

Global Markets Daily

Mixed Markets

Mixed Amid Quiet Session, Some Caution

Overnight, markets looked more mixed albeit somewhat cautious. NASDAQ100 declined as Nvidia fell just ahead of its earnings due on Wed (US time, Thurs - SG time) whilst Chinese stock Pinduoduo tanked amid a weaker outlook with increasing competition. S&P 500 was lower too although the Dow Jones actually climbed as there seem to be some broadening out. The DXY was slightly higher too and UST 10Y yields were up. Fed official Mary Daly mentioned words similar to Powell’s as she noted that “the time to adjust policy is upon us” though the trick is to get inflation down to 2% without hurting the labor market. However, following Powell’s Jackson Hole comment, there are reasons to believe that there are fewer catalysts near term to keep driving risk appetite, especially towards EM assets and FX. US data going forward may not necessarily point towards a high level of rate cuts - Sep in our base case sees 25bps and we expect only 50bps cumulatively this year (markets pricing in 100bps cuts of this year). However, we do note there are some other sign of concerns yesterday. Oil prices climbed with Brent surpassing \$80.00 and WTI is close to that number given geopolitical tensions (Libya’s said it will halt production amid political tussles and concerns remain on the Israel - Hezbollah situation). Higher oil prices may not bold well for the sentiment towards certain oil importing EM FX such as the PHP, IDR, THB. Even so, this week may still see one final round of positive sentiment with the Nvidia earnings due - expected to be strong. The DXY and EM Asian FX (IDR, MYR, THB, PHP) can still trade sideways for this week before retracing. Later today, we await US CB consumer confidence data.

Canada China EV Tariffs, PDD Tanks, IP Stronger

Not exactly a good day yesterday for China related assets as Pinduduo tanked on a weaker outlook amid rising competition in what can be deemed the budget market. The increased competition in such a segment continues to highlight woes related to China’s economy as companies now shift their focus towards that segment. Canada will also impose 100% tariffs on Chinese - made EVs and 25% on steel and aluminum with the levies taking effect respectively on 1 Oct and 15 Oct respectively. Other items would also be under review such as semiconductors, solar, batteries, etc. On the flipside, Jul IP this morning was higher at 4.1% YoY (Jun. 3.6% YoY). The USDCNH was higher although for now broad dollar movements and Fed expectations may be driving the pair. Fix was at 7.1249, which is again above estimates at 7.1223.

Data/Event We Watch Today

This includes US Aug CB consumer confidence, US Aug Dallas Fed services index, UK CBI retailing reported sales.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1161	↓ -0.28	USD/SGD	1.3041	↑ 0.22
GBP/USD	1.3188	↓ -0.20	EUR/SGD	1.4553	↓ -0.05
AUD/USD	0.6772	↓ -0.34	JPY/SGD	0.9022	↑ 0.12
NZD/USD	0.6204	↓ -0.47	GBP/SGD	1.7197	↑ 0.02
USD/JPY	144.53	↑ 0.11	AUD/SGD	0.883	↓ -0.14
EUR/JPY	161.31	↓ -0.17	NZD/SGD	0.809	↓ -0.27
USD/CHF	0.8473	↓ -0.07	CHF/SGD	1.539	↑ 0.29
USD/CAD	1.3487	↓ -0.16	CAD/SGD	0.9668	↑ 0.39
USD/MYR	4.3488	↓ -0.59	SGD/MYR	3.3384	↓ -0.14
USD/THB	33.975	↓ -0.85	SGD/IDR	11852.83	↓ -0.01
USD/IDR	15430	↓ -0.39	SGD/PHP	43.005	↓ -0.30
USD/PHP	56.335	→ 0.00	SGD/CNY	5.4628	↓ -0.21

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2990	1.3255	1.3521

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G10: Events & Market Closure

Date	Ctry	Event
26 Aug	UK	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
26 Aug	CH	1Y MLF Policy Decision
26 Aug	PH	Market Closure
26 Aug	IN	Market Closure

