

## MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	148.92	148.39	▼1.24	▼3.33
EUR	1.0916	1.0940	+0.0025	+0.0242
AUD	0.6553	0.6557	+0.0042	+0.0180
SGD	1.3416	1.3382	▼0.0053	▼0.0208
CNY	7.1780	7.1669	▼0.0474	▼0.1222
INR	83.34	83.35	+0.08	+0.02
IDR	15448	15445	▼48	▼255
MYR	4.6683	4.6680	▼0.0130	▼0.0407
PHP	55.52	55.54	▼0.13	▼0.52
THB	35.11	35.11	+0.02	▼0.90

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.420%	▼1.6 bp	▼22.0 bp
JPY (10YR)	0.750%	▼0.6 bp	▼12.1 bp
EUR* (10YR)	2.611%	+2.3 bp	▼10.2 bp
AUD (5YR)	4.184%	+4.0 bp	▼17.2 bp
SGD (5YR)	2.976%	+2.6 bp	▼11.8 bp
CNY (5YR)	2.527%	+1.2 bp	+2.3 bp
INR (5YR)	7.245%	+4.1 bp	▼0.6 bp
IDR (5YR)	6.624%	▼2.6 bp	▼28.3 bp
MYR (5YR)	3.620%	▼0.2 bp	▼6.8 bp
PHP (5YR)	6.235%	▼1.7 bp	▼13.0 bp
THB (5YR)	2.650%	▼0.3 bp	▼9.4 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	35,151.04	+0.58%	+2.37%
N225 (JP)	33,388.03	▼0.59%	+2.46%
STOXX 50 (EU)	4,342.41	+0.04%	+2.60%
ASX (AU)	4,085.46	▼0.06%	+1.38%
STI (SG)	3,111.58	▼0.42%	+0.16%
SHCOMP (CN)	3,068.32	+0.46%	+0.72%
SENSEX (IN)	65,655.15	▼0.21%	+1.11%
JSE (ID)	6,994.89	+0.25%	+2.29%
KLSE (MY)	1,456.92	▼0.26%	+0.81%
PSE (PH)	6,183.63	▼0.45%	+1.10%
SET (TH)	1,419.44	+0.26%	+2.33%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	276.62	+1.09%	▲0.36%
COPPER (LME)	8,340.25	+2.11%	+3.20%
IRON ORE (CN)	130.35	+0.74%	+0.86%
GOLD	1,978.07	▲0.14%	+1.60%
OIL (WTI)	77.60	+2.25%	▼0.84%

## TODAY'S COMMENTS & FORECAST

### Open

USD/JPY	148.37	EUR/USD	1.0945
USD/SGD	1.3376	USD/THB	35.17
JPY/SGD	0.9015	USD/MYR	4.668

### Forecast

USD/JPY	147.80 - 149.50
EUR/USD	1.0820 - 1.0960
AUD/USD	0.6450 - 0.6550
USD/SGD	1.3350 - 1.3450
JPY/SGD	0.8930 - 0.9100
USD/CNH	7.1600 - 7.2600
USD/INR	83.20 - 83.40
USD/IDR	15400 - 15550
USD/MYR	4.650 - 4.690
USD/PHP	55.40 - 56.00
USD/THB	35.00 - 35.60

### Today's Direction

	Bull	Bear
USD/SGD	1	4
USD/JPY	1	4

### Three Take-aways:

- 1) Weakened Greenback and buoyant equities reflect risk on tendencies.
- 2) Mixed and muted UST yields speak to confluence of sentiments, monetary and fiscal policy concerns.
- 3) China's property White List will probably still fall well short of being white knight.

### Drivers and Turns

- Unmistakably, markets yearning for a Fed Pivot appears to have turned the tide of Greenback strength and aided "Risk On" rallies as US equities were buoyed.

- The DXY plummeted towards mid-103. Notably, USD weakness has not been clearly observed to be directly accompanied by the usual mechanics of lower UST yields. This is underscored by the sharp fall of USD/JPY below mid-148 despite mixed UST yields (2Y: +2.5bp; 10Y: -1.6bp).

- While USD weakness can be partly attributed to pivot bets and improving sentiments in a risk-on environment, it is worth pondering through the lens of the "USD smile" if this environment has truly turned to one where the global economic picks up faster than the US or is the "different mechanics" merely yielding to the concerns of monetary policy alongside bumped-up US fiscal needs.

- Apart from this broad framework, the upturn in oil prices (Brent crude above US\$82/barrel) on bets for extension of OPEC+ cuts continued to aid the likes of NOK and AUD. That said, the latter's rise above mid-65 cents is in part due to China's efforts to rejuvenate property developers.

- Meanwhile, EUR's climb towards mid-1.09 looks tired. While Italy's credit outlook was improved to Stable by Moody's, fiscal challenges in the EZ is certainly not over as the EU looks to place France on Fiscal Watch. In EM-Asia, turning a corner against USD is also far from straightforward, GDP growth disappointment setback the THB alongside rising oil prices which also restrained INR.

