Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Reinforcing a Rate Cut

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Nov NFP printed at 227k (exp: 220k; prev: 36k) last Fri, reinforcing expectations of a rate cut in Dec. Market implied odds stood at 85.1% (prev: 70.1%), given that the labour market and wage pressures were not excessively hot. Eyes will be on US CPI later this week, with Fed officials largely focused on data for future decisions. Trump said that he had no plans to replace Jerome Powell. Separately, a power vacuum was created in the Middle East with the ousting of Bashar Al-Assad from Syria. Israeli ground forces have reportedly crossed into Syria for the first time since 1973 and US airstrikes have targeted multiple ISIS targets in Syria. Against this backdrop of uncertainty, the USD and other safe-havens outperformed and risk currencies underperformed. Tensions in the Middle East are a risk event that we watch going into 2025, and it remains to be seen if a resolution can be reached. We would expect safe-havens to be better supported should tensions escalate and risk currencies to rally if there is resolution.

KRW Pressured as Yoon Impeachment Fails

An attempt to impeach South Korean President on Sat failed as Yoon's party boycotted the vote. 1M USDKRW NDF trades higher at 1432.44 levels this morning and looks to be buoyant. Yoon's brief declaration of martial law and the political aftermath look to have shaken investor confidence in Korea. The KOSPI (-8% YTD) risks diverging further from Taiwan's equity index (+30% YTD). Interestingly, Trump had earlier flagged Taiwan for stealing US chip business, but had declined to mention Korea, another major economy in the chip space. Calls for Yoon to resign are growing and the leader of Yoon's party said that the President would eventually step down given that "the declaration of martial law was a clear and serious violation of the law". We expect short term pressures on KRW to remain.

Data/Events We Watch Today

We watch CH Nov CPI and US Oct Wholesale Inventories.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0568	-0.17	USD/SGD	1.3427	0.28
GBP/USD	1.2744	-0.12	EUR/SGD	1.4191	0.13
AUD/USD	0.6391	-0.96	JPY/SGD	0.8951	0.38
NZD/USD	0.5831	-0.93	GBP/SGD	1.7103	0.13
USD/JPY	150	-0.07	AUD/SGD	0.8579	-0.69
EUR/JPY	158.55	-0.23	NZD/SGD	0.7828	-0.65
USD/CHF	0.8788	0.03	CHF/SGD	1.5279	0.28
USD/CAD	1.4157	0.96	CAD/SGD	0.948	-0.68
USD/MYR	4.4177	-0.21	SGD/MYR	3.2969	-0.11
USD/THB	34.073	-0.78	SGD/IDR	11833.47	0.04
USD/IDR	15850	-0.06	SGD/PHP	43.1344	-0.15
USD/PHP	57.747	-0.24	SGD/CNY	5.4163	-0.06

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3275	1.3546	1.3817

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G10: Events & Market Closure

Date	Ctry	Event
NIL	NIL	NIL

AXJ: Events & Market Closure

Date	Ctry	Event
10 Dec	TH	Market Closure

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index - *Bearish Seasonality Can Play Out*.** The DXY index slipped at the release of the NFP last week which added net 227K. Unemployment rate rose to 4.2% from 4.1% even as labour force participation rate fell. Unemployment rate also rose to 7.8% from 7.7%. Breakdown reveals a fall in retail trade hires of 28K Nov in spite that it's the start of the holiday seasons. This does suggest some build-up of slack in the labour market. Two-way trades could continue within 105.40-107.00. There is a mini head and shoulders formed, a slanted one with a neckline marked by the recent low of around 105.40. Resistance is seen around 107.00. Recent price action seems to have clearly respected this line of resistance and the head and shoulders could be playing out and a break of the neckline around 105.40 could take the DXY index towards 104 (200-dma) before the next at 103.20. Along with the USD bearish seasonality, balance of risks in the near-term are skewed to the downside. Data-wise, wholesale inventories are due today for Oct. Tue has NY fed 1Y inflation expectations for Nov. Wed has Nov CPI before Nov PPI is due on Thu along with weekly claims. Fri has export and import price for Nov.