G10 Currencies

- **DXY Index - Retracements.** The DXY index retraced higher on a relatively quiet session, bouncing off key support around 100.62. The index was last seen at 100.90. Durable goods orders for Jul came in stronger than expected at 9.9% m/m vs. previous -0.69%. Dallas Fed Mfg activity was less negative in Aug at -9.7 vs. previous -17.5. Some signs of resilience likely lifted the UST yields as well as the greenback. Market implied rate cuts for the year also pared from above 100bps to slightly under after the data release. Price action could be in for a period of finer calibrations of rate cuts given Fed's data dependence. That could mean some consolidation within the 100.60-101.50 range. Labour market reports are likely to be in close scrutiny now including jobless claims and especially the Aug payroll data due next week. In contrast, the upcoming PCE core deflator may not be able to swing the bearish trajectory of the USD much unless there is a significant upside surprise. Two Fed officials spoke on Mon night. While Fed Daly agrees with Powell that the time for policy adjustment is here, Fed Bostic too looks for policy cues from incoming data. He is now of the opinion that there could be more than one cut required for 2024 and estimates long-run Fed policy rate at 3%. Back on the DXY index, a break of the 100.62-support could open the way towards 99.60. Conditions are increasingly stretched to the downside and bearish momentum is waning. We think it is more likely for consolidative action to take hold within 100.60-101.50. Data-wise, Tue has Conf. board consumer confidence for Aug, Richmond Fed mfg index for Aug as well as Dallas Fed services activity. Thu has secondary 2Q GDP print. Fri has Jul personal income, spending as well as core PCE price index for Jul. MNI Chicago PMI for Aug will also be released.
- **EURUSD - Above 1.11 figure.** EURUSD continues to trade above the 1.11 figure, although it is lower at 1.1165 this morning. Pair made a test for the 1.12 resistance but was rejected and settled lower close to current levels. The backdrop is favourable for USD softness as the case for a Goldilocks/soft-landing scenario continues to build. However, we still recognize that the risk of a reversal in the USD rises as the USD softens. Given how dovish Fed cut bets are at this point, one risk is that Fed cut bets could pare and USD could rebound. At the same time, we view rebounds in the USD (lower EURUSD) as opportunities to sell the USD (buy EURUSD). 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. Support is at 1.1150 and 1.1100, resistance at 1.1200 and 1.1250. Eurozone data this week includes Jul Money Supply, Aug Consumer/Services/Industrial/Economic Confidence (Thu), Aug CPI Inflation and Jul Unemployment Rate (Fri).
- **GBPUSD - Toppish.** GBPUSD trades lower at 1.3189 levels this morning with the pair appearing a tad toppish. As the backdrop of a soft landing/Goldilocks scenario builds, conditions become more favourable for GBP strength (and USD weakness). However, BOE is priced as the most hawkish DM central bank at this point and that is providing GBP support. 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 1.3200 and 1.3300. Supports are at 1.3150 and 1.3100. UK data this week includes Aug BRC Shop Price Index, CBI Retail Sales (Tue), Aug Lloyds Business Barometer, Aug Nationwide House Px, Jul Mortgage Approvals and Jul Money Supply (Fri).

