

# Global Markets Daily

## Powell's Speech in Focus

### USD Retracements

US bourses slipped overnight ahead of Powell's speech today. UST yields bounced off the week's low with 10y now seen around 3.84% and 2y around 3.98%. Prelim. EZ PMI fell to 45.6 Aug from previous 45.8. Services PMI rose a tad to 53.3 from previous 51.9. Negotiated wage growth slowed to 3.6% in 2Q. US Prelim. Mfg PMI fell to 48.0 in Aug from previous 49.6 while services rose a tad to 55.2 from previous 55.0. The weaker mfg PMIs might have weakened risk appetite on top of some anxiety that Powell may dampen markets' expectations for aggressive rate cuts (now at 100bps by the end of the year). Fed Collins looks for reductions to be "gradual" and "methodical". We still expect the Fed to cut an accumulative 50bps for 2024 in line with our soft-landing view for the US.

### Growth Concerns Weigh on AUD, KRW. IDR Gives Back Gains

IDR, KRW, AUD were the underperformers amid some concerns over global growth. Oil prices rose only a tad overnight but still down for the week, underscoring tepid expectations of the economy. Nearer to home, KRW might have also taken a hit after BoK tilts dovish as Governor Rhee had spoken about a cut either in Oct or Nov. IDR weakened on news of protests against a controversial revision to the regional elections law that would allow President Jokowi's youngest son to run in the gubernatorial race. However, these plans were said to be scrapped by late Thu.

### Data/Event We Watch Today

Fed Powell, BoE Bailey and ECB Lane will speak tonight. Eyes on US Vice President Kamala Harris' acceptance speech happening in Asia morning. Jul US new home prices is due along with CA retail sales. ECB 1Y and 3Y CPI expectations for Jul. In Asia, Singapore's inflation for Jul is due.

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
1.3078	1.3345	1.3612

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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 - Slide Continues.** The DXY index bounced overnight and was last seen around 101.30. Powell's speech today will be in focus. However, right after the release of a rather dovish FOMC Minutes for the Jul meeting, Powell's speech may not provide much fireworks. US bourses slipped. UST yields bounced off the week's low with 10y now seen around 3.84% and 2y around 3.98%. Prelim. EZ PMI fell to 45.6 Aug from previous 45.8. Services PMI rose a tad to 53.3 from previous 51.9. Negotiated wage growth slowed to 3.6% in 2Q. US Prelim. Mfg PMI fell to 48.0 in Aug from previous 49.6 while services rose a tad to 55.2 from previous 55.0. The weaker mfg PMIs might have weakened risk appetite on top of some anxiety that Powell may dampened markets' expectations for aggressive rate cuts (now at 100bps by the end of the year). Fed Collins look for reductions to be "gradual" and "methodical". We still look for the Fed to cut 50bps in line with our soft-landing view. When asked about a 50bps cut for Sep, 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 could continue to find support around 100.62. Conditions are increasingly stretched to the downside but momentum is still bearish biased. Data-wise, we have new home sales on Fri.
- **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 - Forming a top?** GBPUSD trades slightly higher at 1.3099 levels this morning and could possibly be forming a top. BOE is priced as the most hawkish DM central bank at this point and that is providing GBP 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. Aug P Mfg/Svcs/Comp PMIs,

improved to 52.5/53.3/53.4 (exp: 52.2/52.8/53.0; prev: 52.1/52.5/52.8)  
UK data this week includes Aug GfK Consumer Confidence (Fri).

