

# Global Markets Daily

## Paring Back of Some Risk Appetite

**Nvidia Beats But Not Enough, Some Pare Back of Risk Appetite**  
The much anticipated Nvidia earnings came out yesterday with a beat, albeit a beat that was just not enough. Amid the high expectations, markets appeared to be less than satisfied if it could not be exceptional. At the same time, Fed official Bostic said that it “may be time” to cut although he is still remained cautious and looks for additional data to support lowering rates next month. Bostic has been seen as one of the more hawkish officials and his comments does not necessarily make a Fed Sep rate cut more questionable at this point as other officials have given supportive comments. The DXY did climb overnight in anticipation of Nvidia’s earnings release and amid Bostic’s comments. It is also bouncing off the key 100.60 support. The index was just slightly lower this morning and last seen at 100.99 (post Nvidia’s earnings release) but as a whole, it is still around recent levels. There is a potential for more bounce up to occur on the index. Momentum indicators are well stretched on the downside. There could be some paring back of Fed rate cut expectations for this year as US data may not fall off so quickly and only gradually trend downwards. Also, we are heading into Sep, which can be a seasonally a stronger month for the DXY. Meanwhile, UST yields were slightly up and gold came off a bit too. Performance of Asian FX was mixed this morning with the chip linked KRW taking some hit although we see others just trading around recent levels. For today, we look out for US 2Q S GDP data and EC economic confidence.

**Thai Ruling Coalition in Talks with Rival to Join**  
The country’s ruling coalition led by Pheu Thai would reportedly be having talks today with its rival Democrat Party about the latter joining the coalition. Recently, the pro-military Palang Pracharath left the coalition which saw it take with it a total of 40 seats and the Democrats 25 seats could help offset some of this loss. Both the Demcorats and Pheu Thai do have quite a tense history but Democrat secretary-general Dej-Is Khaothong has said that it is time to bury that hatchet. The THB has been among the top performers regionally over the last month although much of that could have been driven by elevated gold prices. We do note that equity markets did see a rally post PM Paetongtarn’s appointment but even so, foreign equity flows are still net negative mtd until 28 Aug 2024. Foreign bond inflows are also just moderate especially in light of strong expectations of Fed cuts over the last month. We stay cautious of the THB as gold prices can risk coming off from its high. We keep a close eye too of the political situation.

### Data/Event We Watch Today

This includes US 2Q S GDP, EC Aug economic confidence, GE Aug P CPI

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1120	↓ -0.57	USD/SGD	1.3035	↑ 0.18
GBP/USD	1.3191	↓ -0.53	EUR/SGD	1.4495	↓ -0.39
AUD/USD	0.6785	↓ -0.12	JPY/SGD	0.9016	↓ -0.24
NZD/USD	0.6244	↓ -0.13	GBP/SGD	1.7196	↓ -0.34
USD/JPY	144.59	↑ 0.44	AUD/SGD	0.8846	↑ 0.09
EUR/JPY	160.78	↓ -0.15	NZD/SGD	0.814	↑ 0.04
USD/CHF	0.8422	↑ 0.07	CHF/SGD	1.5479	↑ 0.11
USD/CAD	1.3481	↑ 0.28	CAD/SGD	0.967	↓ -0.08
USD/MYR	4.3443	↓ -0.09	SGD/MYR	3.3349	→ 0.00
USD/THB	33.993	↓ -0.23	SGD/IDR	11833.89	↓ -0.38
USD/IDR	15425	↓ -0.45	SGD/PHP	43.1295	↑ 0.03
USD/PHP	56.248	→ 0.00	SGD/CNY	5.4663	↓ -0.16

