

Global Markets Daily

Awaiting Cues

Bourses Are Mixed, Hard Commodities Move

US bourses had an uneventful session on Mon, unable to gain much traction on any direction ahead of key data releases this week. DJI (-0.4%), S&P (0.0%), NASDAQ (+0.2%). In contrast, oil rose rather sharply overnight, amid news that OPEC is mulling over production targets after it downgraded its demand outlook for 2024-2025. Brent rose 3.6% yesterday, also boosted by some speculation that the Middle east conflict could escalate as the US officials warned that an attack by Iran is “increasingly likely”. Amid this rise in tensions, gold bounced towards the recent highs of around \$2480, lifted also by the decline in the UST yields.

RBNZ's Decision Tomorrow - a close one

Around this time tomorrow, we would know if RBNZ kicks off its easing cycle already. It is a close call given that recent 2Q labour report revealed surprisingly strong wage growth (at +0.9%q/q vs. previous 0.8%). As such, there are some expecting this lingering wage pressure to keep RBNZ on hold. On the other hand, there are plenty of other data that suggests that economic activity is weakening - Jun Mfg PMI, Jun card spending, REINZ house sales. Jobless rate has risen above pre-pandemic levels. 2Q CPI slid to 3.3%y/y from previous 4.0%, closer to the 1-3% inflation target. We expect RBNZ to take its OCR down 25bps to 5.25%. Governor Orr has a habit of not giving markets a lot of forward guidance. OIS imply 60% probability of a cut tomorrow. The quarterly monetary statement will also be released and we expect the guidance for rates will be revised lower. However, that was also likely priced in to some extent when RBNZ did a dovish pivot at its Jul meeting.

Data/Event We Watch Today

We watch Japan PPI (Jul), SG GDP, Au Westpac consumer confidence (+2.8% in Aug) and wage price index (4.1%y/y in 2Q steady from quarter prior). UK ILO report and GE Aug ZEW will also be released. This is followed by US NFIB small business optimism and Jul US PPI.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0931	↑ 0.13	USD/SGD	1.3243	↑ 0.03
GBP/USD	1.277	↑ 0.07	EUR/SGD	1.4476	↑ 0.15
AUD/USD	0.6586	↑ 0.12	JPY/SGD	0.8996	↓ -0.37
NZD/USD	0.6019	↑ 0.30	GBP/SGD	1.6905	↑ 0.08
USD/JPY	147.21	↑ 0.41	AUD/SGD	0.8722	↑ 0.13
EUR/JPY	160.91	↑ 0.57	NZD/SGD	0.7968	↑ 0.42
USD/CHF	0.8652	↑ 0.01	CHF/SGD	1.5306	↑ 0.07
USD/CAD	1.3744	↑ 0.10	CAD/SGD	0.9637	↓ -0.05
USD/MYR	4.454	↑ 0.68	SGD/MYR	3.363	↑ 0.64
USD/THB	35.143	↓ -0.28	SGD/IDR	12042.65	↑ 0.09
USD/IDR	15955	↑ 0.19	SGD/PHP	43.2898	↑ 0.03
USD/PHP	57.333	↑ 0.10	SGD/CNY	5.4182	↑ 0.05

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3226	1.3496	1.3766

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G10: Events & Market Closure

Date	Ctry	Event
12 Aug	JP	Market Closure
14 Aug	NZ	RBNZ Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
12 Aug	TH	Market Closure
15 Aug	PH	BSP Policy Decision
15 Aug	SK, IN	Market Closure

