

Global Markets Daily

Democratic National Convention in Focus

The USD on the Slide

US equities ended last week on a strong note. Along with the rising optimism, risk-sensitive AUD, NZD and KRW rose since last Fri. THB and MYR lead in gains within the region. The DXY index is last seen around 102.40. We had warned that any rebound in the USD would be limited and there could be opportunities to short. The Democratic National Convention will be in focus in the earlier half of the week. De facto Democratic Presidential nominee Kamala Harris revealed her economic plan at her speech in North Carolina last week. She spoke about tackling cost of living (grocery price regulation, housing assistance and boosting housing construction, expanding tax credits for families with children). Her agenda seems largely focus on the domestic progressive policies. Unlike Biden who had to fend off Trump's return, Harris may not if she manages to win this year and as such, there could be less pressure to look as hawkish on China.

Jackson Hole Conference - A Chance for Powell To Instil Confidence

Stronger US data likely assured markets that a recession is not in the offing, underpinning the recovery in the equity markets. Aiding the positive sentiment could be the gradual fall in oil prices and relatively stable UST yields. Fed officials have had mixed rhetoric - Fed Daly supports gradual rate cuts while Fed Bostic said he is open to easing in Sep, mentioned that the Fed "can't afford to be late". At the Jackson Hole Economic Conference this week (22- 24 Aug), Powell may want to instill confidence in the economy as well as in the Fed's ability to stay ahead of the curve.

Data/Event We Watch Today

Today we have NZ performance services index (44.6 vs. prev. 40.7). JP core machines rose +2.1%/m in Jun (vs. prev. -3.2%). TH 2Q GDP, MY Jul trade, PH BoP are due later. The US DNC starts today and runs through Thu.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1027	↑ 0.50	USD/SGD	1.3159	↓ -0.49
GBP/USD	1.2944	↑ 0.69	EUR/SGD	1.451	↑ 0.01
AUD/USD	0.6669	↑ 0.86	JPY/SGD	0.8914	↑ 0.62
NZD/USD	0.6054	↑ 1.14	GBP/SGD	1.7042	↑ 0.26
USD/JPY	147.63	↓ -1.11	AUD/SGD	0.8781	↑ 0.45
EUR/JPY	162.8	↓ -0.61	NZD/SGD	0.7968	↑ 0.68
USD/CHF	0.8661	↓ -0.74	CHF/SGD	1.5199	↑ 0.28
USD/CAD	1.368	↓ -0.36	CAD/SGD	0.9623	↓ -0.09
USD/MYR	4.4323	↓ -0.12	SGD/MYR	3.3605	↓ -0.22
USD/THB	34.622	↓ -1.38	SGD/IDR	11893.68	↓ -0.19
USD/IDR	15693	↓ -0.04	SGD/PHP	43.356	↑ 0.28
USD/PHP	57.236	↑ 0.52	SGD/CNY	5.4434	↑ 0.32

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3123	1.3391	1.3659

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G10: Events & Market Closure

Date	Ctry	Event
19-22 Aug	US	Democratic National Convention
22-24 Aug	US	Jackson Hole Economic Conference

AXJ: Events & Market Closure

Date	Ctry	Event
20 Aug	CH	China Banks set LPR
21 Aug	TH	BoT Policy Decision
21 Aug	ID	BI Policy Decision
22 Aug	SK	BoK Policy Decision
23 Aug	PH	Market Closure

