

### Highlights

<b>Global</b>	<p>With US president Trump signalling that “we’re very close to doing something with China” and “I think China wants to make a deal” when he meets Chinese president Xi on Saturday on the sidelines of the G20 meeting in Buenos Aires. However, S&amp;P500 still edged down overnight, suggesting that optimism fuelled by a more dovish FOMC had run out of steam, while the 10-year UST bond yield settled at 3.03% (after dipping below the key 3% handle intraday for the first time since mid-September). Meanwhile, oil prices rose in anticipation of an OPEC production cut at the 6 December meeting (note that Saudi Crown Prince Mohammad Bin Salman is meeting Russian President Putin this weekend at G20 as well). The FOMC minutes from the 8 November meeting flagged that only a “couple” of members saw the fed funds rate nearing neutral, while a few participants indicated “high levels of uncertainty regarding the effects of fiscal and trade policies on economic activity and inflation” and “the potential for an escalation in tariffs or trade tensions was also cited as factor that could slow economic growth more than expected”. Note “almost all participants expressed the view that another increase...was likely to be warranted fairly soon” whereas “a couple” noted the fed funds rate “might currently be near its neutral level”. In our view, the FOMC minutes were not overtly dovish (more “cautious”) and financial markets had already reacted to Fed chair Powell’s earlier comments. Asian markets may trade with a firm tone today on hopes of the Trump-Xi meeting, awaiting China’s official manufacturing and non-manufacturing PMI gauge. The economic data calendar comprises of US’ Chicago purchasing managers index, Eurozone’s unemployment rate and CPI, German retail sales, and Thai trade data.</p>
<b>US</b>	<p>The core PCE deflator rose 0.1% mom (1.8% yoy) in October, slightly below expectations and slower than September’s 0.2% mom (1.9% yoy). However, personal income rose 0.5% (the most since January amid subsidy payments to farmers) while personal spending surged 0.6% in October following a downwardly revised 0.2%, but partly contributed by spending on household electricity and gas. This suggested that wage inflation and the tariffs impact could still add to inflationary pressures ahead. That said, the savings rate fell to 6.2% (lowest this year and matching the low back in 2013). Separately, pending home sales fell 2.6% mom (-4.6% yoy) to a four-year low in October which pointed to a struggling housing market, and initial jobless claims rose for a third week to the highest since May.</p>
<b>SG</b>	<p>Bank loans growth may slow further from September’s 4.5% yoy print amid the growing business caution due to the US-China trade war.</p>
<b>KR</b>	<p>Bank of Korea hiked its benchmark 7D repo rate by 25bps to 1.75% as we expected. This is the central bank’s first hike this year.</p>
<b>ID</b>	<p>President Jokowi has promised to keep micro, small and medium enterprises on the new negative investment list whilst full details of the list is still yet to be released. Meanwhile, BI Governor Perry Warjiyo has announced that the central bank has formulated seven policies to help the economy which includes that BI will be “preemptive, ahead-of-the-curve monetary policy in 2019”.</p>

## Major Markets

- **US:** Wall Street fell on Thursday as markets watchers likely turned cautious and suggested doubts in president Trump and his Chinese counterpart Xi Jinping progressing on trade, and the barb in US-Sino relations is up for discussion when they meet on the sidelines of the G20 summit, which begins in Buenos Aires, Argentina today.
- The S&P500 slid 0.22%. The DJIA fell 0.11%, while the Nasdaq composite dipped 0.25%.
- Abercrombie & Fitch shares advanced 20.91% as the fashion retailer released 3Q earnings which exceeded estimates, with total comparable-store sales growing 3%, blazing ahead of consensus expectations of 1.6%.
- **Singapore:** The STI extended gains by 0.48% to close at 3109.44 yesterday and may attempt to stay above the 3100 support handle given President Trump's comments of a potential deal with China. Morning cues from Nikkei and Kospi are also positive. The SGS bonds may also rally in line with the UST bond market today.
- **Thailand:** According to Bloomberg, Monetary Policy Committee member Somchai Jitsuchon has said that Thailand's economic outlook is dimming because of an upsurge in trade protectionism and uneven domestic demand. Foreign reserves, trade and current account data will be due later.
- **Philippines:** BSP sees that inflation will ease to a range of 5.8 – 6.6% for November, according to Bloomberg. The central bank believes that this was due to a sharp decline in petroleum prices, normalization costs of rice and other farm supply and peso appreciation.

