Macro | FX Research & Strategy

Global

6 June 2023

Maybank

Global Markets Daily

Fed to Wait and See

Fed Likely to Skip Jun

Yesterday, US data showed some weakness as Apr Factory Orders grew less than expected at +0.4% (exp: 0.8%; prev: 0.6%). Factory Orders excluding transport contracted -0.2% (exp: 0.2%; prev: 1.0%). Durable Goods Orders 1.1% (exp: 1.1%; prev: 1.1%) and Cap Goods Orders 1.3% (exp: 1.3%; prev: 1.3%) were in line with expectations. Meanwhile, activity looked weaker than expected as May S&P Services PMI deteriorated to 54.9 (exp: 55.1; prev: 55.1) and ISM Services deteriorated to 50.3 (exp: 52.4; prev: 51.9). We think that the narrative for the Fed to skip a hike at a Jun meeting is becoming more plausible given the weakness in economic data. It is likely that the Fed could want to wait to see how policy transmission, which operates with lags, plays out. US equities retreated, while the USD was broadly unchanged although the DXY index saw some choppy price action yesterday, retreating from an intraday high of 104.403 to close right at the 104.00 level. This has formed a shooting star in the daily chart of the DXY index, and confirmation is a break of yesterday's 103.933 low, which could open the path downwards to the next support at 103.00 levels (100 dma).

Consensus for RBA to Hold, Hawkish Surprise Possible

Market consensus for RBA later today is for no change to the policy rate at 3.85%. However, we would caution that a hawkish surprise remains a possibility due to Apr CPI inflation oming in hotter than expected at +6.8% YoY (exp: 6.4%; prev: 6.3%). Against a backdrop of a still tight labour market and wage pressures, one could easily make the case for the RBA to hike. We think that if a stand pat plays out we should see AUDUSD drift lower. Our medium term outlook for AUDUSD remains positive, but hinges largely on the materialization of China's reopening which has hitherto flattered to deceive.

Key Data/Events Due Today

Data today includes PH May CPI Inflation, AU 1Q2023 Current Account Balance, TH May CPI and RBA Policy Decision.

FX: Overnight Closing Levels/ % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0713	0.05	USD/SGD	1.3493	-0.07
GBP/USD	1.2438	-0.12	EUR/SGD	1.4455	-0.01
AUD/USD	0.6617	0.11	JPY/SGD	0.9667	0.23
NZD/USD	0.607	0.05	GBP/SGD	1.6781	-0.20
USD/JPY	139.58	-0.24	AUD/SGD	0.8928	0.04
EUR/JPY	149.56	-0.13	NZD/SGD	0.819	0.11
USD/CHF	0.9063	-0.31	CHF/SGD	1.4888	0.23
USD/CAD	1.3445	0.15	CAD/SGD	1.0035	-0.19
USD/MYR	4.5765	0.00	SGD/MYR	3.4044	0.00
USD/THB	34.54	0.00	SGD/IDR	11013.13	-0.74
USD/IDR	14890	-0.69	SGD/PHP	41.5697	-0.11
USD/PHP	56.235	0.59	SGD/CNY	5.2635	0.08

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3384	1.3657	1.3930

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G7: Events & Market Closure

Date	Ctry	Event
5 Jun	NZ	Market Closure
6 Jun	AU	RBA Policy Decision
7 Jun	CA	BOC Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
5 Jun	MY, TH	Market Closure
6 Jun	KR	Market Closure

