

### Highlights

<b>Global</b>	<p>Concerns over trade tensions continue to build up ahead of the meeting between Donald Trump and Xi Jinping that is to happen on the side-lines of the G-20 meeting next week. Bloomberg reports that the US government is now attempting to persuade wireless and internet providers in foreign ally countries such as Germany, Italy and Japan to avoid using equipment from China's Huawei Technologies, citing cybersecurity risks as a reason. Meanwhile, regarding Saudi Arabia, Trump reiterates that the CIA "didn't conclude" that Crown Prince Mohammed bin Salman had made the demand for Jamal Khashoggi to be killed, which comes after his comments that Saudi Arabia is a strong ally who purchases US military equipment and has "done a good job" to keep oil prices low. On the Brexit front, EU and UK leaders have agreed in principle at a political level on the draft declaration although gaps remain especially regarding Spain's concerns over Gibraltar. However, UK Prime Minister Theresa May would still have to convince a sceptical UK parliament to accept the deal although it is not known when this vote will take place (could be around 10th – 12th December 2018). On the Italian budget negotiations, Deputy Prime Minister Matteo Salvini has said that "he won't take any steps backwards" on that budget whilst also stating that the spread with German bunds "doesn't correspond to the real life of the country". Asian markets are likely to trade lower today. Key economic data releases today include German finalized 3Q 2018 results and trade data, Eurozone area and US industrial &amp; services activities indicators, and Singapore &amp; Malaysia CPI.</p>
<b>UK</b>	<p>Highlights in the EU-UK Brexit draft include an improvement in language on the Irish border front, changing the wording to "determination" to replace the backstop solution from "intention" previously with regard to avoiding a hard border on the Irish island. Besides, there were also arrangements for a "free trade area combining deep regulatory and customs cooperation", and would "build and improve on the single customs territory". Equivalence will be the operating basis for financial services between the EU and UK. The possibility of co-operation between EU regulatory agencies and UK will be explored too.</p>
<b>CH</b>	<p>The government announced a new tax incentive to foreign investors participating in China's onshore bond market as part of China's campaign to open its financial market to foreign players. Interest income from the onshore bond investment will be exempted from the corporate income tax and value added tax for the next three years until 6 Nov 2021. Meanwhile, China's foreign exchange purchase by central bank fell by CNY91.6 billion in October, declining for the third straight month, a sign of capital outflows. Nevertheless, we think the pace of outflows remains controllable at the current stage.</p>
<b>SG</b>	<p>October headline and core inflation may have risen by 0.7% yoy (-0.3% mom nsa) and 2.0% yoy respectively, compared to 0.7% yoy (0.0% mom nsa) and 1.8% in September. Recall that MAS had said there was no change to the official inflation forecasts yesterday at the release of the revised 3Q18 GDP growth estimates. Meanwhile, Finance Minister Heng Swee Keat is expected to be named first assistant secretary-general with Trade &amp; Industry Minister Chan Chun Sing to be the second assistant secretary-general, according to the Today newspaper.</p>
<b>M Y</b>	<p>Foreign reserves climbed to US\$102.1bn as of 15th November 2018 from US\$101.7bn as of 31st October 2018. Inflation data would be due later.</p>