G10 Currencies

- **DXY Index - Two-way trades.** US equities ended last week on a strong note. Along with the rising optimism, risk-sensitive AUD, NZD and KRW rose since last Fri. THB and MYR lead in gains within the region. The DXY index is last seen around 102.40. We had warned that any rebound in the USD would be limited and there could be opportunities to short. The Democratic National Convention will be in focus in the earlier half of the week. De facto Democratic Presidential candidate Kamala Harris revealed her economic plan at her speech in North Carolina last week. She spoke about tackling cost of living (grocery price regulation, housing assistance and boosting housing construction, expanding tax credits for families with children). Her agenda seems largely focus on the domestic progressive policies. Unlike Biden who had to fend off Trump's return, Harris may not if she manages to win this year and as such, there could be less pressure to look as hawkish on China. DXY slumped to levels around 102.40 last Fri and remained thereabouts this morning. Resistance remains at 103.56 (50% Fibonacci retracement of the Dec 2023- Apr 2024 rally) before 104.26. Support at 102.00. Momentum is rather neutral and we see two-way trades within 102-103.60 range. Data-wise, we have Philly Fed non-mfg for Aug due on Tue/ MBS mortgage applications (Aug 16), Minutes of the FOMC meeting on Wed night before Chicago Fed Nat. Activity index for Jul on Thu along with jobless calims and prelim. Mfg, services PMI for Aug and existing home sales for Jul. Fri has new home sales.
- **EURUSD - Above 1.10 figure.** EURUSD trades above the 1.10 figure at 1.1030 levels this morning. We look for two-way action around 1.10 at this point. The case for a Goldilocks/soft-landing scenario continues to build and weighs on the USD. The USD has weakened as one would expect in a Goldilocks (steady growth, benign inflation) scenario. Given how dovish Fed cut bets are at this point, the 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 be drive the pair for now, such as the Eurozone's recovery trajectory. Support is at 1.1000 and 1.0950, resistance at 1.1050 and 1.1100. Eurozone data this week includes Jun ECB Current Account, Jun Construction Output. Jun CPI Inflation (Tue), Aug P Mfg/Svcs/Comp PMIs (Thu) and Jul 1Y/3Y ECB CPI Expectations (Fri).
- **GBPUSD - Higher.** GBPUSD trades higher at 1.2946 levels this morning as the case for a Goldilocks/soft-landing scenario continues to build and weighs on the USD. 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. Certainly risks are two-way at this juncture, although we continue to suggest that GBP outperformance could moderate while remaining 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 1.2950 and 1.3000. Supports are at 1.2900 and 1.2850. UK data this week includes

Aug Rightmove House Prices (Mon), Jul Public Finances (Wed), Aug P Mfg/Svcs/Comp PMIs, Aug CBI Trends (Thu) and Aug GfK Consumer Confidence (Fri).

- **USDCHF - Lower.** USDCHF trades lower at 0.8665 levels this morning. 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 0.8600 and 0.8550. Rebounds to meet resistance at 0.8700 and 0.8750 thereafter. Swiss data this week includes Jul Exports/Imports (Tue) and Jul M3 Money Supply (Wed).
- **USDJPY - Lower, Cautious.** The pair was last seen at 147.86 as the pair pulled back after European markets opened. This week, some key developments in the US would be crucial for the pair - mainly related to economic data and Jackson Hole. Regarding the latter, we will be watching Powell's words and further hints he would provide on the pace of rate cuts. On the former, we watch out for S&P mfg/services/composite PMIs, initial jobless claims, Chicago Fed Nat activity index among other things. Such data would again provide further cues on the likelihood of a US recession or soft landing. FOMC meeting minutes are also due. Domestically, we look out for the release of Jul CPI data due this week on Fri, which would give us more of an idea as to the extent of which the virtuous wage - price cycle has become more entrenched. Near term, we expect the pair to stay range traded around 147.00 - 150.00 as markets continue to assess the likelihood of a US recession. Resistance at 150.00 and 152.00. Support at 145.37 and 140.25. Key data releases this week include Jul trade data (Wed), Aug P Jibun Bank PMI composite/mfg/services (Thurs), Jul F machine tool orders (Thurs), Jul CPI (Fri) and Jul Tokyo/Nationwide dept sales (Fri).
- **AUDUSD - Break-Out.** AUDUSD broke above the 0.6630-resistance (50-dma) and was last seen around 0.6680. The antipodean was up because of better sentiment and weaker USD overall. A US economy that is resilient should still be a sanguine environment for the pro-cyclical AUD. 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). Minutes of the Aug RBA meeting is out tomorrow. We expect little fresh cues. RBA Governor Bullock had been rather hawkish, warning that the central bank would not hesitate to buy
- **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. Pullback of the NZDUSD turned out shallow after all. Support at 0.5970 before 0.5915 and then at 0.5850. NZDUSD may be playing out its double bottom towards 0.6230. We see pullbacks as buying opportunities as we continue to look for global growth to gain a tad more traction and the US to soft land.
- **USDCAD - Bearish.** USDCAD was last seen around the 1.3670. Momentum is bearish still. A break of the current support around 1.3720 would open the way towards 1.3600/1.3590. USDCAD is sliding on better risk

