Macro | FX Research & Strategy

Global

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Maybank

Global Markets Daily

USD Surges Ahead of CPI

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USD has surged higher ahead of tonight's US CPI release with the DXY last seen at 106.024 levels. UST yields were up (10Y: +12bps), while gold was lower (-0.74%). Eyes will certainly be on US CPI tonight to see if there could be "inflation surprises to the upside" that Fed's Kashkari said were the only thing that could derail a Fed cut in Dec. Kashkari thinks that it could take up to two years for the Fed to reach the 2% inflation target. Separately, Fed Barkin said that the US economy was "in a good place" with policymakers in the best position to respond to any changes. Continuing US exceptionalism is one factor that could support the USD for longer. Although we had been seeing signs of fading US exceptionalism, Trump's victory could spur the USD stronger if it can help to maintain US exceptionalism. Separately, Bitcoin rally has also halted as BTC fluctuates close to the US$90k mark. Rubio, a known China hawk, has been announced as Trump's Secretary of State. Elon Musk and Vivek Ramaswamy will also lead a new "Department of Government Efficiency".

Germany Readies Earlier Elections

German Chancellor Olaf Scholz agreed to submit to a confidence vote on 16 Dec, which readies an election as early as 23 Feb next year. Scholz's falling out with his coalition looks to weigh on the EUR, amid US yields and the USD going higher thanks to Trump's victory as well. ECB Kazaks said that rates should be cut gradually after three cuts since Jun, however that failed to provide the EUR with any support. There have been talks of EURUSD at parity, which we cannot rule out, but at the same time is not our base case. There are however, certainly more headwinds than tailwinds for the EUR and we remain wary that the downside risks prevail. Trump has singled out the Eurozone for specific action during his campaign and it remains to be seen what action is eventually taken.

Data/Events We Watch Today

We watch US CPI and JP PPI Inflation.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0623	-0.30	USD/SGD	1.3382	0.32
GBP/USD	1.2748	-0.93	EUR/SGD	1.4217	0.03
AUD/USD	0.6533	-0.64	JPY/SGD	0.8655	-0.25
NZD/USD	0.5926	-0.64	GBP/SGD	1.706	-0.61
USD/JPY	154.61	0.58	AUD/SGD	0.8742	-0.32
EUR/JPY	164.25	0.29	NZD/SGD	0.7931	-0.30
USD/CHF	0.8817	0.12	CHF/SGD	1.5178	0.24
USD/CAD	1.3944	0.14	CAD/SGD	0.9597	0.19
USD/MYR	4.4383	0.63	SGD/MYR	3.3162	0.07
USD/THB	34.8	1.25	SGD/IDR	11800.62	0.06
USD/IDR	15780	0.64	SGD/PHP	43.9969	-0.13
USD/PHP	58.83	0.38	SGD/CNY	5.4031	-0.06

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3295	1.3565	1.3838

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G10: Events & Market Closure

Date	Ctry	Event
11 Nov	CA/US	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
15 Nov	IN	Market Closure

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index – *Stretched*.** DXY is seen higher at 106.024 and looks a bit stretched to the topside. Watch US CPI release tonight with Kashkari mentioning only inflation upside can derail a Dec Fed cut. At the same time, EUR weakness could keep the DXY supported. FOMC ealier voted unanimously to cut the Fed Fund Target Rate by 25bps, bringing the policy target range lower to 4.50-4.75%. Market reactions were rather muted to the well-anticipated decision. The statement noted that "labour market conditions have generally eased". While there was acknowledgement that inflation has moved towards the 2% objective, it "remains somewhat elevated". Notably, statement removes the phrase "gained greater confidence in inflation moving sustainably toward 2% target" that was present in the last statement. Our economist noted that the Fed is mindful of inflation risk in the wake of the US election outcomes. That said, house view still looks for another 25bps in Dec and trimmed 2025 cuts from 125bps to 100bps. There are some doubts on tariffs seeping into the market. Given that the inauguration is still two months away, markets may prefer to focus on the now – Fed cuts, resilient US economy and other developments. Back on the DXY index, support is seen around 105.80 before the next at 105.40, resistance at 106.500. Data-wise, this week has Oct CPI Inflation (Wed), Oct PPI Inflation (Thu), Nov Empire Manufacturing, Oct Retail Sales and Oct Industrial Production (FrI).

