

Global Markets Daily

Equity Rally Stops, USD Slide Continues

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The rally in US equities took a breather yesterday snapping an eight-session streak of gains with small declines. Investors could be starting to be a tad cautious ahead of Jackson Hole and could be electing to take profits. Meanwhile, USTs rallied (10Y: -8bps) amid reports that bond traders are taking on record amounts of risk with CME data showing open interest in 10Y UST futures at 23 million contracts or US\$1.5b per basis point move. The USD continued its broad decline, with the DXY last seen at 101.340 levels, below the 101.50 support. Our long term view for a weaker USD remains intact as Fed rate cuts set in against a backdrop of a likelier global soft landing/Goldilocks scenario. However, we do caution that with Fed rate cut bets as dovish as they are (~100bps for 2024), near-term rebounds in the USD alongside hawkish repricing is a real risk. Our economist sees 50bps of rate cuts for the Fed in 2024. Gold holds above the \$2500 handle and remains very bid amid expectations of rate cuts and falling inflation. We think that Asian currencies could continue to remain strong against the USD.

Expect Holds from BI and BOT

We expect holds for both the Bank of Thailand (BOT) and Bank Indonesia (BI) today. This is in line with market consensus, with also sees both central banks holding steady. Broadly, we suggest that regional central banks could be cautious about outsized currency weakness that could set in if they cut ahead of the Fed (although BSP cut last week). Nevertheless, cuts could come in after the Fed and dovetail nicely with moderating gains to Asian currencies that are arising largely because of dovish expectations for Fed cuts. As mentioned, current pricing is for ~100bps of Fed cuts in 2024, more dovish than our economist expects (50bps). Powell had also indicated that 50bps cuts had not been planned.

Data/Event We Watch Today

We watch BI and BOT Policy Decision today.

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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

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1130	↑ 0.41	USD/SGD	1.3052	↓ -0.23
GBP/USD	1.3034	↑ 0.33	EUR/SGD	1.4528	↑ 0.19
AUD/USD	0.6745	↑ 0.21	JPY/SGD	0.8984	↑ 0.68
NZD/USD	0.6154	↑ 0.67	GBP/SGD	1.7011	↑ 0.10
USD/JPY	145.26	↓ -0.91	AUD/SGD	0.8802	↓ -0.06
EUR/JPY	161.67	↓ -0.51	NZD/SGD	0.803	↑ 0.41
USD/CHF	0.854	↓ -1.02	CHF/SGD	1.5281	↑ 0.78
USD/CAD	1.3621	↓ -0.10	CAD/SGD	0.9581	↓ -0.15
USD/MYR	4.3815	↓ -0.03	SGD/MYR	3.3493	↑ 0.15
USD/THB	34.205	↓ -0.71	SGD/IDR	11799.02	↓ -0.63
USD/IDR	15435	↓ -0.76	SGD/PHP	43.254	↑ 0.05
USD/PHP	56.555	↓ -0.17	SGD/CNY	5.4626	↑ 0.08

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3048	1.3315	1.3581

G10 Currencies

- **DXY Index - *Slide Continues*.** US bourses snapped their eight-day winning streak yesterday, although the USD continued its slide, with the DXY last seen around 101.30 levels. Harris' agenda seems largely focused on domestic policies. Harris may not need to be as hawkish on China if she manages to win this year if her focus remains on the domestic front. Some caution could set in ahead of the Jackson Hole Economic Conference and 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 in such a case. For the DXY index, resistance is now seen around 101.50 before 102.87. Next support is the Dec 2023 low of 100.62 and 100.00 figure thereafter. Momentum is still bearish biased. Data-wise, we have minutes of the FOMC meeting on Wed night before Chicago Fed Nat. Activity index for Jul on Thu along with jobless claims and prelim. Mfg, services PMI for Aug and existing home sales for Jul. Fri has new home sales.
- **EURUSD - *Above 1.11 figure*.** EURUSD trades above the 1.11 figure at 1.1127 levels this morning. As the USD softens further, the risk of a reversal in the USD rises. 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 drive the pair for now, such as the Eurozone's recovery trajectory. Jun ECB Current Account was wider at €50.5b (prev: €37.6b). EC CPI Inflation was broadly unchanged with core at 2.9% YoY (exp: 2.9%; prev: 2.9%) and headline at 2.6% YoY (exp: 2.6%; prev: 2.5%). Support is at 1.1100 and 1.1050, resistance at 1.1150 and 1.1200. Eurozone data this week includes Aug P Mfg/Svcs/Comp PMIs (Thu) and Jul 1Y/3Y ECB CPI Expectations (Fri).
- **GBPUSD - *Higher*.** GBPUSD trades higher at 1.3036 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 in the near-term 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 1.3050 and 1.3100. Supports are at 1.3000 and 1.2950. 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).

