

Global Markets Daily

Monitoring Global Growth

Eyes on US Retail Sales

Jul CPI inflation eased to 2.9%/y from previous 3.0% while core inflation also slowed to 3.2%/y from previous 3.0%. Month-on-month momentum was healthy at +0.2% vs. previous -0.1%, with the shelter component accounting for 90% of the monthly increase. UST yields slipped at first before recovering back to levels before the release. 2Y is last at 3.96% while 10y hovers at 3.84%. 2y10y flattened a tad more to -12bps. This was a reading that was seen much like the PPI, a Goldilocks report that continues affirm market's expectations for a rate cut in Sep (but not necessarily a 50bps one). US bourses clocked modest gains. We focus on the US retail sales tonight which would provide a check on the health of the US economy. A downside surprise may not be so warmly received by markets amid concerns on recession.

China's Activity Data is a Mixed Bag

China's Jul activity data was just released. Industrial production slowed more than expected to 5.1%/y from previous 5.3%. Retail sales on the other hand, surprised to the upside at 2.7%/y, picking pace from prev. 2.0%. FAO ex rural slowed to 3.6%/y from previous 3.9%. Property investment continued to clock steeper drop of -10.2% ytd vs. previous -10.1%. Jobless rate rose to 5.2% from previous 5.0%. This is such a mixed picture but the silver lining here seems to be some improvement in private consumption. We do not look expect any rate cut as that could fuel demand for local bonds amid PBoC's recent efforts to put a floor to bond yields

Data/Event We Watch Today

Food prices slowed to 0.4%/m increase from previous 1.0%. Retail card spending clocked another decline of -0.1%/m vs. previous -0.7% (revised lower). Japan GDP surprised to the upside with a sequential growth of +3.1%q/q in 2Q (ann), rebounding from previous -2.3%. Australia's consumer inflation expectation rose to 4.5% from previous 4.3%. Labour report was strong. US retail sales, IP, empire manufacturing should be watched later today. We do not look for BSP to move on rates today (cons: -25bps) but it is a close call between a hold and a cut.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0993	↑ 0.57	USD/SGD	1.3176	↓ -0.51
GBP/USD	1.2862	↑ 0.72	EUR/SGD	1.4485	↑ 0.06
AUD/USD	0.6634	↑ 0.73	JPY/SGD	0.8973	↓ -0.26
NZD/USD	0.6076	↑ 0.95	GBP/SGD	1.6949	↑ 0.26
USD/JPY	146.84	↓ -0.25	AUD/SGD	0.8742	↑ 0.23
EUR/JPY	161.42	↑ 0.32	NZD/SGD	0.8008	↑ 0.50
USD/CHF	0.8648	↓ -0.05	CHF/SGD	1.5235	↓ -0.46
USD/CAD	1.3706	↓ -0.28	CAD/SGD	0.9614	↓ -0.24
USD/MYR	4.4472	↓ -0.15	SGD/MYR	3.3618	↓ -0.04
USD/THB	34.994	↓ -0.42	SGD/IDR	11966.59	↓ -0.63
USD/IDR	15833	↓ -0.76	SGD/PHP	43.0549	↓ -0.54
USD/PHP	56.975	↓ -0.62	SGD/CNY	5.4323	↑ 0.26