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3017	1.3282	1.3548

**Analysts**  
  
Saktiandi Supaat  
(65) 6320 1379  
saktiandi@maybank.com  
  
Alan Lau, CFA  
(65) 6320 1378  
alanlau@maybank.com  
  
Fiona Lim  
(65) 6320 1374  
fionalim@maybank.com  
  
Shaun Lim  
(65) 6320 1371  
shaunlim@maybank.com

### 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 - *Breaking Out of the Falling Wedge***. The DXY index bounced yesterday in anticipation of Nvidia's earnings report which was released just after NY close and before Asia open. While revenue grew 122%, forecasting revenue still undershot some lofty estimates. Equity futures slipped a tad while UST yields crept higher, likely lifted a tad by comments from one of the more hawkish Fed officials - Fed Bostic who look for "additional data" to support the case for a rate cut in Sep. Oil and gold fell. There is admittedly a dearth of data overnight and as such, also a lack of significant market cues. Looking ahead, we have the secondary 2Q GDP print due tonight along with jobless claims. Recall that Powell had pledged that the Fed "will do everything we can to support a strong labor market as we make further progress toward price stability". Whether the cut is a 25bps or a 50bps one will depend on the resilience of the economy, especially the labour market as the Fed pivots more clearly towards its employment mandate recently. Back on the DXY index, the index seems to be breaking out of the falling wedge which typically precedes a bullish retracement. DXY index is last seen within striking distance of the 101-figure. We continue to look for consolidative action to take hold within 100.60-101.50. Data-wise, Thu has secondary 2Q GDP print and jobless claims. 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, slightly lower at 1.1132 this morning. 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 - *Lower***. GBPUSD trades lower at 1.3204 levels this morning. Options are showing that the market is most bullish GBP since 2020 and we highlight the risk of a pullback in the pair. As the backdrop of a soft landing/Goldilocks scenario builds, conditions become more favourable for GBP strength (and USD weakness). BOE is priced as the most hawkish DM central bank at this point and that is providing the GBP some lift. However, we continue to see potential for 50bps cuts from the BOE 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 1.3300 and 1.3350. Supports are at 1.3250 and 1.3200. UK data this week includes Aug Lloyds Business Barometer, Aug Nationwide House Px, Jul Mortgage Approvals and Jul Money Supply (Fri).

- **USDCHF - Steady.** USDCHF is steady at 0.8420 levels this morning. We continue to look for two-way movements for the pair. Two-way risks are present given the current state of affairs for both the Fed and SNB. 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 144.55 as it continued to keep trading around recent levels. Bostic relatively hawkish comments and Nvidia's beat that was not quite exceptional did not push the USDJPY decisively in any direction. Risk appetite did pare back somewhat but not heavily given these developments do not necessarily derail the rate cut nor does it dent economic conditions heavily. We have been calling USDJPY will trade sideways this week and so far it looks to be the case. Overall, it could still remain within a range between 144.00 - 150.00. 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 gradually softens. There is also Tokyo CPI due later this week where it could move little and not exactly derail the BOJ's tightening path. Back on the chart, support at 143.60 with the next level after that at 140.25. Resistance at 150.00 and 152.00. 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 last printed 0.6790. There was a dearth of US data and even though Nvidia earnings forecast missed some estimate, revenue more than doubled in the fiscal 2Q and sales projection for current quarter is expected to grow +80%/y, underscoring strong demand. AUDUSD is back to test the resistance around 0.68. We continue to watch if the bearish double top price formation could play out. On the daily chart, stochastics are increasingly overbought and bullish momentum is waning. We cannot rule out a technical pullback towards 0.6696. 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 private capex for 2Q later and Jul retail sales on Fri.
- **NZDUSD - Edging higher, Still See Bearish Risks.** NZDUSD rose further this morning and was last seen around 0.6280. It was the Aug business confidence that shot higher to 50.6 from 27.1 that lifted the NZD. In addition, rising dairy prices (last at 23-month high) continue to buoy the antipode as well. Still, we are wary of bearish risks. Recent price action has also formed a rising wedge though but apex is still far away at around 0.6400. While we had initial qualms of the pair reaching that level, price

action of late proved us wrong. Regardless, the pair is still vulnerable to correction as stochastics show signs of turning from overbought conditions. Bullish momentum is plateauing. Resistance at 0.6250 has turned into a support. Next resistance is seen at 0.6370. Beyond the 0.6250-support, next levels to watch on bearish retracements are seen at 0.6170 before 0.6110. Data-wise, we have ANZ activity outlook, business confidence for Aug on Thu. Consumer confidence for Aug will be out on Fri along with building permits.