## 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 157bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 2bps to 618bps. Overall, 10Y UST yields fell 2bps to close at 3.03% with the curve flattening after minutes from last Federal Reserve policy-making meeting showed that the October's market volatility would not deter the US central bank from raising interest rates in December and beyond.
- **New Issues:** Sunac China Holdings Ltd has priced a USD350mn re-tap of its SUNAC 8.625%'20s (subsidiary guarantors: certain of the company's restricted subsidiaries outside of the PRC) at 9.125%, tightening from its initial price guidance of 9.5%. Powerchina Real Estate Group Ltd has priced a USD300mn 3-year bond (guaranteed by Power Construction Corporation of China) at CT3+188bps, tightening from its initial price guidance of CT3+215bps area. Franshion Brilliant Ltd has priced a USD300mn Perp NC3 at 6.9%.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	96.778	-0.01%	<b>USD-SGD</b>	1.3704	-0.18%
<b>USD-JPY</b>	113.480	-0.18%	<b>EUR-SGD</b>	1.5613	0.04%
<b>EUR-USD</b>	1.1393	0.24%	<b>JPY-SGD</b>	1.2076	0.02%
<b>AUD-USD</b>	0.7319	0.18%	<b>GBP-SGD</b>	1.7526	-0.45%
<b>GBP-USD</b>	1.2791	-0.27%	<b>AUD-SGD</b>	1.0030	0.02%
<b>USD-MYR</b>	4.1840	-0.40%	<b>NZD-SGD</b>	0.9400	-0.34%
<b>USD-CNY</b>	6.9425	-0.16%	<b>CHF-SGD</b>	1.3761	-0.35%
<b>USD-IDR</b>	14383	-1.00%	<b>SGD-MYR</b>	3.0551	0.29%
<b>USD-VND</b>	23329	-0.04%	<b>SGD-CNY</b>	5.0654	0.38%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3680	--	<b>O/N</b>	2.1825	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.3446	--
<b>3M</b>	-0.3160	--	<b>2M</b>	2.4950	--
<b>6M</b>	-0.2560	--	<b>3M</b>	2.7066	--
<b>9M</b>	-0.1960	--	<b>6M</b>	2.8866	--
<b>12M</b>	-0.1460	--	<b>12M</b>	3.1341	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	78.6%	78.6%	0.0%	0.0%	0.0%
01/30/2019	80.0%	75.1%	4.9%	0.0%	0.0%
03/20/2019	89.6%	48.7%	38.5%	2.3%	0.0%
05/01/2019	90.5%	45.2%	39.4%	5.7%	0.2%
06/19/2019	93.2%	35.2%	41.0%	15.1%	1.7%
07/31/2019	93.4%	34.1%	40.8%	16.1%	2.3%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	51.45	2.31%	Coffee (per lb)	1.085	-1.45%
Brent (per barrel)	59.51	1.28%	Cotton (per lb)	0.7664	-1.44%
Heating Oil (per gallon)	1.8436	0.28%	Sugar (per lb)	0.1287	0.23%
Gasoline (per gallon)	1.4547	4.06%	Orange Juice (per lb)	1.4455	3.47%
Natural Gas (per MMBtu)	4.6460	-1.46%	Cocoa (per mt)	2,106	2.13%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	6,124.4	-0.63%	Wheat (per bushel)	4.9650	-0.20%
Nickel (per mt)	10,743.5	--	Soybean (per bushel)	8.873	-0.36%
Aluminium (per mt)	1,936.8	--	Corn (per bushel)	3.6025	-0.07%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,224.1	0.04%	Crude Palm Oil (MYR/MT)	1,867.0	1.52%
Silver (per oz)	14.273	-0.36%	Rubber (JPY/KG)	138.2	0.29%

