

### Highlights

<b>Global</b>	<p>Wall Street was broadly lower yesterday as sentiment towards the tech stocks weakened. Tech giant, Apple Inc saw its stock tumbling amidst signs of weaker demand for the iPhone. The Federal Reserve Bank of San Francisco President Mary Daly has said that the “economy is running above potential” and also stated that two to three rate increases will be appropriate over the next period of time. As for the oil market, Saudi Arabia Energy Minister Khalid Al-Falih has said that producers need to cut by about 1 million barrels a day from the October production levels as fears on oversupply supplant initial shortage concerns. However, US President Trump has commented that Saudi Arabia and OPEC should not be cutting oil production and that “oil prices should be much lower based on supply”. In the UK, Theresa May is reportedly getting closer towards a deal although it can risk uniting the opposing factions in her party against her. Meanwhile, the clash between Italy and Brussels looks set to escalate as Italian Prime Minister Matteo Salvini says, “the budget doesn’t change because the EU sends us letters”. Asian markets are likely to trade lower given the slide in the US. Key data releases today include UK jobs data and CPI data for Germany.</p>
<b>US</b>	<p>President Trump is reportedly scheduled to meet with senior trade officials to discuss on potential auto tariffs on the grounds of national security. Trump’s impatience with US’ automobile trading partners has been in the spotlight recently, with reference to Japan PM Shinzo Abe and tariffs on Japanese cars at a press conference last week, while European Commission President Jean-Claude Juncker also hinted that the US-EU truce on auto tariffs in summer may not hold past the year.</p>
<b>EU</b>	<p>Italy’s revised draft budget is due to be submitted to the European Commission today. Deputy Prime Minister Luigi Di Maio of the Five Star Movement has insisted that the government will adhere to the spending commitments it pledged to the public during the elections to “be a credible country”, aggravating tensions with the European Commission (EC), which expects a budget cut to be presented. Finance Minister Giovanni Tria reiterated the government’s stance of not changing the deficit target of 2.4% / GDP. Tria is reportedly considering to lower 2019’s projected GDP growth to 1% to placate the EC.</p>
<b>UK</b>	<p>Both the UK and EU Brexit negotiators have voiced out their beliefs that a deal will need to be secured by Wednesday in order for it to be signed off in time for the special EU summit taking place this month. The government is not expected to present a deal at the weekly Cabinet meeting taking place in the morning, but PM May has announced that the negotiations are “now in the endgame”. Watch for the Labour party’s attempt to bring to a vote on the release of the full legal advice it received on the proposed Brexit deal.</p>
<b>ID</b>	<p>The central bank has revised down its inflation forecast for 2018 to 3.2% yoy from 3.4% yoy whilst they see 2019 inflation coming out at 3.5 – 3.6%. Meanwhile, BI conducted its first auction of the domestic NDF yesterday.</p>
<b>MY</b>	<p>Finance Minister Lim Guan Eng has said that the government will be seeking a full refund of all the fees that were paid to Goldman Sachs, for the arrangement of the deals for 1MDB. Goldman has reportedly “admitted culpability” as the firm’s former banker Tim Leissner entered a guilty plea for his part in the scandal.</p>

