

# Global Markets Daily

## Prelim. Aug PMIs in Focus

### Minutes Indicate Growing Concerns on the US Labour Market

The DXY index slipped a tad more upon the release of the FOMC Minutes for the Jul meeting. "Several participants" noted that the rise in jobless rate and the recent progress on inflation had "provided a plausible case" to reduce interest rates by 25bps. The "vast majority" expect to ease policy in Sep should incoming data come in within expectations. There were notably growing concerns on the labour market with "majority of participants" seeing rising risks to the employment goal and some highlighting "the risk that a further gradual easing in labour market conditions could transition to a more serious deterioration". On a related note, the BLS reported that US payroll growth will probably be revised down by 818K jobs for the year through Mar 2024, building the case for Fed to start easing in Sep. While US equities surge on rate cut bets, AUD and NZD stall in gains as growth concerns seeped back on weaker data. IN contrast, GBP outperformed. Market implied rates suggests that expectations are for the UK to have the highest rate amongst G10 peers 1Y from now and as such, underpins the GBP for now.

### BoK Held its Base Rate at 3.50%

BoK kept its base rate unchanged at 3.50% later this morning. As we expected, and as widely anticipated by markets, the BOK stood pat today, unsurprising given their penchant to hold for an extended period before pivoting to a cut. BOK remains concerned about upside risks to inflation and potential overheating of the property sector on rate cuts. Tight Jul job market with unemployment falling to 2.5% (exp: 2.9%; prev: 2.8%) is also supportive of a BOK hold. Apart from the aforementioned concerns, there could also be concerns about KRW weakness if they were to cut ahead of the Fed. KRW has been one of the best performers as the soft landing/Goldilocks narrative gathers steam.

### Data/Event We Watch Today

The Jackson Hole starts off today but key speakers such as Fed Powell, BoE Bailey and ECB Lane will only speak tomorrow. For the rest of the day, we have Aug prelim. PMI numbers from the Eurozone, UK and the US which could provide a gauge of the economy. Chicago Fed Nat. Activity index for Jul is due on Mon. US existing home sales and the weekly jobless claims are due .

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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	1.1027	↑ 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
1.3052	1.3318	1.3584

## G10 Currencies

- **DXY Index - *Slide Continues*.** The DXY index slipped a tad more upon the release of the FOMC Minutes for the Jul meeting. “Several participants” noted that the rise in jobless rate and the recent progress on inflation had “provided a plausible case” to reduce interest rates by 25bps. The “vast majority” expect to ease policy in Sep should incoming data come in within expectations. There were notably growing concerns on the labour market with “majority of participants” seeing rising risks to the employment goal and some highlighting “the risk that a further gradual easing in labour market conditions could transition to a more serious deterioration”. On a related note, the BLS reported that US payroll growth will probably be revised down by 818K jobs for the year through Mar 2024, building the case for Fed to start easing in Sep. We continue to watch data releases today and that includes the Aug prelim. PMI data that could provide a gauge of its economic health. The Jackson Hole starts off today but key speakers such as Fed Powell, BoE Bailey and ECB Lane will only speak tomorrow. 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. The DXY index is likely to find support around 100.62. Conditions are increasingly stretched to the downside but momentum is still bearish biased. Data-wise, we have 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 1.1150 levels this morning. Fed minutes essentially confirmed that policymakers were looking for a Sep cut and this weighed on the USD. 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 be drive the pair for now, such as the Eurozone’s recovery trajectory. 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 1.3088 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 1.3100 and 1.3150. Supports are at 1.3050 and 1.3000. UK data this week includes Aug P Mfg/Svcs/Comp PMIs, Aug CBI Trends (Thu) and Aug GfK Consumer Confidence (Fri).