## Major Markets

- **US:** Markets were closed on Thursday for Thanksgiving. Black Friday takes place today.
- **Singapore:** The STI closed slightly flat (+0.09%) at 3041.38 yesterday. While US markets are out for Thanksgiving holiday, morning cues from Kospi are positive, so STI may tread a 3626-3083 range today. The UST bond market was also shut yesterday, but elsewhere the in-principle draft declaration between the US and the EU may offset any negative sentiments arising from the weak sale of inflation-linked Italian debt. While SGS bonds may continue to range trade today, the recent surge in the SOR, including the 3-month SOR that is currently trading around 1.93%, may pressure the front-end of the SGS bond yield curve given that the spread to the 2-year SGS bond yield has collapsed from 43bps to 16bps over the past month.
- **Indonesia:** The government has cancelled conventional bond auctions scheduled for the 4th and 18th December 2018 and Shariah bond auctions for 27th November 2018 and 11th December 2018 as they cite the outlook of the 2018 budget financing as a reason. Meanwhile, the Finance Ministry is revising regulations on the ownership of luxury apartments as Finance Minister Sri Mulyani said that the government is looking to revise the minimum price of goods subject to the luxury tax (PPNBM) from Rp20bn to Rp30bn.
- **Thailand:** Bank of Thailand Governor Veerathai Santiprabhob has said, "If we raise the rate, we may raise and then pause to assess economic data." He further added, "There are misunderstandings that if the rate starts to rise, it will rise continually. For us, we are data dependent and the decision will depend on the data at each meeting."
- **Macau:** GDP growth decelerated notably from 5.9% yoy in 2Q18 to 1.6% yoy in 3Q18, the weakest level since 2Q16. The deceleration could be attributed to US-China trade war, stronger MOP, China's slowdown and completion of mega projects. Specifically, as the major driver of GDP growth, exports of services expanded at the slowest pace since 3Q16 by 6.3% yoy. Worse still, exports of goods dropped by 8.8% yoy, the first decline since 4Q16. Furthermore, with the successive completion of mega projects, private construction investment plummeted by 20.6% yoy while public construction tumbled by 45.7% yoy. In the coming quarters, we expect economic growth to remain muted. First, despite supports from improved infrastructure, tourism sector and the mass-market gaming could still slow down amid a stronger MOP, China's slowdown and Asia's muted economic outlook. Second, the VIP segment of the gaming sector is likely to be hit by China's slowdown, policy risks and higher borrowing costs. Third, the prolonged trade war may weigh down trade activities as well as consumer sentiment. On a positive note, the government's plan to increase investment in infrastructure may allow some floor to the contraction of investment. All in all, we expect GDP to grow by 5% yoy this year and by 2%-3% yoy in 2019.

### Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates for the short tenors trading 1-2bps lower while the longer tenors traded 3bps lower. Both the Bloomberg Barclays Asia USD IG Bond Index average OAS and the Bloomberg Barclays Asia USD HY Bond Index average OAS were unchanged at 156bps and 623bps after being stable and 7bps wider respectively the day before. 10Y UST yields remain unchanged at 3.06% as US markets were closed for Thanksgiving Day.
- **New Issues:** Yancoal International Resources Development Co Ltd has priced a USD275mn 3-year bond (guaranteed by Yanzhou Coal Mining Company Ltd) at 6.0%, tightening from its initial price guidance of 6.25%. Haichuan International Investment Co Ltd has priced a USD100mn 3-year bond (guaranteed by Jiansu Fangyang Group Co Ltd) at 7.5%, in line with the final price guidance. Greenland Global Investment Limited has priced a USD80mn re-tap of its GRNLGR 9.125%'20s (guaranteed by Greenland Holding Group Company Limited) at 9.25%. Power Grid Corp of India Ltd has scheduled for investor meetings from 26 Nov for its potential bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	96.712	--	<b>USD-SGD</b>	1.3731	0.03%
<b>USD-JPY</b>	112.950	-0.10%	<b>EUR-SGD</b>	1.5658	0.20%
<b>EUR-USD</b>	1.1403	0.17%	<b>JPY-SGD</b>	1.2155	0.12%
<b>AUD-USD</b>	0.7254	-0.12%	<b>GBP-SGD</b>	1.7683	0.82%
<b>GBP-USD</b>	1.2877	0.77%	<b>AUD-SGD</b>	0.9961	-0.08%
<b>USD-MYR</b>	4.1960	0.05%	<b>NZD-SGD</b>	0.9355	-0.27%
<b>USD-CNY</b>	6.9320	0.07%	<b>CHF-SGD</b>	1.3801	0.01%
<b>USD-IDR</b>	14580	-0.16%	<b>SGD-MYR</b>	3.0548	0.03%
<b>USD-VND</b>	23355	0.09%	<b>SGD-CNY</b>	5.0477	0.00%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3690	--	<b>O/N</b>	2.1805	--
<b>2M</b>	-0.3370	--	<b>1M</b>	2.3151	--
<b>3M</b>	-0.3160	--	<b>2M</b>	2.4731	--
<b>6M</b>	-0.2570	--	<b>3M</b>	2.6769	--
<b>9M</b>	-0.1960	--	<b>6M</b>	2.8859	--
<b>12M</b>	-0.1480	--	<b>12M</b>	3.1104	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	74.5%	74.5%	0.0%	0.0%	0.0%
01/30/2019	75.5%	72.4%	3.1%	0.0%	0.0%
03/20/2019	88.0%	48.1%	38.3%	1.6%	0.0%
05/01/2019	89.4%	43.6%	39.5%	6.1%	0.2%
06/19/2019	92.8%	33.0%	40.8%	16.8%	2.1%
07/31/2019	93.4%	31.1%	40.2%	18.6%	3.2%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	54.63	--	Coffee (per lb)	1.103	--
Brent (per barrel)	62.60	-1.39%	Cotton (per lb)	0.7651	--
Heating Oil (per gallon)	1.9702	--	Sugar (per lb)	0.1268	--
Gasoline (per gallon)	1.5107	--	Orange Juice (per lb)	1.4020	--
Natural Gas (per MMBtu)	4.4510	--	Cocoa (per mt)	2,084	--
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,160.8	--	Wheat (per bushel)	4.9875	--
Nickel (per mt)	10,968.5	--	Soybean (per bushel)	8.830	--
Aluminium (per mt)	1,958.3	--	Corn (per bushel)	3.6175	--
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,228.0	--	Crude Palm Oil (MYR/MT)	1,878.0	3.07%
Silver (per oz)	14.502	--	Rubber (JPY/KG)	135.2	1.50%