- **USDCHF - *Steady.*** USDCHF trades steady at 0.8513 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 just above the Support at 145.37, Likely to be Ranged.*** The pair was last seen at 145.50, which is lower than yesterday's close. USDJPY had moved up throughout yesterday building up to Powell's speak at Jackson Hole as markets become more cautious that the Fed Chair may not necessarily tilt more dovish. However, it fell back this morning following Ueda's parliamentary address where he reaffirmed a normalization process being in place. The BOJ Governor we find is not exactly saying anything different from the last BOJ meeting but his words push aside some concerns of a dovish tilt following Uchida's statement that they would not hike if markets are unstable. Ueda said that that central bank would "continue to adjust the degree of easing" if they can "confirm a rising certainty that the economy and prices will stay in line with forecasts". He also cited concerns about the US economy regarding the wild market movements earlier this month and that "overdone" worries on the US economy have since eased. He also mentioned that current rates are far below the likely neutral rate (which he also noted was hard to pinpoint) and that FX raised upside price risks somewhat toward the Jul meeting. The Governor did say that they "will watch financial markets with an extremely high sense of urgency for the time being". In our view, as economic data looks to still be on course to be in line with BOJ expectations (with real wages turning positive, CPI data such as Jul numbers this morning holding up), we expect that the BOJ could hike again by the end of this year. We see rates being at 0.30% - 0.50% by end 2024. The USDJPY though we expect should still range trade between 145.00 - 150.00 near term as it would be challenging to see it break of the range decisively given that at this point as there is not exactly going to be a further strengthening of speculative factors to allow it to decisively break out of that range. 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 - *Bearish Correction Plays Out.*** AUDUSD fell yesterday, in line with what we had cautioned. Last printed 0.6712. 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. This had started to play out yesterday. Key support at 0.66960 before the next at 0.6650. AUDUSD is overbought. Resistance at 0.6800.

- **NZDUSD - *Interim Top***. NZDUSD was last seen around 0.6150, struggling to climb further. 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. The prelim. Mfg PMI data had indeed mostly landed in contractionary region. Support at 0.6110 before 0.6050.
- **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 and that is also playing out. Regardless, 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) - *Rising Wedge***. Gold slipped to levels around 2488 in the absence of strong market cues and further headlines of geopolitical conflicts. Resistance remains at 2530 but a rising wedge has formed and a pullback could potentially bring the bullion towards 2402 (50-dma) before 2373 (100-dma). Any sign of geopolitical escalation (Middle-East tensions) could give gold a nudge higher. However, the converse is also true.

## 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 1.3091 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 +1.90% 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 4.3877 as it starts today a little higher compared to the close of yesterday although it remains within recent levels. The rise came in line with an increase in the 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 CPI data out yesterday was static at 2.0% YoY (est. 2.1% YoY, Jun. 2.0% YoY). 15 Aug foreign reserves also rose to \$115.9bn (prior. \$114.7bn). There are no remaining key data releases this week.
- **USDCNH - Now in Two-way trades.** USDCNH was last seen around 7.1413. USDCNY reference rate is fixed at 7.1358, higher than the previous 7.1228, breaking the trend of fixes that are below estimates. Median estimate for today (polled by BBG) is at 7.1454 so actual fix is around 96pips higher. This suggests that the PBoC still wants to allow market forces to drive the RMB and this is only made possible if USD is stabilizing. We continue to watch the fix for more signals that PBoC may want to slow the appreciation of the CNY against the USD should USD decline resume next week. USDCNH could remain within the 7.10-7.20 range for now.



- **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 - *Higher, Possible Rebound.*** Pair was last seen at 15664 as it climbed higher throughout yesterday amid both a rebound in the broad dollar and anxiety about the local political situation. USDJPY moving down did help bring the 1M NDF lower this morning. The IDR yesterday was the regional underperformer, which is reflective of some concerns about the latter. Protestors yesterday had gathered outside parliament in Jakarta as lawmakers had deliberated on revising a law that would allow Jokowi's 29 year-old youngest son to run as a regional deputy Governor. Nomination thresholds would have also be reinstated that could allow for Prabowo and Jokowi allies to run virtually uncontested in the regional elections in Central Java and Jakarta. Parliament has now decided to cancel plans to revise the law. USDIDR had climbed quite substantially yesterday after the news of the protestors emerged. For now, we continue to stay wary of the local political situation. Focus today would be back on the Powell's speak at Jackson Hole. We have been warning that rebound could happen for the 1M NDF as Fed rate cut bets are pared back and focus moves towards the US elections uncertainty. It seems at this point that it is starting to play out. Resistance is at 15777 and 15893 (200-dma). Support at 15318 and 15000. Economic data wise, 2Q CA deficit widened to -\$3021m (est. -\$2466m, 1Q. -\$2407m). We continue to keep a close eye on the CA balance and whether it could be an increasingly negative factor for the IDR. At this point, the number still looks somewhat small. There are no remaining key data releases this week.