G10 Currencies

- **DXY Index - Little Moved ahead of CPI.** The DXY was last seen around 103.10, little moved in the absence of strong market cues. NY Fed 1Y inflation expectation slid to 2.97% for Jul from previous 3.02%, a sign of inflation pressure easing in the eyes of consumers. Equities also ended the session in a mixed bag. The rapid carry-trade unwinding had clearly taken a pause for much of last week since the release of the US Jul ISM services which turned out stronger and comparatively dovish comments by current/former BoJ officials/summary of opinions. The latest was that of the former BoJ board member Makoto Sakurai who opined that the central bank cannot hike at least for the rest of the year but “it’s a tossup whether they can do one hike by next Mar”. We are of the view that neither the Fed nor BoJ would want to aggravate market volatility. With net short JPY contracts now dwindled to just 11K as of 6 Aug (2021 low), there is a good chance that the wildest swings of this carry trade are behind us. This week, the focus is on US Jul CPI on Wed. For much of this year, inflation seem to have been too sticky for the Fed to pivot with confidence. Core inflation had been on a gradual decline. Consensus looks for core CPI to tick lower to 3.2%/y for Jul from previous 3.3%. An inflation report that meets this expectation would be most benign for markets. There would be further paring of aggressive rate cut bets from current implied 100bps cut expected from Fed Fund Futures. USD and US rates may rise a tad more but better risk sentiment could continue to slow their climb on net. We continue to stay constructive on the AUD as we expect US to soft lands and for growth to potentially pick up in most parts of the world as central banks start to ease in greater synchronicity. Back on the DXY index, spot at 103.10. Resistance remains at 103.56 (50% Fibonacci retracement of the Dec 2023-Apr 2024 rally) before 104.26. Support at 102.00. Data we watch for this week include NFIB small business optimism for Jul and Jul PPI on Tue. Wed has Jul CPI, real average hourly earnings for Jul. Thu has empire mfg for Aug, Jul retail sales, Philly Fed business outlook, Import/export price index for Jul along with Jul industrial production.
- **EURUSD - Steadying.** EURUSD was last seen at 1.0935 levels this morning. Pair seems to be steady after finding support at around 1.0880 and being resisted at around 1.1000. We see two-way risks for the EUR at these levels, with a rebound in the USD a possibility if fears fade and bets on Fed cuts pare back. EUR could also find support on sticky inflation and better growth differentials, although weak PMI data could weigh. Our suggested narrative that the ECB-BOE divergence should narrow is playing out and although further risk aversion is likely to have an upward bias on the pair we think this is a reasonable point to take profits. ECB are likely adopting a cautious approach despite having cut in the face of an uptick in inflation previously. We closely watch developments in French politics, namely who is chosen as the new PM although this is likely to happen on the conclusion of the Olympics as Macron had expressed a preference for. Nevertheless, broader events beyond EU politics should continue to drive the pair for now, such as the Eurozone’s recovery trajectory. Eurozone data this week includes Aug ZEW Survey Expectations (Tue), 2QP GDP, Employment, Jun Industrial production (Wed) and Jun Trade Balance (Fri).
- **GBPUSD - Finding support.** GBPUSD remained rather elevated and was seen around 1.2770 levels. Market has pared back from recent carry trade unwind narrative. Potential for further 50bps cuts in 2024 could keep the GBPUSD from rising much further. That said, we continue to monitor services inflation and wages, which is likely the BOE’s sole source of discomfort, closely for more hints to their leanings for future meetings. We continue to suggest that GBP outperformance could moderate, although we are bullish on GBP in the longer-term. Talks of a re-negotiation of Brexit terms and warmer relations with the EU could provide GBPUSD support on dips. Starmer had dropped some hints on re-

engaging the EU post-Brexit and positive outcomes could have significant upside for the pair. Our suggested narrative that the ECB-BOE divergence should narrow is playing out and although further risk aversion is likely to have an upward bias on the pair we think this is a reasonable point to take profits. Back on the GBPUSD, resistances at 1.2800 and 1.2850. Supports are at 1.2700 and 1.2650. UK data this week includes Jun Avg Weekly Earnings, Jun ILO Unemployment Rate, Jobless Claims (Tue), Jul CPI/PPI/RPI Inflation (Wed), 2QP GDP, Jun Monthly GDP, Jun Industrial/Manufacturing Production, Jun Trade Balance (Thu) and Jul Retail Sales (Fri).