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3183	1.3452	1.3721

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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 - *Another Goldilocks Inflation Report, Now We Watch Retail Sales.*** Jul CPI inflation eased to 2.9%/y from previous 3.0% while core inflation also slowed to 3.2%/y from previous 3.0%. Month-on-month momentum was healthy at +0.2% vs. previous -0.1%, with the shelter component accounting for 90% of the monthly increase. UST yields slipped at first before recovering back to levels before the release. 2Y is last at 3.96% while 10y hovers at 3.84%. 2y10y flattened a tad more to -12bps. This was a reading that was seen much like the PPI, a Goldilocks report that continues affirm market's expectations for a rate cut in Sep (but not necessarily a 50bps one). US bourses clocked modest gains. We focus on the US retail sales tonight which would provide a check on the health of the US economy. A downside surprise may not be so warmly received by markets amid concerns on recession. The DXY dipped below 102.40 at one point before rising back to levels around 102.66. Resistance remains at 103.56 (50% Fibonacci retracement of the Dec 2023- Apr 2024 rally) before 104.26. Support at 102.00. Data-wise, 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 - *Breaks 1.10.*** EURUSD trades above the key 1.10 resistance at 1.1013 levels this morning. Eurozone GDP data was largely in line and weaker than expected Jun Industrial Production did not dampen EUR sentiment. We see two-way risks for the EUR at these levels, despite fears fading, Fed bets are still rather dovish and USD has weakened further as one would expect in a Goldilocks (steady growth, benign inflation) scenario. Risk is that Fed cut bets could pare and USD could rebound. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. 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. Support is at 1.100 and 1.0950, resistance at 1.1050 and 1.1100. Eurozone data this week includes Jun Trade Balance (Fri).
- **GBPUSD - *Retracement.*** GBPUSD trades lower at 1.2828 levels this morning as bets for further BOE cuts firmed with price pressures in Jul coming off more than expected. Services inflation, likely the BOE's main source of discomfort, also came off by more than expected to 5.2% YoY (exp: 5.5%; prev: 5.7%). We continue to see potential for 50bps cuts in 2024, which 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. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. Back on the GBPUSD, resistances at 1.2850 and 1.2900. Supports are at 1.2800 and 1.2750. UK data this week includes 2QP GDP, Jun Monthly GDP, Jun Industrial/Manufacturing Production, Jun Trade Balance (Thu) and Jul Retail Sales (Fri).

- **USDCHF - Steady.** USDCHF remains fairly steady at 0.8651 levels. 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 Jul Producer/Import Prices, 2QP GDP (Thu) and 2Q Industrial and Construction Output (Fri).
- **USDJPY - Steady, Consolidating, Cautious.** The pair was last seen at 147.30 as it continued to trade around levels seen in the last few sessions. US CPI had come out roughly in line with expectations and just continues to back rate cuts with markets still seeing the possibility of at least 25bps of cuts in Sep and 100bps of cuts by year end. As a result, there was no strong reaction from the print as we had called for. Meanwhile, 2Q P GDP data this morning came out above expectations and represented a turnaround from previous contraction at 3.1% QoQ (est. 2.3% QoQ, 1Q. -2.3% QoQ). Private consumption also picked up to 1.0% QoQ (est. 0.6% QoQ, 1Q. -0.6% QoQ). The number provides relief for the BOJ and supports that the virtuous wage - price cycle could be taking shape. Regardless, the BOJ rate hiking cycle is likely to still be slow given that the economy may only gradually pick-up over time and concerns related to market instability. Focus for the USDJPY would remain on how the Fed's path of easing pans out to be. For now, there could be some consolidation in the pair. Resistance at 147.50, 150.00 and 152.00. Support at 145.37 and 140.25. Data-wise, we have Jun final IP due on Thu.
- **AUDUSD - Dragged by NZD Post RBNZ and Now we Watch China Data.** AUDUSD hit the resistance at 0.6630 (50-dma) and pulled back alongside the NZD after RBNZ cut its OCR rate. Data releases thus far this morning is supportive of the AUD with consumer inflation expectations rising to 4.5% from previous 4.3%. Labour report was also mostly positive with strong net addition of employment at +58.2K for Jul vs. previous 52.3K (revised higher). Jobless rate tick higher to 4.2% but that was also accompanied with a rise in labour participation rate to 67.1% from previous 66.9%. Eyes on China's data next. Afterall, it was China's weaker-than-expected Jun activity data that triggered the collapse of the AUD one month ago. As we have mentioned before, AUDUSD could take time to form a bottom as global growth recovery is now in question. We still see room for upside for 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 - Rising Wedge Broken Out.** NZDUSD was last seen around 0.5990. The double bottom around 0.5850 is compelling and the rising wedge played out as a short-term correction after RBNZ's decision to take OCR lower by 25bps to 5.25%, in line with our expectations and against the consensus looking for a hold. RBNZ sees average cash rate falling around 101bps by mid-2025 as recession is seen in 2Q-3Q this year. Output gap was more negative than what was assumed in May. During Orr's press conference, he even highlighted that a 50bps cut was considered. We continue to look for the pullback of the NZDUSD to be shallow. Support at 0.5970 before 0.5915 and then at 0.5850. Pullbacks to potentially meet support at 0.6000 before 0.5970 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. However, the likely RBA-RBNZ policy divergence could lift AUDNZD towards 1.1030 and back above 1.11. Support at 1.0855.