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G7 Currencies

- **DXY Index - *Hovering around 104.00 level*.** The index was last seen at around 104.01 as the balance of risks or factors that it faces continue to result in it staying around that mark. Data out last night implied the possibility of a slowing economy and at the very least should support the Fed doing a “skip” in June and spend more time assessing the state of the economy. There is also a possibility that the numbers may slowly be indicating the need to stop hikes. Some of the key data pointing this direction include May (F) US services and composite services PMI both were revised downwards to 54.9 (prior. 55.1) and 54.3 (prior. 54.5). May ISM services index also fell to 50.3 (Apr. 51.9). Apr factory orders at the same time saw a deceleration in the pace of growth to 0.4% MoM with the previous month data actually revised downwards to 0.6% MoM (prior. 0.9% MoM). The ex transport number saw a decline, which was below estimates at -0.2% MoM (est. 0.2% MoM). Apr (F) durable goods orders was maintained although the ex trans number was worse at -0.3% MoM (prior. -0.2% MoM). However, the possibility of tigther liquidity (amid the issuance of debt post the resolution of the debt ceiling crisis), mixed jobs data, risks to European growth and weakness in China support a stronger greenback. Side way trading at current levels until the upcoming FOMC meeting in mid June should not be ruled out. On the chart, resistanace looks to be at 104.60 of which a clearance at that level would open the way to challenge the 105.90 level. Support is seen at 102.95 (100-dma) and 102.44 (50-dma). Momentum still look bullish for now that is but the stochastics are showing signs of turning lower from overbought conditions. Remaining key economic releases this week include Apr trade balance (Wed), 3 June initial jobless claims (Thurs), Apr wholesale trade sales (Thurs) and Apr (F) wholesale inventories (Thurs).

- **EURUSD - *Edges higher*.** EURUSD edged higher to trade at 1.0715 this morning. Supports for this pair are at 1.07 and 1.065 levels with resistances at 1.075 and 1.08 figure. Yesterday, Apr PPI inflation moderated to +1.0% YoY (exp: 1.7%; prev: 5.5%). Last week, preliminary CPIs showed some moderation of price pressures in Europe, which the ECB could welcome. In the near term, we see some further potential for EUR weakness, although we look for the 1.05 support to hold. Beyond the near-term, the ECB is still in our view committed to their fight on inflation and we could potentially see a reversion of the market’s focus to policy divergence. We maintain our positive medium-term view of the EUR on expected monetary policy divergence between the Fed and ECB, especially as the latter remains arguably the most hawkish central bank. Our base case still remains for the ECB and BOE diverge from the Fed, as the current situation for the two major European central banks to continue raise rates is more convincing, unless there is a meaningful pullback in prices. We are cautious that this may not last if history is any indication, as the ECB has never deviated too far from the Fed for an extended period. However, we recognize that they started on the they were slower to start on the tightening cycle and also have more space to go in terms of increasing rates. ECB Economic Bulletin for May was released and referred to inflation being “too high for too long”, which formed the basis for the ECB’s rate hikes in May. Lingering concerns over financial stability, so long as they remain controlled, should not dampen the ECB’s resolve to combat inflation. The risks to this medium-term outlook would be any escalation of geopolitical tensions between Russia and NATO, a return of the energy supply issues and a possibly more dovish ECB on financial stability concerns. As rates rise, the risk of the ECB overtightening also exists. We have preliminarily seen that some credit tightening has occurred in the Eurozone. The ECB has also hinted at weaker credit growth in their May economic bulletin. EU data for the week ahead includes, German Factory Orders, EC Retail Sales (6 Jun), German IP, French Trade, OECD Economic Outlook (7 Jun) and EC Final GDP (8 Jun). HCOB PMIs showed some pullback in services activity in the Eurozone, although PMIs largely remained in expansionary territory. The May Eurozone print was at 55.1 (exp:: 55.9; prev: 55.9). German Apr Trade Balance came in at a seasonally adjusted €18.4b (exp: €16.0b; prev: €14.9b) amid stronger than expected exports +1.2% MoM (exp: -2.5%; prev: -6.0%).

- **GBPUSD - *Resilient*.** GBPUSD edged higher at 1.2436 levels this morning. GBP has been fairly resilient against the USD of late, having been buoyed by a hawkish repricing of BOE expectations. Notably, the last CPI release (24 May) showed that core inflation accelerated, a potential worry for the BOE. Our base case remains for the BOE and ECB to diverge from the Fed, as the current case for the two major European central banks to continue raise rates is more convincing, unless there is a meaningful pullback in prices. We are medium-term neutral on the GBP at current levels and would recommend staying nimble ahead of FOMC (13 to 14 Jun). If history is any indication, the BOE also should not deviate from the Fed for an extended period. On the daily chart, we watch supports at the 1.24 figure followed by 1.2350 further to the downside and resistances at 1.2450 and 1.25. The UK's economic problems such as inflation, a possible impending recession and labour market shortages are largely due to structural factors that remain unresolved from Brexit. In the worst-case scenario, stagflation for the UK economy could also be on the cards, potentially hinted at by the latest reduction in payrolls while wage pressures remain robust. Governor Andrew Bailey has also acknowledged publicly that the UK is dealing with a wage-price spiral. UK data for the week ahead includes S&P Construction PMI (6 Jun) and RICS House Price Balance (8 Jun). Yesterday, Final May S&P Services PMI for UK came in at 55.2 (exp: 55.1; prev: 55.1) showing a slight expansion of services activity in the UK.