sentiment. Momentum is still bearish and thus bias could remain to the downside. Rebounds to meet resistance at 1.3720 before 1.3760. Week ahead has Jul CPI on Tue. Wed has industrial product price. Fri has Jun retail sales.

- **Gold (XAU/USD) - *Break-Out*.** Gold broke out of the 2360-2480 range last week and was last seen around 2500. Next resistance is seen at 2530. Bias is increasingly bullish. Any sign of geopolitical escalation (middle east tensions) could give gold a nudge higher. However, the converse is also true. Support is seen around 2430 before 2388 (50-dma).

Asia ex Japan Currencies

SGDNEER trades around +1.95% from the implied mid-point of 1.3391 with the top estimated at 1.3123 and the floor at 1.3659.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.3128 levels this morning, remaining close to the 2% band edge. The case for a Goldilocks/soft landing scenario continues to build, which weighs on the USD. Such a scenario seems to be playing out in Singapore, with growth remaining healthy and inflation coming off despite being somewhat sticky. SGD remains resilient after MAS' hold, and the trade-weighted SGDNEER is at +1.95% 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 1.3150 and 1.3200. Supports are 1.3100 and 1.3050. Data due this week includes Jul CPI Inflation (Fri).
- **SGDMYR - Lower.** Cross was lower at 3.3388 levels this morning. The soft landing/Goldilocks narrative appears to benefit the MYR more than the SGD. Support at 3.3000 with the next support at 3.2700. Resistances at 3.3500 and 3.4000 levels.
- **USDMYR - Lower.** Pair was last seen at 4.3863 as it gapped down with the broad dollar trading lower. 2Q F GDP reading out last Friday was also stronger than expected at 5.9% YoY. We note that there is more positive idiosyncratic optimism towards the MYR amid the government reforms (diesel subsidy rationalization), strong 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, we watch if it can hold decisively below the support at 4.4000 with the next level after that at 4.3800. Resistances are at 4.5000 and 4.5500. Key data releases this week include Jul trade data (Mon), Jul CPI (Thurs) and 15 Aug foreign reserves (Thurs).
- **USDCNH - Now in Two-way trades.** USDCNH was last seen around 7.1540. USDCNY is fixed at 7.1415, lower than the previous 7.1464. Recently, Premier Li Qiang urged for "struggling companies to be heard" and "their difficulties truly addressed". Youth unemployment rose to 17.1% in Jul from 13.2% previously. Separately, PBoC Pan Gongsheng opined in interviews (by Xinhua) that he expects "further steps" to support growth but the central bank would refrain from "drastic" measures. Further drastic easing could be challenging since PBoC has been making immense efforts to cool the local bond markets. The series of rate cuts delivered to 7-day reverse repo, LPRs and then a larger 20bps reduction of MLF rate in Jul saw CGB 10y fell to a low of 2.084% on 5 Aug. Bias remains to the downside and there could also be knock-on effects on the CNY. We continue to look for CNY to weaken on a trade-weighted basis as PBoC is no longer under

pressure to defend the CNY against the USD when Fed pivots, barring global growth remains intact. Week ahead has 1Y.5Y LPR due on Tue. SWIFT global payments share of CNY for Jul is due on thu.