- **EURUSD - *Slightly lower*.** EURUSD was slightly lower at 1.0553 levels.ght session, with President Macron reaffirming that he would serve out his term and would shortly appoint a new PM. There are some hopes that French lawmakers can reach an agreement soon, with the 10Y OAT-Bund spread falling to around 78bps, as Marine Le Pen suggested a budget that narrowed the deficit more slowly would pass muster. Uncertainty and non-resolution of a budget would weigh on the EUR. We see continued headwinds for the EUR on political uncertainty in both France and Germany. Factors that weigh on EUR could remain a drag on the currency – including political uncertainty in France and Germany, the potential escalation of the war in Ukraine, weak Eurozone growth prints that could sharpen the Fed-ECB policy divergence. Trump tariffs could also have an additional Eurozone specific element which should weigh on the EUR. Back on the EURUSD chart, support at 1.05 before 1.04. Resistance for pair is at 1.0600 and 1.0650. Last week, 3Q F GDP was in line at 0.4% QoQ (exp: 0.4%; prev: 0.4%) and 0.9% YoY (exp: 0.9; prev: 0.9%). Data this week includes Dec Sentix Investor Confidence, ECB Policy Decision (Thu) and Oct Industrial Production (Fri).

- **GBPUSD - *Bailey signals four cuts in 2025*.** GBPUSD was last seen steady at 1.2743 levels.. Bailey signalled that four cuts in 2025 was consistent with the BOE's central planning scenario as inflation had come down "faster than we thought it would". Nevertheless, in line with our expectations of broader USD drivers dominating, the rally in USTs improved rate differentials and helped the GBP end yesterday higher. This is also in line with our view for the UK and by extension the GBP could be a tad more resilient to Trump's trades policies, being a key ally of the US and a services, rather than goods, oriented economy. Market expectations are also for a BOE hold in Dec, which could help shelter the GBP against further weakness. However, we do still see room for the BOE to cut rates amid an intact broad disinflationary trend – a view echoed by Bailey himself on 4 Dec 2024. Support is at 12650 followed by 1.26 figure. Resistances are at 1.27 figure and 1.2750. UK data includes REC Jobs Report (Mon), Nov RICS House Price Balance (Thu), Oct Industrial Production, Oct GDP, Oct Manufacturing Production, Oct Trade Balance and Nov BOE/IPSOS Inflation Next 12 Months (Fri).

- **USDCHF - *Retracement*.** USDCHF was relatively steady at 0.8792 levels this morning amid Middle East uncertainty. Recall that SNB Chief had flagged about negative rates (Reuters) in a bid to weaken the CHF. CHF had weakened as markets priced in the scenario of SNB cutting rates to near zero by Sep 2025. With that, one can arguably said that policy divergence between the Fed and SNB is at its widest at this point. The room for CHF to fall because of policy divergence might be less as well. With the USD in a corrective mode (lower), USDCHF may move lower from here. The next support is at 0.8750. Resistance is the 0.882. 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. Safe-havens could be better supported on heightened volatility and uncertainty in the lead up to key events like the US elections. 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. Data-wise we have Nov SECO Consumer Confidence (Mon) and SNB Policy Decision (Thu).

- **USDJPY – *Sideways, Downside Potential*.** The pair was last seen at around 149.77 as it edged slightly lower from Friday's close although it remains around the 150.00 level as a whole. Following the release of the in-line NFP data and the increased expectations of Fed rate cuts, the USDJPY in a knee-jerk reaction had fallen to as low as 149.37. However, it would retrace this fall later and end the session right on the 150.00 mark. Markets for now looks to be anxious about the likelihood of a BOJ rate hike in Dec with the OIS implying 33.6% chance of it occurring. This is lower compared to levels in the last few weeks, which can be as high as around 60%. Regardless, we see a Dec hike of 25bps as likely to happen given that Japanese economic data continues to be supportive with wages, inflation and growth all holding up well. This morning, economic data was also supportive as 3Q F GDP was revised higher with the SA number at 0.3% QoQ (est. 0.3% QoQ, Prior. 0.2% QoQ) and the annualized SA reading at 1.2% QoQ (est. 1.2% QoQ, Prior. 0.9% QoQ). This looks to have lead to an early morning move lower for the USDJPY. Yesterday, we also note that the main opposition leader Yoshihiko Noda from CDPJ has said that the BOJ must gradually raise interest rates and continue phasing out a controversial stimulus programme blamed for causing unwelcome yen declines. He also said that they should do it without committing to set the pace. However, we are aware markets are also wary that the BOJ can skip a Dec hike if there are satisfied that USDJPY upside is limited amid a Fed rate cut. Going forward, key major data releases for the pair include US CPI data (Wed), US PPI (Thurs) and 4Q Tankan indicators(Fri). Back on the chart, we watch if the pair can decisively hold below the support at 150.00 with the next level after that at 145.00 and 142.00. Resistance is at 152.00 and 155.00. Key data releases include Nov Eco Watchers survey (Mon), Nov M2/M3 (Tues), Nov P machine tool orders (Tues), 4Q BSI large all industry/manufacturing (Wed), Nov PPI (Wed), Nov Tokyo avg office vacancies (Thus), 4Q Tankan indicators (Fri), Oct F IP (Fri) and Oct capacity utilization (Fri).