- **USDCAD - *Still Falling*.** USDCAD slid and was last seen around the 1.3720. Momentum is bearish still. 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 remaining has wholesale sales ex petroleum for Jun and Jul existing home sales on Thu. Jul housing starts and Jun mfg sales are due Fri.
- **Gold (XAU/USD) - *Not much momentum*.** Gold was unable to break above the 2480-resistance and hovered around 2451. 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. Any sign of geopolitical escalation (middle east tensions) could give gold a nudge higher. However, the converse is also true. Without fresh cue, action could remain largely within 2360-2480.

Asia ex Japan Currencies

SGDNEER trades around +2.04% from the implied mid-point of 1.3452 with the top estimated at 1.3183 and the floor at 1.3721.

- **USDSGD - Two-way risks.** USDSGD was slightly higher at 1.3176 levels this morning. Continued SGDNEER strength heightens MAS intervention risks. 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. Broadly this is in line with final 2Q GDP growth released yesterday which came in line with flash estimate at 2.9% YoY. Our economists see bright spots in Finance, Infocomm and Trade-Related services. MTI also narrowed the forecast range to 2% to 3% (prev: 1% to 3%). Our economists forecast full year growth at 3%, the upper end of the MTI range. SGD remains resilient after MAS’ hold, and the trade-weighted SGDNEER is stronger at +2.04% 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 1.3200 and 1.3300. Supports are 1.3150 and 1.3100. SG data releases this week include Jul NODX/Electronics Exports (Fri).
- **SGDMYR - Higher.** Cross was higher at 3.3730 levels this morning. 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 4.4385 as it opened higher this morning. As a whole, the pair has been trading around a range of 4.4000 - 4.5000. US CPI came out roughly in line with expectations and as a result, there was not exactly any strong reaction from it as we had called for. We 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 7.1610. USDCNY is fixed at 7.1399, lower than the previous 7.1415 but that did not give much bearish boost to the USDCNH and USDCNY pairings. China’s Jul activity data was just released. Industrial production slowed more than expected to 5.1%/y from previous 5.3%. Retail sales on the other hand, surprised to the upside at 2.7%/y, picking pace from prev. 2.0%. FAO ex rural slowed to 3.6%/y from previous 3.9%. Property investment continued to clock steeper drop of -10.2% ytd vs. previous -10.1%. Jobless rate rose to 5.2% from previous 5.0%. This is such a mixed picture but the silver

lining here seems to be some improvement in private consumption. We do not look expect any rate cut as that could fuel demand for local bonds amid PBoC's recent efforts to put a floor to bond yields. 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. FDI could be released anytime within the week. As the Fed starts its easing cycle, PBoC is no longer under pressure to defend the CNY against the USD, we see room for CNY to fall on a trade-weighted basis.

- **1M USDKRW NDF - *Steady*.** 1M USDKRW NDF was steady at 1359.66 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. Tight Jul job market with unemployment falling to 2.5% (exp: 2.9%; prev: 2.8%) should support a BOK hold. 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 1360 and 1380. Supports are at 1340 and 1320. 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. No further releases for South Korea this week.
- **USDINR 1M NDF - *Steady*.** USDINR 1M NDF remained broadly steady at 84.05 this morning. Recent carry trade unwind weighed more on INR alongside a sell-off in Indian equities. Even though the carry trade unwind theme has ended, INR has not meaningfully retraced losses. 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, Jul Wholesale Prices (Wed) and 9 Aug FX Reserves (Fri).
- **1M USDIDR NDF - *Lower*.** Pair was last seen at 15639 as it moved lower throughout yesterday although it has opened steady this morning. USDIDR has in some sense deviated from its relationship with the US - ID yield differentials in recent times but that looks like it could be reestablished again and markets are playing catch up. Bond inflows month to date until 13 Aug has been strong at \$796m whilst equity flow has continued to hold up reasonably well with inflows month to date until 13 Aug at about \$253m. We do not rule out the pair moving down a little more although we think it should eventually consolidate before it could see some rebound especially going into Sep. Going into Sep, several risks remain on the horizon including uncertainty associated with the US elections and that could come into greater focus. US CPI meanwhile came out roughly in line

with expectations and as a result, there was not exactly any strong reactions as we had called for. Domestically, we await the 2025 budget that would be presented this Friday 16 Aug 2024 and keep a close eye on how the spending plans would pan out to be. President - elect Prabowo does have ambitious plans that include providing free meals to school kids, which can require quite some spending. Back on the chart, support at 15548 and 15318. Resistance at 16000 and 16179 (100-dma). Remaining data releases this week include Jul Trade Balance and Jun External Debt (Thu).