- **USDCHF - *Rebounds*.** USDCHF touched a high of 0.8712 before reversing its gains almost completely yesterday and was last seen around 0.8660. Sentiment likely turned cautious ahead of the US CPI release on Wed. Not helping in the least is US officials' warnings that Iran will attack Israel which drove gold and oil prices higher. We continue to look for two-way movements for the pair. Of the traditional safe-havens, it does seem that only gold and CHF retain most of the safe-haven properties. Further rate cuts from SNB could pressure USDCHF higher and if a situation arises where it becomes the global funding currency of choice (like the JPY), then we could see more upside for USDCHF. Nevertheless, we do see USDCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts. Back on the chart, bias is to the downside but further decline could slow given that stochastics flag oversold conditions. Supports are at 0.8550 and 0.8500. Rebounds to meet resistance at 0.8680 and 0.8750 thereafter. Swiss data this week includes 9 Aug Sight Deposits (Mon), Jul Producer/Import Prices, 2QP GDP (Thu) and 2Q Industrial and Construction Output (Fri).
- **USDJPY - *Higher, Markets Edgy Ahead of CPI, Two - Way Risks*.** The pair was last seen at 147.31 as it moved up higher. Markets for now are likely to be on the edge ahead of the US CPI data due tomorrow. Even as the BOJ can potentially hold back hikes amid unstable market conditions, weak US data can risk pressuring the Fed to cut at a faster pace, which in turn can have quite a pronounced effect on the JPY. BOJ Deputy Governor has already stated that they will not hike rates when markets are unstable. If anything, at this very point, eyes are more on the Fed than the BOJ. There are two-way risks for the pair at this point. Meanwhile, Jul PPI data out this morning was higher on a monthly basis at 0.3% MoM (est. 0.3% MoM, Jun. 0.2% MoM) and the same too on a yearly basis at 3.0% YoY (est. 3.1% YoY, Jun. 2.9% YoY). The economic data itself does not exactly derail a future BOJ hike although other factors and data points are being closely observed in determining the prospects of a future central bank move. Back on the chart, resistance at 147.50, 150.00 and 152.00. Support at 145.37 and 140.25. Data-wise, we have 2Q GDP, Jun final IP due on Thu.
- **AUDUSD - *Forming a Bottom*.** AUDUSD was lifted once again this morning from data release from home. Wage price index steadied at 4.1%/y in 2Q, maintaining its momentum from the quarter prior. Westpac consumer confidence also rose 2.8% in Aug, likely buoyed by the tight labour market and strong wage growth at home. AUDUSD was last seen around 0.6590. Momentum is bullish still. Pair needs to break above the 0.6610-resistance (almost tested twice in recent sessions) to extend towards 0.6630. Labour market report is the next key data for Australia this week, as well as US CPI and China's activity data. Afterall, the recent AUD decline was triggered by China's Jun data which surprised to the downside. At home, with RBA being perceived as hawkish and still likely to remain one of the last to start easing, we remain constructive on the AUD. As we have mentioned before, AUDUSD could take time to form a bottom as global growth recovery is now in question. We see upside risks to the AUD, potentially back towards 0.67. Key support is seen around 0.6470. Resistance is seen around 0.6609 before

the next at 0.6640 (50-dma). Data-wise from home, we have consumer inflation expectation for Aug along with Jul labour report on Thu.

- **NZDUSD - Double Bottom.** NZDUSD continue to rise and was last seen around 0.6030. The double bottom around 0.5850 is still rather compelling to us and a bullish extension could see this NZDUSD re-visit jun high of around 0.62. However, this could be dented temporarily by the upcoming RBNZ where we expect the central bank to kick off its easing cycle and to take the policy rate from 5.50% to 5.25% to support growth. Pullbacks to potentially meet support at 0.570 before 0.5930 and we see them as buying opportunities as we continue to look for global growth to gain a tad more traction and the US to soft land. Resistance at 0.6050 to eye before 0.6070 (50-dma) and then at 0.6200. Ultimate key support at 0.5850. Week ahead has Jun net migration on Tue. RBNZ decision on Wed. Thu has food prices for Jul and card spending. Fri has BusinessNZ Mfg PMI.
- **USDCAD - Move Lower.** USDCAD remained around 1.3740, still finding tentative support around 1.3720. Bullish momentum is fading and stochastics show signs of falling from overbought conditions. Our call for a pullback has come to fruition almost completely. A break of the current support around 1.3720 would open the way towards 1.3600. Last week, BOC officials revealed in its summary of deliberations last week that the governing council spent “considerable time” to discuss the state of the labour market as further deterioration could dampen consumption and weigh on growth and inflation. That underpins the decision for a back-to-back cut on 24 Jul. Week ahead has Jun building permits today. Thu has wholesale sales ex petroleum for Jun and Jul existing home sales. Jul housing starts and Jun mfg sales are due Fri.
- **Gold (XAU/USD) - Not much momentum.** Gold rose on the back of rising speculation that Iran will attack Israel according to US officials. The bullion was last seen around 2447, unable to break above the 2483-resistance. Prices could remain within the 2360-2480 range. Dips are likely to see bargain hunters. We remain constructive on the gold given geopolitical risks but prefer to buy on deeper pullbacks before towards 2367 (50-dma) before the next at 2290.