- **AUDUSD – *Heavy*.** AUDUSD was last seen at 0.6400 levels. AUDUSD had been an under-performer, dragged by the weaker-than-expected GDP release earlier this week. 3Q GDP had weakened unexpectedly to 1.8%y/y from previous 1.0%. Growth picked up in pace on a sequential basis at 0.3% from previous 0.2%, albeit missing consensus of 0.5%. Pair broke out of the 0.6490-0.6540 range to the downside. With that the implied probability of a rate cut in Feb went up to 44%. RBA has been one of the more hawkish central banks in the DM space. Current policy settings are still considered as appropriate as core inflation is "still too high". "Staying higher for longer" is just one of the scenarios being considered vs. a cut and a hike. Risks around the forecasts are seen as "balanced" as well. That has been providing some cushion for the AUD, tentative ones and it could be less clear once President-Elect Trump is in charge. This latest data has increased downside risks to growth and increase the odds of easing for the RBA. Support for AUDUSD at the 0.6410 level has broken. Next support is seen around 0.6340 and then at 0.6270. Resistance at 0.6500. Data-wise, NAB business confidence and business conditions for nov are due on Tue. We look for RBA to keep cash target rate unchanged tomorrow but we monitor to see if Governor Bullock tilts a tad more to the dovish side given the surprisingly weak GDP for 3Q, revealing that the public investment has been the key support for growth and private consumption and investment had been hurt by restrictive policy settings. She has been very hawkish up to the latest presser she has given and this could be a presser for her to show a tad more concern on the growth front. That would be negative for AUD.

- **NZDUSD – *Two-way Risks*.** NZDUSD slips to levels around 0.5835. Pair may remain in two-way risks. Price action could remain choppy within 0.58-0.5930. 0.5930 is a key resistance before the next at 0.5970. The USD might have shown some signs of rebound but NZD has not broken out of the range yet. Week ahead has 3Q Mfg activity due on Wed before card spending for Nov on Thu before BusinessNZ Mfg PMI for Nov as well as Oct net migration. a

- **USDCAD – *Forming A Top*.** USDCAD bounced and was last seen around 1.4150. This pair may continue to remain supported on dips given Trump's threat to levy a 25% tariff on all products from Canada. Back on the USDCAD chart, momentum is still bearish. There could be a tentative top formed for the USDCAD. Pair may remain in sideway trades with resistance at 1.4170. Interim resistance at 1.4090. Support around 1.3900. This pair is likely to remain in swivels within this range. Data-wise, BOC is expected to cut another 50bps, especially after unemployment rate jumped to 6.8% from 6.5%. Hourly wage rate slowed rather sharply to 3.9%y/y from previous 4.9%.

- **Gold (XAU/USD) – *Pressured*.** Gold was last seen around $2645/oz, still a tad pressured, albeit within the recently established range. Gold is at risk in spite of falling UST yields and the USD but more importantly, because there are some signs of fading geopolitical risks at this point with Ukraine seemingly more open to peace-talks, UN pushing for a two-state solution and Hezbollah in a 60-day ceasefire agreement with Israel. This sideway trades can continue within 2570-2700 for the bullion but the risks at this point could be to the downside. Break of the lower bound to open the way towards $2540 before $2450.

Asia ex Japan Currencies

SGDNEER trades around +1.00% from the implied mid-point of 1.3560 with the top estimated at 1.3290 and the floor at 1.3833.