- **1M USDPHP NDF - Higher, Awaiting BSP Decision.** The pair was last seen at 57.09 as it was somewhat slightly higher compared to levels seen at the same time yesterday. For now, it continues to hover around the 57.00 mark and just above the 200-dma at around 56.87. US CPI meanwhile came out roughly in line with expectations and as a result, there was not exactly any strong reactions as we had called for. We continue to await the outcome of the BSP decision due later where we see that they are likely to stay on hold and delay initially expected rate cut at that meeting. Governor Remolona had already previously implied the possibility a delay. Consensus is slightly tilted towards a cut. Pair could trade sideways in the near term before bouncing back up again especially going into Sep. Going into Sep, several risks remain on the horizon including uncertainty associated with the US elections and that could come into greater focus. Support at 56.87 (200-dma) and 56.50. Resistance is at 57.50 and 58.00. Key data and events this week includes BSP Policy Decision and Jun Overseas Remittances (Thu).

- **USDTHB - Higher, Wary of Political Uncertainty.** Pair was last seen at 35.17 as it moved up higher. The climb was in line with other USD - Asian pairs and gold prices saw a slight decline although we do take note about the political uncertainty with regards to Srettha's court verdict. The constitutional court yesterday has issued a guilty verdict for Srettha in breach of ethical standards given his previous appointment of former lawyer Pichit Chuenban to the cabinet. The verdict would mean that Srettha would have to step down from his role as PM. There are reports that Pheu Thai would nominate Chaikasem Nitisiri as the PM candidate for the vote that would take place when lawmakers meet on Friday. The Pheu Thai politician had served as Minister of Justice in the previous Yingluck administration. Paetongtarn Shinawatra - former PM Thaksin's daughter has also been mentioned as a potential candidate. Another would be Anutin Charnvirakul from the Bhumjaithai Party. Reports also noted that Pheu Thai would be meeting today to discuss on the candidate to nominate. There was not exactly any strong reaction in the USDTHB pair after the news came out. The SET declined but did not exactly see a dive either and remains within recent levels. USDTHB could trade around the 34.80 - 35.50 levels near term before bouncing up higher we believe going into Sep. Going in Sep, several external risks remain on the horizon including uncertainty associated with the US elections and that could come into greater focus. Meanwhile, US CPI was roughly in line with expectations and there was no strong reaction as we had called for. Back on the chart, support at 35.00 with the next after that at 34.83. Resistance is at 35.50 and 36.00 (around 200-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	3.33	Unchanged
5YR MO 8/29	3.50	3.49	-1
7YR MS 4/31	3.70	3.70	Unchanged
10YR MT 11/33	3.77	3.76	-1
15YR MS 4/39	3.90	3.90	Unchanged
20YR MX 5/44	4.04	4.05	+1
30YR MZ 3/53	4.16	4.17	+1
IRS			
6-months	3.48	3.48	-
9-months	3.43	3.44	+1
1-year	3.38	3.40	+2
3-year	3.30	3.33	+3
5-year	3.40	3.41	+1
7-year	3.49	3.50	+1
10-year	3.57	3.59	+2

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Source: Maybank

*Indicative levels

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

- In the local government bond market, MGS and GII traded sideways as participants remained cautious, awaiting the US CPI release. The 30y MGS auction saw weaker demand than previous long-tenor auctions this year, with a BTC of 1.95x and an average yield of 4.172%. MGS and GII yield levels closed largely unchanged for the day.
- MYR IRS held up despite a significant drop in US rates/yields overnight due to US PPI data coming in below estimates. IRS rates ended the day mostly 1-3bps higher. IRS traded were the 2y at 3.33%, 4y at 3.35%, 5y between 3.38% and 3.41%, and 10y at 3.61%. 3M KLIBOR stayed at 3.54%.
- Onshore PDS activity increased. In the GG space, Danainfra, Prasarana and MRL traded mixed within a +/-2bps range. AAA bonds like ALR 10/31, Sarawak Petchem 7/30 and Sarawak Energy mid-tenor bonds traded at MTM levels, while CIMB Islamic 3/34 lowered 1bp. Other notable trades included Toyota Capital mid-tenor bonds, which dropped 3-4bps in sizable volume. In the AA space, YTL Power 3/33 tightened by 1bp for MYR30m, while 7-Eleven Malaysia traded 4bps lower for MYR40m. Most other names traded at MTM levels in odd amounts. Overall, flows were skewed towards buying pressure, particularly in long-tenor energy sector names.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.78	2.72	-6
5YR	2.75	2.70	-5
10YR	2.81	2.76	-5
15YR	2.86	2.81	-5
20YR	2.88	2.85	-3
30YR	2.91	2.88	-3