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

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,338.84	-27.59
<b>S&amp;P</b>	2,737.76	-6.03
<b>Nasdaq</b>	7,273.08	-18.51
<b>Nikkei 225</b>	22,262.60	85.58
<b>STI</b>	3,109.44	14.96
<b>KLCI</b>	1,696.34	9.79
<b>JCI</b>	6,107.17	115.92
<b>Baltic Dry</b>	1,330.00	--
<b>VIX</b>	18.79	0.30

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	2.02 (-0.04)	2.81 (--)
<b>5Y</b>	2.11 (-0.06)	2.85 (-0.02)
<b>10Y</b>	2.35 (-0.05)	3.03 (-0.03)
<b>15Y</b>	2.63 (-0.06)	--
<b>20Y</b>	2.68 (-0.06)	--
<b>30Y</b>	2.79 (-0.04)	3.32 (-0.02)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	33.64	-0.30
<b>EURIBOR-OIS</b>	4.18	0.82
<b>TED</b>	32.77	--

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
11/29/2018 08:00	NZ ANZ Business Confidence	Nov	--	-37.1	-37.1	--
11/29/2018 08:30	AU Private Capital Expenditure	3Q	1.00%	-0.50%	-2.50%	-0.90%
11/29/2018 10:00	SK Department Store Sales YoY	Oct	--	1.20%	4.70%	--
11/29/2018 10:05	VN CPI YoY	Nov	3.80%	3.46%	3.89%	--
11/29/2018 10:05	VN Exports YTD YoY	Nov	--	14.40%	14.20%	--
11/29/2018 10:05	VN Retail Sales YTD YoY	Nov	--	11.50%	11.40%	--
11/29/2018 15:45	FR GDP QoQ	3Q P	0.40%	0.40%	0.40%	--
11/29/2018 15:45	FR GDP YoY	3Q P	1.50%	1.40%	1.50%	--
11/29/2018 16:55	GE Unemployment Change (000's)	Nov	-10k	-16k	-11k	-12k
11/29/2018 16:55	GE Unemployment Claims Rate SA	Nov	5.10%	5.00%	5.10%	--
11/29/2018 17:30	UK Mortgage Approvals	Oct	64.6k	67.1k	65.3k	65.7k
11/29/2018 17:30	UK Money Supply M4 MoM	Oct	--	0.70%	-0.30%	--
11/29/2018 18:00	EC Economic Confidence	Nov	109.1	109.5	109.8	109.7
11/29/2018 18:00	EC Consumer Confidence	Nov F	-3.9	-3.9	-3.9	--
11/29/2018 21:00	GE CPI MoM	Nov P	0.20%	0.10%	0.20%	--
11/29/2018 21:00	GE CPI YoY	Nov P	2.40%	2.30%	2.50%	--
11/29/2018 21:00	GE CPI EU Harmonized MoM	Nov P	0.20%	0.10%	0.10%	--
11/29/2018 21:00	GE CPI EU Harmonized YoY	Nov P	2.30%	2.20%	2.40%	--
11/29/2018 21:30	CA Current Account Balance	3Q	-\$12.00b	-\$10.34b	-\$15.88b	-\$16.68b
11/29/2018 21:30	US Personal Income	Oct	0.40%	0.50%	0.20%	--
11/29/2018 21:30	US Personal Spending	Oct	0.40%	0.60%	0.40%	0.20%
11/29/2018 21:30	US PCE Core MoM	Oct	0.20%	0.10%	0.20%	--
11/29/2018 21:30	US PCE Core YoY	Oct	1.90%	1.80%	2.00%	1.90%