- **USDCAD - *Bullish Piercing Candlestick, the start of a bullish reversal.*** USDCAD was last seen around the 1.3470. Bearish momentum is waning but stochastics show signs of turning from oversold conditions. The pair could meet resistance at 1.3560 before 1.3650. Support is seen at 1.3440. At home, Credit card holders have brought over C\$4300 in balances on average in the second quarter according to Equifax Canada, the highest level since the data is available in 2007. Consumer debt levels rose to C\$2.5trillion in 2Q, rising 4.2%/y, a sign that borrowers and consumers are under pressure from the high interest rate environment and weakening hiring momentum.
- **Gold (XAU/USD) - *Edging Lower, Still Consolidative.*** Gold edged lower and was last seen around \$2513 this morning. This slight move lower keeps the bullion within \$2480-2530 range. Consolidative action has allowed for a break-out of the rising wedge formed. A bearish divergence is seen between the price action and the MACD forest. Stochastics are plateauing as well in overbought conditions. As such, we see potential for gold to make a deeper 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 +1.96% from the implied mid-point of 1.3282 with the top estimated at 1.3017 and the floor at 1.3548.

- **USDSGD - Two-way risks.** USDSGD was steady at 1.3022 levels this morning, with SGDNEER edging closer to the 2% band edge. 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 +1.96% 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 - Lower.** Cross was lower at 3.3310 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 - Lower.** Pair was last seen at 4.3345 as it edged lower being the best performer regionally over the last day. Yesterday, Bloomberg reported that Malaysia is weighing the return of GST instead of implementing fuel subsidy cuts. The media outlet had based the news on people familiar with the matter. We do note that as a whole there is positive idiosyncratic optimism towards the MYR amid the government reforms, 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 4.2250. Resistances are at 4.4000 and 4.4439. There are no key data releases this week.
- **USDCNH - Bottoming, Xi-Biden Meeting.** USDCNH was last seen around 7.1316. USDCNY reference rate is fixed at 7.1299, higher than the prev. fix of 7.1216. The direction of the fix remains broadly in line with market forces. The fix is 19 pips higher than the median estimate. The deviation between the estimate and the fix is not large. With the USD in consolidation mode, there is little need for PBoC to lean more strongly either way. On the USDCNH daily chart, USDCNH seems to be forming a bottom. Recent price action has been more consolidative within the 7.11-7.15 range. Yuan's appreciation will still lag its non-USD peers given the fragility of its economic growth. CFETS TWI had dropped 2.15% from its high in Jun and we continue to see more room for it to fall. On the bright side, there could



be a Biden-Xi conversation soon as Foreign Minister Wang Yi and the US National Security advisor Jake Sullivan set up dialogues between the two heads of state in the near future. The White house has confirmed that there could be a call between the two leaders “in the coming weeks”. This week, we have Aug mfg and non-mfg PMI due on Sat.

- **1M USDKRW NDF - Higher.** 1M USDKRW NDF continued to trade higher after yesterday’s rebound and was seen at 1334.50 levels this morning. 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. 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. We also think KRW and TWD could play catch up to their peers as the narrative for a soft landing continues to build and monetary policy becomes less restrictive. Further upside risks for the KRW also exist if KGBs are included in the FTSE Russell WGBI, with next month (Sep 2024) 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 84.01 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 USDIDR NDF - Sideways, Cautious.** Pair was last seen at 15445 as it moved lower although it is still trading around recent levels as a whole. The pair could continue to trade sideways for the rest of this week before some retracement upwards as US data is less likely to support aggressive rate cuts so soon. For this week, externally, there is core PCE data where the increase could 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 56.31 as it continue to trade around levels seen the last few sessions. We expect the pair to keep trading sideways for the rest of this week before some retracement upwards as US data is less likely to support aggressive rate cuts so soon. For this week, externally, there is core PCE data where the increase could 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 of 50bps cumulatively at 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. Remaining key data releases this week include Jul bank lending (Fri) and Jul M3 money supply (Fri).

- **USDTHB - *Hovering around 34.00, Cautious.*** Pair was last seen at 34.03 as it continues keep trading sideways. We are less inclined to believe that the USDTHB can see much further downside and instead stay cautious of the possibility of a rebound. Elevated gold prices which have been supporting the THB can risk pulling back more as they hover near record levels. US data we believe is also less likely to point to 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. Meanwhile, on the political front, the country's ruling coalition led by Pheu Thai would reportedly be having talks today with its rival Democrat Party about the latter joining the coalition. Recently, the pro-military Palang Pracharath left the coalition which saw it take with it a total of 40 seats and the Democrats 25 seats could help offset some of this loss. Both the Demcorats and Pheu Thai do have quite a tense history but Democrat secretary-general Dej-Is Khaothong has said that it is time to bury that hatchet. We do note that equity markets did see a rally post PM Paetongtarn's appointment but even so, foreign equity flows are still net negative mtd until 28 Aug 2024. Also, it is uncertain still if this rally can carry on. Foreign bond inflows are also just moderate especially in light of strong expectations of Fed cuts over the last month. We continue to keep a close eye on the political situation. Remaining key data releases this week include Jul BoP CA and overall balance (Fri), Jul trade data (Fri) and 23 Aug gross international reserves/forward contracts (Fri).
- **USDVND - *Finding Support, SBV to Boost Credit Growth.*** USDVND rose and was last seen around 24890. The bounce seems to be a catch-up in action after most USDAsians rose yesterday. Resistance is seen around 25100 while support is seen at 24810. In news, SBV urged lenders to boost credit growth and curb NPLs. The central bank now allow lenders to raise their lending quotas should their credit growth reach 80% of assigned targets. In flows, foreigners have sold \$3.5mn of equities on net yesterday (28 Aug), taking the equity outflow to \$126.4mn mtd.