Asia ex Japan Currencies

SGDNEER trades around +1.92% from the implied mid-point of 1.3496 with the top estimated at 1.3226 and the floor at 1.3766.

- **USDSGD - Two-way risks.** USDSGD was slightly lower this morning at 1.3235 levels and has been relatively stable compared to other pairs. The USD finding a bit of a breather has helped to moderate SGDNEER strength, which moves away from band edge. Earlier MAS held as expected and reiterated they see that price gains will slow “further to around 2% in 2025”. They lowered their inflation forecast this year to 2% - 3% from 2.5% - 3.5% whilst they expect economic growth to come out closer to the upper half of 1% - 3% this year. SGD remains resilient after MAS’ hold, and the trade-weighted SGDNEER is relatively weaker at +1.86% above the mid-point this morning. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue. Although the SGD is still subject to broader drivers, we expect it to hold up better than other currencies in times of USD-strength. At the same time, it is unlikely to outperform in times of USD-weakness. Long-term view is still for USDSGD to go lower. MAS appears to be in no hurry to ease, especially not when growth and inflation outcomes are essentially in line with their expectations. MAS Chief Economist seems to have hinted at MAS not being able to ease as easily as an interest rate regime in his speech on monetary policy. We think that the SGDNEER outperformance could taper as Fed cuts come in, although we do not expect SGDNEER to tank. In the medium -term, we remain positive on the SGD given robust macro fundamentals and a monetary policy that has an appreciating currency as a default stance. Resistance at 1.3300 and 1.3350. Supports are 1.3200 and 1.3150. SG data releases this week include 2QF GDP (Tue) and Jul NODX/Electronics Exports (Fri).
- **SGDMYR - Higher.** Cross was higher at 3.3719 levels this morning as the USDMYR climbed up. Support at 3.3553 with the next support at 3.3032. Resistances at 3.40 and 3.45 levels.
- **USDMYR - Higher, Ranged.** Pair was last seen at 4.4637 as the pair moved up a higher although it is just trading around the recent range of between 4.4000 - 4.5000. For now, we await the release of US CPI data due tomorrow, which can play some part in dictating the direction of the UST yields and the USD. We though note that there is more positive idiosyncratic optimism towards the MYR amid the government reforms (diesel subsidy rationalization), better than expected growth and more foreign investor interest. Also, authorities leading coordinated conversions by GLCs/GLICs into local currency has given much support to the currency. BNM likely to keep rates on hold can also be giving MYR support at a time when we talk about easing elsewhere about the Fed and globally. External events especially those related to the US, China and Japan are likely to remain the key drivers going forward. Back on the chart, support at 4.4000 and 4.3800. Resistances are at 4.5000 and 4.5500. Key data for Malaysia this week includes 2Q Current Account and 2Q GDP (Fri).
- **USDCNH - Now in Two-way trades.** USDCNH was last seen around 7.1820 after touching a low of 7.0838 on 5 Aug. USDCNY is fixed at 7.1479, higher than the previous 7.1458. There are two-way risks for the yuan at this point from China’s own Jul data given low expectations already, US’ data that could unwind the aggressive dovish bets on the Fed (we saw that on ISM services) and potentially from Powell at Jackson Hole. The range where the yuan could trade could be wide within 7.14-7.20. In news, there are rumours of PBoC potentially narrowing the interest rate corridor within which short-term interest rates can fluctuate. Data-wise, Jul credit data could be due anytime by Thu. FDI could be released anytime within the week. Thu would have 1Y MLF rate, home prices for Jul as well as other activity data.

