

Global Markets Daily

Risk-On Ahead of Jackson Hole

Risk-on Keeps the Pressure on the USD

The NASDAQ and S&P clocked their eighth consecutive session of gains overnight, extending the risk-on trade ahead of the Jackson Hole Economic Conference that kicks off this Thu. Perhaps, it was also the Gaza cease-fire “bridging agreement” that Israel Benjamin Netanyahu had reportedly accepted according to US Secretary of State Antony Blinken that added to the cheer. Blinken said it is now up to Hamas to agree. Gold steadied above \$2500. Fed Fund futures still imply around 93bps cut over the next three meetings through Dec 2024. Our FX Insight dated 16 Aug had looked for KRW and TWD to play catch-up with regional peers. That had panned out well thus far for KRW amid positive sentiment. CNHKRW is down to 186.80 vs. 189.50 spot ref. We look for a move towards 184.00 should global growth gain traction.

Asia-Pac FX Extends Rally, Could See Profit-taking

As UST yields continue to stabilize, MYR, THB, PHP, AUD and NZD have been on the rally since the start of the week. At this point, we are wary of potential profit-taking ahead of the Jackson Hole. Powell speaks on Fri night (10pm KLT/SGT) on the economic outlook. Recall that Powell had mentioned about a discussion on rate cuts at the Jul meeting, paving the way for easing to start in Sept. When asked about a 50bps cut, Powell said it was not planned. With disinflation making progress, consumption still holding up and labour market still seeing employment growth, Powell had done his forward guidance on rate trajectory at the press conference in Jul. As such, expectations for further dovish cues may be disappointed. Further decline of the USDAsia to slow.

Data/Event We Watch Today

In Asia morning, US President Biden will give the keynote address at the DNC. He is expected to rally the Democrats around Kamala to defeat Trump. Separately, JP LDP has set leadership election date on 27 Sep and campaign to start from 12 Sep. In other data/events, LPRs are unchanged in CH. Minutes of the RBA meeting is due followed by final Jul CPI for EZ, CA Jul CPI. Fed Bostic and Barr will speak later tonight.

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
1.3077	1.3344	1.3610

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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 - Next Support at 101.50.** US bourses extended higher on Monday night ahead of the Jackson Hole Economic Conference. With UST yields stable, Asian FX are rallying ahead of most of their G10 peers. The DXY index is last seen around 101.80. Biden's keynote address will be watched in Asia morning. He is expected to rally the Democrats around Kamala to defeat Trump. De facto Democratic Presidential candidate Kamala Harris had 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. Moving beyond the DNC towards the Jackson Hole Economic Conference, we are wary of potential profit-taking ahead of the Jackson Hole. Powell speaks on Fri night (10pm KLT/SGT) on the economic outlook. Recall that Powell had mentioned about a discussion on rate cuts at the Jul meeting, paving the way for easing to start in Sept. When asked about a 50bps cut, Powell said it was not planned. With disinflation making progress, consumption still holding up and labour market still seeing employment growth, Powell had done his forward guidance on rate trajectory at the press conference in Jul. As such, expectations for further dovish cues may be disappointed. Further decline of the USDAsia could slow For the DXY index, resistance is now seen around 102.87 before 103.56 (50% Fibonacci retracement of the Dec 2023- Apr 2024 rally). Support at 102.00 is broken overnight and the next is seen around 101.50 before the Dec 2023 low of 100.62 comes into view. Momentum is still bearish bias. 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 1.1080 levels this morning. As the USD softens further, the risk of a reversal in the USD start to rise. However, we recognize that the backdrop is favourable for USD softness as the case for a Goldilocks/soft-landing scenario continues to build. Given how dovish Fed cut bets are at this point, one 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 1.1050 and 1.1000, resistance at 1.1100 and 1.1150. 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 1.2984 levels this morning as the case for a Goldilocks/soft-landing scenario continues to build and weighs on the USD. For the BOE, we continue to see potential for 50bps cuts in 2024, which could keep the GBPUSD from rising much further. Services inflation, the main source of discomfort for the BOE, has come off in the latest print. We think 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 1.3000 and 1.3050. Supports are at 1.2950 and 1.2900. UK data this week includes 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 0.8619 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. 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 146.52 as it began to fall from around mid-morning yesterday. This morning it has opened much unchanged from yesterday's close. The move lower looks to have been driven by market caution ahead of Ueda's address to parliament and Powell's speak at Jackson Hole that are both to held on Friday. However, it is difficult to see Powell tilting anymore hawkish and that he may continue to just signal that rate cuts would come soon. He could too imply that the Fed is data dependent when it comes to the pace of easing. Ueda may choose to keep options open at his parliamentary address and avoid tilting too hawkish. We see the possibility in the near term that the USDJPY can stay range traded between 145.00 - 150.00 with the possibility that it can rebound back to the upper end of that range. 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 - Risk-On Rally, Near Overbought Condition (Take Profit).** AUDUSD rose above the 0.67-figure overnight and last printed 0.6730 this morning. While RBA Governor Bullock's hawkish warnings of rate hikes might have contributed to the AUD strength, we attribute the recent rebound of the antipodean to also be due to evidence that growth in the US is holding up and that global growth could remain intact as well as concomitant sentiment channel that has been a boon to the AUD as well. Minutes of the last RBA meeting was just released. The central bank noted that the risk of CPI not reaching goal in reasonable time has risen and signaled that cash target rate of 4.35% could be maintained for an extended period of time. AUD held steady. Our call for AUD to reach 0.67 has played out completely. AUDUSD is reaching overbought conditions. We do not rule out profit-taking retracements towards 0.6640 (50-dma). Resistance at 0.6800. For the rest of the week, we have prelim. Aug PMI due on Wed along with Jul Westpac leading index. Thu has prelim. Aug mfg, services PMI.
- **NZDUSD - Double Bottom Plays Out.** NZDUSD was last seen around 0.6115 after a strong rally yesterday. The double bottom around 0.5850 is playing out as we have expected. Further extension towards 0.6230 cannot be ruled out based on the double bottom formation. Support at 0.5970 before 0.5915 and then at 0.5850. 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. AUDNZD may struggle to find further bullish momentum towards 1.11.

