

### Highlights

|               |   |
|---------------|---|
| <b>Global</b> | <p>Wall Street ended higher again yesterday with all the three main indexes showing a climb. On the interest rate front, Federal Reserve Chairman Richard Clarida appears to have backed gradual hikes as he states his believe that “some further gradual adjustment in the policy rate range will likely be appropriate” whilst also mentioning that risks are “less skewed on the downside”. However, other members issued more cautious statements such as Bullard who talked of possible “cracks” in US recovery whilst Bostic highlighted “pockets of distress”. Evans meanwhile reiterated a desire to move rates “to something that’s more neutral” whilst George warned of the trade war. None though have stated an intention to halt the gradual rate hikes. Trump still though slammed Jerome Powell stating that he’s “not even a little bit happy” with his selection of Powell. Meanwhile, regarding Brexit, Prime Minister Theresa May and her team have decided to do away with moves that could have stopped lawmakers from voting for changes to May’s motion that opens the deal to even fiercer debate although some believe that other alternatives will not command any majority in the parliament and therefore, May could politically be strengthened by proving this. On the trade front, Trump and Xi are set to meet over dinner this coming Saturday at Buenos Aires whilst Kudlow warned that the US is ready to impose more tariffs if the upcoming talks still don’t yield progress. Asian markets are likely to open higher today following the rise on Wall Street. Key data releases today includes US 3Q 2018 GDP and personal consumption data second release, US October wholesale and retail data and Italian PPI.</p> |
| <b>UK</b>     | <p>It is reported that Prime Minister Theresa May has loosened its stance on “take it or leave it” mentality. She may be open to the amendments of Brexit plan due to increasing pressure from internal rebellion. The Parliament is expected to vote on a series of amendments to the motion including calls for the second referendum, and the vote on the deal is expected to begin on 11 December.</p>  |
| <b>CH</b>     | <p>China will expand the list of systemically important financial institutions. The new list will include at least 30 banks, 10 security brokers and 10 insurance companies or aggregate asset sizes of those systemically important financial institutions cannot be lower than 75% of total assets. The designated firms will be subject to tighter capital requirements and more scrutiny on leverage. The new announcement will help curb the possible misbehaviour of China’s financial institutions amid the new wave of policy easing. China has rolled out a number of measures to ease monetary policy and support private owned companies’ funding. The expansion of list will help prevent those big financial institutions from leverage again to contain the possible systemic risk in future.</p>   |
| <b>ID</b>     | <p>The government has temporarily removed the export levy for crude palm oil (CPO) charged by the Indonesian Oil Palm Estate Fund as CPO prices struggle. Meanwhile, Bank Indonesia (BI) has revised its projection for GDP growth in 2019 from 5.1 – 5.5% to 5.0 – 5.4%. On the trade front, Trade Minister Enggartiasto Lukita has said that the country has wrapped up negotiations with the four members of the European Free Trade Association (Switzerland, Liechtenstein, Norway and Iceland) and that a final agreement would be signed in December 2018.</p>   |

## Major Markets

- **US:** Wall Street ended higher on Tuesday, with the S&P500 gaining 0.33%. The DJIA rose 0.44%, while the Nasdaq composite saw a 0.01% increase.
- Apple equity slipped 0.22% after President Trump's indication that tariffs may be slapped onto mobile phones and laptops imported from China if talks do not go well enough at the G20 summit, where he is slated to meet his Chinese counterpart Xi Jinping on Saturday evening.
- General Motors dipped 2.55% after President Trump lambasted the automotive giant's announcement of plans to close plants in the US for cost-cutting purposes, and unleashed threats to slash government subsidies to the firm.
- United Technologies Corp. plunged 4.14% on a weaker-than-expected cash-flow outlook, along with the firm's plan to split the company into three.
  
- **Singapore:** The STI fell 0.10% to close down at 3090.40 yesterday, with Jardine Strategic Holdings and Ascendas Real Estate Investment Trust (+1.18%) leading gains, while Thai Beverage (-5.97%) and Yangzhejiang Shipbuilding Holdings (-3.15%) registered losses.
  
- **Thailand:** The Bangkok Post reports that the terms of reference (ToR) for the Eastern Economic Corridor of Digital (EECD) are set to be proposed to the cabinet early next month.
  