- **1M USDKRW NDF - Higher.** 1M USDKRW NDF was lower at 1367.02 levels this morning. Growth and inflation prints suggest that BOK should be in no hurry to ease to be growth supportive. BOK stood pat earlier, in line with our expectations. BOK has had a tendency to hold for an extended period before pivoting to a cut and this should provide KRW with some support. Jul PPI increased to 2.5% (prev: 2.3%) and this helped to guide USDKRW slightly lower. Apart from upside risks on inflation, there could also be concerns about KRW weakness if they were to cut ahead of the Fed. KRW remains vulnerable as one of the lower yielders in the region. USDKRW spot has seen about a week of extended trading hours and we could see some volatility as market acclimates to this change in market structure. Extending trading hours is one of the initiatives to improve investor access to Korea and is in line with the strong push the government is making to get onto global bond indices. We see resistances at 1380 and 1400. Supports are at 1360 and 1340. Longer term we watch trade data for a possible bottoming of the chip/general trade cycle and AI exuberance, which could buoy the KRW. Risks for the KRW include issues with debt mainly related to the property sector, although at this stage signs do not point to wider contagion that could weigh on the KRW in line with BOK assessment. Upside risks for the KRW also exist if KGBs are included in the FTSE Russell WGBI, although it seems like Sep 2024 is the earliest possible inclusion date. We look for a possible recovery with the KRW one of the more stretched currencies in Asia. Data releases for South Korea include Jun Money Supply (Tue) and Jul Unemployment rate (Wed).
- **USDINR 1M NDF - Steady.** USDINR 1M NDF remained broadly steady at 84.02 this morning. Recent carry trade unwind seems to be weighing on INR alongside a sell-off in Indian equities. RBI should still be able to keep INR relatively stable. RBI will likely keep rates on hold at least while Fed remains on hold as data releases continue to reaffirm that India experiences a satisfactory pace of growth. India's budget for the new fiscal year targets narrowing the budget deficit to 4.9% of GDP, which should be INR supportive. We look to see if India could continue to be an economic bright spark relative to the rest of the region. Back on the 1M USDINR NDF daily chart, rising wedge has formed which typically precedes a bearish pullback. Support at 83.65 (100 -dma) before the next at 83.55 (50 -dma). Data for the week ahead includes Jul Trade Balance (Wed), Jul Wholesale Prices (Wed) and 9 Aug FX Reserves (Fri).
- **1M USDIDR NDF - Steady, Cautious.** Pair was last seen at 15956 as it continues to hold just below the 16000 mark. We are keeping a close eye if the pair can decisively hold below that level amid the various risks out there that include uncertainty related to the health of the US economy, pace of Fed rate cuts and the political conditions of the US election season. We are also cognizant of the idiosyncratic concerns related to the country's fiscal position as we transition to a new administration of President-elect Prabowo. We are therefore cautious on the pair, seeing two-way risks at this point. Back on the chart, we watch if it can decisively break below the support at 16000 with the next level after that at 15892 and 15600. Resistance at 16272 (50-dma) and 16519 (year-high). Remaining data releases this week include Jul Trade Balance and Jun External Debt (Thu).
- **1M USDPHP NDF - Steady, Cautious.** The pair was last seen at 57.31 as it continued to hold steady. Markets for now are on the edge awaiting the release of US CPI data due tomorrow and a BSP decision on Thurs. The former would provide more cues about the pace of Fed easing that could occur this year. Regarding the latter, a BSP cut may not occur at this meeting and it could be delayed as Governor Remolona had previously implied as such given inflation had recently breached the target. For now, there are two-way risks for the pair given the uncertainty regarding the

US data even as delayed easing provides some support for the PHP. Back on the chart, support at 57.00 and 56.86. Resistance is at 57.92 and 58.46. Key data and events this week includes BSP Policy Decision and Jun Overseas Remittances (Thu).