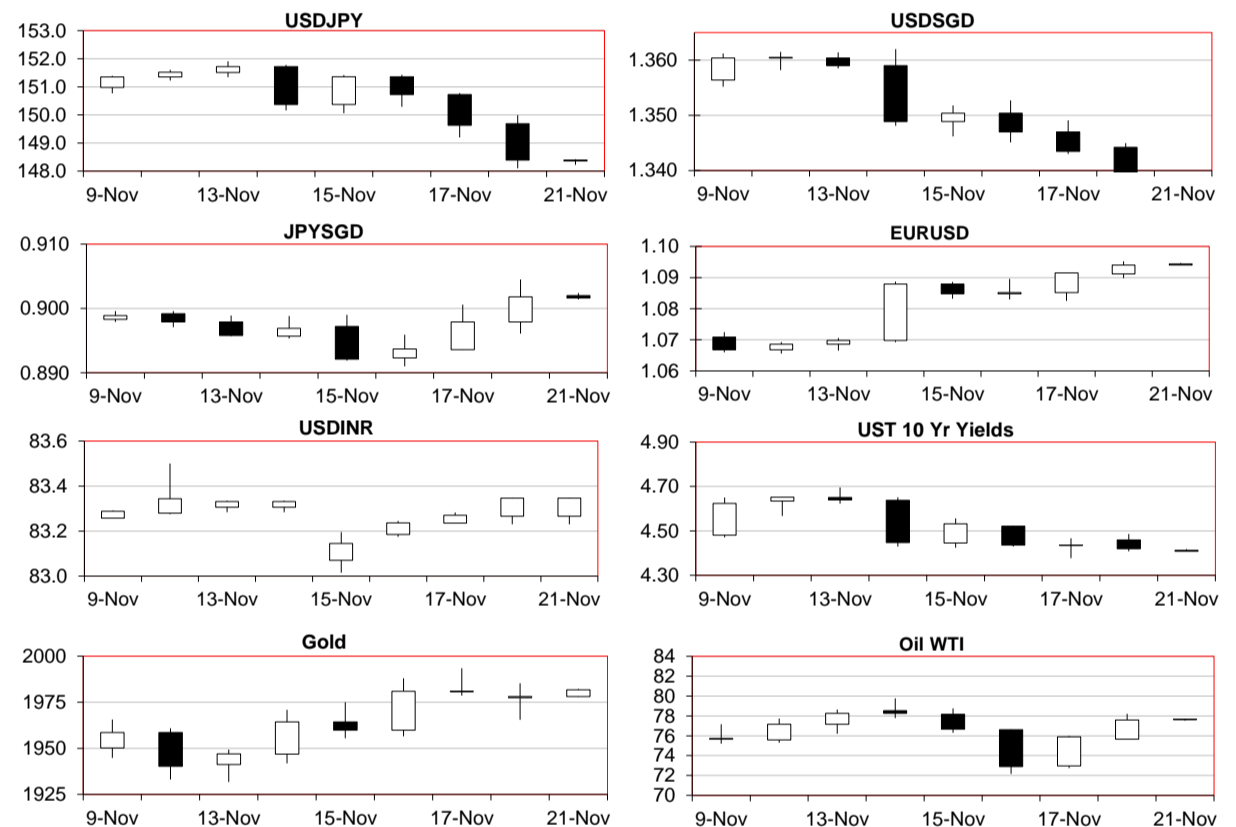
### China Property: White List, Not Knight

- Hopes continue to build that China's unabating and deepening property slump in China will catch a break, if not stage a turnaround; in particular, as Beijing steps up stimulus efforts to backstop the downward spiral in the wider housing eco-system. The latest glimmer of hope springs from reports that the authorities are coming up with a "White List" of 50 developers (both private sector and state-owned) that banks will be encouraged to lend to.

### OVERNIGHT RESULTS

(TH) GDP YoY (3Q): 1.5% (Mkt: 2.2%; 2Q: 1.8%) | (MY) Trade Balance MYR (Oct) :12.9b (Mkt: 21.7b; Nov: 24.5b) | (US) Leading Index (Oct): -0.8% (Mkt: -0.7%; Sep: -0.7%)

### \* Past Two Weeks Movement \*



- What's more, in the context of regulators directing banks to not allow real estate lending fall below average growth rates, the intended credit rejuvenation of the White List could be further bolstered in its effect (as credit thrust and direction are sharpened).

- More so as this builds on earlier reports (from last week) that Beijing is considering ~CNY1trln of low cost financing to boost urban village renovation and affordable housing projects.

- Nonetheless, the White List will probably still fall well short of being white knight for the property sector that has a plethora of impediments to work through.

- For one, the nagging question is whether these somewhat still restrained measures (even when confirmed) will prove to be too little, too late. Moreover, a similar "White List" last year late November, which has initially triggered optimism (and attendant rallies) fizzled quickly with little to show for in outcomes as the property sector continued to languish.

- And so, apprehension about "falling knives" spurred by past experience may still see banks and buyers alike holding back. And this caution could inadvertently stifle potential for a decisive turnaround. What's more, the on-going practice of relieving struggling private developers of their assets retards the ability to restructure and recover.

- So an unintended, but no less adverse, outcome is that some aspects of debt financing as well as risk pricing for developers may remain impaired and overly dependent on government guarantees; which cannot be healthy. Nevertheless, the upcoming CEWC (central economic working committee), typically in early-/mid-December will be closely watched for more coordinated suite of property market turnaround measures; the bar for which has been raised due to the prolonged slump.

### FX Daily Outlook

- EUR/USD: 1.09 consolidation may be considered as rallies tire.
- USD/JPY: 148 warrants pondering oil direction and UST-JGB gaps.
- USD/SGD: Slippage below 1.34 to hold as risk on lingers amid China developer assistance.
- AUD/USD: CNH, Oil and Fed pivot bets buoy above 65 cents.

### TODAY'S EVENTS

(KR) PPI YoY (Oct) : 0.8% (Nov: 1.3%)  
(US) Chicago Fed National Activity Index (Oct) : (Mkt: 0.00; Nov: 0.02)  
RBA Meeting Minutes | FOMC Meeting Minutes.

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