disappearance of a dissident Saudi journalist. Still, oil prices remain below its recent highs in the past weeks, suggesting market-watchers' disregard for supply shocks involving Iran & Venezuela against a rather risk-off market environment. Note that safe haven demand continue to flow into gold, with the yellow metal rising 0.68% to close \$1,230.3/oz, with silver rallying in tandem. Suffice to say, further cautious tone into Asian trading ahead could continue to favour safe havens.</p>

Major Market

- **US:** Wall Street closed lower on Monday, with the S&P500 recording a 0.59% decline. The DJIA fell 0.35%, while the Nasdaq composite slipped 0.88%.
- FAANG stocks dragged the tech-rich Nasdaq composite down as all 5 equities dipped, with Apple (-2.14%) and Alphabet (-1.62%) leading the slide in the group.
- Bank of America shares slipped 1.90% despite the firm's 3Q18 earnings results exceeding expectations.
- Sears Holdings plummeted 23.8% after news broke that the retailer filed for Chapter 11 bankruptcy.
- BlackRock, Goldman Sachs and Morgan Stanley are the financial behemoths announcing 3Q earnings results later today.

- **Singapore:** The STI fell 0.76% on Monday to close down at 3,045.97. ComfortDelGro (-3.20%) recorded the largest loss, followed by Venture Corp. (-2.44%) and Yangzijiang Shipbuilding Holdings (-2.36%).

- **Malaysia:** According to Bloomberg, Prime Minister Mahathir Mohamad has said that China is ready to import 500,000 tons of Malaysian Palm Oil if a competitive price is offered and that he supports the Belt & Road projects as long as it benefits Malaysia. The news portal also reported that Mahathir said that the US-China trade war has no clear effect on Malaysia but he hopes any effect will be in the form of US investments in China moving to Malaysia.

- **Indonesia:** Jokowi has said that Pertamina's profits will not increase significantly even if the prices of premium-branded fuel are increased.

- **Philippines:** Overseas remittances hit US\$2.48bn in August, the highest it has been since December 2017 although this still represented a decline of 0.9% from a year ago.

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates for the shorter tenors trading 1-3bps lower while the longer tenors traded 3-5bps lower. The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 140bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 2bps to 488bps. While 10Y UST yields traded little changed yesterday, yields fell 2bps to 3.14% in the earlier part of the trading session on the back of weaker-than-expected US domestic retail sales data. Yields subsequently recovered 2bps to close at 3.16% ahead of the new treasury supply on Tuesday and Thursday.

- **New Issues:** SDG Finance I Ltd has priced a USD600mn 3-year bond (guaranteed by Shandong Gold Group Co Ltd) at CT3+255bps, tightening from its initial price guidance of CT3+280bps area. Weifang Urban Construction and Development Investment Group Co Ltd has priced a USD250mn 3-year bond at 6.5%, tightening from its initial price guidance of 6.75%. Korea Expressway Corp has priced a USD300mn 3-year bond at CT3+80bps, tightening from its initial price guidance of CT3+105bps area. Changde Urban construction and Investment Group Co Ltd has scheduled for investor meetings from 16 Oct for its potential USD bond issuance. Tenaga Nasional Bhd has scheduled for investor meetings from 17 Oct for its potential USD bond issuance. Geely Sweden Finance AB has scheduled for investor meetings from 17 Oct for its potential USD bond issuance (guaranteed by Zhejiang Geely Holding Group Company Ltd).

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	95.059	-0.17%	USD-SGD	1.3768	-0.10%
USD-JPY	111.770	-0.39%	EUR-SGD	1.5942	0.09%
EUR-USD	1.1579	0.16%	JPY-SGD	1.2318	0.28%
AUD-USD	0.7130	0.22%	GBP-SGD	1.8108	-0.10%
GBP-USD	1.3152	-0.01%	AUD-SGD	0.9817	0.13%
USD-MYR	4.1547	0.02%	NZD-SGD	0.9019	0.58%
USD-CNY	6.9168	-0.08%	CHF-SGD	1.3950	0.47%
USD-IDR	15220	0.15%	SGD-MYR	3.0178	0.07%
USD-VND	23335	-0.04%	SGD-CNY	5.0282	0.09%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3690	--	O/N	2.1694	--
2M	-0.3370	--	1M	2.2798	--
3M	-0.3180	--	2M	2.3341	--
6M	-0.2670	--	3M	2.4364	--
9M	-0.2070	--	6M	2.6521	--
12M	-0.1570	--	12M	2.9634	--

Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
11/08/2018	2.0%	2.0%	0.0%	0.0%	0.0%
12/19/2018	76.2%	74.6%	1.5%	0.0%	0.0%
01/30/2019	77.3%	72.2%	5.0%	0.1%	0.0%
03/20/2019	93.1%	37.7%	51.9%	3.5%	0.1%
05/01/2019	93.8%	34.8%	50.6%	8.0%	0.4%
06/19/2019	97.0%	20.1%	42.5%	29.9%	4.3%

Equity and Commodity

Index	Value	Net change
DJIA	25,250.55	-89.44
S&P	2,750.79	-16.34
Nasdaq	7,430.74	-66.15
Nikkei 225	22,271.30	-423.36
STI	3,045.97	-23.20
KLCI	1,728.74	-2.00
JCI	5,727.26	-29.23
Baltic Dry	1,579.00	--
VIX	21.30	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.01 (-0.03)	2.86 (--)
5Y	2.32 (-0.03)	3.01 (-0.01)
10Y	2.56 (-0.02)	3.16 (-0.01)
15Y	2.84 (-0.02)	--
20Y	2.86 (-0.02)	--
30Y	2.91 (-0.03)	3.34 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	18.57	-0.06
EURIBOR-OIS	3.76	-0.02
TED	17.34	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	71.78	0.62%	Coffee (per lb)	1.194	2.40%
Brent (per barrel)	80.78	0.44%	Cotton (per lb)	0.7872	0.45%
Heating Oil (per gallon)	2.3257	0.19%	Sugar (per lb)	0.1343	2.75%
Gasoline (per gallon)	1.9443	0.12%	Orange Juice (per lb)	1.4385	0.21%
Natural Gas (per MMBtu)	3.2420	2.56%	Cocoa (per mt)	2,141	-0.88%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,147.6	-0.43%	Wheat (per bushel)	5.2500	1.50%
Nickel (per mt)	12,534.5	-0.36%	Soybean (per bushel)	8.915	2.77%
Aluminium (per mt)	2,025.5	-0.44%	Corn (per bushel)	3.7825	1.20%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,230.3	0.68%	Crude Palm Oil (MYR/MT)	2,191.0	-0.09%
Silver (per oz)	14.727	0.63%	Rubber (JPY/KG)	168.8	0.06%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
10/15/2018 07:01	UK Rightmove House Prices MoM	Oct	--	1.00%	0.70%	--
10/15/2018 07:01	UK Rightmove House Prices YoY	Oct	--	0.90%	1.20%	--
10/15/2018 12:00	ID Exports YoY	Sep	6.95%	1.70%	4.15%	4.52%
10/15/2018 12:00	ID Imports YoY	Sep	23.74%	14.18%	24.65%	24.49%
10/15/2018 12:00	ID Trade Balance	Sep	-\$500m	\$227m	-\$1021m	-\$944m
10/15/2018 12:30	JN Capacity Utilization MoM	Aug	--	2.20%	-0.60%	--
10/15/2018 12:30	JN Industrial Production MoM	Aug F	--	0.20%	0.70%	--
10/15/2018 12:30	JN Industrial Production YoY	Aug F	--	0.20%	0.60%	--
10/15/2018 14:30	IN Wholesale Prices YoY	Sep	5.00%	5.13%	4.53%	--
10/15/2018 16:47	PH Overseas Workers Remittances	Aug	\$2550m	\$2476m	\$2401m	--
10/15/2018 16:47	PH Overseas Remittances YoY	Aug	2.00%	-0.90%	5.20%	--
10/15/2018 19:46	IN Exports YoY	Sep	--	-2.10%	19.20%	--
10/15/2018 19:46	IN Imports YoY	Sep	--	10.50%	25.40%	--
10/15/2018 20:30	US Empire Manufacturing	Oct	20	21.1	19	--