- **USDTHB - Two - way Risks.** Pair was last seen at 35.15 as it moved down lower. For now, it looks like there could be two-way risk as we continue to await US CPI data that is due tomorrow. Gold prices have given the THB support. We are cognizant of the local political situation and governmental personnel changes that could occur. MOF has set up a panel to select the new board chairman for BoT and the panel will hold its first meeting on 23 Aug. Sahit Limpongpan is tipped to get the role according to the local press citing unidentified sources. We are also awaiting a Thai constitutional court verdict that would be due at 3pm local Thai time tomorrow Wed 14 Aug 2024 on whether PM Srettha violated “ethical standards” by appointing to cabinet - former lawyer Pichit Chuenban. A not guilty verdict would mean PM Srettha can stay in his job although a guilty verdict would mean he and his cabinet would have to step down. Back on the chart, support is at 35.00 and 34.10. Resistance is at 35.64, 36.00 (around 200-dma) and 36.40 (around 50-dma and 100-dma). Data-wise, we have gross international reserves due on Fri.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.33	3.32	-1
5YR MO 8/29	3.49	3.49	Unchanged
7YR MS 4/31	3.70	3.69	-1
10YR MT 11/33	3.77	3.78	+1
15YR MS 4/39	3.90	3.89	-1
20YR MX 5/44	4.04	4.04	Unchanged
30YR MZ 3/53	4.16	*4.18/4.14	Not traded
IRS			
6-months	3.48	3.48	-
9-months	3.42	3.41	-
1-year	3.37	3.35	-2
3-year	3.32	3.30	-2
5-year	3.38	3.37	-1
7-year	3.48	3.48	-
10-year	3.56	3.56	-

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Source: Maybank

*Indicative levels

**Daily Trade Data: 1) Government bonds and 2) PDS/corporate bonds

- The week began with low market activity and no clear direction, as participants adopted a cautious stance amid the Ringgit weakness. The reopening of 30y MGS 3/53 auction was announced with an issue size of MYR3b and an additional MYR2b in private placement, in line with market expectations. The WI was quoted at 4.18/4.14%. MGS and GII benchmark trades were limited, and yields closed with little change from last Friday.
- MYR IRS drifted 1-2bps lower on light trading, with receiving interest focused on the front end of the curve, while US rates and general risk sentiment remained stable. The 2y IRS traded in 3.28-29% range, 3y at 3.29%, and 5y at 3.375%. 3M KLIBOR was unchanged at 3.54%.
- Onshore corporate bond market had a muted session. Liquidity was elevated, mainly from trades in the GG space. Prasarana and Danainfra long-tenor bond spreads narrowed by 1-5bps due to better buying. AAA CIMB Islamic 3/31 traded 4bps higher. In the AA1/AA+ space, RHB Bank 11/28 traded 2bps lower with MYR30m exchanged. AA2 CIMB Group 12/31 spread tightened by 2bps for MYR20m. In single-A segment, A2 MCIS Insurance 12/31 traded in an odd amount. Interest in PDS remains higher for long-tenor bonds.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.78	2.81	+3
5YR	2.77	2.81	+4
10YR	2.86	2.87	+1
15YR	2.90	2.90	-
20YR	2.92	2.93	+1
30YR	2.94	2.95	+1

Source: MAS (Bid Yields)

- UST yields edged higher as markets brace for key macro catalysts: July's producer prices (Tuesday), consumer prices (Wednesday), and retail sales with jobless claims (Thursday). These reports will gauge economic slowdown and inflation's impact on Fed rate cuts. Similarly, SGS yields climbed, with the front end rising 3-4bps and the 10y and beyond gaining 1bp.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.56	6.56	(0.00)
2YR	6.59	6.61	0.02
5YR	6.62	6.65	0.03
7YR	6.85	6.86	0.01
10YR	6.77	6.80	0.03
20YR	6.94	6.95	0.01
30YR	6.99	7.00	0.01