- **Macau:** Unemployment rate stabilized at the lowest level since 2015 of 1.8% over the three months through October. Nevertheless, the employed population retreated to 386000 from 387600 in 3Q while the labor force participation rate dropped from 71.3% to 70.8%. This indicates muted labor market prospects despite the persistently low jobless rate. Delving into details, the employed population of construction industry dropped by 2.5% mom, reflecting lower demand for construction workers after the completion of mega entertainment and infrastructure projects. Meanwhile, the employed population of retail sector decreased by 2% mom amid muted outlook of the sector. Tourist spending was hit by a strong MOP and Asia's muted economic outlook while local consumption was dented by local economic slowdown and stock market correction. Besides, the employed population of gaming industry declined by 0.6% mom as the industry felt the pain from China's slowdown. In the near term, we are wary of possible slackening of the labor market due to the expected slowdown in local economy and major sectors. We expect unemployment rate will increase to 1.9% in the coming months.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates trading 1-3bps lower across most tenors. The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 157bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 3bps to 620bps respectively. 10Y UST yields fell 2bps to 3.04% in the earlier part of the trading session on the back of strong demand from the USD40bn 5-year bond auction as well as resurgent worries about the US-China trade tensions. Yields subsequently recovered 2bps to close at 3.06%.
- **New Issues:** Redsun Properties Group Ltd has priced a USD180mn 2NP1 bond (subsidiary guarantor: certain of company's restricted subsidiaries incorporated outside PRC) at 13.5%, in line with the final price guidance. Eastern Creation II Investment Holdings Ltd has priced a USD400mn 3-year bond (guaranteed by: Beijing Infrastructure Investment (Hong Kong) Ltd, keepwell provider: Beijing Infrastructure Investment Co Ltd) at CT3+133bps, tightening from its initial price guidance of CT3+155bps area. Minor International Pcl has priced a USD300mn PerpNC3 (guaranteed by Bangkok Bank Pcl) at CT3+180bps, tightening from its initial price guidance of CT3+195bps area. Hainan Airlines Holding Co Ltd has priced a CNY1.4bn Perp at 7.3%. Export-Import Bank of Korea has priced a USD250mn 2-year FRN at 3mL+26bps.

### Key Financial Indicators

#### Foreign Exchange

|                | Day Close | % Change |                | Day Close | % Change |
|----------------|-----------|----------|----------------|-----------|----------|
| <b>DXY</b>     | 97.369    | 0.30%    | <b>USD-SGD</b> | 1.3776    | 0.20%    |
| <b>USD-JPY</b> | 113.790   | 0.18%    | <b>EUR-SGD</b> | 1.5551    | -0.14%   |
| <b>EUR-USD</b> | 1.1289    | -0.34%   | <b>JPY-SGD</b> | 1.2107    | --       |
| <b>AUD-USD</b> | 0.7225    | 0.06%    | <b>GBP-SGD</b> | 1.7560    | -0.40%   |
| <b>GBP-USD</b> | 1.2747    | -0.62%   | <b>AUD-SGD</b> | 0.9953    | 0.25%    |
| <b>USD-MYR</b> | 4.1883    | 0.04%    | <b>NZD-SGD</b> | 0.9354    | 0.49%    |
| <b>USD-CNY</b> | 6.9515    | 0.15%    | <b>CHF-SGD</b> | 1.3792    | 0.17%    |
| <b>USD-IDR</b> | 14515     | 0.28%    | <b>SGD-MYR</b> | 3.0460    | -0.19%   |
| <b>USD-VND</b> | 23342     | 0.04%    | <b>SGD-CNY</b> | 5.0491    | -0.03%   |

#### Interbank Offer Rates (%)

| Tenor      | EURIBOR | Change | Tenor      | USD LIBOR | Change |
|------------|---------|--------|------------|-----------|--------|
| <b>1M</b>  | -0.3680 | --     | <b>O/N</b> | 2.1830    | --     |
| <b>2M</b>  | -0.3360 | --     | <b>1M</b>  | 2.3368    | --     |
| <b>3M</b>  | -0.3160 | --     | <b>2M</b>  | 2.4953    | --     |
| <b>6M</b>  | -0.2560 | --     | <b>3M</b>  | 2.7068    | --     |
| <b>9M</b>  | -0.1960 | --     | <b>6M</b>  | 2.8928    | --     |
| <b>12M</b> | -0.1460 | --     | <b>12M</b> | 3.1284    | --     |