- **USDSGD – *Bearish Risks*.** USDSGD was last seen lower at 1.3427 levels this morning amid broader USD weakness. SGD is in the middle of the pack in terms of performance and we expect that it could be sheltered given the correlation of SG/US rates. Moreover, Singapore is unlikely to be singled out by the US for additional tariffs given that it has a bilateral trade deficit with the US. Regional safe-haven properties are also likely to be supportive for the SGD. Recall that MAS stood pat in Oct. Our economists' base case is for a Jan-25 easing, although easing could be delayed if inflation is sticky and/or growth remains robust. Robust 3Q GDP print could delay easing by MAS. The trade-weighted SGDNEER is at +1.00% 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. 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 1.3490 and 1.3530. Supports are 1.3400 and 1.3340. Data this week includes Nov FX Reserves (Mon to Wed).

- **SGDMYR – *Watch potential downside*.** SGDMYR was last seen lower at 3.2972 levels this morning. SGDMYR falling has moderated SGDNEER strength. This has been in line with MYR being the main moderator of the SGDNEER this year. Resistances at 3.32 followed by 3.3430 (100-dma) before the next at 3.3880. Support at 3.30 before the next at 3.28.

- **USDMYR – *Cautious*.** Pair was last seen at 4.4323 as it hovered around levels seen on Friday. The UST yields continue to edge lower but USDCNH ended Friday higher. Therefore, both the positive and negative forces are counteracting each other. As a whole, external developments are likely to remain the major drivers for the pair in the near term, in particular to those related to the US and China. In the background, we would like to note that optimism towards Malaysia looks strong amid the backdrop of an investment upcycle. BNM has also said that they believe there is "enduring support" for the MYR given "Malaysia's positive economic prospects and structural reforms, complemented by initiatives to encourage flows". The government's fiscal consolidation effort (with the budget deficit continuing to narrow) is also likely to instill more confidence with investors on the country's financial position. Meanwhile, Malaysia has been dropped out of the US treasury currency "monitoring list". Back on the chart, near term pair can be remained ranged before edging lower. Resistance at around 4.5290. Support at 4.4200 before the next at 4.3200. Key data releases this week include Oct mfg sales (Tues) and Oct IP (Tues).

- **USDCNH – *USDCNH Inverted head and shoulders completed, Interim Pullback to 7.20 Cannot be Ruled Out ahead of CEWC before Uptrend Continues*.** USDCNH traded around 7.2840 this morning. The fix this morning remains below 7.20 at 7.1870 vs. previous 7.1848. Due to the USD action last Fri, median estimate was higher at 7.2614, widening the actual-estimate fix gap from 665pips (4 Dec) to 744pips. Central economic work conference is scheduled to happen on 11-12 Dec and the economic targets and stimulus plans are likely to be discussed according to sources unnamed and cited by Bloomberg. Normally, the outcomes are not announced until the Two-Sessions in Mar but there could be a readout of the speech by Xi Jinping. Even so, we do not rule out potential for yuan sentiment to turn bullish between now and the end of CEWC. Data-wise, Nov PPI and CPI are just out. Inflation surprised to the downside at 0.2%y/y for Nov vs. previous 0.3%. PPI clocked a shallower decline of -2.5%y/y vs. previous -2.9%. Credit data for nov could be released as soon as today. Trade data for nov is due tomorrow. FDI could be out from Wed.

- **1M USDKRW NDF - *Yoon Impeachment Fails*.** 1M USDKRW NDF was last seen higher around 1432.44 levels this morning after an attempt to impeach South Korean President on Sat failed as Yoon's party boycotted the vote. His term ends May 2027 and he is unlikely to see through it. The failure to impeach Yoon is negative for the KRW as this current state of political uncertainties could be prolonged. Yoon has offered to allow his allied political party (PPP) to set policy in his stead. This is likely to keep PPP legislators from voting his removal. Another way his tenure can end is with his resignation as a quid pro quo for his successor to pardon him to avoid Jail. Constitutional revision is also possible to shorten five year term to 4 year term and his term will end May 2026 instead of 2027 Yoon's brief declaration of martial law and the political aftermath look to have shaken investor confidence in Korea. The KOSPI (-8% YTD) risks diverging further from Taiwan's equity index (+30% YTD). Interestingly, Trump had earlier flagged Taiwan for stealing US chip business, but had declined to mention Korea, another major economy in the chip space. Calls for Yoon to resign are growing and the leader of Yoon's party said that the President would eventually step down given that "the declaration of martial law was a clear and serious violation of the law". We expect short term pressures on KRW to remain. BOK surprised by cutting rates by 25bps, against consensus but in line with our own expectations of a cut. This is the first back-to-back cut by the BOK since 2009 and comes on the back of weakening growth, slowing exports and moderating inflation. We see BOK cutting by 50bps in 2025 as they pivot away from a restrictive stance. Despite the inclusion on FTSE WGBI, pair should face upside risks with support for the USD building. Resistance is at 1450. Support at 1420 followed by 1400. Data releases this week include Nov Unemployment Rate, Bank Lending to Household (Wed) and Nov Import/Export Price Indices (Fri).