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* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds corrected yesterday. We thought that most investors applied a tactical strategy by grabbing profit taking measures before incoming releases of the U.S. CPI inflation tomorrow. The U.S. CPI inflation is the key U.S. macroeconomic data that have strong influence for the Fed to make decision on the policy rate. We saw the market consensus at 3.00% YoY for the CPI inflation result in Jul-24. The level of stagnant CPI inflation level at 3.00% is expected to give strong consideration for the Fed to begin slashing its policy rate next month. Meanwhile, we witnessed a moderate increase of inflation by 4 bps of contribution from the non subsidy of fuel prices. We expect a moderate pressures on the domestic inflation for this month due to stable of strategic commodities prices and relative manageable movement on the prices of volatile foods. However, further non subsidy fuel prices is expected to keep on downtrend after seeing an appreciation of Rupiah against US\$ and recent global oil prices movement at still below US\$85/barrel.
- Today, the government is scheduled to hold its Sukuk auction with indicative target by Rp8 trillion. There are seven Sukuk series that will be offered by the government on today's Sukuk auction, such as SPNS 02022025 (reopening), SPNS 29052025 (reopening), PBS032 (reopening), PBS030 (reopening), PBS004 (reopening), PBS039 (reopening), and PBS038 (reopening). We expect this Sukuk auction to keep well responded by the local investors amidst current conditions of stable Indonesian economic growth around 5%-level and favorable current USDIDR of Rupiah at below 16,000. Investors' total incoming bids are expected to reach above Rp27 trillion, especially for several series, such PBS032 and PBS030.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0956	149.05	0.6625	1.2817	7.1952	0.6057	163.0433	98.6180
R1	1.0943	148.13	0.6606	1.2794	7.1868	0.6038	161.9767	97.7830
Current	1.0930	147.09	0.6581	1.2767	7.1800	0.6018	160.7700	96.7910
S1	1.0914	146.38	0.6566	1.2747	7.1688	0.5995	159.8167	96.1830
S2	1.0898	145.55	0.6545	1.2723	7.1592	0.5971	158.7233	95.4180
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3265	4.4849	16012	57.4750	35.3497	1.4511	0.6235	3.3856
R1	1.3254	4.4695	15984	57.4040	35.2463	1.4493	0.6221	3.3743
Current	1.3244	4.4550	15960	57.3500	35.1060	1.4476	0.6216	3.3640
S1	1.3231	4.4268	15929	57.2590	35.0843	1.4451	0.6182	3.3432
S2	1.3219	4.3995	15902	57.1850	35.0257	1.4427	0.6157	3.3234

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

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	3.8000	Oct-24	Neutral
BNM O/N Policy Rate	3.00	5/9/2024	Neutral
BI 7-Day Reverse Repo Rate	6.25	21/8/2024	Neutral
BOT 1-Day Repo	2.50	21/8/2024	Neutral
BSP O/N Reverse Repo	6.50	15/8/2024	Neutral
CBC Discount Rate	2.00	19/9/2024	Neutral
HKMA Base Rate	5.75	-	Neutral
PBOC 1Y Loan Prime Rate	3.35	-	Easing
RBI Repo Rate	6.50	9/10/2024	Neutral
BOK Base Rate	3.50	22/8/2024	Neutral
Fed Funds Target Rate	5.50	19/9/2024	Neutral
ECB Deposit Facility Rate	3.75	12/9/2024	Neutral
BOE Official Bank Rate	5.00	19/9/2024	Neutral
RBA Cash Rate Target	4.35	24/9/2024	Neutral
RBNZ Official Cash Rate	5.50	14/8/2024	Neutral
BOJ Rate (Lower bound)	0.00	20/9/2024	Tightening
BoC O/N Rate	4.50	4/9/2024	Neutral

Equity Indices and Key Commodities

	Value	% Change
Dow	39,357.01	-0.36
Nasdaq	16,780.61	0.21
Nikkei 225	35,025.00	0.56
FTSE	8,210.25	0.52
Australia ASX 200	7,813.67	0.46
Singapore Straits Times	3,235.38	-0.81
Kuala Lumpur Composite	1,606.66	0.66
Jakarta Composite	7,297.63	0.56
Philippines Composite	6,613.36	-0.52
Taiwan TAIEX	21,773.26	1.42
Korea KOSPI	2,618.30	1.15
Shanghai Comp Index	2,858.21	-0.14
Hong Kong Hang Seng	17,111.65	0.13
India Sensex	79,648.92	-0.07
Nymex Crude Oil WTI	80.06	4.19
Comex Gold	2,504.00	1.24
Reuters CRB Index	279.52	1.29
MBB KL	10.20	0.39

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