## Major Markets

- **US:** Wall Street ended lower on Monday, with the S&P500 slipping by 1.97%. Both the DJIA and Nasdaq composite fell by more than 2% at yesterday's close, dipping by 2.32% and 2.78%, respectively. Implied volatility for tech stocks on the S&P500 and Nasdaq surpassed the other sectors by the most in seven year.
- Apple shares (-5.04%) took the headlines on the tech front after Lumentum Holdings (-32.98%) slashed its earnings guidance as it reported a request from "one of our largest industrial and consumer customers for laser diodes for 3D sensing to materially reduce shipments". Apple was named as Lumentum Holdings' biggest customer in its SEC annual report filing.
- General Electric equity plummeted 6.88% after CEO Larry Culp spoke about the industrial conglomerate's debt and said that the management had "no higher priority right now than bringing those leverage levels down", likely dampening investor sentiment on concerns of further dividend cuts.
- **Philippines:** The central bank's Deputy Governor Chuchi Fonacier has said that "there's that possibility for a pause of a 25bps hike" regarding the benchmark interest rate. He further added that an above 6% growth in 3Q 2018 "is still quite high" and "the economy can still afford a hike of 25bps at most" but he added that "there's also this possibility of a stay-put or maintain because some numbers in the CPI basket are decelerating". He also cited that the recent PHP appreciation could be another factor for a pause.
- **Macau:** Housing transaction volume dropped by 12.6% yoy or 29.9% mom to 581 deals in September, the lowest since February 2017, as Typhoon Mangkhut might have sidelined some potential homebuyers. Due to the thin volume, housing prices might have been inflated. Average housing price rose for the fourth consecutive month by 6.3% yoy to MOP106,819 /square meter. Elsewhere, as supportive measures allow first-home local buyers (took up 77.5% of total housing transaction in September) to borrow up to 90% of total property value, approved new residential mortgage surged by 244% yoy to a multi-year high of MOP9.67 billion. Moving ahead, as weather effect waned, we still expect housing transaction to remain sluggish and housing prices growth to moderate due to several unfavorable factors. First, wealth effect is subsiding amid stock market correction. Second, the tightened housing measures from this February have deterred speculative demand. Non-first-home local buyers only represented 22.5% of total housing transaction in September, much lower than 67.6% in February. Third, with all commercial banks kicking start the prime rate hike cycle in September, concerns about higher borrowing costs would suppress housing demand.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates for the shorter tenors trading 0-2bps higher while the longer tenors traded 2-3bps 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 149bps and 567bps respectively. 10Y UST yields remain unchanged at 3.18% as US markets were closed for a public holiday.
- **New Issues:** Gansu Province Electric Power Investment Group Co Ltd has scheduled for investor meetings from 13 Nov for its potential USD bond issuance. Zhoushan City Investment Group Co Ltd has scheduled for investor meetings from 13 Nov for its

potential USD bond issuance. Santos Finance Ltd has scheduled for investor meetings from 13 Nov for its potential USD bond issuance. Emirates NBD PJSC scheduled for investor meetings from 12 Nov for its potential USD bond issuance. Export-Import Bank of Thailand has hired banks for its potential USD bond issuance. Tuspark Forward Ltd (a wholly-owned offshore subsidiary of Tuspark Holdings Co Ltd) scheduled for investor meetings on 12 Nov for its potential USD bond issuance. Si Fa Investment Ltd has scheduled for investor meetings from 15 Nov for its potential USD bond issuance (guaranteed by Wuxi Industry Development Group Co Ltd).