- **1M USDINR NDF- *Pivoting to Neutral*.** USDINR 1M NDF hovered around 84.85 levels despite broader USD weakness. Last Friday, RBI held its rate steady on Fri in line with consensus although it also cut the cash reserve ratio that banks are required to hold, making conditions easier as growth slows. We see RBI potentially cutting rates at their next meeting (7 Feb) to align with their current neutral stance especially if disinflationary path progresses. Resistance at 85.00. Support at 84.50 before the next at 84.00. Data releases this week include Nov CPI, Oct Industrial Production, Nov trade Balance and Nov Exports/Imports.

- **1M USDIDR NDF - *Steady, Cautious*.** 1M NDF was last seen lower at around 15869 as it continued to hover around Friday's levels. Whilst UST yields are edging lower, USDCNH is higher. Both the negative and positive forces are therefore counteracting each other. Going forward, we are staying cautious on the pair amid market anxiety on Trump policies and China policies. However, regarding the latter, any so called "surprise" on much stronger signs of China stimulus from the CEWC can help lift the Asian FX (including IDR) given their sensitivity to the CNH/CNY. There is though immense uncertainty on the scale of Chinese government support for the economy. For now, we expect the pair to continue trading sideways building up amid several key risk events and data releases due including US CPI (Wed), US PPI (Thurs) and the outcome of China's CEWC (due later sometime this week). Back on the chart, resistance is at 16000 and 16170. Support is at 15800 and 15611. Meanwhile, on domestic matters, Prabowo confirms VAT hike to 12% from 11% will only be imposed on luxury goods. We expect the effect on inflation to be negligible and therefore, the price data should still be supportive of BI easing. However, we are aware the external pressures on the IDR may also make rate cuts for BI challenging. On the political front, opposition candidate Pramono Anung has received 50.07% of the vote for the Jakarta Governor election and therefore, this has prevented a run-off, securing victory for him. Key data release this week include Nov consumer confidence (Mon) and Nov local auto sales (11 – 15 Dec).

- **1M USDPHP NDF -** ***Higher, Likely to be Ranged***. The 1M NDF was last seen at around 58.05 as it bounced back up with the broad dollar higher even as UST yields were lower. USDCNH though did climb back up last Friday. The pair can also be taking a breather after remarkably strong run amid declines in UST yields and potential support from repatriation. Some further pullback expected for the pair possibly towards the 58.28 mark and remain cautious subsequently on the pair building up to FOMC and amid the number of key data releases and risk events due from the US and China this week including US CPI (Wed), US PPI (Thurs) and the outcome of China's CEWC (due later sometime this week). Meanwhile, on domestic matters, President Marcos Jr has signed into law a measure on VAT refund for non-resident tourists, which aimed at boosting tourism. Back on the chart, resistance at 58.38 and 59.13 (YTD high). Support is at 57.46 (100-dma) and 56.85. Key data releases this week include Oct trade data (Tues).

- **USDTHB -** ***Lower, Softening***. Pair was last seen lower at 34.02 as the peak tourism season inflows provide the THB support and UST yields edged lower. Gold prices has also been holding up at elevated levels. USCNH was higher on Friday and continues to hold up the same levels this morning. This may be some negative bearing on the THB given the trade links between China and Thailand. Near term, downside potential for the pair as seasonal tourism flows can back it to move lower. However, we are cautious of multiple risk events/data releases including US CPI (Wed), US PPI (Thurs) and the outcome of China's CEWC (due later sometime this week). Meanwhile, on domestic matters, Thailand's PM Paetongtarn Shinawatra has ruled out any immediate increase of VAT after a proposal by the finance minister to more than the double it, drew criticism from the opposition and a key member of the ruling coalition. Inflation as a whole remains subdued in Thailand although our economist does not see any cuts for the BOT into next year. So far, the Governor does not hint of any easing. At this point, the pair is testing the support at around 33.90 with the next level after that at 33.62. Resistance is at 34.40 and 35.10. Key data releases this week include Nov consumer confidence (11 – 13 Dec) and 6 Dec gross international reserves/forward contracts (Fri).