- **USDCHF - Lower.** USDCHF trades lower at 0.8474 levels this morning, in line with the slight rebound in the USD. We continue to look for two-way movements for the pair with SNB also on a somewhat dovish tilt. 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 0.8450 and 0.8400. Rebounds to meet resistance at 0.8500 and 0.8550 thereafter. Swiss data this week includes Aug UBS Survey Expectations (Wed), Aug KOF Leading Indicator (Fri).
- **USDJPY - Sideways, Likely Ranged.** The pair was last seen at 144.72 was little changed from levels seen yesterday. USDJPY did climb up overnight from its lows earlier in the day as UST yields rose slightly. For now, little events overnight to drive the pair but regardless, markets do also look a little cautious. This week, the pair could still trade sideways although we are inclined to lean to the possibility that the USDJPY could move higher from current levels eventually. Overall, it could still remain within a range between 144.00 - 150.00. Crucially, this week, we are awaiting the core PCE data where the increase should be little changed on a monthly basis and it may not necessarily move the pair substantially. More focus would likely be placed on US jobs data and other indicators such as retail sales to see the extent to which the economy can hold up as inflation comes down. Meanwhile, on domestic data, Jul PPI rose less than expected at 2.8% YoY (est. 2.9% YoY, Jun. 3.1% YoY) although it is still quite above 2.0%. Back on the chart, we continue to watch if it can decisively break below the support at 145.37 with the next level after that at 140.25. Resistance at 150.00 and 152.00. Meanwhile, Finance Minister Suzuki gave somewhat supportive JPY remarks as he said they continued to watch FX impact on Japanese economy. Remaining key data releases this week include Jul jobless rate and job-to-applicant ratio (Fri), Aug Tokyo CPI (Fri), Jul P IP (Fri), Jul retail sales (Fri), Jul dept store, supermarket sales (Fri) and Jul housing starts (Fri).
- **AUDUSD - Double Topped.** AUDUSD slid yesterday as USD retrace against most currencies on stronger US durable goods data. Key resistance at 0.6799 (Jun high) remains intact and the pullback could mean that a bearish double top price formation could be in play. Momentum is less bullish and stochastics are increasingly overbought. We cannot rule out a technical pullback towards 0.6696. Given RBA's hawkish comments, AUD could still be vulnerable if upcoming data turns out to be softer. Right now cash rate futures suggest only one cut is being priced in. Beyond the near-term, we still hold a glass half full view of the world where global growth is more likely to soft land and bottom out as major central banks (ex BoJ) start to ease monetary policies. Support at 0.6655 before 0.6610. Week ahead has construction work done in 2Q, Jul CPI on Wed. Thu has private capex for 2Q and Jul retail sales on Fri.

- **NZDUSD - Bearish Risks.** NZDUSD was last seen around 0.6200, edging lower as USD staged a rebound overnight. Recent price action has also formed a rising wedge though but apex is still far away at around 0.6400 but that does not mean that the pair can rise as high in the near-term. Resistance at 0.6250 before the next at 0.6370. Support at 0.6170 before 0.6110. We see risks of the pair turning lower. Data-wise, we have Jul filled jobs due on Wed. Thu has ANZ activity outlook, business confidence for Aug. Consumer confidence for Aug will be out on Fri along with building permits.
- **USDCAD - Bearish.** USDCAD was last seen around the 1.3485. Momentum is bearish still but stochastics show signs of turning from oversold conditions. Support at 1.3470 (61.8% Fibonacci retracement of the Dec-Aug rally) before the next at 1.3420 before 1.3360. Rebounds to meet resistance at 1.3560 before 1.3650. In news from home, after months of considerations, Canada will impose a 100% tariff on Chinese-made electric vehicles and 25% tariff on aluminum and steel in order to protect its domestic manufacturers. Levies on EVs will effect on 1 Oct, on top of the existing 6.1% tariff while the levies on the industrial metals will take effect on 15 Oct.
- **Gold (XAU/USD) - Rising Wedge, Bearish Risks Still Loom.** Gold was little moved, last printed \$2513 this morning. Momentum is mildly bullish bias but a rising wedge has also formed with apex around 2651. We also spot a bearish divergence between the price action and the MACD forest. Stochastics are plateauing as well in overbought conditions. As such, we see potential for gold to pull back. Resistance is still seen at 2530 and a pullback could potentially bring the bullion towards 2407 (50-dma) before 2375 (100-dma). Any sign of geopolitical escalation (Middle-East tensions) could give gold a nudge higher.

Asia ex Japan Currencies

SGDNEER trades around +1.87% from the implied mid-point of 1.3286 with the top estimated at 1.3021 and the floor at 1.3552.