- **USDCCHF - Lower.** USDCCHF trades lower at 0.8535 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 USDCCHF 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 USDCCHF. Nevertheless, we do see USDCCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts. Supports are at 0.8500 and 0.8450. Rebounds to meet resistance at 0.8550 and 0.8600 thereafter. Swiss data this week includes Jul M3 Money Supply (Wed).
- **USDJPY - Lower, Watching Support at 145.37.** The pair was last seen at 145.49 as it traded just above a key support level of 145.37. It continued to fall lower ahead of Jackson Hole and Ueda's Friday parliamentary address. The price action itself together with the future's positioning (albeit a week behind) seems to be implying JPY bullishness amid some expectations of Powell tilting more dovish and Ueda at the same time also leaning towards hawkishness. However, we think Powell could simply just reiterate that a rate cut may come soon and that the extent of easing could be data dependent. Therefore, we are not going to rule out the potential for any retracement. Overall, we think that the pair could eventually be ranged traded between 145.00 - 150.00. Jul trade data out yesterday showed that the balance on an adjusted basis remained in deficit at -755.2bn yen (est. -744.9bn yen, Jun. -819.6bn yen). Resistance at 150.00 and 152.00. Support at 145.37 and 140.25. Remaining key data releases this week include 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 0.6745 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 Thurs.
- **NZDUSD - Double Bottom Plays Out.** NZDUSD was last seen around 0.6152 after another 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 1.3616. 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. Jul CPI inflation was in line with estimates at 2.5% YoY (exp: 2.5%; prev: 2.7%)

and 0.4% NSA MoM (exp: 0.4%; prev: -0.1%). Week ahead has 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 2513 levels, holding well above 2500. Next resistance is seen at 2530. Bias is increasingly bullish but conditions are 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 +1.97% from the implied mid-point of 1.3315 with the top estimated at 1.3048 and the floor at 1.3581.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.3052 levels this morning, with SGDNEER close to the 2% band edge. Bilateral USDSGD can continue to decline so as long as the SGD does not outperform on a trade-weighted basis. Outperformance of SGDNEER would raise the risk of sThe 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 +1.97% 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 - Higher.** Cross was higher at 3.3485 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 - Steady.** Pair was last seen at 4.3685 as it continued to trade around levels similar to yesterday even as the broad dollar continued to come off overnight. 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. 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 7.1268. USDCNY is fixed at 7.1307, lower than the previous 7.1325. The fixing is broadly in line with expectations for the first time in more than a year, which signals some dialing back in support. 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 - *Slightly higher*.** 1M USDKRW NDF was slightly higher at 1328.43 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. 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. Data releases due this week are 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 - *Lower*.** USDINR 1M NDF was lower at 83.87 this morning with some more noticeable small declines for USDINR finally coming in. We will be mindful of 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 15468 as it came off throughout yesterday as we build up to both Powell's speak at Jackson Hole and Ueda address to parliament on Friday in addition to the crucial BI decision due later today. Market price action seems to be for quite some dovish tilt from Powell and Ueda to lean more hawkish although there could be some disappointment. Market expectations at this point still is for about 100bps of cuts by end 2024. We expect a hold for BI as they continue to emphasize IDR stabilize although we closely watch out for any hints on the possibility of future rate easing. In particular, we also keep a close eye on their view on the Fed's rate cut timing too. Our in-house economist believes that the central bank may only ease by 25bps in 4Q 2024 after a potential first Fed cut in Sep. Regarding the pair, we think the downside would be more limited and 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, support is at 15318 and 15000. Resistance at 15777 and 15891 (200-dma). Key data releases this week include 2Q BoP CA balance (Thurs).