- **1M USDKRW NDF - Lower.** 1M USDKRW NDF was slightly lower at 1336.85 levels this morning. KRW seems to be one of the best performers as the soft landing/Goldilocks narrative gathers steam. As we suggested in our 15 Aug FX Insight (Opportunistic FX Plays Beyond Recent Market Volatility), KRW and TWD could play catch up as recession fears and growth concerns fade and as monetary policy settings become less restrictive. This appears to be playing out with both KRW and TWD two of the stronger performers this morning. Nevertheless, we still expect BOK to hold at their next meeting, given their penchant 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 also build a case for 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. We see resistances at 1340 and 1360. Supports are at 1320 and 1300. 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 due this week are Aug Consumer Confidence, 2Q Household Credit (Tue), Jul PPI Inflation, Sep Business Survey Mfg/Non-Mfg, Aug 20-days Exports/Imports, 2Q Short-Term External Debt (Wed) and BOK Policy Decision (Thu).
- **USDINR 1M NDF - Steady.** USDINR 1M NDF remained broadly steady at 83.95 this morning. Recent carry trade unwind weighed more on INR alongside a sell-off in Indian equities. The INR has yet to meaningfully retrace carry trade unwind losses even as recession fears fade and the case for a soft landing/Goldilocks scenario builds. Perhaps RBI is continuing to keep the pair steady and accumulates ammunition and maybe a soft landing had already been priced in for India much earlier. 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 USIDR NDF - Lower, cautious.** Pair was last seen at 15632 as it traded lower as the broad dollar declined. The budget out on Friday for now did somewhat calm down nerves as the government forecasts the deficit for FY2025 to be at 2.53% of GDP, which is below the 3.00% legal ceiling. It also included expenditure for the first phase of the free school lunches program. Meanwhile, the country is also expected to name a new energy minister just as the government is preparing for a transition to a new administration. This week for the pair, we continue to closely watch how US developments pan out especially in relation to economic data (S&P mfg/services/composite PMIs, initial jobless claims, Chicago Fed Nat activity index among other things) and Powell's words at Jackson Hole. All this should give us more cues on the likelihood of recession and the pace of the Fed easing. Near term, pair may just hold above the 15600 level

although we think it would eventually rebound together with other USD - Asian pairs as focus moves more towards US elections and Fed rate cut bets can also scale back more. We also importantly this week have BI's rate decision due on Wed, where we expect them to stay on hold although we look out for any cues they may give on future rate cuts. Back on the chart, support at 15548 and 15318. Resistance at 16000 and 16172 (100-dma). Key data releases this week include 2Q BoP CA balance (Thurs).

- **1M USDPHP NDF - *Lower, Cautious of Upside*.** The pair was last seen at 56.99 as it pulled in line with the broad dollar being lower. We expect the pair near term to trade sideways around current levels before the pair could eventually rebound higher in line with other USD - Asian pairs. The latter could be the case as focus moves more towards US elections and Fed rate cut bets can also be scaled back more. Back on the chart, support at 56.88 (200-dma) and 56.50. Resistance is at 57.50 and 58.00. Key data releases this week include Jul BoP overall (Mon).
- **USDTHB - *Gap down, outperformer, further downside not ruled out*.** Pair was last seen at 34.52 as it gapped down following the royal endorsement of the new PM Paetongtarn Shinawatra and the broad dollar also trading lower. Paetongtarn yesterday in some sense seemed to implied continuity as she said that will carry on with all the policies of her predecessor Srettha, including "major" economic stimulus and reform, tackling illegal drugs, improving the country's universal healthcare system and promoting gender diversity. She also said the government would not abandon the digital wallet policy but will seek to "study and listen to additional options" to make sure the scheme is fiscally responsible. We are not ruling out the possibility of further downside for the pair given current conditions. However, in line with USD - Asian pairs, we do expect an eventual rebound but that would be driven by external factors that include more US election uncertainty being priced in and the possibility that Fed rate cut bets can also be scaled back more. Back on the chart, support at 34.10 and 33.61. Resistance is at 35.00 and 35.50. There is a BOT decision due this week on Wed but we are expecting them to stay on hold. We closely watch their views regarding the global environment. We also look out for 2Q GDP due out later today. Other key data releases this week include Jul car sales (19 - 24 Aug) and 16 Aug gross international reserves/forward contracts (Fri).
- **USDVND - *Bearish Bias*.** USDVND tends to trade in line with the broader USD direction with a slight lag. Pair was last seen at 25017. Pair is still bearish, taking the cue of broader USDAsian currencies. At home, the Communist Party picked Public Security Minister Luong Tam Quang to join the politburo, expanding the group to 15 members.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.34	3.35	+1
5YR MO 8/29	3.51	3.53	+2
7YR MS 4/31	3.72	3.73	+1
10YR MT 11/33	3.77	3.79	+2
15YR MS 4/39	*3.91/3.89	*3.92/3.90	Not traded
20YR MX 5/44	*4.07/4.04	*4.07/4.04	Not traded
30YR MZ 3/53	4.17	4.18	+1
IRS			
6-months	3.49	3.49	-
9-months	3.44	3.44	-
1-year	3.40	3.41	+1
3-year	3.36	3.37	+1
5-year	3.43	3.44	+1
7-year	3.51	3.52	+1
10-year	3.61	3.62	+1

