

Highlights

Global: The S&P 500 ended its three-day losing streak on Thursday while the 10Y UST yields held steady near the 4.15% level, and Brent traded at ~US\$74.0/bbl (down over 5% this week). The US weekly initial jobless claims rose by 1K to 220K, while the continuing claims dropped by 64K from the prior week to 1.86mn, below the consensus of 1.91mn. Coupled with softer than expected labour market data earlier this week (Tuesday's JOLTS job opening and Wednesday's ADP private payrolls), Fed funds futures now price in over a 70% chance of a 25bp cut by March 2024. Friday will wrap up a busy week of labour market data, with non-farm payrolls expected to rise by 183K in November, up from the prior month's reading of 150K, while the unemployment rate is anticipated to remain steady at 3.9%.

Market Watch: Today's economic calendar also comprises Germany's November inflation data, November exports from Taiwan, and US' unemployment rate and U. of Mich sentiment index. The Reserve Bank of India will be holding their monetary policy committee meeting today where they are likely to keep the repurchase rate on hold at 6.50%.

TH: Headline CPI declined to -0.4% YoY in November from -0.3% in October. Core inflation eased marginally to 0.6% YoY in November from 0.7% in October. The November print brings the average year-to-date headline CPI to 1.4% YoY versus 6.1% in 2022. We maintain our 2023 average headline CPI forecast of 1.3%. For 2024, we expect headline CPI to pick up to 2.0% but will remain within BOT's 1-3% target range as the government's policies including raising minimum wages and boosting private spending via higher cash handouts will be modestly inflationary. A sanguine growth-inflation mix will lead BOT to embark on a prolonged pause through 2024. Separately, the consumer confidence index rose to 60.9 in November from 60.2 in the previous month. This marks the highest level since February 2020.

SG: China and Singapore will be establishing a mutual 30-day visa exemption agreement to be implemented by early next year. This announcement was made during a bilateral meeting between Deputy Prime Minister and Minister for Finance Lawrence Wong and Vice Premier of the State Council of the People's Republic of China Ding Xuexiang, where 24 Memorandum of Understanding (MoUs) and agreements were also announced.

Oil: WTI and Brent declined modestly by 0.1% and 0.3% yesterday to close at US\$69.3/bbl and US\$74.1/bbl, respectively. Prices remained weak and fell to its six-month low on concerns of weak demand in the US and China. Chinese customs data revealed a decline in November crude oil imports by 9% YoY. The weakness in China's demand can be attributed to high inventory levels, weak economic outlook and slowing orders from independent refiners.

Key Market Movements

Equity	Value	% chg
S&P 500	4585.6	0.8%
DJIA	36117	0.2%
Nikkei 225	32858	-1.8%
SH Comp	2966.2	-0.1%
STI	3074.3	-0.4%
Hang Seng	16346	-0.7%
KLCI	1442.9	-0.2%
	Value	% chg
DXY	103.541	-0.6%
USDJPY	144.13	-2.2%
EURUSD	1.0794	0.3%
GBPUSD	1.2594	0.3%
USDIDR	15515	0.1%
USDSGD	1.3392	-0.2%
SGDMYR	3.4910	0.3%
	Value	chg (bp)
2Y UST	4.59	0.16
10Y UST	4.15	4.55
2Y SGS	3.35	1.00
10Y SGS	2.87	-1.28
3M LIBOR	5.64	0.00
3M SIBOR	4.06	0.00
3M SORA	3.74	0.03
3M SOFR	5.35	0.01
	Value	% chg
Brent	74.05	-0.3%
WTI	69.34	-0.1%
Gold	2028	0.1%
Silver	23.80	-0.4%
Palladium	974	2.8%
Copper	8342	0.7%
BCOM	97.82	0.3%

Source: Bloomberg

Daily Treasury Outlook

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Major Markets

CN: China's export data came in better-than-expected, reverting to year-on-year growth of 0.5% in November in USD terms (vs. -6.4% YoY in October), with support from increased goods demand ahead of the holiday seasons. The improvement in export performance was broad-based. In particular, China's exports to the U.S. in November rebounded by 7.3% YoY (vs. -8.2% YoY in October). However, imports remained soft, falling by 0.6% YoY despite a low base last year. Crude and natural gas imports were leading the decline, while imports of mechanical and electrical products, as well as the high-tech products, continued to grow. Due to the weaker-than-expected imports, the trade surplus widened to US\$63.4bn in November from US\$56.5bn in October.

