

Asian markets endured another rough day on Monday with China's CSI300 index catching up with last week's news and falling 4.3%, the worst daily fall in 2.5 years. Hong Kong also fell, hitting 15-month lows, with both markets shrugging off the central bank's move to cut its RRR by 1%. The move did cause the yuan to fall sharply however. Elsewhere, Seoul fell for the sixth day in a row with the won also coming under pressure. South-east Asia markets mostly fell although Indonesia rose on news its central bank had intervened to support the rupiah.

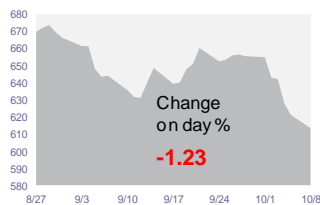
European shares caught the contagion from Asia and traded lower as investors continued to fret over the spike in US bond yields and Italy's budget deficit target. They were also nervously eyeing Brexit negotiations at the start of a critical week for both sides with indications pointing to a deal being done soon. The Stoxx 600 fell to its lowest level in six months while the FTSE also came under pressure from oil stocks that fell as crude weakened.

US markets fell again although recovered some of the intra-day losses with the S&P500 managing to get back to the flatline. Earlier, traders became worried that the slowdown in China would be worse than feared, hitting the yuan and making US exports to China more expensive. The US Treasury said it was monitoring the depreciating yuan. The tech-heavy Nasdaq stayed in the red weighed by the index heavyweights Google and Microsoft while the "Faangs" also ended lower.

US bond markets were closed for the Columbus Day holiday. In Europe, Italian bond yields rose by 30bps as concerns continued over the country's budget. The spread between Italian and German bonds is now 300bps.

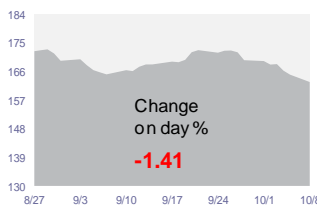
Oil prices dropped sharply then recovered just as quickly in late trading. Initially prices fell as Washington said it would hand waivers to Iranian oil buyers but traders then bet on the China RRR cut would stimulate the local economy while a hurricane in the Gulf of Mexico formed.

Asia (ex Japan) Equity



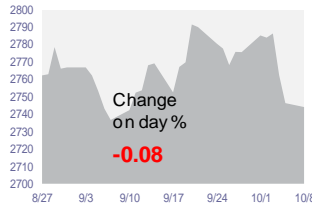
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Europe (ex UK) Equity

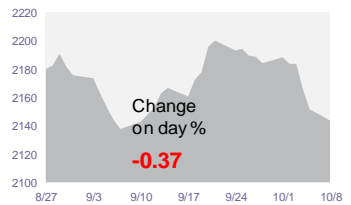


October 8, 2018

US Equity



World Equity



US Indexes	Last	% Chg	%YTD Chg
Dow Jones Industrial Average	26,486.78	0.15	7.15
Nasdaq Composite	7,735.95	-0.67	12.06
S&P 500	2,884.43	-0.04	7.89
S&P 500 Volatility (Vix)	15.69	5.87	42.12
MSCI US	2,744.01	-0.08	7.84

Europe Indexes	Last	% Chg	%YTD Chg
Euro Stoxx 50	3,309.72	-1.07	-5.54
FTSE 100 (UK)	7,233.33	-1.16	-5.91
DAX (Germany)	11,947.16	-1.36	-7.51
CAC-40 (France)	5,300.25	-1.10	-0.23
FTSE MIB Index (Italy)	19,851.47	-2.43	-9.16
Ibex35 (Spain)	9,199.20	-0.59	-8.41
MSCI Europe ex UK	162.78	-1.41	-4.13

Asia Indexes	Last	% Chg	%YTD Chg
S&P/ASX (Australia)	6,100.31	-1.38	5.26
NZX 50 Index (New Zealand)	9,147.10	-0.74	8.92
Hang Seng (Hong Kong)	26,202.57	-1.39	-12.42
Hang Seng China Enterprise Index	10,393.29	-1.30	-11.24
Jakarta Composite Index (Jakarta)	5,761.07	0.51	-9.36
KLCI (Malaysia)	1,775.75	-0.08	-1.17
KOSPI (Korea)	2,253.83	-0.60	-8.29
PSEI (Philippines)	7,050.82	-0.39	-17.62
BSE Sensex 30 (India)	34,474.38	0.28	1.23
SET (Thailand)	1,696.22	-1.41	-3.28
Shanghai SE Composite (Shanghai)	2,716.51	-3.72	-17.86
Shanghai Shenzhen CSI 300 Index (A-shares)	3,290.90	-4.30	-18.36
MSCI China Index (H-shares)^	74.11	-2.01	-17.06
Straits Times Index (Singapore)	3,181.45	-0.88	-6.51
Topix (Japan)	Holiday	Holiday	0.48
Nikkei 225 (Tokyo)	Holiday	Holiday	6.18
Taiwan Taiex Index (Taiwan)	10,455.93	-0.58	-1.76
Ho Chi Minh Stock Index	996.12	-1.22	1.21
MSCI Asia ex Japan	613.35	-1.23	-14.03

World Index	Last	% Chg	%YTD Chg
MSCI World Index	2143.57	-0.37	1.91

Others	Last	% Chg	%YTD Chg
Bovespa (Brazil)	86,083.91	4.57	12.67
Mexbol (Mexico)	48,093.10	0.08	-2.56
MSCI Latin America	2,748.02	4.37	-2.83
MSCI Emerging Markets	995.50	(0.53)	-14.07

Government Bonds -	Last	Net Chg	Net YTD Chg
10 Yr Benchmark (Yield/bid)			
US Generic Govt 10-year	3.23	0.00	0.83
UK Govt 10-year Note Generic	1.67	-0.05	0.48
German Govt Bonds 10-year	0.53	-0.04	0.10
Italy Govt Bonds 10-year	3.57	0.14	1.55
Japan Govt Bonds 10-year	0.16	0.00	0.11
Singapore Govt Bonds 10-year	2.64	0.03	0.63

Bond Indexes	Last	% Chg	%YTD Chg
Citigroup World Govt Bond	718.30	-0.03	-1.60
JP Morgan Asian Credit +	Holiday	Holiday	-1.99
JP Morgan EMBI Eurobonds +	Holiday	Holiday	-4.69
Citigroup US HY Market	1,016.15	0.05	2.29
JP Morgan Asian HY Corp +	Holiday	Holiday	-2.51

Interest rate	Last	Net Chg	Net YTD Chg
LIBOR USD 3-month #	Holiday	Holiday	0.71

Commodities +	Last	% Chg	%YTD Chg
Oil (Light Crude)	74.29	-0.07	22.94
Gold	1,184.40	-1.40	-9.54

Currencies (Base Currency: 1 USD)	Last	% Chg	%YTD Chg
Euro	0.87	-0.22	-4.08
Yen	113.35	0.48	-0.42
Pound	0.77	-0.05	-3.02
AUD	1.42	-0.13	-9.53
SGD	1.39	-0.23	-3.50

Source: Eastspring Investments (Singapore) Limited., MSCI from Bloomberg in USD terms. ^MSCI China Index (H-shares): HKD. All data extracted from Bloomberg are in local currency terms except those denoted by "+", which are in USD terms. % Chg and net change refers to the change compared to previous trading day. YTD stands for year to date. # Libor rates come from British Bankers Association. NA represents not available.

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