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

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	24,464.69	--
<b>S&amp;P</b>	2,649.93	--
<b>Nasdaq</b>	6,972.25	--
<b>Nikkei 225</b>	21,646.55	139.01
<b>STI</b>	3,041.38	2.73
<b>KLCI</b>	1,695.62	0.25
<b>JCI</b>	5,990.81	42.76
<b>Baltic Dry</b>	1,008.00	--
<b>VIX</b>	20.80	--

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	2.10 (+0.02)	2.81 (--)
<b>5Y</b>	2.22 (-0.01)	2.89 (--)
<b>10Y</b>	2.44 (-0.01)	3.06 (--)
<b>15Y</b>	2.71 (-0.01)	--
<b>20Y</b>	2.74 (-0.01)	--
<b>30Y</b>	2.83 (--)	3.32 (--)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	31.11	--
<b>EURIBOR-OIS</b>	4.18	0.78
<b>TED</b>	28.02	--

### Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
<b>11/22/2018 07:30</b>	<b>JN Natl CPI YoY</b>	<b>Oct</b>	<b>1.40%</b>	<b>1.40%</b>	<b>1.20%</b>	--
11/22/2018 07:30	JN Natl CPI Ex Fresh Food YoY	Oct	1.00%	1.00%	1.00%	--
11/22/2018 07:50	JN Japan Buying Foreign Bonds	Nov-16	--	¥145.2b	¥1620.8b	¥1620.6b
11/22/2018 07:50	JN Japan Buying Foreign Stocks	Nov-16	--	¥245.3b	¥203.9b	--
11/22/2018 07:50	JN Foreign Buying Japan Bonds	Nov-16	--	¥16.1b	¥413.3b	¥413.4b
11/22/2018 07:50	JN Foreign Buying Japan Stocks	Nov-16	--	¥179.2b	¥360.9b	¥362.0b
<b>11/22/2018 08:00</b>	<b>SI GDP SAAR QoQ</b>	<b>3Q F</b>	<b>4.00%</b>	<b>3.00%</b>	<b>4.70%</b>	--
<b>11/22/2018 08:00</b>	<b>SI GDP YoY</b>	<b>3Q F</b>	<b>2.40%</b>	<b>2.20%</b>	<b>2.60%</b>	--
11/22/2018 14:00	JN Machine Tool Orders YoY	Oct F	--	-0.70%	-1.10%	--
11/22/2018 15:00	MA Foreign Reserves	Nov-15	--	\$102.1b	\$101.7b	--
<b>11/22/2018 15:45</b>	<b>FR Manufacturing Confidence</b>	<b>Nov</b>	<b>103</b>	<b>105</b>	<b>104</b>	--
11/22/2018 15:45	FR Production Outlook Indicator	Nov	--	4	7	--
11/22/2018 15:45	FR Own-Company Production Outlook	Nov	--	14	10	--
11/22/2018 16:00	TA Unemployment Rate	Oct	3.70%	3.70%	3.70%	--
<b>11/22/2018 23:00</b>	<b>EC Consumer Confidence</b>	<b>Nov A</b>	<b>-3</b>	<b>-3.9</b>	<b>-2.7</b>	--
<b>11/23/2018 12:00</b>	<b>MA CPI YoY</b>	<b>Oct</b>	<b>0.60%</b>	--	<b>0.30%</b>	--
<b>11/23/2018 13:00</b>	<b>SI CPI YoY</b>	<b>Oct</b>	<b>0.80%</b>	--	<b>0.70%</b>	--
11/23/2018 13:00	SI CPI Core YoY	Oct	1.90%	--	1.80%	--
11/23/2018 13:00	SI CPI NSA MoM	Oct	-0.20%	--	0.00%	--
<b>11/23/2018 15:00</b>	<b>GE GDP SA QoQ</b>	<b>3Q F</b>	<b>-0.20%</b>	--	<b>-0.20%</b>	--