PH: According to preliminary data, the Philippine Statistics Authority (PSA) reported that the unemployment rate in the country declined to 4.2% in October from 4.5% in September (October 2022: 4.5%). Additionally, the employment rate rose to 95.8% in October from 95.5% in September (October 2022: 95.5%) while the labour force participation rate declined to 63.9% in October from 64.1% in September (October 2022: 64.1%). By economic sectors, the PSA noted an annual increase in the number of employed persons in the 'Accommodation and food service activities', 'Administrative and support services activities', 'Transportation and storage', 'Public administration and defence; compulsory social security', and 'Human health and social work activities' sectors.

MY: Human Resource Minister V Sivakumar noted that the government will maintain its freeze on the quota of hiring foreign workers, as reported by The Edge. Minister Sivakumar added that the number of foreign workers is expected to exceed the 2.4 million quotas set until 2025, as specified in the 12th Malaysia Plan.

ID: Foreign reserves rose to US\$138.1bn in November from US\$133.1bn in October on the back of "issuance of global sukuk and foreign loan withdrawal by the Government, as well as tax and service receipts." The reserves position is equivalent to 6.3 months of imports or 6.1 months of imports and servicing government's external debt, well above the international adequacy standard of three months of imports.

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ESG Updates

SG: Singapore has substantively concluded negotiations on separate implementation agreements with Bhutan and Paraguay at COP28, in addition to previously completed negotiations on Article 6 implementation agreements with Ghana and Vietnam. However, none has been signed yet. Singapore negotiators also signed MoUs for collaboration on carbon credits with Rwanda and Fiji to pave the way for carbon credit trading aligned with Article 6 of the Paris Agreement.

Rest of the world: Texts regarding Article 6 on carbon markets have been forwarded to the second week of COP28, with Parties far from reaching a consensus and some described certain sections as being 'unacceptable'. For Article 6.2, the issue of revoking of credits by host countries are still not agreed upon by all parties. Much of the disagreements were around the methodologies to be adopted and definitions for removal credits under the Article 6.4 market mechanism.

Credit Market Updates

Market Commentary: The SGD SORA curve traded mostly flattish yesterday, with short tenors trading 2-3bps higher, belly tenors trading 1bp higher, and the 10Y trading flattish. Moody's change in outlook continues, with recent downgrades on the outlook of some HKSAR financial institutions (Bank of China (Hong Kong) Ltd, Standard Chartered Bank (Hong Kong) Ltd.) and Hong Kong Mortgage Corp Ltd/The. The outlook of ten financial subsidiaries of Chinese banks and state-owned enterprises were also changed to negative from stable (AVIC Industry-Finance Holdings Co., AVIC International Leasing Co., CCB Financial Leasing Corp., China Development Bank Financial Leasing, CDB Aviation Lease Finance Desgn. Acty. Co., ICBC Financial Leasing Co., ABC International Holdings Ltd., ICBC International Holdings Ltd., China Construction Bank (Asia) Corp., Industrial & Commercial Bank of China (Asia) Ltd.). Yesterday, Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 106bps, and Asia USD High Yield spreads tightened by 4bps to 815bps, per Bloomberg.