- **1M USDPHP NDF - *Steady, Cautious of Rebound*.** The pair was last seen at 56.47 as it continued to trade around levels seen the last few sessions. For today, markets await Powell's speak at Jackson Hole. Last few sessions, broader market price action seems to imply for quite some dovish tilt from Powell. However, yesterday, the bounce up in the DXY looks to have resulting some receding of such expectations. Powell in some sense could disappoint by simply saying a rate cut is soon but the pace would be data dependent. This would be similar to what he had said at the last meeting and would not imply any more of a dovish tilt. We believe there could be more rebound in the 1M NDF as market rate cut expectations are pared back more and focus moves more towards US elections. 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 - *Higher, Expect Further Climb*.** Pair was last seen at 34.41 as bounced back up. We had been calling for this to happen and so far it looks to have started to play out. Momentum indicators being stretched to the downside and limited further impact from the supportive factors support a break of the key support at 34.11 has led to this rebound. Gold prices (a supportive factor for the THB) fell yesterday too although it still hovers near record highs. USDJPY moving lower following Ueda's parliamentary address did help bring USDTHB lower this morning after it had opened higher this morning. Focus will be on Powell's speak at Jackson's hole where we expect that he would simply reiterate that cuts would come soon but the pace of easing would be depended on the data. This would imply that he is not tilting any more dovish and could disappoint investors, further paring back market rate cut expectations and leading to more rebound in the broad dollar. This in turn can guide the USDTHB higher. We therefore see USDTHB can still go higher. Back on the chart, resistance is at 35.00 and 35.50. Support at 34.11 and 33.61. Meanwhile former PM Thaksin has said that the country needs to urgently tackle its high levels of household and public debt and focus on policies that can propel the country's growth rates to match some of its Southeast Asian peers. Remaining key data releases this week include 16 Aug gross international reserves/forward contracts (Fri).
- **USDVND - *Finding Support*.** USDVND bounced in tandem with most USDAsians and was last seen around 25015. Our suspicion that there could be some retracements turned out to be true. Resistance is seen around 25100 while support is seen at 24810. At home, China's Commerce Ministry said that China will work to promote economic and trade cooperation with Vietnam. Enterprises will be supported in both countries to expand trade in agricultural products and manufactured goods by fully leveraging platforms such as the China International Import Expo and the Canton Fair (Xinhua).

## Malaysia Fixed Income

### Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.33	3.33	Unchanged
5YR MO 8/29	3.48	3.48	Unchanged
7YR MS 4/31	3.68	3.69	+1
10YR MT 11/33	3.77	3.77	Unchanged
15YR MS 4/39	3.91	*3.92/3.90	Not traded
20YR MX 5/44	4.05	*4.06/4.04	Not traded
30YR MZ 3/53	4.18	4.18	Unchanged
IRS			
6-months	3.48	3.48	-
9-months	3.42	3.42	-
1-year	3.37	3.39	+2
3-year	3.31	3.31	-
5-year	3.37	3.36	-1
7-year	3.45	3.45	-
10-year	3.57	3.56	-1