- **USDJPY - *Testing 140.00*.** The pair was last seen at 139.55 as it hovers below the 140.00 mark. The slight decline in broad USD strength and fall in UST yields last night helped bring the pair down and puts us roughly around where we are this morning. It is likely the pair would keep testing the 140.00 mark in the near term amid the balance of risks related to UST yields and the broad USD. Apr labour cash earnings came out below expectations at 1.0% YoY (est. 1.8% YoY and Mar. 0.8% YoY). On real terms, the decline was worse than estimates at -3.0% YoY (est. -2.0% YoY). For now, we would continue to assess how wage growth progresses in the next couple of months as it may still take time for the increase agreed at the recent negotiations to feed into the data. On the daily chart, we see resistance as mentioned at 140.00 with the next at 142.51 (61.8% FI retracement from Jan low to Oct high) and 144.00. Support is at 137.31 (200-dma) and 135.00 (psychological level and also roughly where the 50-dma is at). Momentum indicators on the daily chart are showing some waning in bullish momentum with the RSI falling and the MACD crossing below the signal line. We would not read too much into this given the kind of environment as mentioned that we are in. Remaining key data releases this week include Apr (P) leading/coincident index (Wed), 1Q (F) GDP (Thurs), Apr BoP CA balance and trade balance (Thurs) and May bank lending (Thurs).

- **AUDUSD - *Awaiting RBA decision*.** AUDUSD hovered at around 0.6614, not too different form yesterday's levels ahead of the RBA policy decision later. Market expectations are for a hold at 3.85% although we are not ruling out the potential for a 25bps hike given the recent upside surprise in inflation. A hike could give some near term lift for AUD especially in light of the increasing speculation of a Fed pause in June. Even if a hike does not materialize today, we continue to lean slightly positive for the AUD medium term given that slight improvements in certain factors can provide quite a lift to the currency. This include incremental imrpovements in China's recovery story that can provide quite a lift to the AUD. Domestically, we also still look for some form of stimulus be it in terms of more infrastructure investment/monetary policy easing/programs to boost youth employment in order to provide more support for economic recovery and that could eventually be supportive of AUD. We stick to our long AUDUSD position with spot reference at 0.6614, target 0.6670 and then at 0.6870, 0.6925. SL at 0.6480, 0.6400 and 0.6380. Momentum indicators meanwhile indicate some waning in bearishness with MACD crossing above the signal line whilst stochastics are showing signs of rising from oversold conditions. Key data releases this week include 1Q BoP CA balance (Tues), 1Q net exports of GDP (Tues), 1Q GDP (Wed) and Apr trade data (Thurs).

- **NZDUSD - *Steady***. NZDUSD edged higher to 0.6069 levels this morning, still broadly tracking other currencies against the USD. We remain wary of the divergence between RBNZ, which had earlier signalled a pause, and the less certain outlook for the Fed after the latest jobs print. We see the key resistance at 0.6100 and a support at 0.6025 level. This week in New Zealand we have ANZ Commodity Price Index (6 Jun) and 1Q2023 Manufacturing Activity (8 Jun).

- **USDCAD - *Steady***. USDCAD edged slightly higher today 1.3440 levels. We see a support at 1.34 figure and further to the downside at 1.3330 levels. Resistance is at 1.35 figure (psychological and 200 dma). Although market consensus is calling for a BOC stand pat, we see the risk of a hawkish surprise at the upcoming BOC policy decision as inflation continues to be hot and the labour market continues to be tight. Key data and events for Canada this week includes Bank of Canada Policy Decision (7 Jun) and Unemployment (9 Jun).