- **USDSGD - Two-way risks.** USDSGD was higher at 1.3039 levels this morning, with SGDNEER remaining close to the 2% band edge. There was a slight rebound in the USD yesterday which helped USDSGD higher. We highlight that the 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 +1.87% 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 1.3050 and 1.3100. Supports are 1.3000 and 1.2950. Data due this week includes Jul Money Supply (Fri).
- **SGDMYR - Steady.** Cross was relatively steady at 3.3423 levels this morning. Risks are two-way as we believe rebounds are possible as pair gets stretched. At the same time, the soft-landing narrative favours the MYR more than the SGD. Support at 3.3300 with the next support at 3.3000. Resistances at 3.3500 and 3.3700 levels.
- **USDMYR - Steady.** Pair was last seen at 4.3555 as it continued to trade around levels seen yesterday. Little catalyst to drive the pair overnight although we do though markets were somewhat mixed albeit some caution. We note that there is more positive idiosyncratic optimism towards the MYR amid the government reforms (diesel subsidy rationalization), strong growth and more foreign investor interest. Also, authorities leading coordinated conversions by GLCs/GLICs into local currency has given much support to the currency. BNM likely to keep rates on hold can also be giving MYR support at a time when we talk about easing elsewhere about the Fed and globally. External events especially those related to the US, China and Japan are likely to remain the key drivers going forward. Back on the chart, we watch if it can decisively hold below the support at 4.3602 with the next level after that at 4.2250. Resistances are at 4.4439 and 4.5000. There are no key data releases this week.
- **USDCNH - Eyes on Key Support at 7.10 before 7.0838.** USDCNH was last seen around 7.1250. USDCNY reference rate is fixed at 7.1249, higher than the prev. fix of 7.1139. The direction of the fix remains broadly in line with market forces after USD staged a rebound yesterday on stronger US durable goods order. The fix is still 26 pips higher than the median estimate. USDCNH trades with a downside bias now with the 7.10-figure now closely eyed as a key support before the next at 7.0838 (Aug low). CFETS TWI had dropped 2.15% from its high in Jun and we continue to see more room for it to fall. USDCNH could consolidation within the 7.11-7.20 range. There has been talks of yuan carry trade unwinding and the repatriation of foreign

currencies held by US corporates overseas. However, it is hard to see the allure of any Chinese assets at home that can give a higher return vs. the multitude of alternatives found overseas that could nudge corporates into such a move.

- **1M USDKRW NDF - *Rebounds*.** 1M USDKRW NDF rebounds and is higher at 1326.23 levels this morning amid a rebound in the USD. As we expected, and as widely anticipated by markets, the BOK stood pat, 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 1350. 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. South Korea data this week includes Jul Industrial Production and Cyclical Index Leading Change (Fri).
- **USDINR 1M NDF - *Steady*.** USDINR 1M NDF was relatively steady at 83.97 this morning. 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. Support at 83.65 (100 -dma) before the next at 83.55 (50 -dma). Data for the week ahead includes Jul Fiscal Deficit, Jul Eight Infrastructure Industries, 2Q GDP and 23 Aug FX Reserves (Friday).
- **1M USIDR NDF - *Higher, Cautious*.** Pair was last seen at 15504 as it edged higher in line with some increase in the UST yields. We are more inclined to believe the pair could trade sideways this week before some retracement upwards as US data is less likely to point to any level aggressive rate cuts so soon. For this week, externally, there is core PCE data where the increase should be little changed on a monthly basis and it may not necessarily move the pair substantially. More focus would likely be placed on US jobs data and other indicators such as retail sales to see the extent to which the economy can hold up as inflation comes down. Domestically, we continue to keep a close eye on the political situation and any related developments. Back on the chart, resistance is at 15777 and 15893 (200-dma). Support at 15318 and 15000. There are no key data releases this week.
- **1M USDPHP NDF - *Steady, Cautious*.** The pair was last seen at 56.23 as it was little changed from yesterday's levels (do note yesterday was a holiday in the Philippines and onshore spot was not trading). We are more inclined to believe the pair could trade sideways this week before some retracement upwards as US data is less likely to point to any level aggressive rate cuts so soon. For this week, externally, there is core PCE data where the increase should be little changed on a monthly basis and it may not necessarily move the pair substantially. Domestically, there are

little drivers for now as BSP cuts cumulatively for 50bps this year are expected and would likely fall in line with the Fed easing. Back on the chart, support at 56.21 with the next after that at 55.27. Resistance is at 56.89 and 57.50. Key data releases this week include Jul budget balance (Wed), Jul bank lending (Fri) and Jul M3 money supply (Fri).