## 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	3.48	3.50	+2
7YR MS 4/31	3.68	3.70	+2
10YR MT 11/33	3.78	3.78	Unchg
15YR MS 4/39	*3.91/3.89	3.90	Unchg
20YR MX 5/44	*4.06/4.04	*4.06/4.04	Unchg
30YR MZ 3/53	4.18	4.19	+1
IRS			
6-months	3.50	3.50	-
9-months	3.42	3.42	-
1-year	3.39	3.39	-
3-year	3.33	3.35	+2
5-year	3.40	3.41	+1
7-year	3.48	3.48	-
10-year	3.59	3.59	-

Source: Maybank

\*Indicative levels

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

### Analysts

Winson Phoon  
(65) 6340 1079  
winsonphoon@maybank.com

Se Tho Mun Yi  
(603) 2074 7606  
munyi.st@maybank-ib.com

- Local government bond traded a tad softer with yields rising 1-2bp in the belly part of the curve amid thin liquidity. The 10y MGS auction drew a healthy bid-to-cover ratio of 1.99x on a larger-than-expected MYR5.5b size with a tight range of successful yields 3.750-3.769%. Post auction, the stock traded at 3.76%.
- MYR IRS levels closed mostly unchanged to slightly higher with light volume centering around 4-5y as trading interest continued to be muted post-Jackson Hole. 3M KLIBOR was unchanged at 3.53%. 4y IRS traded at 3.37% and 5y IRS traded at 3.405%.
- In the PDS market, GGs saw Prasarana 10/32 spread 2bp tighter, while Danainfra and PTPTN traded at MTM. AAA PASB 10/48 and DIGI 6/31 spread narrowed 5bp in sizeable amount while PLUS traded at MTM. ALR 10/25 and TNB Power Gen spread tightened 1bp, each with MYR70m exchanged. A3/A- Affin Bk Perp and DRB Hicom Perp were dealt in small amount.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.66	2.58	-8
5YR	2.65	2.57	-8
10YR	2.74	2.68	-6
15YR	2.80	2.76	-4
20YR	2.86	2.82	-4
30YR	2.85	2.81	-4

Source: MAS (Bid Yields)

- SGS yields collapsed in the afternoon session after a surprisingly strong 5y SGS auction which drew a very high 3.88x bid-to-cover ratio. The cut-off yield of 2.56% was well below that of secondary market in the morning. That caused seemingly a frenzy buying with the 5y SGS yield diving to a low of 2.52-53% before rising back slightly. Overall the curve bull-steepened led by the 2y and 5y tenors.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.62	6.60	(0.02)
2YR	6.54	6.54	(0.00)
5YR	6.53	6.53	-
7YR	6.69	6.69	0.00
10YR	6.63	6.63	(0.00)
20YR	6.81	6.81	(0.00)
30YR	6.85	6.85	0.01