Asia ex Japan Currencies

SGDNEER trades around +1.21% from the implied mid-point of 1.3657 with the top estimated at 1.3384 and the floor at 1.3930.

- **USDSGD** – ***Trades below 1.35 figure***. USDSGD trades lower at 1.3493 levels against this morning. Yesterday, Apr Retail Sales were surprisingly positive at +3.6% YoY (exp: -1.9%; prev: 4.5%). On a trade-weighted basis, the SGDNEER is at +1.21% above the midpoint. We look for SGDNEER to stay firm above the mid-point of the band. Next key resistance level to watch for USDSGD is at 1.35, followed by the 1.3550. Supports are at 1.34 and 1.3350. On MAS policy, we think that given the "sufficiently tight" language used, it is likely MAS is biased towards standing pat in October as well, as long as their expected path for core inflation holds. Thus far, concerns over a slowdown in growth from global drag have fit MAS' narrative, although the latest inflation print suggests price pressures could possibly run contrary to MAS' expectations. Our economists see a sharp decline in manufacturing (Apr IP) raising the risk of a technical recession (defined as two consecutive quarters of QoQ contraction), with 1Q2023 GDP aready in contraction. We see continued resilience in SGD on both a bilateral and trade-weighted basis as the robust macro fundamentals such as a large current account surplus; healthy labour market and stable political landscape remain intact. The underlying appreciating policy stance should also provide plenty of support for the SGD. We remain positive on the SGD in the medium term, given that China's reopening will gain steam later in the year and drive the SGD stronger. In addition, we do not see MAS easing the appreciating path any time soon. SG data releases for this week include S&P Global PMI (6 Jun), COE bidding, Foreign Reserves (7 Jun) and Bloomberg June Singapore Economic Survey (8 Jun).

- **SGDMYR - *Upside risks***. Pair was last seen at 3.4078. USDMYR played catch up this morning after Malaysian markets were close for public holidays yesterday. The USDSGD meanwhile continued to hover around the 1.3500 mark. Overall, this pushed the cross slightly up today although it is still around the 3.4000 mark. We continue to lean upward bias on the pair given that the SGD is likely to be more resilient than the MYR during this period of uncertainty. Resistance for the pair is at 3.4500 and 3.5000. Support is at 3.3900, 3.3600, 3.3500.

- **USDMYR - *Catch up***. Pair rose this morning and was last seen around 4.6000 as it caught up after Malaysian markets were closed for public holidays yesterday. We stay wary of further upside for the pair given the uncertain macro environment going forward. This is even despite momentum indicators implying some bullishness waning with stochastics showing some signs of turning lower from overbought conditions, RSI falling from overbought conditions and MACD could fall below its signal line. Resistance for the pair is at 4.6257 (FI retracement of 76.4% from Feb low to Nov high) and 4.7495 (2022 high). Support is at 4.6000, 4.5500 and 4.5000. Our own near term FX tracking model sees that the MYR is not going to hit its 2022 high but instead top out at 4.6900. Key data releases this week include 31 May foreign reserves (Thurs), Apr mfg sales (Fri) and Apr IP (Fri).

- **USDCNH - *Higher***. USDCNH moved up and was last seen trading at around 7.1264. Markets look to remain on the edge regarding the Yuan with a deluge of important data out this week that would give use more cues on the state of China's economy. For now though, the central bank is probably allowing market forces to drive the yuan as long as price action is in line with broader market action. We continue to look for US-China growth divergence as well as monetary policy divergence could continue to keep the USDCNH and USDCNY support on dips. Back on the daily USDCNH chart, next resistance at 7.1830 and then at 7.21. Support is seen around 7.0250 before 6.9710 (21,200-dma). Key data releases this week include May Foreign reserves (Wed), May trade data (Wed), May CPI and PPI (Fri), May financing/loans data (9 June – 15 June) and May FDI (11 June – 18 June).