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Source: Maybank

*Indicative levels

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

- Ringgit bonds tracked global bond weakness, with yields up 3bps before stabilizing. Trading was subdued, mainly centered on the belly of the curve. Malaysia's 2Q24 GDP grew 5.9% YoY, slightly exceeding the advance estimate. BNM Governor Abdul Rasheed Ghaffour indicated the economy might end at the higher end of the central bank's 4-5% forecast range. He also mentioned that headline inflation is expected to stay below 3%, after accounting for the fuel subsidy rationalization. Market reaction to the GDP release was muted, with MGS yields rising 1-2bps and GII yields mostly unchanged.
- Robust US retail sales pushed US rates higher as expectations for a large rate cut in the September FOMC were scaled back. MYR rates had a milder reaction, with IRS rising only 1-2bps. The 5y IRS was the only trade, settling at 3.45%. 3M KLIBOR remained unchanged at 3.53%.
- It was a muted session for PDS market, with thin liquidity, albeit slight buying pressure. In the GG space, Danainfra 3/44 traded, rising 2bps on a MYR10m transaction. In the AAA space, Infracap Resource 4/34 traded at MTM level, while BPMB 6/31 saw yield fall by 1bp. Cagamas 6/34 outperformed, trading 4bps lower on MYR50m. In AA1/AA+, YTL Corp 11/26 and RHB Bank 11/28 traded at MTM levels. Edra Energy 7/37 in the AA3/AA-space saw spreads tighten by 4bps on a MYR10m trade. Other names remained relatively unchanged.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.75	2.77	+2
5YR	2.72	2.76	+4
10YR	2.80	2.82	+2
15YR	2.84	2.87	+3
20YR	2.88	2.91	+3
30YR	2.90	2.93	+3

Source: MAS (Bid Yields)

- Risk assets surged after strong US jobs and retail sales data eased recession concerns. UST yields jumped as the market adjusted expectations for aggressive Fed rate cuts. Following the UST movements, SGS weakened, with yields rising 2-4bps and the 5y underperforming with a 4bps increase to 2.76%. SGD SORA OIS rates rose by 2-7bps, also tracking the US rates movement.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.54	6.51	(0.03)
2YR	6.55	6.53	(0.02)
5YR	6.58	6.59	0.02
7YR	6.78	6.77	(0.01)
10YR	6.73	6.72	(0.01)
20YR	6.88	6.89	0.01
30YR	6.96	6.95	(0.01)

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* Source: Bloomberg, Maybank Indonesia