- **USDCHF - Lower.** USDCHF trades lower at 0.8519 levels this morning. We continue to look for two-way movements for the pair. Of the traditional safe-havens, it does seem that gold and CHF retain most of the safe-haven properties, with the JPY being pressured by yield differentials. 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 0.8500 and 0.8450. Rebounds to meet resistance at 0.8550 and 0.8600 thereafter. No further Swiss data releases this week.
- **USDJPY - Hovering Around Support at 145.37, Likely to be Ranged.** The pair was last seen at 145.35, which puts it at levels similar to where it was at the same time yesterday morning. USDJPY though did see quite some movements yesterday as it climbed above 146.00 initially before moving lower and breaking below the 145.00 post the release of the BLS downward jobs revision. The pair would then bounce back up and ended the day above the 145.00 mark. Markets for now as a whole are awaiting Powell's speak at Jackson Hole and Ueda's parliamentary address on Friday. Market Fed rate cut expectations, USDJPY price action and futures positioning (albeit a week behind) all seem to be implying JPY bullishness. There appear to be 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. Ueda we believe may also avoid trying to destabilize the market and therefore, whilst he may not want to sound too dovish, he could avoid trying to tilt too hawkish. Overall, we think that the pair could eventually be ranged traded between 145.00 - 150.00. Aug P PMI data was mixed with the Mfg PMI remaining in contraction territory at 49.5 (Jul. 49.1) whilst services rose to 54.0 (Jul. 53.7). Data continues in some sense to highlight fragility in elements of the economy such as manufacturing. Resistance at 150.00 and 152.00. Support at 145.37 and 140.25. Remaining key data releases this week include Jul F machine tool orders (Thurs), Jul CPI (Fri) and Jul Tokyo/Nationwide dept sales (Fri).
- **AUDUSD - Due for Bearish Correction.** AUDUSD remained stable around 0.6740. This pair was able to maintain elevation because of 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. Having seen a 6.5% gain in the AUDUSD since its low on 5<sup>th</sup> Aug, the pair is already in overbought conditions. There is also a risk that any sign of global growth weakness could once again see AUD make a bearish correction in addition to any weaker data that could spur markets to re-price hawkish bets on RBA. 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.

- **NZDUSD - Double Bottom Plays Out.** NZDUSD was last seen around 0.6150, also struggling to gain elevation. Both AUD and NZD being pro-cyclical currencies have benefitted from the increasingly consensus view that global growth remains somewhat resilient. However, antipodeans are now at a juncture where they could be more vulnerable to the downside should data underwhelms. We watch the prelim. PMI data for Aug from the G3 countries today. The double bottom for the NZDUSD 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 but we think we are almost down here. Support at 0.5970 before 0.5915 and then at 0.5850. AUDNZD may struggle to find further bullish momentum towards 1.11. We prefer to take profit in case of long positions.
- **USDCAD - Bearish.** USDCAD was last seen around the 1.3590. Momentum is bearish still. Our warning that this pair could extend lower towards 1.3600/1.3590 is coming to fruition. Break here could open the way towards 1.3510 but we suspect momentum could slow given oversold conditions. 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. Fri has Jun retail sales.
- **Gold (XAU/USD) - Capped again For Now.** Gold hovered around 2508 as we write this morning. 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 +1.94% from the implied mid-point of 1.3318 with the top estimated at 1.3052 and the floor at 1.3584.

- **USDSGD - Two-way risks.** USDSGD was slightly higher at 1.3060 levels this morning, with SGDNEER remaining 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. Standout SGD outperformance would raise the risk of MAS intervention. 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 +1.94% 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 3.3512 levels this morning. As we mentioned, rebounds are possible as pair gets stretched. Although we believe the soft-landing narrative favours the MYR more than the SGD. Support at 3.3500 with the next support at 3.3300. Resistances at 3.3700 and 3.4000 levels.
- **USDMYR - Steady.** Pair was last seen at 4.3737 as it continued to trade around levels seen the last few days. 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 7.1340. USDCNY reference rate is fixed at 7.1228, lower than the previous 7.1307, another fix that is higher than the median estimate of 7.1215. The first time was yesterday where the actual fix was 7pips higher than estimates. We continue to watch the fix for more signals that PBoC may want to slow the appreciation of the CNY against the USD. Week remaining has SWIFT global payments share of CNY for Jul due on Thu. 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 1333.92 levels this morning. As we expected, and as widely anticipated by



markets, the BOK stood pat today, unsurprising given their penchant to hold for an extended period before pivoting to a cut. BOK remains concerned about upside risks to inflation and potential overheating of the property sector on rate cuts. Tight Jul job market with unemployment falling to 2.5% (exp: 2.9%; prev: 2.8%) is also supportive of a BOK hold. Apart from the aforementioned concerns, there could also be concerns about KRW weakness if they were to cut ahead of the Fed. KRW has been 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. 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. No further KRW data releases this week.