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	97.542	0.66%	<b>USD-SGD</b>	1.3842	0.37%
<b>USD-JPY</b>	113.840	0.01%	<b>EUR-SGD</b>	1.5526	-0.68%
<b>EUR-USD</b>	1.1218	-1.04%	<b>JPY-SGD</b>	1.2159	0.37%
<b>AUD-USD</b>	0.7173	-0.73%	<b>GBP-SGD</b>	1.7785	-0.59%
<b>GBP-USD</b>	1.2849	-0.95%	<b>AUD-SGD</b>	0.9928	-0.36%
<b>USD-MYR</b>	4.1880	0.22%	<b>NZD-SGD</b>	0.9290	-0.04%
<b>USD-CNY</b>	6.9636	0.10%	<b>CHF-SGD</b>	1.3693	-0.15%
<b>USD-IDR</b>	14820	0.97%	<b>SGD-MYR</b>	3.0284	-0.16%
<b>USD-VND</b>	23298	-0.03%	<b>SGD-CNY</b>	5.0380	-0.22%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3690	--	<b>O/N</b>	2.1750	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.3144	--
<b>3M</b>	-0.3160	--	<b>2M</b>	2.4551	--
<b>6M</b>	-0.2570	--	<b>3M</b>	2.6181	--
<b>9M</b>	-0.1960	--	<b>6M</b>	2.8580	--
<b>12M</b>	-0.1480	--	<b>12M</b>	3.1441	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	2.25-2.5	2.5-2.75	2.75-3	3-3.25
12/19/2018	74.4%	74.4%	0.0%	0.0%	0.0%
01/30/2019	76.0%	71.4%	4.6%	0.0%	0.0%
03/20/2019	91.5%	40.7%	47.9%	3.0%	0.0%
05/01/2019	92.5%	37.0%	47.1%	8.1%	0.3%
06/19/2019	96.4%	21.8%	41.9%	28.2%	4.3%
07/31/2019	96.7%	20.1%	40.1%	29.4%	6.5%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,387.18	-602.12
<b>S&amp;P</b>	2,726.22	-54.79
<b>Nasdaq</b>	7,200.87	-206.03
<b>Nikkei 225</b>	22,269.88	19.63
<b>STI</b>	3,068.15	-9.82
<b>KLCI</b>	1,696.14	-11.95
<b>JCI</b>	5,777.05	-97.10
<b>Baltic Dry</b>	1,147.00	--
<b>VIX</b>	20.45	3.09

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	2.10 (-0.01)	2.92 (--)
<b>5Y</b>	2.32 (--)	3.04 (--)
<b>10Y</b>	2.50 (-0.01)	3.18 (--)
<b>15Y</b>	2.77 (-0.01)	--
<b>20Y</b>	2.80 (-0.01)	--
<b>30Y</b>	2.90 (-0.02)	3.38 (--)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	27.91	-0.40
<b>EURIBOR-OIS</b>	4.17	0.77
<b>TED</b>	27.33	--

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	59.93	-0.43%	Coffee (per lb)	1.102	-3.25%
Brent (per barrel)	70.12	-0.09%	Cotton (per lb)	0.7638	-2.19%
Heating Oil (per gallon)	2.1556	-0.79%	Sugar (per lb)	0.1294	1.65%
Gasoline (per gallon)	1.6367	0.94%	Orange Juice (per lb)	1.3545	0.11%
Natural Gas (per MMBtu)	3.7880	1.86%	Cocoa (per mt)	2,209	-1.82%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,900.7	-0.30%	Wheat (per bushel)	5.1975	3.54%
Nickel (per mt)	11,403.0	--	Soybean (per bushel)	8.718	-0.40%
Aluminium (per mt)	1,950.5	--	Corn (per bushel)	3.7125	0.41%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,203.5	-0.42%	Crude Palm Oil (MYR/MT)	1,865.0	-0.80%
Silver (per oz)	14.011	-0.91%	Rubber (JPY/KG)	137.5	-1.15%