■ Most Indonesian government bonds strengthened against US\$ on the latest trading days of last week (16 Aug-24). Indonesian government bonds have better valuation recently, following an appreciation of Rupiah against US\$ to be below 15,700. The level of US\$ is on weakening mode amidst strong investors' high expectation for imminent Fed's policy rate cut due to recent results of gradual increase of the U.S. unemployment rate and slowing inflation pressures. The position of DXY Dollar index dropped from 103.14 on 12 Aug-24 to be 102.41 on early 19 Aug-24. The gap between 10Y Indonesian government bond against the U.S. 10Y of government bond remained wide 284 bps on 16 Aug-24. Indonesian bond market is being more favourable for the global investors as the pressures of local imported inflation is lessening during recent appreciation of Rupiah and current Brent oil prices at below US\$80/barrel. The foreign investors added its portion on the government bonds from Rp813.07 trillion on 31 Jul-24 to be Rp830.52 trillion on 15 Aug-24. Moreover, the government on the day before the latest anniversary of Independence Day gave the most update on its state fiscal composition and macroeconomic assumptions for 2024. The government has prepared more aggressive spending with safety fiscal deficit position at below of 3% of GDP for optimizing domestic economic activities with better quality of human resources amidst persistent slow paces on the global recovery.

■ For this week, the bond market is expected to keep maintain a rally trend. We noticed some agenda that will influence the market players' movements on the local financial market, such as the monetary events on the U.S., China, and also Indonesia. Several Fed's policy members, such as Christopher Waller, Raphael Bostic, and Jerome Powell are scheduled to give statements on 19 Aug-24, 21 Aug-24, and 23 Aug, respectively. The latest FOMC Meeting Minutes will be announced on early 22 Aug-24. Jackson Hole Symposium is also scheduled to be held since 22 Aug-24 until 24 Aug-24 (Indonesian Times). From those events, we expect the market players to receive early conclusion about the Fed's incoming monetary decision. Then, PBOC is expected to keep maintaining its policy rate, such as 1Y and 5Y of loan prime rate at 3.35% and 3.85%, respectively, amidst revival of its exports growth and creeping up of inflation level. On the other side, Bank Indonesia is on favourable position to apply more accommodative policy after witnessing recent appreciation of Rupiah with lower inflation pressures. A relative more accommodative on the monetary rate can trigger a gradual lower on the expansion costs from both of business players and individual sides.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1068	149.96	0.6712	1.3008	7.1925	0.6105	164.5733	99.4933
R1	1.1048	148.80	0.6691	1.2976	7.1778	0.6080	163.6867	98.9797
Current	1.1026	147.93	0.6681	1.2950	7.1637	0.6057	163.1100	98.8280
S1	1.0989	147.02	0.6628	1.2882	7.1544	0.6004	162.1067	97.8827
S2	1.0950	146.40	0.6586	1.2820	7.1457	0.5953	161.4133	97.2993

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3254	4.4776	15788	57.4160	35.3573	1.4549	0.6224	3.3859
R1	1.3206	4.4550	15741	57.3260	34.9897	1.4529	0.6206	3.3732
Current	1.3153	4.4010	15697	57.2550	34.5710	1.4502	0.6192	3.3463
S1	1.3133	4.4197	15658	57.0870	34.4317	1.4487	0.6175	3.3519
S2	1.3108	4.4070	15622	56.9380	34.2413	1.4465	0.6163	3.3433

*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	6.25	17/10/2024	Easing
CBC Discount Rate	2.00	19/9/2024	Neutral
HKMA Base Rate	5.75	-	Easing
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	9/10/2024	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	40,659.76	0.24
Nasdaq	17,631.72	0.21
Nikkei 225	38,062.67	3.64
FTSE	8,311.41	-0.43
Australia ASX 200	7,971.05	1.34
Singapore Straits Times	3,352.89	1.12
Kuala Lumpur Composite	1,623.90	0.68
Jakarta Composite	7,432.09	0.30
Philippines Composite	6,847.37	2.31
Taiwan TAIEX	22,349.33	2.07
Korea KOSPI	2,697.23	1.99
Shanghai Comp Index	2,879.43	0.07
Hong Kong Hang Seng	17,430.16	1.88
India Sensex	80,436.84	1.68
Nymex Crude Oil WTI	76.65	-1.93
Comex Gold	2,537.80	1.82
Reuters CRB Index	275.44	-0.69
MBB KL	10.26	0.79

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