<b>11/23/2018 15:00</b>	<b>GE GDP NSA YoY</b>	<b>3Q F</b>	<b>1.10%</b>	--	<b>1.10%</b>	--
11/23/2018 15:00	GE GDP WDA YoY	3Q F	1.10%	--	1.10%	--
11/23/2018 15:00	GE Private Consumption QoQ	3Q	-0.10%	--	0.30%	--
11/23/2018 15:00	GE Government Spending QoQ	3Q	0.20%	--	0.60%	--
11/23/2018 15:00	GE Capital Investment QoQ	3Q	0.40%	--	0.50%	--
11/23/2018 15:00	GE Construction Investment QoQ	3Q	0.40%	--	0.60%	--
11/23/2018 15:00	GE Domestic Demand QoQ	3Q	0.30%	--	0.90%	--
11/23/2018 15:00	GE Exports QoQ	3Q	-0.30%	--	0.70%	--
11/23/2018 15:00	GE Imports QoQ	3Q	0.70%	--	1.70%	--
<b>11/23/2018 15:30</b>	<b>TH Foreign Reserves</b>	<b>Nov-16</b>	--	--	<b>\$201.3b</b>	--
11/23/2018 16:00	TA Industrial Production YoY	Oct	3.55%	--	1.54%	--
<b>11/23/2018 16:15</b>	<b>FR Markit France Manufacturing PMI</b>	<b>Nov P</b>	<b>51.2</b>	--	<b>51.2</b>	--
<b>11/23/2018 16:15</b>	<b>FR Markit France Services PMI</b>	<b>Nov P</b>	<b>55</b>	--	<b>55.3</b>	--
11/23/2018 16:15	FR Markit France Composite PMI	Nov P	53.9	--	54.1	--
11/23/2018 16:20	TA Money Supply M2 Daily Avg YoY	Oct	--	--	3.34%	--
<b>11/23/2018 16:30</b>	<b>GE Markit Germany Manufacturing PMI</b>	<b>Nov P</b>	<b>52.2</b>	--	<b>52.2</b>	--
11/23/2018 16:30	GE Markit Germany Services PMI	Nov P	54.5	--	54.7	--
11/23/2018 16:30	GE Markit/BME Germany Composite PMI	Nov P	53.1	--	53.4	--
<b>11/23/2018 17:00</b>	<b>EC Markit Eurozone Manufacturing PMI</b>	<b>Nov P</b>	<b>52</b>	--	<b>52</b>	--
11/23/2018 17:00	EC Markit Eurozone Services PMI	Nov P	53.6	--	53.7	--
11/23/2018 17:00	EC Markit Eurozone Composite PMI	Nov P	53	--	53.1	--
<b>11/23/2018 21:30</b>	<b>CA Retail Sales MoM</b>	<b>Sep</b>	<b>0.00%</b>	--	<b>-0.10%</b>	--
11/23/2018 21:30	CA Retail Sales Ex Auto MoM	Sep	0.30%	--	-0.40%	--
<b>11/23/2018 21:30</b>	<b>CA CPI NSA MoM</b>	<b>Oct</b>	<b>0.10%</b>	--	<b>-0.40%</b>	--
<b>11/23/2018 21:30</b>	<b>CA CPI YoY</b>	<b>Oct</b>	<b>2.20%</b>	--	<b>2.20%</b>	--
<b>11/23/2018 22:45</b>	<b>US Markit US Manufacturing PMI</b>	<b>Nov P</b>	<b>55.7</b>	--	<b>55.7</b>	--
11/23/2018 22:45	US Markit US Services PMI	Nov P	55	--	54.8	--
11/23/2018 22:45	US Markit US Composite PMI	Nov P	--	--	54.9	--
<b>11/23/2018</b>	<b>MU Visitor Arrivals</b>	<b>Oct</b>	--	--	<b>2561t</b>	--

Source: Bloomberg

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