- **1M USDKRW NDF - *Edges lower*.** 1M USDKRW NDF trades lower at 1299.71 this morning. Last week, trade and growth data was not as bad as expected and was in line with our view of a possible bottoming of trade flows in line with the expected chip and semi-conductor cycle and as the latest hype on artificial intelligence could also possibly spur demand. We remain cognizant that as US-China trade tensions look to escalate, external factors that could weigh on chip demands. Earlier, the BOK revised GDP growth projections to +1.4% YoY (prev: 1.6%), while standing pat on their policy rate at 3.5%. The KRW has been supported by foreign inflows into equity of late and further bolstered by expectations of possible inclusion in the FTSE Russell World Government Bond Index (WGBI). The Korean government is hoping to have its sovereign debt added to this key international benchmark, and the resulting inflows from benchmark investors should spur the KRW on. Industry watchers think there could be a 50% chance for Korea to be added to the WGBI by September. Foreign flows could continue to be a large driver for the KRW from here on. We still look for China's reopening to gain steam later in the year and drive Asian currencies stronger, which underpins our outlook for the KRW. Data releases out of South Korea include Current Account and Bank Lending to Household (9 Jun).

- **1M USDIDR NDF - *Steady*.** The pair was last seen at 14860 not too different from yseterday's levels. We believe that the pair is likely to stay within the range of 14700 – 15100 in the next couple of weeks. IDR as a whole has been holding up well despite this period of global uncertainty. Sentiment towards the country seems to be quite positive. There seems to be strong appeal for the country's bonds especially among its high yielding peers given Indonesia's resilient trade surplus, solid fiscal discipline and the possibility of BI eventually leaning towards a cut. For the latter, data release out yesterday showed that headline CPI had returned just back to the top of the central bank range (2 – 4%) at 4.00% YoY, earlier than expected. Core was lower at 2.66% YoY (Apr. 2.83% YoY). Whilst this may at least give support for BI to cut possibly ahead of other central banks, we believe they instead may stay on hold for now and not move given the risk related to futher Fed hikes. On the daily chart, momentum indicators are showing bullishness waning with the stochastics showing signs of turning lower from overbought conditions and the MACD crossing below the signal line. Regardless, we expect it to stay within our mentioned range. Resistance is at 15038 (100-dma) and 15100. Support is at 14876 (50-dma) and 14800. Remaining key data releases this week include May foreign reserves (Fri).

- **USDTHB - *Lower*.** The pair was last seen higher again around 34.77. There still remains no clarity on who would form the next government given that the Move-Forward led coalition with 312 seats is still well short of the 376 majority. Move Forward said it is expected to finalize its pick for the House Speaker in the middle of the month. The selection of the speaker has been a contentious point with their other coalition ally – Pheu Thai. Given that the Prime Minister may not be voted on until early August, there is a possibility for the political noise to be dragged out for an extended period of time. Regardless, we expect limited impact on the THB in the medium term from the country's political situation regardless of the outcome. Other factors such as tourism numbers should be a bigger driver of the currency. Momentum indicators are showing bullishness may be stretched with stochastics are well in overbought conditions whilst the MACD is now well above the zero line. Near term, we exepct the pair to hover around a 34.00 – 35.00 range. Resistance is at 35.00 (psychological level) and 35.52 (FI retracement of 50.0% from Jan low to Oct high). Support is at 34.00 and 33.50. Key data releases this week includes May CPI (Tues), May consumer confidence (Thurs) and 2 June foreign reserves (Fri).

- **1M USDPHP NDF – *Consolidative*.** Pair was last seen around 56.27 as it continued to remain within our expected rate of 55.00 – 57.00. We believe that it would stay within that range near term. Support for the pair is at 55.00 and 54.50. Resistance meanwhile is at 57.00 and 57.72. Momentum indicators are mixed. Headline CPI slowed and came out in line with expectations at 6.1% YoY (Apr. 6.6% YoY), which reduces the pressure for BSP to hike any further although it does at the same time means that there would be less further support from a domestic rates angle for the PHP. Remaining key data releases this week include May foreign reserves (5 – 10 June), Apr unemployment rate (Fri) and Apr trade data (Fri).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 7/26	3.40	-	-
5YR MI 4/28	3.47	-	-
7YR MS 4/30	*3.63/59	-	-
10YR MO 7/32	3.69	-	-
15YR MX 6/38	3.95	-	-
20YR MY 10/42	4.05	-	-
30YR MZ 3/53	4.12	-	-
IRS			
6-months	3.47	-	-
9-months	3.48	-	-
1-year	3.47	-	-
3-year	3.43	-	-
5-year	3.45	-	-
7-year	3.59	-	-
10-year	3.73	-	-

