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HIGHLIGHTS AHEAD

- **The data locket is quite sparse today** with the Reserve Bank of Australia meeting as the key highlight of the day, due 11:30 SG time. Before that, we will have Australia's August trade balance which is expected to register a deficit of A\$2.4 billion.
- In **Europe**, we will receive German's August factory orders (exp 0.5% m/m, 5.6% y/y) and U.K's September Halifax home prices (exp 0.1% m/m, 9.1% y/y).
- In **U.S**, August's trade balance is expected to print a deficit of \$48.00b, worst off than prior month's \$41.86b.
- **Data releases in Asia are limited today (Tue 6 Oct)**, with Taiwan's Sep CPI expected at -0.5%/y/y from -0.45% in Aug. Other than that, the focus will be RBA at 1130am, and BoJ's start of its 2-day meeting. IMF will release its World Economic Outlook today, and Global Financial Stability Report tomorrow (Wed), ahead of the IMF/WB annual meetings in Lima, Peru later this week (9-11 Oct). Markets closed today: China (until 7 Oct).

CENTRAL BANK OUTLOOK

- Today, **Reserve Bank of Australia is expected to keep rate unchanged at 2.00%**, as forecasted by all 27 analysts surveyed by Bloomberg.
- Key Fed speakers tonight include San Francisco Fed President John Williams (voter, centrist) and Kansas City Fed President Esther George (non-voter, hawk).
- ECB President Mario Draghi is also scheduled to talk in Frankfurt, Germany tonight.

FX

- **The U.S. dollar index was higher** by 0.147, or 0.15% to 96.062. Risk-aversion currencies JPY (-0.46%), CHF (-0.41%) and EUR (-0.23%) fared badly in a risk-on environment. On the same note, NZD (+0.95%) and AUD (+0.55%) out-performed, tracking the equities rally.
- **Asian currencies were broadly higher on Mon in a quiet session**, as the disappointing nonfarm payroll report kept the USD in check and provided some reprieve for Asian markets, with the broader Bloomberg USD index declining for the 3 consecutive sessions, for a total 0.5% drop.
- In Asian session on Mon, IDR led with a 1% gain, the biggest gain since Oct 2014 to 14,495/USD and MYR rose 0.7% to 4.3825/USD along with regional currencies, as World Bank commented that "political noise" weighs on Malaysia assets and ringgit. KRW climbed to a two-week high of 1,169.27 intraday, before ending day with a 0.7% gain at 1,172.24/USD while TWD added 0.5% to 33.002/USD, trimming earlier

1.3% gain while THB was flat at 36.395/USD. PHP advanced 0.6% to 46.480/USD, its biggest gain since Aug 2014 and CNH firmed 0.1% to 6.3489/USD.

- **SGD rose 0.8% to 1.4206/USD on Mon after 2 days of declines**, tracking the broader Bloomberg USD index which fell for the 3 consecutive sessions, for a total 0.5% drop. It may seem that the previous USD/SGD move higher, especially the 1.4366 high last Fri morning, the highest since Sep 2009 may be overdone, pushing the SGD NEER index far too low below the midpoint, ahead of the MAS policy statement which is likely due from Tue-Wed next week. This morning, the SGD NEER index recovered to -1.1% below the midpoint after hovering at -1.5% below the midpoint earlier. We are restoring the S\$ index range back to -0.5% to -1.5% below the midpoint for now, which implies USD/SGD range of 1.4129-1.4272.

EQUITIES

- **U.S. major equities benchmarks staged an impressive 2-day rally**, with Dow and S&P averaging 1.8% gains overnight while the NASDAQ edging higher by 1.5%. Key sectors that did exceptionally well were Industrials (+2.95%), Energy (+2.85%) and Telecommunications (+2.67%).
- **Asian stocks markets rose on Mon after a weak US jobs report** last Fri fuelled speculation that the US Fed may not be ready for an interest rate rise any time soon. Nikkei 225 rose 1.58%, or 280.36, at 18,005.49 while Kospi finished 0.44% higher, or 8.57 points to close at 1,978.25. Hang Seng Index added 1.62%, extending a rally from last week, while Shanghai remained closed for National Day holiday until Wed.