### Analyst

Myrdal Gunarto  
 (62) 21 2922 8888 ext 29695  
 MGunarto@maybank.co.id

\* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds seemed on limited movement yesterday. It seemed that investors currently are on “wait & see” mode for witnessing the latest domestic social economic conditions and incoming result of U.S. PCE inflation. On the local side, we saw the economic situation remains conducive so far. Moreover, the government decided to extend its relaxation fiscal policy on the property sector until Dec-24, in the form of free of value added for the new house buyer. This policy is expected to give multiplier effect for stimulating the local economic growth. The property sector has strong influence for Indonesian economy due to its role on both backward and forward linkages to other sectors. The government also increased the capacity to subsidize the poor people to purchase the house. Going forward, we expect Indonesian bond market to keep being attractive recently after witnessing recent conducive conditions on the global VIX with relative weakening positions of both US\$ & Brent oil prices, and sound fundamental background on Indonesian economy.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1218	145.79	0.6836	1.3304	7.1527	0.6272	161.7867	98.6920
R1	1.1169	145.19	0.6811	1.3247	7.1428	0.6258	161.2833	98.3970
<b>Current</b>	1.1128	144.58	0.6790	1.3199	7.1295	0.6277	160.8900	98.1640
S1	1.1088	143.84	0.6762	1.3151	7.1210	0.6227	160.3633	97.6920
S2	1.1056	143.09	0.6738	1.3112	7.1091	0.6210	159.9467	97.2820
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3075	4.3531	15566	56.3613	34.2263	1.4598	0.6113	3.3464
R1	1.3055	4.3487	15495	56.3047	34.1097	1.4547	0.6105	3.3407
<b>Current</b>	1.3028	4.3355	15418	56.3200	34.0370	1.4498	0.6083	3.3281
S1	1.3012	4.3397	15384	56.2117	33.8837	1.4463	0.6088	3.3294
S2	1.2989	4.3351	15344	56.1753	33.7743	1.4430	0.6079	3.3238

\*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	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	41,091.42	-0.39
Nasdaq	17,556.03	-0.12
Nikkei 225	38,371.76	0.22
FTSE	8,343.85	-0.02
Australia ASX 200	8,071.44	0.00
Singapore Straits Times	3,391.03	-0.22
Kuala Lumpur Composite	1,675.24	1.39
Jakarta Composite	7,658.88	0.80
Philippines Composite	6,958.01	-0.22
Taiwan TAIEX	22,370.66	0.84
Korea KOSPI	2,689.83	0.02
Shanghai Comp Index	2,837.43	-0.40
Hong Kong Hang Seng	17,692.45	-0.02
India Sensex	81,785.56	0.09
Nymex Crude Oil WTI	74.52	-0.34
Comex Gold	2,537.80	-0.59
Reuters CRB Index	277.61	-0.04
MBB KL	10.86	1.50

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Published by:



**Malayan Banking Berhad**  
(Incorporated In Malaysia)

Foreign Exchange  
Singapore  
Saktiandi Supaat  
Head, FX Research  
saktiandi@maybank.com  
(+65) 6320 1379

Fiona Lim  
Senior FX Strategist  
Fionalim@maybank.com  
(+65) 6320 1374

Alan Lau  
FX Strategist  
alanlau@maybank.com  
(+65) 6320 1378

Shaun Lim  
FX Strategist  
shaunlim@maybank.com  
(+65) 6320 1371

Indonesia  
Juniman  
Chief Economist, Indonesia  
juniman@maybank.co.id  
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto  
Industry Analyst  
MGunarto@maybank.co.id  
(+62) 21 2922 8888 ext 29695

Sales  
Malaysia  
Zarina Zainal Abidin  
Head, Sales-Malaysia, Global Markets  
zarina.za@maybank.com  
(+60) 03- 2786 9188

Tan Yew Yan  
Head, Sales Corporates & CFS  
yewyan.tan@maybank.com

Singapore  
Sheetal Dev Kaur  
Head, Corporates Sales (MBS)  
skaur@maybank.com  
(+65) 63201335

Tan Huilin  
Head, Sales FI  
TanHuilin@maybank.com  
(+65) 63201511

Janice Loh Ai Lin  
Head, Sales (MSL)  
jloh@maybank.com.sg  
(+65) 6536 1336

Shanghai  
Joyce Ha  
Treasury Sales Manager  
Joyce.ha@maybank.com  
(+86) 21 28932588

Indonesia  
Endang Yulianti Rahayu  
Head of Sales, Indonesia  
EYRahayu@maybank.co.id  
(+62) 21 29936318 or  
(+62) 2922 8888 ext 29611

Philippines  
Angela R. Ofrecio  
Head, Global Markets Sales  
Arofrecio@maybank.com  
(+632 7739 1739)

Fixed Income  
Malaysia  
Winson Phoon  
Head, Fixed Income  
winsonphoon@maybank.com  
(+65) 6231 5831

Se Tho Mun Yi  
Fixed Income Analyst  
munyi.st@maybank-ib.com  
(+60) 3 2074 7606

s