- **USDVND -** ***Capped for now***. USDVND was last seen around 25380. This pair continues to be driven by broader USD movement as well as the swings of the UST yields. The 25475 could cap this pair. Recent price action has been more consolidative. Support is seen around 25325 before the next at 25255. Vietnam's Ministry of Planning and Investment and the Global Green Growth Institute (GGGI) launched a plan for green growth and climate actions including the net zero 2050 target.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.46	3.46	Unchg
5YR MI 8/29	3.56	3.57	+1
7YR MS 4/31	3.72	3.73	+1
10YR MS 7/34	3.78	3.78	Unchg
15YR MS 4/39	*3.95/93	3.93	Unchg
20YR MX 5/44	4.05	4.05	Unchg
30YR MZ 3/53	4.17	4.18	+1
IRS			
6-months	3.64	3.65	+1
9-months	3.63	3.63	Unchg
1-year	3.59	3.58	-1
3-year	3.48	3.47	-1
5-year	3.48	3.49	+1
7-year	3.57	3.57	Unchg
10-year	3.67	3.68	+1

Source: Maybank
**Indicative levels*
***Daily Trade Data: 1) Government bonds and 2) PDS/corporate bonds*

- Ringgit government bonds saw minimal activity to close the week as focus shifted to the reopening auction of 10y MGS 7/34. The auction garnered moderate demand, albeit below expectations with BTC of 2.015x, given a small MYR2.0b issue size. The results came in within 3.76-3.781%, and post auction dealt at 3.78% in the secondary space. Overall, flows were healthy with 2-way activity on most parts of the curve. An exception was the belly which gave back some of the gains this week.

- MYR IRS closed mixed with front end +/- 1bp on the day while 5-10y tenors were 0.5-1bps higher d/d. The focus was again on higher 3M KLIBOR but the elevated front end attracted offerers capping the momentum there, while further up the curve paying/hedging interest was sustained after a lukewarm 10y MGS reopening. 3M KLIBOR increased by another 2bp to 3.69%. 1y IRS traded at 3.60% and 5y IRS traded at 3.485%.

- The PDS market had another muted session. In GG, Prasarana long tenor bond spreads tightened 2-3bp for sizeable amounts. In AAA, trades were dominated by energy names specifically TNB, Sarawak Energy and Petroleum Sarawak trading 1bp lower. In AA1/AA+, Edotco 9/79 saw MYR20m dealt at MTM. In AA2, Am Isl 5/31 spread tightened 1bp. Other names were largely unchanged.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.74	2.74	Unchg
5YR	2.69	2.69	Unchg
10YR	2.71	2.71	Unchg
15YR	2.76	2.75	-1
20YR	2.74	2.73	-1
30YR	2.69	2.68	-1

Source: MAS (Bid Yields)

- The SGS yield curve remained largely unchanged for the front-to-belly part of the curve, while the longer-end yields declined 1bp across the 15-30y. Meanwhile, the overnight SORA fell sharply by 23bp to 2.77% on December 5.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.73	6.79	0.05
2YR	6.82	6.87	0.05
5YR	6.86	6.87	0.01
10YR	6.92	6.92	0.01
15YR	7.02	7.04	0.02
20YR	7.11	7.11	(0.00)
30YR	7.08	7.07	(0.01)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened on the last Friday (06 Dec-24). We saw the yield of 2Y series of government bonds daily increased by 5 bps to 6.87% on 06 Dec-24 amidst recent strong investors' fears for anticipating Donald Trump's international trade protectionism with loosening corporate tax burden policy. For this week, we foresee persistent volatilities on both Indonesian bond & equity markets after the latest U.S. labour performed stronger expansion in Nov-24. The market players seemed seeing an uncertainties for the Fed to apply aggressive policy rate cut this month. The strategy for investors remain for short term orientation. Investors, once again, will wait the latest result of U.S. CPI inflation this week for ensuring their confidences for incoming policy rate decision that will be applied by the Fed. The US added 227,000 jobs in November, just above the 220,000 estimate, though the unemployment rate unexpectedly ticked up to 4.2%. There were hefty upward revisions to the two prior months, giving a three-month average payrolls gain of 173,000.