#### Fed Rate Hike Probability

| Meeting    | Prob Hike | 2.25-2.5 | 2.5-2.75 | 2.75-3 | 3-3.25 |
|------------|-----------|----------|----------|--------|--------|
| 12/19/2018 | 76.9%     | 76.9%    | 0.0%     | 0.0%   | 0.0%   |
| 01/30/2019 | 78.8%     | 72.5%    | 6.4%     | 0.0%   | 0.0%   |
| 03/20/2019 | 89.1%     | 47.7%    | 38.3%    | 3.1%   | 0.0%   |
| 05/01/2019 | 90.7%     | 42.3%    | 39.7%    | 8.2%   | 0.4%   |
| 06/19/2019 | 93.4%     | 32.6%    | 40.5%    | 17.5%  | 2.7%   |
| 07/31/2019 | 93.9%     | 30.8%    | 39.9%    | 19.1%  | 3.8%   |

#### Commodities Futures

| Energy                   | Futures  | % chg  | Soft Commodities        | Futures | % chg  |
|--------------------------|----------|--------|-------------------------|---------|--------|
| WTI (per barrel)         | 51.56    | -0.14% | Coffee (per lb)         | 1.095   | 2.34%  |
| Brent (per barrel)       | 60.21    | -0.45% | Cotton (per lb)         | 0.7677  | -0.81% |
| Heating Oil (per gallon) | 1.8860   | -0.37% | Sugar (per lb)          | 0.1234  | -1.12% |
| Gasoline (per gallon)    | 1.4208   | -1.51% | Orange Juice (per lb)   | 1.3930  | -0.54% |
| Natural Gas (per MMBtu)  | 4.2620   | 0.33%  | Cocoa (per mt)          | 2,086   | 1.41%  |
| Base Metals              | Futures  | % chg  | Grains                  | Futures | % chg  |
| Copper (per mt)          | 5,969.0  | -1.74% | Wheat (per bushel)      | 4.9800  | -1.87% |
| Nickel (per mt)          | 10,820.5 | --     | Soybean (per bushel)    | 8.755   | 1.54%  |
| Aluminium (per mt)       | 1,952.5  | --     | Corn (per bushel)       | 3.5650  | 0.14%  |
| Precious Metals          | Futures  | % chg  | Asian Commodities       | Futures | % chg  |
| Gold (per oz)            | 1,213.4  | -0.74% | Crude Palm Oil (MYR/MT) | 1,805.0 | 1.12%  |
| Silver (per oz)          | 14.084   | -0.85% | Rubber (JPY/KG)         | 137.7   | 0.44%  |

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

#### Equity and Commodity

| Index             | Value     | Net change |
|-------------------|-----------|------------|
| <b>DJIA</b>       | 24,748.73 | 108.49     |
| <b>S&amp;P</b>    | 2,682.17  | 8.72       |
| <b>Nasdaq</b>     | 7,082.70  | 0.85       |
| <b>Nikkei 225</b> | 21,952.40 | 140.40     |
| <b>STI</b>        | 3,090.40  | -2.98      |
| <b>KLCI</b>       | 1,684.97  | -17.02     |
| <b>JCI</b>        | 6,013.59  | -9.19      |
| <b>Baltic Dry</b> | 1,217.00  | --         |
| <b>VIX</b>        | 19.02     | 0.12       |

#### Government Bond Yields (%)

| Tenor      | SGS (chg)    | UST (chg)    |
|------------|--------------|--------------|
| <b>2Y</b>  | 2.07 (-0.01) | 2.83 (--)    |
| <b>5Y</b>  | 2.17 (-0.02) | 2.89 (+0.01) |
| <b>10Y</b> | 2.40 (-0.02) | 3.06 (--)    |
| <b>15Y</b> | 2.66 (-0.02) | --           |
| <b>20Y</b> | 2.71 (-0.01) | --           |
| <b>30Y</b> | 2.80 (--)    | 3.32 (+0.01) |