- **USDINR 1M NDF - *Steady*.** USDINR 1M NDF was relatively steady at 83.99 this morning. 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 - *Hovering Around 15500, Downside Limited*.** Pair was last seen at 15512 as it continued to hover around the 15500 mark. BI's held yesterday as was widely expected by the market and in some sense it was therefore a non-event. There was limited reaction in the 1M NDF resultantly. The central bank reiterated its commitment to ensure IDR stability as the Governor in particular mentioned that BI's focus for 3Q 2024 will be on strengthening the rupiah. The central bank also continues to see room for a cut to reduce interest rate cuts in 4Q 2024 and they expect two Fed cuts this year starting from Sep. They did note that economic growth and credit growth remained solid but acknowledged that growth "needs to be supported, especially demand". Overall, we take the central bank's words as supportive of the IDR as they look like that they would not ease ahead of the Fed. Our in-house economist expects for BI to cut rates by 25bps in 4Q 2024. Meanwhile, the release of the BLS revision in the annual payrolls benchmark did help guide the 1M NDF lower from its highs yesterday initially although it rebounded later again. As a whole, markets continue to await both Powell's speak at Jackson Hole and Ueda address to parliament on Friday. Broader market price action seems to imply for quite some dovish tilt from Powell and Ueda to lean more hawkish although there could be some disappointment. Market expectations points to about 100bps of cuts by end 2024. 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 - *Steady, Downside Limited*.** The pair was last seen at 56.34 as it continued to trade around levels seen the last couple of days. The release of the BLS revision in the annual payrolls benchmark did help guide the 1M NDF lower yesterday although it rebounded later again but closed below the highs of the day. The 1M NDF opened much unchanged from yesterday's close this morning. As a whole, markets await both Powell's speak at Jackson Hole and Ueda address to parliament on Friday. Broader market price action seems to imply 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 1M NDF is likely to more limited and that there could be some rebound eventually as focus moves more towards US elections whilst Fed rate cut bets can also be scaled back more. Back on the chart, support at 56.21 and 55.27. Resistance is at 56.89 and 57.50. There are no remaining key data releases this week.
- **USDTHB - *Bounces Up, Testing Support*.** Pair was last seen at 34.30 as the pair bounced off the key support at 34.11, which is around its Jan 2024 low. We had called for this to happen and believe that the rebound can still further play out. Gold prices continued to hover around its record high, which in some sense still gives the THB support. Yesterday, the BOT held rates at 2.50% as widely expected by the market and impact from the decision we see was likely limited. The committee voted 6-1 to keep the rates unchanged. The committee did note that "it is crucial to closely monitor the impacts of deterioration in credit quality on borrowing costs and overall credit growth, which could disturb economic activities". Governor Piti Disyatat also mentioned that they will continue assess at the next meeting there will be something that will affect the economic outlook and warrant any policy action but the MPC still see that the policy rate remains consistent with the outlook on growth and inflation. Overall, there was little change in the tone of the central bank and we believe that they would keep rates on hold for the rest of this year. This would give support to the THB at a time when global central banks are easing. Meanwhile, local media Thansettakij reported yesterday that an unidentified government official has said that PM Paetongtarn would replace the digital wallet program with a direct cash handout of 10,000 baht to 14m welfare cardholders. There is still no concrete information about the program at this point and we continue to monitor developments related to it. On other political matters, Pheu Thai has received the cabinet nominations from its 10 coalition partners according to Thansettakij and the nominees would now be thoroughly vetted by various agencies before they can be appointed. The newspaper had cited Prommin Lertsuridej, secretary-general to the Prime Minister. Regarding the pair, we continue to see that it can climb further as market expectations of Fed rate cuts can get scaled back whilst there would be increasing focus on US elections. Markets now await Powell speak at Jackson Hole and Ueda's parliamentary address on Friday. 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. Other key data releases this week include Jul car sales (22 - 24 Aug) and 16 Aug gross international reserves/forward contracts (Fri).
- **USDVND - *Finding Support*.** USDVND hovered around 24930 this morning, finding support around 24890. Pair is still bearish, taking the cue of broader USDAsian currencies but we suspect that there could be some retracements now. 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	3.33	-1
5YR MO 8/29	3.49	3.48	-1
7YR MS 4/31	3.68	3.68	Unchanged
10YR MT 11/33	3.77	3.77	Unchanged
15YR MS 4/39	*3.91/3.89	3.91	+1
20YR MX 5/44	4.05	4.05	Unchanged
30YR MZ 3/53	4.18	4.18	Unchanged
IRS			
6-months	3.49	3.48	-1
9-months	3.43	3.42	-1
1-year	3.41	3.37	-4
3-year	3.32	3.31	-1
5-year	3.37	3.37	-
7-year	3.48	3.45	-3
10-year	3.58	3.57	-2