Source: Maybank
**Indicative levels*

- Malaysia market was closed for public holiday.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day*	Yesterday's Close	Change (bps)
2YR	3.35	3.39	+4
5YR	2.91	2.95	+4
10YR	2.89	2.93	+4
15YR	2.72	2.76	+4
20YR	2.61	2.64	+3
30YR	2.35	2.38	+3

Source: MAS (Bid Yields)
**1 Jun 2023*

- SGS yields climbed on the back of the selloff in UST after the unexpectedly large US nonfarm payroll gains. But SGS were relatively well supported and outperformed SGD swaps and USTs, possibly the cancellation of a mini-auction helped support sentiment. SGS yield ended the day 3-4bp higher. In SORA OIS, rates rose 2-8bp in light trading and the 2*5 spread widened 3bp to around -26bp, despite the flattening move in US rates.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	5.70	5.72	0.01
2YR	5.65	5.70	0.04
5YR	6.03	6.05	0.02
10YR	6.37	6.39	0.02
15YR	6.59	6.59	0.00
20YR	6.67	6.67	(0.00)
30YR	6.85	6.85	0.00

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened yesterday amidst positive sentiment from the clear progress of U.S. debt ceiling and relative modest on the latest domestic inflation pressures. It seemed that the market players took profit taking as the gap of investment yields between Indonesian government bonds and the U.S. Treasury Notes narrowed. Moreover, there is also high uncertainty on further Fed's monetary decision after several Fed's policy members expressed their intentions to immediately reach inflation to be within the target level at 2%.

- Then, in line with our projection, Indonesian inflation pressures kept being moderate in May-23. Inflation was at 0.09% MoM (4.00% YoY) in May-23. A modest inflation pressures during May-23 was driven by several transport tariffs that came back to normal prices after the peak season ended. On the other side, we also saw a relative manageable prices on the raw foods, although the harvest period ended. Several raw foods commodities that booked higher prices in May-23 are the purebred chicken, the purebred chicken egg, and the red onion. It will, hence, keep giving room for Bank Indonesia to maintain its policy rate on current level.

- Going forward, people's purchasing power is also expected to remain strong this year, in line with friendly inflation and expectations of improved incomes when economic activity normalizes after the COVID-19 pandemic. Inflation is projected to decrease from 5.51% in 2022 to 3.20% in 2023, despite the threat of a spike in food prices due to the El Nino climate disturbance. We instead see inflation only reaching 2.02% at the end of 2023 if there is no El Nino impact. This low inflation condition actually still gives room for Bank Indonesia not to make changes to its monetary interest rates, even though the Fed will continue to raise monetary interest rates until the end of this year. The government is estimated to still have sufficient food supply to meet food needs until the end of this year. Rice supply will not only rely on Vietnam, but there will still be domestic supply during the main harvest, as well as supply from other countries such as Thailand, Pakistan and India. Meanwhile, approaching the political year, we also see that the government will not make changes to strategic commodity prices, such as Petralite and diesel fuel oil, 3 kg LPG, as well as basic electricity rates for the lower middle class and industry.

- Today, the government is scheduled to hold its Sukuk auction with Rp9 trillion of indicative target. There are six series of Sukuk that will be offered by the government, such as SPN-S 05122023 (new issuance with discounted payment and the maturity date on 05 Dec-23), PBS036 (reopening with offering annual coupon payment by 5.37500% until 15 Aug-25), PBS003 (reopening with offering annual coupon payment by 6.00000% until 15 Jan-27), PBSG001 (reopening with offering annual coupon payment by 6.62500% until 15 Sep-29), PBS037 (reopening with offering annual coupon payment by 6.87500% until 15 Mar-36), and PBS033 (reopening with offering annual coupon payment by 6.75000% until 15 Jun-47). We believe this auction to be crowded by investors' enthusiasm after the clear uncertainty on the progress of U.S. debt ceiling. Investors' total incoming bids are expected to reach above Rp30 trillion today. Short tenor of PBS036 can be an investors' good investment choice amidst recent volatile condition on the global financial market.