US TREASURIES

- **U.S Treasury yields rose 3-7 bps across board**, following the equities and commodities rally with the curve steepening. The 10-year note has gave back all the gains from Friday's dismal non-farm payrolls with the yield ending the overnight session at 2.0562%, compared to almost 1.90% on Friday, following the equities and commodities rally with the curve steepening. The 10-year note has gave back all the gains from Friday's dismal non-farm payrolls with the yield ending the overnight session at 2.0562%, compared to almost 1.90% on Friday.

COMMODITIES

- **WTI crude** rose 1.58% to \$46.26 per barrel while **gold** mainly consolidated and pared back some gains from Friday to finish \$2.85, or 0.25% lower to \$1,135.75 per oz.

ECONOMIC NEWS & DATA

- U.S's September services and composite PMI both were lower to 55.1 (prior 55.6) and 55.0 (prior 55.3) respectively while ISM non-manufacturing also slowed to 56.9 from last month's 59.0. Labor Market Conditions Index, Fed's Chair Yellen favourite indicator of labor market health declined to 5-month low reading of 0.0.
- A **Trans-Pacific Partnership (TPP)** trade deal was struck after five years in the making. The partnership seeks to ease trade in goods and services among 12 Pacific Rim nations which includes U.S and Singapore.
- Japan's August wages rose 0.5% y/y, close to expectations of 0.6%. After adjusting for inflation, real wages increased 0.2% y/y.
- Japan's September services and composite PMI slowed to 51.4 (prior 53.7) and 51.2 (prior 52.9) respectively.
- Eurozone's September services and composite PMI slowed to 53.7 (prior 54.0) and 53.6 (prior 53.9) respectively. Eurozone's August retail sales stalled at 0.0% m/m and 2.3% y/y.
- U.K's September services and composite PMI slowed to 53.3 (prior 55.6) and 53.3 (prior 55.1) respectively, at the slowest pace in more than two years.

- An inflation gauge by TD securities showed Australia inflation rising 0.3% m/m, versus expectations of 0.1% m/m.
- **The World Bank on Mon cut its growth forecasts for Asian developing economies** but allayed fears of a hard landing for China's slowing economy. It said China's GDP is expected to grow by 6.9% this year, moderating to 6.7% next year and 6.5% in 2017, after rising 7.3% in 2014. The Philippine economy is forecast to grow by 5.8% this year, 6.4% next year and 6.2% in 2017, compared with 6.1% in 2014. Vietnam's economy is forecast to rise from 6.0% in 2014 to 6.2% in 2015 and 6.3% each over 2016-17. For Malaysia, growth is expected at 4.7% this year and in 2016, and 5.0% in 2017, down sharply from 6.0% in 2014. Indonesian growth is projected at 4.7% this year, 5.3% next year and 5.5% in 2017, compared to 5.0% in 2014.
- **Pacific trade ministers were said to have reached a deal on the sweeping Trans-Pacific Partnership** trade pact that will cut trade barriers and set common standards for 12 countries, an official familiar with the talks said on Monday.
- **Hong Kong's former Chief Executive Donald Tsang** was charged on Mon on two counts of misconduct in public office, according to the city's anti-graft body.
- **Bank of Korea Governor Lee Ju Yeol told parliament on Mon** that he disagreed with views that Bank of Korea needs to cut rates now as Fed postponed its rate hike decision. Lee said the Fed has not cancelled, but only postponed its rate increase decision.
- **Leaders of India and Germany pledged on Mon to revive efforts** to reach an Indo-European free trade pact after talks fell apart this year, and struck deals to promote clean energy and make it easier to do business, as Merkel began her official visit to India.
- **Thailand's military government appointed a committee on Mon** to draft the country's 20th constitution after a previous draft was rejected, delaying promised elections until at least 2017.
- **Thailand is said to announce more policy measures** to attract investment, according to local reports.
- **Indonesia president Joko Widodo said on Mon that 2015 budget disbursement** is likely to be around 92%-94% and that latest data show economy will improve in 2H 2015.
- **Malaysian officials on a special committee set up to deal with the haze** from Indonesia will meet on Tue, making it thrice in three weeks they are gathering to discuss coping measures as schools were closed two days from Mon, affecting more than 2 millions students.
- **Credit Bureau Singapore (CBS) in a press release on Mon** said that consumers who did not pay their outstanding unsecured debt in the first half of 2015 rose 10% to 85,352, representing 5% of total unsecured credit card customers. Overdue balances rose by 7%y/y to S\$288.4mn, and a 74% jump from 2011. Average balance per consumer for unsecured credit cards and overdrafts roes by 16% since 2011 to S\$7,971, but lower than 2014's balance of S\$8,018, suggesting that the debt exposure is stabilizing.