- We just received news that Indonesian foreign reserves slightly weakened as the pressures on domestic financial market soared during Nov-24. A strong pressures on the domestic financial market seemed erasing a substantial inflow from recent government's global Sukuk issuance. Indonesia booked foreign reserves by US$150.2 billion in Nov-24, slightly retreated from US$151.2 billion in Oct-24. In Nov-24, the government released US$2.75 billion of Global Sukuk. On the other side, the foreigners' ownership on the government bonds decreased from Rp885.57 trillion on 31 Oct-24 to be Rp873.43 trillion on 29 Nov-24. The foreign investors also recorded net selling position by US$1.06 billion during Nov-24. The position of foreign reserves is equivalent to 6.5 months of import or 6.3 months of import and servicing government's external debt, which is well above international reserve adequacy standard of around three months of import. Going forward, we expect Indonesian foreign reserves to increase again in Dec-24, driven by money inflow from foreign direct investment, surplus on the trade balance, and foreigners' money in domestic financial market during window dressing period and the direct impact of further loosening monetary measures by both Bank Indonesia and the Fed. We expect Indonesian foreign reserves to reach US$154.7 billion in Dec-24.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0668	151.35	0.6490	1.2849	7.3070	0.5915	160.2233	97.5247
R1	1.0618	150.68	0.6440	1.2796	7.2956	0.5873	159.3867	96.6963
Current	1.0552	149.96	0.6394	1.2737	7.2843	0.5831	158.2400	95.8880
S1	1.0530	149.35	0.6357	1.2706	7.2643	0.5805	157.9067	95.2803
S2	1.0492	148.69	0.6324	1.2669	7.2444	0.5779	157.2633	94.6927

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3478	4.4352	15891	57.8697	34.3490	1.4236	0.6109	3.3148
R1	1.3453	4.4265	15871	57.8083	34.2110	1.4213	0.6098	3.3059
Current	1.3427	4.4280	15860	57.9910	34.0380	1.4168	0.6086	3.2980
S1	1.3380	4.4115	15829	57.7073	33.9230	1.4159	0.6079	3.2916
S2	1.3332	4.4052	15807	57.6677	33.7730	1.4128	0.6071	3.2862

**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	3.3000	Jan-25	Neutral
BNM O/N Policy Rate	3.00	22/1/2025	Neutral
BI 7-Day Reverse Repo Rate	6.00	18/12/2024	Neutral
BOT 1-Day Repo	2.25	18/12/2024	Neutral
BSP O/N Reverse Repo	6.00	19/12/2024	Easing
CBC Discount Rate	2.00	19/12/2024	Neutral
HKMA Base Rate	5.00	-	Easing
PBOC 1Y Loan Prime Rate	3.10	-	Easing
RBI Repo Rate	6.50	7/2/2025	Neutral
BOK Base Rate	3.00	16/1/2025	Neutral
Fed Funds Target Rate	4.75	19/12/2024	Easing
ECB Deposit Facility Rate	3.25	12/12/2024	Easing
BOE Official Bank Rate	4.75	19/12/2024	Easing
RBA Cash Rate Target	4.35	10/12/2024	Neutral
RBNZ Official Cash Rate	4.25	19/2/2025	Easing
BOJ Rate (Lower bound)	0.00	19/12/2024	Tightening
BoC O/N Rate	3.75	11/12/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	44,642.52	-0.28
Nasdaq	19,859.77	0.81
Nikkei 225	39,091.17	-0.77
FTSE	8,308.61	-0.49
Australia ASX 200	8,420.85	-0.64
Singapore Straits Times	3,796.16	-0.69
Kuala Lumpur Composite	1,613.25	-0.15
Jakarta Composite	7,382.79	0.95
Philippines Composite	6,729.14	0.57
Taiwan TAIEX	23,193.27	-0.32
Korea KOSPI	2,428.16	-0.56
Shanghai Comp Index	3,404.08	1.05
Hong Kong Hang Seng	19,865.85	1.56
India Sensex	81,709.12	-0.07
Nymex Crude Oil WTI	67.20	-1.61
Comex Gold	2,659.60	0.42
Reuters CRB Index	286.34	-0.03
MBB KL	10.16	-0.59

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