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
07-Dec-2023	Chang Development International Ltd (Guarantor: Changchun Urban Development & Investment Holdings Group Co Ltd)	Green Fixed	USD	100	2.5-Year	7.00%	7.30%

GLOBAL MARKETS RESEARCH

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Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	103.541	-0.59%	USD-SGD	1.3392	-0.22%
USD-JPY	144.130	-2.16%	EUR-SGD	1.4455	0.06%
EUR-USD	1.079	0.28%	JPY-SGD	0.9291	1.99%
AUD-USD	0.660	0.81%	GBP-SGD	1.6867	0.07%
GBP-USD	1.259	0.27%	AUD-SGD	0.8842	0.60%
USD-MYR	4.675	0.13%	NZD-SGD	0.8263	0.30%
USD-CNY	7.149	-0.17%	CHF-SGD	1.5303	-0.25%
USD-IDR	15515	0.14%	SGD-MYR	3.4910	0.25%
USD-VND	24281	0.02%	SGD-CNY	5.3465	0.13%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	3.8590	-0.16%	1M	5.3575	0.02%
3M	3.9500	-0.20%	2M	5.3657	0.00%
6M	3.9500	-0.08%	3M	5.3705	0.00%
12M	3.7280	-1.51%	6M	5.2998	-0.01%
			1Y	5.0275	-0.02%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/13/2023	0.012	0.003	5.333
01/31/2024	-0.128	-0.032	5.298
03/20/2024	-0.685	-0.171	5.158
05/01/2024	-1.412	-0.353	4.977
06/12/2024	-2.162	-0.540	4.789
07/31/2024	-2.888	-0.722	4.608
09/18/2024	-3.661	-0.915	4.414

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	69.34	-0.06%	Corn (per bushel)	4.683	0.8%
Brent (per barrel)	74.05	-0.34%	Soybean (per bushel)	13.118	1.3%
Heating Oil (per gallon)	254.92	-1.05%	Wheat (per bushel)	6.260	1.7%
Gasoline (per gallon)	200.12	-1.43%	Crude Palm Oil (MYR/MT)	35.780	-0.7%
Natural Gas (per MMBtu)	2.59	0.62%	Rubber (JPY/KG)	2.367	0.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	8342.00	0.68%	Gold (per oz)	2028.5	0.1%
Nickel (per mt)	16508.00	1.79%	Silver (per oz)	23.8	-0.4%

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
12/08/2023 07:00	SK BoP Current Account Balance	Oct	--	\$6796.1m	\$5420.7m
12/08/2023 07:50	JN GDP SA QoQ	3Q F	-0.50%	-0.70%	-0.50%
12/08/2023 07:50	JN GDP Annualized SA QoQ	3Q F	-2.00%	-2.90%	-2.10%
12/08/2023 07:50	JN BoP Current Account Balance	Oct	¥1689.3b	¥2582.8b	¥2723.6b
12/08/2023 07:50	JN GDP Deflator YoY	3Q F	5.10%	5.30%	5.10%
12/08/2023 10:00	VN Domestic Vehicle Sales YoY	Nov	--	--	-25.80%
12/08/2023 12:30	IN RBI Repurchase Rate	Dec-08	6.50%	--	6.50%
12/08/2023 13:00	JN Eco Watchers Survey Outlook SA	Nov	48.1	--	48.4
12/08/2023 15:00	GE CPI YoY	Nov F	3.20%	--	3.20%
12/08/2023 15:00	GE CPI MoM	Nov F	-0.40%	--	-0.40%
12/08/2023 15:00	GE CPI EU Harmonized YoY	Nov F	2.30%	--	2.30%
12/08/2023 15:30	TH Foreign Reserves	Dec-01	--	--	\$217.7b
12/08/2023 16:00	TA Exports YoY	Nov	4.60%	--	-4.50%
12/08/2023 21:30	US Change in Nonfarm Payrolls	Nov	183k	--	150k
12/08/2023 21:30	US Unemployment Rate	Nov	3.90%	--	3.90%
12/08/2023 23:00	US U. of Mich. Sentiment	Dec P	62	--	61.3

Source: Bloomberg

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