Source: MAS (Bid Yields)

- Global bonds rallied as UST yields fell on softer US PPI data, driving hopes for a Fed rate cut in September. Similarly, SGS yields dropped 3-6bps, led by the front end and belly segments, resulting in a bull steepening of the curve. The market now shifts focus to the US CPI report, with consensus expecting core inflation to ease to 3.2% from 3.3% the previous month.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.52	6.50	(0.01)
2YR	6.59	6.60	0.01
5YR	6.64	6.61	(0.02)
7YR	6.82	6.80	(0.02)
10YR	6.78	6.75	(0.03)
20YR	6.93	6.90	(0.04)
30YR	6.99	6.97	(0.02)

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* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bond kept maintaining their rally trends until yesterday. We believe Indonesian bond market to continue its rally trends today after seeing the latest slowing inflation result on the United States from 3.0% YoY in Jun-24 to b 2.9% YoY in Jul-24. On the domestic side, the valuation of Indonesian bond became more attractive after seeing recent Rupiah's appreciation and a drop yield on the U.S. government bond due to higher investors' expectation for imminent Fed's policy rate cut. Today, Indonesia Statistic Agency will announce the latest results of both exports and imports condition. We expect Indonesia to record the trade surplus by US\$2.32 billion in Jul-24, following the advantages of Rupiah's depreciation and stable prices on the mainstay exported goods, such as palm oil, coal, and various mining products.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1055	148.48	0.6676	1.2943	7.1966	0.6123	162.4400	98.3160
R1	1.1024	147.66	0.6655	1.2903	7.1723	0.6100	161.9300	97.8640
Current	1.0992	146.56	0.6628	1.2860	7.1476	0.6037	161.0900	97.1300
S1	1.0938	146.31	0.6596	1.2792	7.1344	0.6035	160.7800	96.8440
S2	1.0883	145.78	0.6558	1.2721	7.1208	0.5993	160.1400	96.2760
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3280	4.4794	15978	57.4277	35.2520	1.4517	0.6244	3.3838
R1	1.3228	4.4633	15905	57.2013	35.1230	1.4501	0.6230	3.3728
Current	1.3169	4.4310	15700	56.9200	34.9700	1.4475	0.6200	3.3652
S1	1.3145	4.4338	15792	56.8593	34.9210	1.4456	0.6191	3.3516
S2	1.3114	4.4204	15752	56.7437	34.8480	1.4427	0.6167	3.3414

*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	Easing
ECB Deposit Facility Rate	3.75	12/9/2024	Easing
BOE Official Bank Rate	5.00	19/9/2024	Neutral
RBA Cash Rate Target	4.35	24/9/2024	Neutral
RBNZ Official Cash Rate	5.25	14/8/2024	Easing
BOJ Rate (Lower bound)	0.00	20/9/2024	Tightening
BoC O/N Rate	4.50	4/9/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	40,008.39	0.61
Nasdaq	17,192.60	0.03
Nikkei 225	36,442.43	0.58
FTSE	8,281.05	0.56
Australia ASX 200	7,850.70	0.30
Singapore Straits Times	3,286.28	0.85
Kuala Lumpur Composite	1,612.35	0.18
Jakarta Composite	7,436.04	1.08
Philippines Composite	6,704.96	0.82
Taiwan TAIEX	22,027.25	1.06
Korea KOSPI	2,621.50	0.12
Shanghai Comp Index	2,850.65	-0.60
Hong Kong Hang Seng	17,113.36	-0.35
India Sensex	78,956.03	-0.87
Nymex Crude Oil WTI	76.98	-1.75
Comex Gold	2,479.70	-1.12
Reuters CRB Index	275.48	-0.31
MBB KL	10.20	0.00

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