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Source: Maybank

\*Indicative levels

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

- The 5y GII 7/29 auction recorded a strong bid-to-cover ratio of 3.68x and an average yield of 3.488%. In the secondary space, trading activity in Ringgit government bonds picked up. Despite strong buying interest in the short-to-mid part of the curve, yields only eased by around 1bp as some market participants reduced exposure ahead of the Jackson Hole Symposium. Longer-dated yields closed relatively unchanged.
- US rates fell overnight, leading MYR rates to open with a continued downward bias. But unlike previous sessions, there was strong paying interest on the downtick, likely due to the very low absolute levels, particularly against 3M KLIBOR (flat at 3.53%), as well as interest in bond hedging and swap spreads. The 5y IRS traded between 3.34% to 3.35%.
- Onshore corporate bonds were muted as market was focused on the 5y GII auction. GG bonds, particularly Danainfra and Prasarana long-tenors, traded within a narrow range. In the AAA space, energy names dominated, with spreads narrowing by 2bps for TNB 6/47, PASB 6/26 and Petroleum Sarawak 3/31. The AA1/AA+ segment saw Maybank 1/34 trade 1bp lower on MYR40m volume, while UOB 8/30 outperformed with a significant yield drop on MYR20m traded. AA2 Ambank 6/34 and RHB Islamic 5/34 traded at MTM levels. Overall, the session was mixed with interest in long-tenor bonds, especially in the financial and energy sectors.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.75	2.72	-3
5YR	2.70	2.67	-3
10YR	2.77	2.74	-3
15YR	2.83	2.79	-4
20YR	2.88	2.84	-4
30YR	2.90	2.86	-4

Source: MAS (Bid Yields)

- USTs strengthened overnight, with yields easing by 5-6bps following weak Philadelphia Fed data indicating sluggish non-manufacturing activity in August. Additionally, a significant downward revision to US annual payroll figures is anticipated. Following the UST direction, SGS yields declined by 3-4bps, but underperformed amid a rise in the USDUSD pair as well as caution ahead of the Jackson Hole Symposium and the auction size announcement for the 5y SGS 7/29 reopening.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.48	6.45	(0.03)
2YR	6.51	6.51	0.00
5YR	6.50	6.50	-
7YR	6.74	6.73	(0.01)
10YR	6.64	6.61	(0.03)
20YR	6.84	6.84	(0.01)
30YR	6.89	6.88	(0.01)

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\* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds kept strengthening although Bank Indonesia decided maintaining its policy rate at 6.25% yesterday. Indonesian bond market remains conducive as the global investors remained having high expectation for imminent policy rate cut by the Fed. The global investors continues placing their investment on the attractive emerging market, such as Indonesia. On the other side, the latest BI's policy decision for maintaining its policy rate at 6.25% is a stabilization measures that have been applied by Bank Indonesia ahead risk of further monetary decision by the Fed. We thought that BI considers a possibility of lower than expected on the policy rate cut by the Fed that will trigger higher volatility again of Rupiah due to a reversal flow by global investors from Indonesian financial market. We thought that Bank Indonesia still needs a clarity from the Fed before making decision to change its monetary policy rate. For today, the market player will grab short term momentum for applying profit taking after witnessing an unchanged of BI Rate and various geopolitics developments from both domestic and global sides.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1174	148.60	0.6750	1.3133	7.1652	0.6167	163.9200	99.5927
R1	1.1101	148.11	0.6710	1.3038	7.1642	0.6110	163.3600	99.0293
Current	1.1142	145.58	0.6735	1.3085	7.1344	0.6150	162.2100	98.0390
S1	1.1027	145.80	0.6680	1.2930	7.1374	0.6065	161.8000	97.7703
S2	1.1026	143.98	0.6690	1.2917	7.1116	0.6077	160.8000	97.0747
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3144	4.4153	15621	56.8707	34.6340	1.4584	0.6174	3.3702
R1	1.3152	4.4238	15657	57.0533	34.6280	1.4547	0.6181	3.3653
Current	1.3064	4.3820	15529	56.3660	34.3470	1.4557	0.6141	3.3545
S1	1.3102	4.4020	15576	56.9133	34.3360	1.4494	0.6161	3.3494
S2	1.3044	4.3717	15459	56.5907	34.0500	1.4478	0.6135	3.3384

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

## Equity Indices and Key Commodities

	Value	% Change
Dow	40,896.53	0.58
Nasdaq	17,876.77	1.39
Nikkei 225	37,388.62	-1.77
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	-1.97
Comex Gold	2,541.30	0.14
Reuters CRB Index	276.39	0.34
MBB KL	10.60	3.31

## 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	18/9/2024	Neutral
BOT 1-Day Repo	2.50	16/10/2024	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

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