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

### Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
<b>11/12/2018 07:50</b>	<b>JN PPI YoY</b>	<b>Oct</b>	<b>2.80%</b>	<b>2.90%</b>	<b>3.00%</b>	--
11/12/2018 07:50	JN PPI MoM	Oct	0.10%	0.30%	0.30%	--
11/12/2018 13:00	SI Retail Sales SA MoM	Sep	0.30%	-0.40%	2.50%	2.40%
<b>11/12/2018 13:00</b>	<b>SI Retail Sales YoY</b>	<b>Sep</b>	<b>2.10%</b>	<b>1.90%</b>	<b>-0.40%</b>	--
11/12/2018 14:00	JN Machine Tool Orders YoY	Oct P	--	-1.10%	2.90%	--
11/12/2018 15:30	FR Bank of France Ind. Sentiment	Oct	104	103	105	104
<b>11/12/2018 17:00</b>	<b>IT Industrial Production MoM</b>	<b>Sep</b>	<b>-0.50%</b>	<b>-0.20%</b>	<b>1.70%</b>	--
11/12/2018 17:00	IT Industrial Production WDA YoY	Sep	0.50%	1.30%	-0.80%	--
11/12/2018 17:00	IT Industrial Production NSA YoY	Sep	--	-1.80%	-0.80%	--
11/12/2018 20:00	IN CPI YoY	Oct	3.60%	3.31%	3.77%	3.70%
<b>11/12/2018 20:00</b>	<b>IN Industrial Production YoY</b>	<b>Sep</b>	<b>4.30%</b>	<b>4.50%</b>	<b>4.30%</b>	<b>4.70%</b>
11/13/2018 05:00	SK Import Price Index YoY	Oct	--	10.70%	9.70%	--
11/13/2018 05:00	SK Export Price Index YoY	Oct	--	1.30%	1.40%	1.30%
<b>11/13/2018 05:45</b>	<b>NZ Food Prices MoM</b>	<b>Oct</b>	<b>--</b>	<b>-0.60%</b>	<b>-0.10%</b>	--
11/13/2018 08:30	AU NAB Business Conditions	Oct	--	--	15	--
11/13/2018 08:30	AU NAB Business Confidence	Oct	--	--	6	--
<b>11/13/2018 15:00</b>	<b>GE CPI MoM</b>	<b>Oct F</b>	<b>0.20%</b>	--	<b>0.20%</b>	--
<b>11/13/2018 15:00</b>	<b>GE CPI YoY</b>	<b>Oct F</b>	<b>2.50%</b>	--	<b>2.50%</b>	--
<b>11/13/2018 15:00</b>	<b>GE CPI EU Harmonized MoM</b>	<b>Oct F</b>	<b>0.10%</b>	--	<b>0.10%</b>	--
<b>11/13/2018 15:00</b>	<b>GE CPI EU Harmonized YoY</b>	<b>Oct F</b>	<b>2.40%</b>	--	<b>2.40%</b>	--
11/13/2018 15:45	FR Wages QoQ	3Q P	0.40%	--	0.40%	--
<b>11/13/2018 17:30</b>	<b>UK Claimant Count Rate</b>	<b>Oct</b>	--	--	<b>2.60%</b>	--
<b>11/13/2018 17:30</b>	<b>UK Jobless Claims Change</b>	<b>Oct</b>	--	--	<b>18.5k</b>	--
11/13/2018 17:30	UK Average Weekly Earnings 3M/YoY	Sep	3.00%	--	2.70%	--
<b>11/13/2018 17:30</b>	<b>UK ILO Unemployment Rate 3Mths</b>	<b>Sep</b>	<b>4.00%</b>	--	<b>4.00%</b>	--
<b>11/13/2018 18:00</b>	<b>GE ZEW Survey Current Situation</b>	<b>Nov</b>	<b>65</b>	--	<b>70.1</b>	--
<b>11/13/2018 18:00</b>	<b>GE ZEW Survey Expectations</b>	<b>Nov</b>	<b>-26</b>	--	<b>-24.7</b>	--
11/13/2018 18:00	EC ZEW Survey Expectations	Nov	--	--	-19.4	--
11/13/2018 19:00	US NFIB Small Business Optimism	Oct	108	--	107.9	--
11/13/2018 11/15	CH Money Supply M1 YoY	Oct	4.20%	--	4.00%	--
<b>11/13/2018 11/15</b>	<b>CH Money Supply M2 YoY</b>	<b>Oct</b>	<b>8.40%</b>	--	<b>8.30%</b>	--
11/13/2018 11/15	CH New Yuan Loans CNY	Oct	904.5b	--	1380.0b	--
11/13/2018 11/15	CH Money Supply M0 YoY	Oct	2.80%	--	2.20%	--
<b>11/12/2018 11/13</b>	<b>VN Domestic Vehicle Sales YoY</b>	<b>Oct</b>	<b>--</b>	<b>--</b>	<b>24.70%</b>	--

Source: Bloomberg

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