10/15/2018 20:30	US Retail Sales Advance MoM	Sep	0.60%	0.10%	0.10%	--
10/15/2018 20:30	US Retail Sales Ex Auto MoM	Sep	0.40%	-0.10%	0.30%	0.20%
10/15/2018 20:30	US Retail Sales Ex Auto and Gas	Sep	0.30%	0.00%	0.20%	0.10%
10/15/2018 22:00	US Business Inventories	Aug	0.50%	0.50%	0.60%	0.70%
10/15/2018 22:30	CA BoC Business Outlook Future Sales	3Q	--	15	6	--
10/15/2018 22:30	CA BoC Senior Loan Officer Survey	3Q	--	-10.9	-8.9	--
10/16/2018 02:00	US Monthly Budget Statement	Sep	\$83.0b	\$119.1b	\$7.9b	--
10/16/2018 05:00	SK Import Price Index YoY	Sep	--	9.70%	10.00%	--
10/16/2018 05:00	SK Export Price Index YoY	Sep	--	1.40%	2.10%	2.20%
10/16/2018 05:45	NZ CPI QoQ	3Q	0.70%	0.90%	0.40%	--
10/16/2018 05:45	NZ CPI YoY	3Q	1.70%	1.90%	1.50%	--
10/16/2018 08:30	AU RBA Oct. Meeting Minutes					
10/16/2018 09:30	CH PPI YoY	Sep	3.50%	--	4.10%	--
10/16/2018 09:30	CH CPI YoY	Sep	2.50%	--	2.30%	--
10/16/2018 12:00	JN Tokyo Condominium Sales YoY	Sep	--	--	-28.50%	--
10/16/2018 14:00	GE Import Price Index MoM	Aug	0.00%	--	-0.20%	--
10/16/2018 14:00	GE Import Price Index YoY	Aug	5.20%	--	5.00%	--
10/16/2018 16:00	IT Industrial Sales WDA YoY	Aug	--	--	2.90%	--
10/16/2018 16:00	IT Industrial Sales MoM	Aug	--	--	-1.00%	--
10/16/2018 16:00	IT Industrial Orders NSA YoY	Aug	--	--	2.80%	--
10/16/2018 16:00	IT Industrial Orders MoM	Aug	--	--	-2.30%	--
10/16/2018 16:30	UK Claimant Count Rate	Sep	--	--	2.60%	--
10/16/2018 16:30	UK Jobless Claims Change	Sep	--	--	8.7k	--
10/16/2018 16:30	UK Average Weekly Earnings 3M/YoY	Aug	2.60%	--	2.60%	--
10/16/2018 16:30	UK ILO Unemployment Rate 3Mths	Aug	4.00%	--	4.00%	--
10/16/2018 17:00	GE ZEW Survey Current Situation	Oct	74.4	--	76	--
10/16/2018 17:00	GE ZEW Survey Expectations	Oct	-12	--	-10.6	--
10/16/2018 17:00	EC ZEW Survey Expectations	Oct	--	--	-7.2	--
10/16/2018 17:00	IT CPI EU Harmonized YoY	Sep F	1.60%	--	1.60%	--
10/16/2018 18:00	IT Trade Balance Total	Aug	--	--	5676m	--
10/16/2018 20:30	CA Int'l Securities Transactions	Aug	--	--	12.65b	--
10/16/2018 21:15	US Industrial Production MoM	Sep	0.20%	--	0.40%	--
10/16/2018 21:15	US Capacity Utilization	Sep	78.20%	--	78.10%	--
10/16/2018 22:00	US NAHB Housing Market Index	Oct	66	--	67	--
10/15/2018 10/16	CH Money Supply M0 YoY	Sep	3.50%	--	3.30%	--
10/15/2018 10/16	CH Money Supply M1 YoY	Sep	3.90%	--	3.90%	--
10/15/2018 10/16	CH Money Supply M2 YoY	Sep	8.30%	--	8.20%	--
10/15/2018 10/16	CH New Yuan Loans CNY	Sep	1358.7b	--	1280.0b	--

Source: Bloomberg

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