- **USDTHB - Back above 34.00, Cautious.** Pair was last seen at 34.05 as the pair moved back up above the 34.00 mark after having crossed below it. We are less inclined to believe that the USDTHB can see much further downside and instead stay cautious of the possibility of a rebound. High gold prices which have been supporting the THB can risk pulling back as they hover near record levels. US data we believe is also less likely to point to any level aggressive rate cuts so soon. Momentum indicators are also stretched on the downside. Back on the chart, support is at 34.00, 33.61 and 33.00. Resistance at 34.50 and 35.00. Key data releases this week include Jul car sales (Tues), Jul customs trade data (Tues), Jul BoP CA and overall balance (Fri), Jul trade data (Fri) and 23 Aug gross international reserves/forward contracts (Fri).
- **USDVND - Finding Support.** USDVND slipped this morning and was last printed 24830 this morning, after falling rather sharply yesterday. Resistance is seen around 25100 while support is seen at 24810. In news from home, Vietnam's National Assembly dismissed Deputy PM Le Minh Khai for violating anti-corruption rules and appointed three new deputy prime ministers - Minister of Foreign Affairs Bui Thanh Son, Finance Minister Ho Duc Phoc and Nguen Hoa Binh. Deputy PM Tran Luu Quang was also dismissed and becomes the leader of the party's central economic commission. This coincides with the sharp rise in the VND yesterday. This comes ahead of the National Day holiday that begins this Sat.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.34	3.34	Unchg
5YR MO 8/29	3.49	3.48	-1
7YR MS 4/31	3.7	3.68	-2
10YR MT 11/33	3.78	3.77	-1
15YR MS 4/39	3.9	*3.91/3.89	Unchg
20YR MX 5/44	4.05	*4.06/4.04	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.48	3.48	-
9-months	3.42	3.42	-
1-year	3.42	3.39	-3
3-year	3.35	3.32	-3
5-year	3.41	3.39	-2
7-year	3.48	3.48	-
10-year	3.59	3.58	-1

Source: Maybank

*Indicative levels

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

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- Ringgit government bonds opened firmer in line with stronger UST in the prior session, with notable buying interests in the belly part of the GII curve while the longer-dated papers closed little unchanged. Buying momentum slowed following the announcement of a larger-than-expected MYR5.5b size for the reopening auction of 10-year MGS. Despite this, the belly remained supported, closing the day 1-2bp lower.
- In MYR IRS, the dovish Powell speech at Jackson Hole didn't have a pronounced impact although in terms of the direction of travel the IRS curve did shift lower by 0.5-2bp. 5y IRS traded at level similar to that of Friday. 3M KLIBOR was unchanged at 3.53%. 5y IRS traded at 3.39% and 3.40%.
- In the PDS market, GGs traded mixed driven by familiar names Danainfra, Prasarana and PASB. AAA PLUS 1/28 and Putrajaya 25s traded 3bp higher in yield. AA1/AA+ GENM Cap 7/28 was dealt in odd amount, causing major changes in spread. Liquidity was overall thin.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.70	2.65	-5
5YR	2.67	2.64	-3
10YR	2.74	2.71	-3
15YR	2.79	2.77	-2
20YR	2.84	2.83	-1
30YR	2.85	2.83	-2

Source: MAS (Bid Yields)

- SGS curve bull-steepened yesterday, largely tracking the UST strength. 2y SGS yield declined 5bp to 2.65% and 10y SGS yield fell to 2.71%. The curve remained flat with the 2y10y slightly positive at 6bp. The overnight SORA fell to 3.20-3.25% area, running ahead of Fed rate cut. Yields may stay rangebound near term in the absence of major data release.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.64	6.50	(0.14)
2YR	6.54	6.55	0.01
5YR	6.54	6.51	(0.03)
7YR	6.71	6.69	(0.02)
10YR	6.64	6.62	(0.02)
20YR	6.85	6.80	(0.05)
30YR	6.87	6.87	(0.01)