- Indonesian Finance Minister Sri Mulyani proposed the macroeconomic indicators' projection for next year to the parliament. Indonesia's economy may still expand within the government estimated range next year although there are downside risks, such as China's weakening growth, which has been much slower than expected, Finance Minister Sri Mulyani Indrawati stated. Slowing US and European economies are also adding to risks for growth in 2024. The government is keeping its 2024 budget forecasts: GDP growth at 5.3%-5.7%, inflation at 1.5%-3.5%, Rupiah at 14,700-15,300/US dollar, Crude oil price at US$75-US$85/barrel, Oil lifting 597,000-652,000 barrels/day, and Gas lifting 999,000-1.054m barrels of oil equivalent/day.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0750	140.96	0.6669	1.2515	7.1521	0.6109	150.6333	92.9133
R1	1.0732	140.27	0.6643	1.2476	7.1356	0.6090	150.0967	92.6397
Current	1.0715	139.55	0.6616	1.2435	7.1214	0.6076	149.5300	92.3280
S1	1.0685	139.07	0.6585	1.2384	7.1030	0.6046	149.1267	92.1147
S2	1.0656	138.56	0.6553	1.2331	7.0869	0.6021	148.6933	91.8633

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3546	#VALUE!	14921	56.3877	34.9160	1.4496	0.6467	#VALUE!
R1	1.3519	#VALUE!	14905	56.3113	34.7280	1.4476	0.6456	#VALUE!
Current	1.3493	4.5975	14895	56.2180	34.7980	1.4457	0.6445	3.4067
S1	1.3474	#VALUE!	14872	56.0743	34.5320	1.4435	0.6428	#VALUE!
S2	1.3456	#VALUE!	14855	55.9137	34.5240	1.4414	0.6412	#VALUE!

**Values calculated based on pivots, a formula that projects support/resistance for the day.*

Equity Indices and Key Commodities

	Value	% Change
Dow	33,562.86	-0.59
Nasdaq	13,229.43	-0.09
Nikkei 225	32,217.43	2.20
FTSE	7,599.99	-0.10
Australia ASX 200	7,216.27	1.00
Singapore Straits Times	3,189.01	0.72
Kuala Lumpur Composite	1,381.26	-0.13
Jakarta Composite	6,633.44	0.00
Philippines Composite	6,521.64	0.15
Taiwan TAIEX	16,714.43	0.05
Korea KOSPI	2,601.36	1.25
Shanghai Comp Index	3,232.44	0.07
Hong Kong Hang Seng	19,108.50	0.84
India Sensex	62,787.47	0.38
Nymex Crude Oil WTI	72.15	0.57
Comex Gold	1,974.30	0.24
Reuters CRB Index	260.44	0.29
MBB KL	8.58	-0.23

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	4.0896	Oct-23	Neutral
BNM O/N Policy Rate	3.00	6/7/2023	Neutral
BI 7-Day Reverse Repo Rate	5.75	22/6/2023	Tightening
BOT 1-Day Repo	2.00	2/8/2023	Tightening
BSP O/N Reverse Repo	6.25	22/6/2023	Tightening
CBC Discount Rate	1.88	15/6/2023	Tightening
HKMA Base Rate	5.50	-	Tightening
PBOC 1Y Loan Prime Rate	3.65	-	Easing
RBI Repo Rate	6.50	8/6/2023	Neutral
BOK Base Rate	3.50	13/7/2023	Neutral
Fed Funds Target Rate	5.25	15/6/2023	Tightening
ECB Deposit Facility Rate	3.25	15/6/2023	Tightening
BOE Official Bank Rate	4.50	22/6/2023	Tightening
RBA Cash Rate Target	3.85	6/6/2023	Neutral
RBNZ Official Cash Rate	5.50	12/7/2023	Tightening
BOJ Rate	-0.10	16/6/2023	Neutral
BoC O/N Rate	4.50	7/6/2023	Neutral

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