- **USDCAD - *Bearish*.** USDCAD was last seen around the 1.3630. Momentum is bearish still. Our warning that this pair could extend lower towards 1.3600/1.3590 is coming to fruition. 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 but overbought. Any sign of geopolitical escalation (middle east tensions) could give gold a nudge higher. However, the converse is also true. The Gaza cease-fire “bridging agreement” that Israel Benjamin Netanyahu had reportedly accepted according to US Secretary of State Antony Blinken might have kept gold from heading higher. Support is seen around 2430 before 2388 (50-dma).

Asia ex Japan Currencies

SGDNEER trades around +1.98% from the implied mid-point of 1.3344 with the top estimated at 1.3077 and the floor at 1.3610.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.3079 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. Singapore's own growth and inflation trajectory is somewhat in line with this narrative as growth is healthy and inflation is coming off. SGD remains resilient after MAS' hold, and the trade-weighted SGDNEER is at +1.98% 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 1.3100 and 1.3150. Supports are 1.3050 and 1.3000. Data due this week includes Jul CPI Inflation (Fri).
- **SGDMYR - Stable.** Cross was relatively stable at 3.3376 levels this morning. The soft landing/Goldilocks narrative appears to largely benefit the MYR more than the SGD so we caution for further downside. Upside rebounds are also possible as pair gets stretched. 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 4.3635 as it continued to move lower in line with the decline in broad dollar. 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, support is at 4.3602 and 4.2250. Resistances are at 4.4439 and 4.5000. Jul trade data remained in surplus albeit narrower at RM6.42bn (est. RM13.30bn, Jun. RM14.28bn). Remaining key data releases this week include Jul CPI (Thurs) and 15 Aug foreign reserves (Thurs).
- **USDCNH - Now in Two-way trades.** USDCNH was last seen around 7.13. USDCNY is fixed at 7.1325, lower than the previous 7.1415. LPRs are kept unchanged this morning by Chinese banks with 1Y LPR at 3.35% and 5Y at 3.85%. In news, a price war has surfaced in China's primary home market seen in tier one cities. According to BBG, at least 10 city governments have relaxed or removed new home price guidance to allow market forces to determine home prices. This would allow new home prices to fall further alongside secondary housing market which had seen sharper slides in pricing. We could see further deterioration in consumption given the negative wealth effect. However, allowing further market correction could also mean that markets may find a bottom sooner. 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 remaining has SWIFT global payments share

of CNY for Jul due on Thu. In other news, China-US Financial working group held talks on 15-16 Aug in Shanghai and signed a document to strengthen China-US financial stability. USDCNH retains a downside bias due to broader USD weakness. We anticipate two-way trades within the 7.1125-7.2030 range. Further declines to slow amid profit-taking and potential for disappointment for those looking for further dovish cues from Powell.