Economic Indicators						
Date	Time	Indicators	Month	Actual	Market Forecast	Previous
02 Oct	0700	SK BoP Current Account Balance USD	Aug	8455.6	-	9301.7mn
	0700	SK CPI m/m	Sep	-0.2	0.2	0.2%
	0700	SK CPI y/y	Sep	0.6	0.8	0.7%
	0700	SK CPI Core y/y	Sep	2.1	2.2	2.1%
	1530	TH Foreign Reserves USD	Sep 25	155.7	-	157.0bn
	1630	UK Markit/CIPS UK Construction PMI	Sep	59.9	57.5	57.3
	2030	US Change in Nonfarm Payrolls	Sep	142	201	136k
	2030	US Change in Manufact. Payrolls	Sep	-9	0	-18k
	2030	US Unemployment Rate	Sep	5.1	5.1	5.1%
2200	US Factory Orders	Aug	-1.7	-1.2	0.2%	
05 Oct	0500	SK Foreign Reserves USD	Sep	368.11	-	367.94bn
	1015	SG Nikkei Singapore PMI	Sep	51.4	-	50.8
	1620	TW Foreign Reserves USD	Sep	426.66	-	424.79bn
	1630	UK Markit/CIPS UK Services PMI	Sep	53.3	56.0	55.6
	1630	UK Markit/CIPS UK Composite PMI	Sep	53.3	54.9	55.2
	2145	US Markit US Composite PMI	Sep F	55.0	-	55.3
	2145	US Markit US Services PMI	Sep F	55.1	55.6	55.6
	2200	US ISM Non-Manf. Composite	Sep	56.9	57.5	59.0
06 Oct	1030	HK Nikkei Hong Kong PMI	Sep		-	44.4
	1130	AUD Official Cash Rate	Oct		2.00	2.00%
	2030	US Trade Balance USD	Aug		-48.00	-41.86bn
07 Oct	0830	TW CPI y/y	Sep		-0.50	-0.45%
	1200	MY Exports y/y	Aug		1.2	3.5%
	1200	MY Imports y/y	Aug		1.7	5.9%
	1200	MY Trade Balance MYR	Aug		3.80	2.38bn
	1600	TW Trade Balance USD	Sep		3.90	3.96bn
	1900	US MBA Mortgage Applications	Oct 2		-	-6.7%
08 Oct	1900	GBP Repo Rate	Oct		0.50	0.50%
	2030	US Initial Jobless Claims	Oct 3		-	-
	2030	US Continuing Claims	Sep 26		-	-
09 Oct	1530	TH Foreign Reserves USD	Oct 2		-	-
	2030	US Import Price Index m/m	Sep		-	-1.8%
	2030	US Import Price Index y/y	Sep		-	-11.4%
	2200	US Wholesale Inventories m/m	Aug		-	-0.1%
12 Oct	1200	MY Industrial Production y/y	Aug		-	6.1%
13 Oct	1100	SK Bank Lending to Household Total	Sep		-	-