- **1M USDPHP NDF - Lower, Cautious.** The pair was last seen at 56.46 as it came down throughout yesterday in line with the continuing softening in the broad dollar as we build up to both Powell's speak at Jackson Hole and Ueda address to parliament on Friday. The pair was trading just a little higher this morning from yesterday's close. Market price action seems to be for quite some dovish tilt from Powell and Ueda to lean more hawkish although there could be some disappointment. Market expectations at this point still is for about 100bps of cuts by end 2024. We believe that downside for the pair is likely more limited and that there could be some rebound eventually 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 56.50 and 56.00. Resistance is at 57.20 and 57.50. There are no remaining key data releases this week.
- **USDTHB - Lower, Testing Support.** Pair was last seen at 34.13 as it continued to head lower amid the climb in gold prices. Gold prices continue itself to receive support amid expectations of the Fed tilting more dovish with markets still seeing the possibility of 100bps of cuts by year end. The precious metal has also proven to be an effective safe haven over the last few years and therefore, investors may also have reasonable appetite for it amid the ongoing global uncertainties that include recession risks, geopolitical tensions and US elections. Thailand and the THB for that matter is benefiting from the rise in prices given the country's position as a gold trading hub. However, we do think gold prices do look rather stretched on the upside and a pullback near term can occur especially if Powell disappoints markets by not tilting sufficiently dovish at Jackson Hole, which cannot be ruled out. The Fed Chair could just simply reiterate that a Fed rate cut is coming soon and that the pace of easing is data dependent. Therefore, we see the downside is more limited for the USDTHB and that there could be a rebound. There is a BOT meeting also due later but we expect them to stay on hold and they are unlikely to lean dovish. This could continue to give the THB support too. Back on the chart, the key support level we watch is 34.10, which the pair is currently trading very close to. The next after that at 33.61. Resistance is at 35.00 and 35.50. Meanwhile, Thaksin's lese majeste court case has been adjourned to Jul next year. 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 remained below the 25025-support and was last seen around 24915. 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	3.34	3.34	Unchanged
5YR MO 8/29	3.52	3.49	-3
7YR MS 4/31	3.71	3.68	-3
10YR MT 11/33	3.78	3.77	-1
15YR MS 4/39	3.90	*3.91/3.89	Not traded
20YR MX 5/44	4.05	4.05	Unchanged
30YR MZ 3/53	4.18	4.18	Unchanged
IRS			
6-months	3.48	3.49	+1
9-months	3.43	3.43	-
1-year	3.40	3.41	+1
3-year	3.34	3.32	-2
5-year	3.40	3.37	-3
7-year	3.50	3.48	-2
10-year	3.60	3.58	-2

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Source: Maybank

*Indicative levels

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

- Ringgit government bonds strengthened slightly, with buying interest focused on the belly of the curve, tracking lower IRS levels. The MGS yield curve eased by 1-3bps in the belly segment, while the front and back ends remained relatively stable. GII yields were mixed as some market participants trimmed positions ahead of the auction. Attention turns towards Wednesday's 5y GII 7/29 auction, with the WI last quoted at 3.530%/3.505%.
- MYR IRS continued its downtrend, with rates falling by 2-4bps, and outperformed onshore government bonds. Trades included the 4y rate at 3.34% and 3.35%, and the 5y rate at 3.37% and 3.385%. 3M KLIBOR was unchanged at 3.53%.
- It was a moderate session for PDS market, with marginally improved liquidity. GG names like PTPTN, Prasarana, and Danainfra traded within a narrow range. AAA bonds showed mixed performance, with DIGI 2029 trading 2bps higher. Cagamas long-tenor bonds outperformed, trading 5-6bps lower in sizeable volumes. AA1/AA+ SD Property 8/26 and YTL long-tenor bonds fell 2-4bps, while KLK 9/29 rose 3bps. AA2 Imtiaz II 4/26 spreads tightened by 2bps, and AA3/AA-Tanjung Bin Energy 3/31 saw MYR50m traded 3bps lower in yield.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.75	2.75	-
5YR	2.70	2.70	-
10YR	2.77	2.77	-
15YR	2.82	2.83	+1
20YR	2.87	2.88	+1
30YR	2.90	2.90	-

Source: MAS (Bid Yields)