- **1M USDKRW NDF - Lower.** 1M USDKRW NDF was lower at 1325.30 levels this morning. KRW seems to be one of the best performers as the soft landing/Goldilocks narrative gathers steam. This is in line with our view expressed in the 15 Aug FX Insight (*Opportunistic FX Plays Beyond Recent Market Volatility*), where we see that KRW and TWD could play catch up as recession fears and growth concerns fade and as monetary policy settings become less restrictive. KRW remains one of the stronger performers this morning, with the TWD hot on its heels. 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 83.93 this morning. Daily candle as at 10am has a suspiciously long lower shadow, which could be indicative of the RBI's preference to hold the INR steady even as the USD broadly weakens. We will check the release of the 23 Aug FX reserves for evidence of intervention to keep pair steady. 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. 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, cautious.** Pair was last seen at 15536 as it moved down lower throughout yesterday in line with other USD - Asian pairs. This had occurred in line with a continue softening in the broad dollar as we build up to both Powell's speak at Jackson Hole and Ueda address to parliament on Friday. This morning, the pair is trading lower again compared to yesterday's close. Meanwhile, there would be a crucial BI decision due on Wed where we expect a hold although we closely watch out for any hints on the possibility of future rate easing. On the political front, President Jokowi has reshuffled his cabinet again ahead of the

transition that would take place. Law and Human Rights Minister portfolio would now be taken by Andi Agtas from Prabowo's Gerindra Party. Investment Minister Bahlil Lahadalia from Golkar would be taking over the energy and mineral resources minister portfolio. The two individuals previously into those ministerial positions were linked with the opposition. Former Indonesian Ambassador to the US Rosan Perkasa Roeslani has taken up the Investment Minister post whilst a member of Prabowo's inner circle - Angga Raka Prabowo is also appointed as the new deputy communications and information minister. The new investment and energy ministers have respectively pledged higher investment and oil output. We continue to keep a close eye on the political situation. We do not rule out the pair moving lower near term albeit it may be more limited. It may eventually see a rebound as focus moves more towards US elections and Fed rate cut bets can also be scaled back more. Back on the chart, we watch if the pair can decisively hold below the support at 15548 with the next at 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 56.58 as it continued to move lower in line with the broad dollar decline. We do not rule out the pair moving lower near term albeit it may be more limited. Eventually, we expect to see some rebound as focus moves more towards US elections and Fed rate cut bets can also be scaled back more. Back on the chart, we watch if it can decisively hold below the support at 56.88 (200-dma) with the next levels after that at 56.50 and 56.00. Resistance is at 57.20 and 57.50. Meanwhile, on the economic data front, Jul BoP overall data was in surplus at \$62m (Jun. -\$155m) although it may not necessarily continue to do so in the coming months. There are no remaining key data releases this week.
- **USDTHB - Lower, Further Downside But Likely Limited.** Pair was last seen at 34.29 as it continued to move lower just as we had called for. The movement was also in line with the decline in the broad dollar. We do though think the downside would be limited as the favorable factors that have supported the THB could fully play out soon. This includes elevated gold prices that may see some pullback and the broad dollar weakness that could eventually find some support. Expectations are also already there for the BOT to also be on hold on Wed. 2Q GDP data out yesterday was stronger than expected at 2.3% YoY (est. 2.2% YoY, 1Q. 1.6% YoY), which somewhat reduces the pressure for the BOT to have to ease rates. The key support level we watch is 34.10 with the next after that at 33.61. Resistance is at 35.00 and 35.50. We expect that the pair may eventually rebound as focus moves more towards US elections and Fed rate cut bets can also be scaled back more. Meanwhile, Thaksin is currently still facing charges on a royal insult and we await the outcome related to it. 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 slid below the 25025-support and was last seen around 24970. Pair is still bearish, taking the cue of broader USDAsian currencies. At home, China President Xi told Vietnam's To Lam that he wants to build "friendship" with him as To Lam made his first overseas trip after taking the post of the head of the Communist Party of Vietnam (as well as the President). To Lam's choice to visit Beijing on his first overseas trip after he became Vietnam's leader is well noted by China Xi as a reflection of the importance of their diplomatic relations. Next support is seen around 24890 before 24760. Resistance at 25190.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.35	3.34	-1
5YR MO 8/29	3.53	3.52	-1
7YR MS 4/31	3.73	3.71	-2
10YR MT 11/33	3.79	3.78	-1
15YR MS 4/39	*3.92/3.90	3.90	-1
20YR MX 5/44	*4.07/4.04	4.05	Unchanged
30YR MZ 3/53	4.18	4.18	Unchanged
IRS			
6-months	3.49	3.48	-1
9-months	3.44	3.43	-1
1-year	3.41	3.40	-1
3-year	3.37	3.34	-3
5-year	3.44	3.40	-4
7-year	3.52	3.50	-2
10-year	3.62	3.60	-2