#### Financial Spread (bps)

|                    | Value | Change |
|--------------------|-------|--------|
| <b>LIBOR-OIS</b>   | 34.35 | 1.08   |
| <b>EURIBOR-OIS</b> | 4.14  | 0.01   |
| <b>TED</b>         | 31.33 | --     |

### Economic Calendar

| Date Time               | Event   | Survey        | Actual       | Prior         | Revised       |               |
|-------------------------|---|---------------|--------------|---------------|---------------|---------------|
| 11/27/2018 05:00        | SK Consumer Confidence                          | Nov           | --           | 96            | 99.5          | --            |
| <b>11/27/2018 05:45</b> | <b>NZ Trade Balance NZD</b>                     | <b>Oct</b>    | <b>-850m</b> | <b>-1295m</b> | <b>-1560m</b> | <b>-1596m</b> |
| 11/27/2018 05:45        | NZ Exports NZD                                  | Oct           | 4.88b        | 4.86b         | 4.33b         | 4.25b         |
| 11/27/2018 05:45        | NZ Imports NZD                                  | Oct           | 5.74b        | 6.15b         | 5.89b         | 5.84b         |
| 11/27/2018 05:45        | NZ Trade Balance 12 Mth YTD NZD                 | Oct           | -5121m       | -5786m        | -5188m        | -5330m        |
|                         | ANZ Roy Morgan Weekly Consumer Confidence Index | Nov-25        | --           | 118.6         | 117.8         | --            |
| 11/27/2018 07:50        | JN PPI Services YoY                             | Oct           | 1.20%        | 1.30%         | 1.20%         | 1.10%         |
| 11/27/2018 09:30        | CH Industrial Profits YoY                       | Oct           | --           | 3.60%         | 4.10%         | --            |
| 11/27/2018 11:30        | TH Mfg Production Index ISIC NSA YoY            | Oct           | 3.29%        | 4.08%         | -2.60%        | -2.67%        |
| 11/27/2018 11:30        | TH Capacity Utilization ISIC                    | Oct           | --           | 67.75         | 66.35         | 66.09         |
| <b>11/27/2018 12:13</b> | <b>MU Unemployment Rate</b>                     | <b>Oct</b>    | <b>--</b>    | <b>1.80%</b>  | <b>1.80%</b>  | <b>--</b>     |
| <b>11/27/2018 15:45</b> | <b>FR Consumer Confidence</b>                   | <b>Nov</b>    | <b>94</b>    | <b>92</b>     | <b>95</b>     | <b>--</b>     |
| 11/27/2018 16:00        | TA Monitoring Indicator                         | Oct           | --           | 22            | 22            | --            |
| <b>11/27/2018 17:00</b> | <b>IT Manufacturing Confidence</b>              | <b>Nov</b>    | <b>104</b>   | <b>104.4</b>  | <b>104.9</b>  | <b>--</b>     |
| <b>11/27/2018 17:00</b> | <b>IT Consumer Confidence Index</b>             | <b>Nov</b>    | <b>116</b>   | <b>114.8</b>  | <b>116.6</b>  | <b>116.5</b>  |
| 11/27/2018 17:00        | IT Economic Sentiment                           | Nov           | --           | 101.1         | 102.6         | 102.5         |
| 11/27/2018 19:00        | UK CBI Retailing Reported Sales                 | Nov           | 10           | 19            | 5             | --            |
| 11/27/2018 19:00        | UK CBI Total Dist. Reported Sales               | Nov           | --           | 18            | 17            | --            |
| 11/27/2018 22:00        | US FHFA House Price Index MoM                   | Sep           | 0.40%        | 0.20%         | 0.30%         | 0.40%         |
| 11/27/2018 22:00        | US House Price Purchase Index QoQ               | 3Q            | --           | 1.30%         | 1.10%         | 1.30%         |
| 11/27/2018 22:00        | US S&P CoreLogic CS 20-City MoM SA              | Sep           | 0.20%        | 0.33%         | 0.09%         | --            |
| 11/27/2018 22:00        | US S&P CoreLogic CS 20-City YoY NSA             | Sep           | 5.20%        | 5.15%         | 5.49%         | 5.53%         |