14 Oct	0930	CN CPI y/y	Sep	-	2.0%
	0930	CN PPI y/y	Sep	-	-5.9%
	1630	UK Claimant Count Rate	Sep	-	2.3%
	1630	UK Jobless Claims Change	Sep	-	1.2k
	1630	UK ILO Unemployment Rate 3Mths	Aug	-	5.5%
	1900	US MBA Mortgage Applications	Oct 9	-	-
	2030	US PPI Final Demand m/m	Sep	-	0.0%
	2030	US Retail Sales Advance m/m	Sep	-	0.2%
	2030	US PPI Ex Food and Energy m/m	Sep	-	0.3%
	2030	US Retail Sales Ex Auto m/m	Sep	-	0.1%
	2030	US PPI Ex Food, Energy, Trade m/m	Sep	-	0.1%
	2030	US PPI Final Demand y/y	Sep	-	-0.8%
	2030	US PPI Ex Food, Energy y/y	Sep	-	0.9%
	2030	US PPI Ex Food, Energy, Trade y/y	Sep	-	0.7%
15 Oct	1200	ID Exports y/y	Sep	-	-12.28%
	1200	ID Imports y/y	Sep	-	-17.06%
	1200	ID Trade Balance USD	Sep	-	434mn
	1300	SG Retail Sales m/m sa	Aug	-	-2.2%
	1300	SG Retail Sales y/y	Aug	-	5.2%
	2030	US Initial Jobless Claims	Oct 10	-	-
	2030	US Continuing Claims	Oct 3	-	-
	2030	US CPI m/m	Sep	-	-0.1%
	2030	US CPI Ex Food and Energy m/m	Sep	-	0.1%
	2030	US Empire Manufacturing	Oct	-	-14.67
	2030	US CPI Index nsa	Sep	-	238.316
	2030	US Real Avg Weekly Earnings y/y	Sep	-	2.3%
	2200	US Philadelphia Fed Business Outlook	Oct	-	-6.0
16 Oct	0830	SG NODX m/m sa	Sep	-	-4.6%
	0830	SG NODX y/y	Sep	-	-8.4%
	1200	MY CPI y/y	Sep	-	-
	1530	TH Foreign Reserves	Oct 9	-	-
	2115	US Industrial Production m/m	Sep	-	-0.4%
	2115	US Capacity Utilization	Sep	-	77.6%
	2200	US U. of Mich. Sentiment	Oct P	-	-
19 Oct	1000	CN Retail Sales y/y	Sep	-	10.8%
	1000	CN Industrial Production y/y	Sep	-	6.1%
	1000	CN GDP y/y	3Q	-	7.0%
	100	CN GDP q/q sa	3Q	-	1.7%
	1000	CN GDP YTD y/y	3Q	-	7.0%
	1030	CN Bloomberg GDP Monthly Estimate y/y	Sep	-	6.64%
	1630	HK Unemployment Rate sa	Sep	-	3.3%
	2200	US NAHB Housing Market Index	Oct	-	62
20 Oct	2030	US Housing Starts	Sep	-	1126k
	2030	US Building Permits	Sep	-	1161k

Foreign Exchange Rates (as of 05 Oct 2015)					
FX	Close	Asian High	Asian Low	NY High	NY Low
EUR	1.1245	1.1289	1.1206	1.1289	1.1174
GBP	1.5191	1.5244	1.5164	1.5244	1.5138
AUD	0.7053	0.7064	0.7035	0.7064	0.7035
NZD	0.6441	0.6472	0.6426	0.6472	0.6426
JPY	120.23	120.31	119.87	120.55	119.87
SGD	1.4205	1.4329	1.4186	1.4329	1.4183
MYR	4.3690	4.4145	4.3680	-	-
IDR	14503	14652	14488	-	-
THB	36.38	36.54	36.32	-	-
PHP	46.448	46.685	46.438	-	-
INR	65.300	65.333	65.200	-	-
TWD	33.002	33.156	32.740	-	-
KRW	1172.24	1179.25	1169.27	-	-
HKD	7.7500	7.7507	7.7497	-	-
CNY	6.3561	6.3561	6.3561	-	-