- USTs were mostly unchanged overnight as investors awaited the Fed's comments at the upcoming Jackson Hole symposium. Similarly, SGS yields held within a narrow range. On MTD basis, front-end SGS yields have fallen by 18bps, 5y-15y yields have dropped 7-10bps, while ultra-long yields shifted just +/-2bps, resulting in a steeper curve.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.50	6.48	(0.02)
2YR	6.53	6.51	(0.02)
5YR	6.54	6.50	(0.04)
7YR	6.73	6.74	0.01
10YR	6.69	6.64	(0.05)
20YR	6.86	6.84	(0.02)
30YR	6.95	6.89	(0.06)

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* Source: Bloomberg, Maybank Indonesia

■ Most Indonesian government bonds sustained their rally trends until yesterday. Indonesian bond market is on positive mode as the global investment funds flooded coming here. Indonesian bond market became an attractive destination for the global investors as the yield of U.S. government bonds continue gradually dropping, following investors' high expectation for imminent Fed's aggressive policy rate cut to prevent the U.S. economy from threats of recession. On the domestic side, we also saw an adequate room for Bank Indonesia to be more accommodative on its monetary stance after seeing recent abundant monetary ammunition, in the form of strong money inflow, and modest inflation pressures, especially from the sides of imported inflation and core inflation. A significant measures on more accommodative of Bank Indonesia's monetary stance is expected to be supportive for accelerating the business expansion of both business players and personal sides. Bank Indonesia is scheduled to hold its monetary meeting today.

■ Yesterday, Indonesian government successfully absorbed Rp27 trillion from its latest conventional bond auction. It's above the government indicative target by Rp22 trillion for this auction. We witnessed very strong investors' enthusiasm for participating this auction during recent favourable condition on Indonesian financial market, as shown by total investors' incoming bids that reached Rp104.07 trillion. At this auction, the investors had putting most attention for the new candidate benchmark series, such as FR0104 and FR0103. For the new series FR0104, the investors took strong amount of incoming bids by Rp50.59 trillion with asking range yields by 6.45000%-6.70000%. Then for FR0103, total investors' incoming bids reached Rp30.62 trillion with asking range yields by 6.63000%-6.78000%. Then, for FR0104, the government sets up the coupon rate at 6.500000% until 15 Jul-30. The government absorbed Rp7.7 trillion with awarding weighted average yields by 6.50102%. For FR0103, the government absorbed Rp11.7 trillion with awarding weighted average yields by 6.65998%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1169	148.09	0.6772	1.3097	7.1581	0.6188	163.7833	99.4680
R1	1.1149	146.67	0.6758	1.3066	7.1376	0.6171	162.7267	98.7370
Current	1.1131	145.24	0.6751	1.3037	7.1180	0.6161	161.6700	98.0520
S1	1.1091	144.52	0.6722	1.2989	7.1062	0.6123	161.0767	97.5740
S2	1.1053	143.79	0.6700	1.2943	7.0953	0.6092	160.4833	97.1420
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3125	4.3946	15570	56.6763	34.5463	1.4559	0.6167	3.3586
R1	1.3088	4.3881	15503	56.6157	34.3757	1.4544	0.6157	3.3540
Current	1.3046	4.3700	15441	56.5920	34.1140	1.4521	0.6151	3.3499
S1	1.3029	4.3689	15392	56.5187	34.0837	1.4500	0.6125	3.3405
S2	1.3007	4.3562	15348	56.4823	33.9623	1.4471	0.6104	3.3316

*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	40,834.97	-0.15
Nasdaq	17,816.94	-0.33
Nikkei 225	38,062.92	1.80
FTSE	8,273.32	-1.00
Australia ASX 200	7,997.73	0.22
Singapore Straits Times	3,370.31	0.44
Kuala Lumpur Composite	1,642.77	-0.36
Jakarta Composite	7,533.99	0.90
Philippines Composite	6,944.76	0.80
Taiwan TAIEX	22,429.10	0.09
Korea KOSPI	2,696.63	0.83
Shanghai Comp Index	2,866.66	-0.93
Hong Kong Hang Seng	17,511.08	-0.33
India Sensex	80,802.86	0.47
Nymex Crude Oil WTI	74.04	-0.44
Comex Gold	2,550.60	0.37
Reuters CRB Index	276.42	0.01
MBB KL	10.60	0.00

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