11/29/2018 21:30	US Initial Jobless Claims	Nov-24	220k	234k	224k	--
11/29/2018 23:00	US Pending Home Sales MoM	Oct	0.50%	-2.60%	0.50%	0.70%
11/30/2018 05:45	NZ Building Permits MoM	Oct	--	1.50%	-1.50%	-1.30%
11/30/2018 07:00	SK Industrial Production SA MoM	Oct	1.10%	1.00%	-2.50%	-2.70%
11/30/2018 07:00	SK Industrial Production YoY	Oct	6.90%	10.70%	-8.40%	--
11/30/2018 07:30	JN Job-To-Applclicant Ratio	Oct	1.65	1.62	1.64	--
11/30/2018 07:30	JN Jobless Rate	Oct	2.30%	2.40%	2.30%	--
11/30/2018 07:30	JN Tokyo CPI YoY	Nov	1.10%	0.80%	1.50%	--
11/30/2018 07:30	JN Tokyo CPI Ex-Fresh Food YoY	Nov	1.00%	1.00%	1.00%	--
11/30/2018 07:50	JN Industrial Production MoM	Oct P	1.20%	2.90%	-0.40%	--
11/30/2018 09:00	CH Manufacturing PMI	Nov	50.2	--	50.2	--
11/30/2018 13:00	JN Housing Starts YoY	Oct	-0.10%	--	-1.50%	--
11/30/2018 15:00	UK Nationwide House PX MoM	Nov	0.10%	--	0.00%	--
11/30/2018 15:00	UK Nationwide House Px NSA YoY	Nov	1.70%	--	1.60%	--
11/30/2018 15:00	GE Retail Sales MoM	Oct	0.40%	--	0.10%	--
11/30/2018 15:00	GE Retail Sales YoY	Oct	1.40%	--	-2.60%	--
11/30/2018 15:30	TH Foreign Reserves	Nov-23	--	--	\$202.6b	--
11/30/2018 15:30	TH Exports YoY	Oct	--	--	-5.50%	--
11/30/2018 15:30	TH Imports YoY	Oct	--	--	14.30%	--
11/30/2018 15:30	TH Trade Balance	Oct	--	--	\$1963m	--
11/30/2018 15:30	TH BoP Current Account Balance	Oct	\$2000m	--	\$2369m	--
11/30/2018 15:45	FR CPI YoY	Nov P	2.00%	--	2.20%	--
11/30/2018 16:00	TA GDP YoY	3Q F	2.30%	--	2.28%	--
11/30/2018 16:30	HK Retail Sales Value YoY	Oct	3.60%	--	2.40%	--
11/30/2018 18:00	EC CPI Core YoY	Nov A	1.10%	--	1.10%	--
11/30/2018 18:00	EC CPI Estimate YoY	Nov	2.00%	--	2.20%	--
11/30/2018 18:00	IT CPI EU Harmonized MoM	Nov P	-0.20%	--	0.20%	--
11/30/2018 18:00	IT CPI EU Harmonized YoY	Nov P	1.60%	--	1.70%	--
11/30/2018 19:00	IT GDP WDA QoQ	3Q F	0.00%	--	0.00%	--
11/30/2018 19:00	IT GDP WDA YoY	3Q F	0.80%	--	0.80%	--
11/30/2018 21:30	CA Quarterly GDP Annualized	3Q	2.00%	--	2.90%	--
11/30/2018 21:30	CA GDP MoM	Sep	0.10%	--	0.10%	--
11/30/2018 22:45	US Chicago Purchasing Manager	Nov	58.5	--	58.4	--
11/30/2018	SK BoK 7-Day Repo Rate	Nov-30	1.75%	--	1.50%	--
11/30/2018	MU Hotel Occupancy Rate	Oct	--	--	86.8	--

Source: Bloomberg

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