Stock Indices (as of 05 Oct 2015)	Closing	% chg	ytd % chg
Dow Jones Industrial Average	16776.43	+1.85	-5.87
S&P 500	1987.05	+1.83	-3.49
NASDAQ Composite	4781.26	+1.56	+0.95
Tokyo Nikkei 225	18005.49	+1.58	+3.18
London FTSE 100	6298.92	+2.76	-4.07
Frankfurt DAX	9814.79	+2.74	+0.09
All Ordinaries	5184.13	+1.86	-3.79
FTSE Straits Times Index	2851.25	+2.08	-15.27
FTSE Bursa Malaysia KLCI Index	1647.59	+1.15	-6.45
Jakarta SE Composite Index	4343.70	+3.23	-16.90
Thailand SET Index	1363.17	+1.25	-8.98
Philippines SE PSEi Index	6961.93	+1.62	-3.72
Taiwan SE Weighted Index	8352.36	+0.57	-10.26
Korea SE KOSPI Index	1978.25	+0.44	+2.27
Hong Kong Hang Seng Index	21854.50	+1.62	-7.42
Shanghai SE Composite Index	-	-	-
India Sensex 30 Index	26785.55	+2.15	-2.60

UOB's Estimation of SGD NEER (as of 06 Oct 2015) Assuming 2.0% on each side of the pivot point	
Lower-End	1.4353
Upper-End	1.3790
Mid-Point	1.4066

Interest Rates	Current	Next CB Meet	UOB's Forecast
USD Fed Funds Rate	0-0.25%	29 Oct	0.-0.25%
EUR Refinancing Rate	0.05%	22 Oct	0.05%
GBP Repo Rate	0.50%	08 Oct	0.50%
AUD Official Cash Rate	2.00%	06 Oct	2.00%
NZD Official Cash Rate	3.00%	29 Oct	2.75%
JPY Official Cash Rate	0-0.10%	07 Oct	0-0.10%
SGD 3-Mth SIBOR	1.14%	-	-
MYR O/N Policy Rate	3.25%	05 Nov	3.25%
IDR O/N Rate	7.50%	15 Oct	7.50%
THB 1-Day Repo	1.50%	04 Nov	1.50%
PHP O/N Reverse Repo	4.00%	12 Nov	4.00%
INR Repo Rate	7.25%	01 Dec	7.25%
TWD Discount Rate	1.75%	31 Dec	1.63%
KRW Base Rate	1.50%	15 Oct	1.50%
HKD Base Rate	0.50%	-	0.50%
CNY 1-Yr Wking Capital	4.60%	-	4.35%

Commodities (as of 05 Oct 2015)	Closing	% Chg
NYMEX Crude (Nov)	46.26	+1.58
Comex Gold (Dec)	1137.60	+0.09
Reuters CRB Index	196.38	+1.17

Bond Yields (as of 05 Oct 2015)	Closing	Net Chg
US 2-Year Bond	0.61	+3
US 10-Year Bond	2.06	+7
JP 10-Year JGB	0.31	-1
EU 10-Year Bund	0.57	+6
UK 10-Year Long Gilt	1.79	+9

Market Holiday	Date	Event
CN	Oct 1-6	National Day
AU	Oct 5	Labour Day
SK	Oct 9	Hangul Day
TW	Oct 9	National Day
US	Oct 12	Columbus Day
JP	Oct 12	Health Sports Day
MY/ID	Oct 14	Awal Muharram
HK	Oct 21	Chung Yeung Festival
IN	Oct 22	Dussehra
TH	Oct 23	Chulalongkorn Day

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