| 11/27/2018 22:00        | US S&P CoreLogic CS 20-City NSA Index           | Sep           | --           | 213.76        | 213.72        | 213.8         |
| 11/27/2018 22:00        | US S&P CoreLogic CS US HPI NSA Index            | Sep           | --           | 205.82        | 205.81        | 205.66        |
| 11/27/2018 22:00        | US S&P CoreLogic CS US HPI YoY NSA              | Sep           | --           | 5.51%         | 5.77%         | 5.69%         |
| <b>11/27/2018 23:00</b> | <b>US Conf. Board Consumer Confidence</b>       | <b>Nov</b>    | <b>135.7</b> | <b>135.7</b>  | <b>137.9</b>  | <b>--</b>     |
| 11/27/2018 23:00        | US Conf. Board Present Situation                | Nov           | --           | 172.7         | 172.8         | 171.9         |
| 11/27/2018 23:00        | US Conf. Board Expectations                     | Nov           | --           | 111           | 114.6         | 115.1         |
| 11/28/2018 05:00        | SK Business Survey Manufacturing                | Dec           | --           | 71            | 72            | --            |
| 11/28/2018 05:00        | SK Business Survey Non-Manufacturing            | Dec           | --           | 74            | 75            | --            |
| 11/28/2018 08:01        | UK BRC Shop Price Index YoY                     | Nov           | --           | --            | -0.20%        | --            |
| 11/28/2018 08:30        | AU Construction Work Done                       | 3Q            | 0.90%        | --            | 1.60%         | --            |
| 11/28/2018 15:00        | GE GfK Consumer Confidence                      | Dec           | 10.5         | --            | 10.6          | --            |
| <b>11/28/2018 17:00</b> | <b>EC M3 Money Supply YoY</b>                   | <b>Oct</b>    | <b>3.50%</b> | <b>--</b>     | <b>3.50%</b>  | <b>--</b>     |
| 11/28/2018 17:00        | IT PPI MoM                                      | Oct           | --           | --            | 0.40%         | --            |
| 11/28/2018 17:00        | IT PPI YoY                                      | Oct           | --           | --            | 5.60%         | --            |
| <b>11/28/2018 20:00</b> | <b>US MBA Mortgage Applications</b>             | <b>Nov-23</b> | <b>--</b>    | <b>--</b>     | <b>-0.10%</b> | <b>--</b>     |
| 11/28/2018 21:30        | US Advance Goods Trade Balance                  | Oct           | -\$77.0b     | --            | -\$76.0b      | -\$76.3b      |
| <b>11/28/2018 21:30</b> | <b>US Wholesale Inventories MoM</b>             | <b>Oct P</b>  | <b>0.40%</b> | <b>--</b>     | <b>0.40%</b>  | <b>--</b>     |
| 11/28/2018 21:30        | US Retail Inventories MoM                       | Oct           | 0.50%        | --            | 0.10%         | --            |
| <b>11/28/2018 21:30</b> | <b>US GDP Annualized QoQ</b>                    | <b>3Q S</b>   | <b>3.50%</b> | <b>--</b>     | <b>3.50%</b>  | <b>--</b>     |
| 11/28/2018 21:30        | US Personal Consumption                         | 3Q S          | 3.90%        | --            | 4.00%         | --            |
| <b>11/28/2018 21:30</b> | <b>US GDP Price Index</b>                       | <b>3Q S</b>   | <b>1.70%</b> | <b>--</b>     | <b>1.70%</b>  | <b>--</b>     |
| 11/28/2018 21:30        | US Core PCE QoQ                                 | 3Q S          | 1.60%        | --            | 1.60%         | --            |
| <b>11/28/2018 23:00</b> | <b>US New Home Sales</b>                        | <b>Oct</b>    | <b>575k</b>  | <b>--</b>     | <b>553k</b>   | <b>--</b>     |
| 11/28/2018 23:00        | US New Home Sales MoM                           | Oct           | 4.00%        | --            | -5.50%        | --            |
| 11/28/2018 23:00        | US Richmond Fed Manufact. Index                 | Nov           | 15           | --            | 15            | --            |

Source: Bloomberg

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