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* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds kept strengthening until yesterday. The market players were on euphoria from high expectation for imminent policy rate cut by the Fed after witnessing the latest Fed Governor Jerome Powell's statement on the Jackson Hole Symposium. The money inflow seemed flushing to Indonesian bond market amidst recent escalation tension on domestic political environment, as shown by a significant increase of the foreigners' ownership on the government bonds from Rp813.07 trillion on 31 Jul-24 to be Rp852.24 trillion on 23 Aug-24. Furthermore, we thought Indonesian government bond market is on "overbought" phase after there are no new positive sentiments from both domestic and global sides. Moreover, recent increase on the global oil prices to above US\$80/barrel gives higher pressures of imported inflation to the net oil importer, such as Indonesia.
- Today, the Indonesian government is scheduled to hold its Sukuk auction with indicative target by Rp8 trillion. There are seven series of Sukuk that will be offered by the government to the investors, such as SPNS 03032025 (reopening), SPNS 29052025 (reopening), PBS032 (reopening), PBS030 (reopening), PBSG001 (reopening), PBS004 (reopening), and PBS038 (reopening). We expect this auction will be well responded by the local investors that seeking attractive investment's return amidst further high possibility of a gradual decrease on the policy rate by major central banks, included Bank Indonesia. Investors' total incoming bids for this auction are expected to reach above Rp30 trillion. The domestic liquidity condition seems ample recently after seeing the latest position of Indonesian broad money supply. At this auction, we expect PBS032 and PBS030 to be most attractive series for this auction.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1223	145.41	0.6809	1.3241	7.1366	0.6247	162.1633	98.5133
R1	1.1192	144.97	0.6790	1.3214	7.1297	0.6226	161.7367	98.1897
Current	1.1169	144.73	0.6778	1.3193	7.1261	0.6212	161.6500	98.0950
S1	1.1140	143.77	0.6760	1.3170	7.1115	0.6190	160.6967	97.4047
S2	1.1119	143.01	0.6749	1.3153	7.1002	0.6175	160.0833	96.9433
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3069	4.3836	15534	56.6550	34.1410	1.4603	0.6121	3.3590
R1	1.3055	4.3662	15482	56.4950	34.0580	1.4578	0.6114	3.3487
Current	1.3044	4.3590	15519	56.2780	34.0600	1.4568	0.6117	3.3423
S1	1.3013	4.3352	15338	56.0700	33.8840	1.4531	0.6097	3.3314
S2	1.2985	4.3216	15246	55.8050	33.7930	1.4509	0.6087	3.3244

*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	3.7000	Jul-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	Neutral
CBC Discount Rate	2.00	19/9/2024	Neutral
HKMA Base Rate	5.75	-	Neutral
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	Neutral
ECB Deposit Facility Rate	3.75	12/9/2024	Neutral
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	Neutral
BOJ Rate (Lower bound)	0.00	A Field Not Applicable	Tightening
BoC O/N Rate	4.50	4/9/2024	Neutral

Equity Indices and Key Commodities

	Value	% Change
Dow	41,240.52	0.16
Nasdaq	17,725.77	-0.85
Nikkei 225	38,110.22	-0.66
FTSE	8,327.78	0.48
Australia ASX 200	8,084.52	0.76
Singapore Straits Times	3,396.03	0.24
Kuala Lumpur Composite	1,638.96	0.20
Jakarta Composite	7,606.20	0.82
Philippines Composite	6,961.96	N/A
Taiwan TAIEX	22,240.12	0.37
Korea KOSPI	2,698.01	-0.14
Shanghai Comp Index	2,855.52	0.04
Hong Kong Hang Seng	17,798.73	1.06
India Sensex	81,698.11	0.75
Nymex Crude Oil WTI	77.42	3.46
Comex Gold	2,555.20	0.35
Reuters CRB Index	281.97	1.17
MBB KL	10.54	0.96

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