Source: Maybank

\*Indicative levels

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

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- Ringgit government bonds traded sideways, holding near previous day's levels, as market participants remained cautious. Trading activity was subdued with lower volumes. Malaysia's July inflation figure came in a tad lower at 2.0% vs consensus 2.1%. MGS and GII yields ended the day largely unchanged.
- MYR IRS levels drifted around 1bp lower in a muted session. While a downward revision in annual US payroll data strengthened the case for a September rate cut by the Fed, long-end US rates remained largely unchanged overnight. This rangebound tone extended to MYR rates as well. Only 5y IRS got dealt at 3.35%. 3M KLIBOR flat at 3.53%.
- It was a very active session for PDS, with total volume exceeding MYR1b. GGs Danainfra and Prasarana traded in a narrow range. AAA-rated bonds were the most active, with energy and financial names attracting strong buying interest, such as TNB, Sarawak Energy, PASB, Cagamas, BPMB and CIMB Islamic. The AA1/AA+ SD Property 8/26 spread tightened by 1bp on MYR20m traded, while the AA2 Press Metal 8/25 spread widened by 1bp. Single-A names like Tropicana Corp and Yinson Holdings saw limited activity. The session's outperformers were AA1/AA+ Maybank 8/31 and RHB Bank 4/31, with spreads narrowing significantly with MYR30m and MYR80m exchanged.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.72	2.69	-3
5YR	2.67	2.66	-1
10YR	2.74	2.72	-2
15YR	2.79	2.78	-1
20YR	2.84	2.83	-1
30YR	2.86	2.85	-1

Source: MAS (Bid Yields)

- UST yields dipped overnight as the FOMC minutes and jobs data revision suggested the Fed's readiness for a September rate cut. SGS yields had a muted reaction, dipping just 1-3 bps, while SGD SORA OIS declined by 1-6 bps in a steepening bias. The reopening auction of the 5y SGS 7/29 was announced at a size of SGD2.8b. After the Asian markets closed, UST yields retraced upwards, up by 5-7bps at the time of writing.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.45	6.49	0.03
2YR	6.51	6.54	0.03
5YR	6.50	6.54	0.04
7YR	6.73	6.75	0.02
10YR	6.61	6.65	0.04
20YR	6.84	6.87	0.03
30YR	6.88	6.89	0.01

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\* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds weakened as the market players seemed grabbing profit taking amidst “wait & see” mode for Jackson Hole Symposium and higher geopolitical tension on both global and domestic sides yesterday. The market players waited for the speech that will be sounded by the Fed Governor Jerome Powell tonight. We expect a hint about further monetary guideline that will be applied by the Fed further. On the domestic side, we saw a latest consistent solid economic development after Bank Indonesia reported a modest deficit of current account by US\$3.02 billion (-0.88% of GDP) in 2Q24, driven by a widening of trade surplus from US\$9.28 billion in 1Q24 to US\$9.96 billion in 2Q24 for countering a deficit on the primary incomes transaction by US\$9.29 billion during 2Q24. A modest deficit on the national current account can be an indication for relative moderate pressures on the FX demand on the local side.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1162	148.02	0.6762	1.3102	7.1696	0.6159	163.8267	98.9873
R1	1.1095	147.82	0.6716	1.3023	7.1663	0.6107	163.3133	98.7267
<b>Current</b>	1.1124	145.61	0.6712	1.3104	7.1426	0.6151	161.9700	97.7310
S1	1.1029	146.14	0.6660	1.2971	7.1428	0.6065	161.8833	97.9047
S2	1.1030	144.66	0.6650	1.2998	7.1226	0.6075	160.9667	97.3433

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3177	4.4174	15724	56.8760	34.8880	1.4581	0.6175	3.3663
R1	1.3168	4.4249	15709	57.0560	34.7550	1.4546	0.6181	3.3634
<b>Current</b>	1.3083	4.3860	15625	56.3680	34.4290	1.4554	0.6141	3.3527
S1	1.3098	4.3999	15589	56.8560	34.3520	1.4508	0.6159	3.3504
S2	1.3037	4.3674	15484	56.4760	34.0820	1.4505	0.6130	3.3403

\*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	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	11/10/2024	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	-0.77
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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