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*Indicative levels

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

- MYR bonds had a slow start to the day, then activity picked up in the afternoon as the 10y UST fell by 2bps at the London open. The MYR FX strengthening by 500pips against the USD also boosted market sentiment and drove buying interest in short-end MGS and benchmark papers. However, liquidity and trading volume stayed light, and the curve ended the day down by 1-2bps. The 5y GII 7/29 reopening was announced at a size of MYR4b.
- MYR IRS rates dropped by 2-5bps, with trading activity concentrated in the 5y tenor, which dealt in between 3.40% and 3.43%. Firmer onshore govies and lower US rates helped contribute to the receiving bias in MYR IRS. 3M KLIBOR stayed unchanged at 3.53%.
- Onshore PDS trading was subdued. GG names were mixed, with PASB 9/25 and Danainfra 11/36 spreads widening by 2bps, while Prasarana 12/27 tightened by 7bps. AAA names saw better buying, narrowing spreads by 1-3bps, notably in Petroleum Sarawak 2/30 and SMJ Energy 10/28. Other trades were in odd amounts, resulting in major spread changes.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.77	2.75	-2
5YR	2.76	2.70	-6
10YR	2.82	2.77	-5
15YR	2.87	2.82	-5
20YR	2.91	2.87	-4
30YR	2.93	2.90	-3

Source: MAS (Bid Yields)

- Last Friday, UST yields remained mostly unchanged due to a lack of fresh catalysts. SGS yields dipped as UST yields edged lower in the afternoon session. SGS outperformed UST with the SGS yield curve shifting down by 2-6bps, led by the belly segment with the 5y yield dropping 6bps to 2.70%. Markets are focused on the upcoming July FOMC minutes and the Jackson Hole symposium.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.51	6.50	(0.01)
2YR	6.53	6.53	0.00
5YR	6.59	6.54	(0.05)
7YR	6.77	6.73	(0.04)
10YR	6.72	6.69	(0.04)
20YR	6.89	6.86	(0.02)
30YR	6.95	6.95	(0.00)

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* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds strengthened yesterday. It's triggered by current positive environment on Indonesian investment condition after Rupiah consistently appreciated against US\$ and the global oil prices continued weakening to below US\$78/barrel. Lower pressures on the imported inflation is expected to enlarge the opportunity for Bank Indonesia to be more accommodative on its monetary measures. We expect Indonesian bond market to stay being positive during this week. Indonesian bonds also kept being attractive as the yield of U.S. government bonds also continues weakening before the event Jackson Hole Symposium this week.
- The government through Ministry of Finance is scheduled to hold its conventional bond auction with indicative target by Rp22 trillion. At this auction, the government is ready to offer the new candidate of benchmark series, FR0104 with the maturity date on 15 Jul-30. We expect FR0104 to offer 6.75% of coupon rate. Other series that will be offered at auction are SPN03241120 (New Issuance), SPN12250807 (Reopening), FR0103 (Reopening), FR0098 (Reopening), FR0097 (Reopening), and FR0102 (Reopening). This auction is expected to be crowded by strong investors' enthusiasm during current high expectation on incoming lower policy rates by both the Fed and Bank Indonesia and high attractiveness on the candidate of new benchmark series FR0104. Investors' total incoming bids for this auction are expected to reach at least Rp40 trillion.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1114	149.82	0.6766	1.3051	7.1885	0.6157	165.2533	100.0640
R1	1.1071	148.72	0.6717	1.2997	7.1758	0.6105	164.0267	99.2650
Current	1.1082	146.47	0.6729	1.2985	7.1331	0.6118	162.3200	98.5520
S1	1.0999	145.86	0.6637	1.2890	7.1391	0.6014	160.9967	97.3300
S2	1.0970	144.10	0.6606	1.2837	7.1151	0.5975	159.1933	96.1940
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3246	4.4522	15720	57.5360	34.9700	1.4594	0.6177	3.3956
R1	1.3202	4.4423	15707	57.3860	34.7960	1.4552	0.6182	3.3780
Current	1.3085	4.3740	15555	56.6900	34.3920	1.4501	0.6142	3.3438
S1	1.3096	4.3951	15615	56.8730	34.4120	1.4463	0.6153	3.3354
S2	1.3034	4.3578	15536	56.5100	34.2020	1.4416	0.6118	3.3104

*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	40,896.53	0.58
Nasdaq	17,876.77	1.39
Nikkei 225	37,388.62	-3.77
FTSE	8,356.94	0.55
Australia ASX 200	7,980.45	0.12
Singapore Straits Times	3,355.56	0.08
Kuala Lumpur Composite	1,648.70	1.53
Jakarta Composite	7,466.83	0.47
Philippines Composite	6,889.87	0.62
Taiwan TAIEX	22,409.63	0.27
Korea KOSPI	2,674.36	-0.85
Shanghai Comp Index	2,893.67	0.49
Hong Kong Hang Seng	17,569.57	0.80
India Sensex	80,424.68	-0.02
Nymex Crude Oil WTI	74.37	-2.97
Comex Gold	2,541.30	0.14
Reuters CRB Index	276.39	0.34
MBB KL	10.60	3.31

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