- **EURUSD – *Risks skewed to the downside*.** EURUSD was last seen lower at 1.0611 levels this morning with risks skewed to the downside for the pair. Overnight pair was at a low of 1.0595. We have political uncertainty in Germany, and the impending 10% US global tariff hitting Eurozone exports that is likely to firmly skew risks for the EUR to the downside in the short-term. Expectations for a 25bps Dec cut have rose to 118.9%. Market could take some time to fully digest the impact of the developments. Earlier, Eurozone growth was better than expected and inflation turned out stickier than expected in the Eurozone. Earlier comments by ECB Wunsch suggested small risk to undershooting inflation and rate cuts could be more measured. This inflation print seems to suggest that is somewhat likelier now. Pair remains stretched to the downside. For now, we hold on to our base case outlook for a stronger EUR over the medium to long term, although some adjustments to the trajectory may be required given Trump's victory. Eurozone 3QA growth print is encouraging, especially with Germany beating growth expectations. We see a total of 25bps more of cuts for ECB in 2024. Back to key levels on EURUSD, resistance at 1.0650 and 1.0700. Support at 1.0600 and 1.0500. Eurozone data this week includes 3QP GDP, Sep Industrial Production (Thu) and EC Economic Forecasts (Fri).

- **GBPUSD – *Lower*.** GBPUSD is lower at 1.2749 levels this morning and was the underperformer of the overnight session. BOE delivered a 25bps rate cut to 4.75% as widely expected in an 8-1 vote, with Mann the sole dissenter. Bailey said that interest rates cannot be cut too quickly or by too much unless inflation remains close to target. GBP rose after the statement on expectations of no more BOE cuts this year, with the probability of a Dec cut at 20.1%. We think BOE could still cut rates by 25bps in Dec, especially if inflation falls further. Watch the Trump-Starmer interaction, with Trump's team earlier complaining about Labour volunteers campaigning on behalf of the Democrats. UK and US are likely to remain firm allies on most front with Starmer being quick to offer his congratulations. If Trump does not institute measures to single out the UK, then GBP could outperform. YTD, GBP is barely holding on to its gains and is up +0.14% against the USD. We see continuing two-way action in the GBP. Inflation is on a broad downtrend, which should give BOE the comfort to cut in time. We think that GBP outperformance could moderate in the near-term while remaining bullish on GBP in the longer-term. Positive outcomes from warmer EU-UK relations with Labour's victory could take time to play out. Support is at 1.2700 followed by 1.2650. Resistances are at 1.2800 and 1.2850. UK data this week includes Oct RICS House Price Balance (Thu), Sep Industrial/Manufacturing Production, Sep Trade Balance, Sep Monthly GDP and 3QP GDP (Fri).

- **USDCHF - *Two-way risks*.** USDCHF hovered around 0.8819 this mornings. If pair breaks 200dma of 0.8819 then further bullishness could prevail. We think two-way risks should persist for this pair given that risk reversals show a bullish skew for CHF, likely over current uncertainty and geopolitical risks. Martin Schlegel said that growth and inflation in Switzerland pointed to lower rates. He added that the policy rate would be SNB's primary tool and FX intervention a secondary tool to achieving price stability. We continue to look for two-way movements for the pair with both the Fed and SNB looking to cut rates. SNB cut rates by 25bps and warned of more to come if needed. SNB has indicated a preference for a weaker CHF, and a weaker currency supporting exports could also help a tepid Swiss economy. Watch for possible intervention should CHF continue to strengthen from this point. Key resistance at 0.8819 (200dma) and 0.8900. Support is seen at 0.8800 and 0.8700. 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. Swiss data releases this week include Oct Producer & Import Prices and 3QP GDP (Fri).

- **USDJPY - *Cautious*.** The pair was last seen slightly higher at around 154.78. Trump trade bets and edginess ahead of inflation data release looks to be providing support to both the yields and the greenback. That in turn looks to be keeping the USDJPY elevated and testing the key 155.00 level. For now, we are cautious on the pair and do not rule out further upside as the momentum for Trump trade continue to hold. However, at the same time, we are also wary of intervention risk or jawboning that can help somewhat help limit upside for the pair. Focus for today would be on the US CPI data and any surprise above expectations can risk guiding the pair higher as it puts the possibility of a Dec hike at risk. Markets have already been scaling back rate cut bets with expectations now for only two cuts by mid of next year and a 58.7% chance of a cut in Dec. The latter had almost been seen like a certainty by the markets before the elections. Back on the chart, key resistance level is at 155.00 and 160.00. Support is at 151.74 (200-dma) and 150.00 and 145.00. Meanwhile, domestic economic data wise, Oct PPI data came out stronger than expected at 3.4% YoY (est. 2.9% YoY, Sep. 3.1% YoY), which backs a BOJ tightening cycle. Remaining key data releases this week includes Sep Industrial Production and 3QP GDP (Fri).

- **AUDUSD - *Two-way swings to continue*.** AUDUSD was lower at 0.6537 levels as two way swings continue. Lack of China stimulus probably weighs on the pair. In RBA's decision last week, the cash target rate was left unchanged at 4.35%. Bullock said getting inflation down is not easy. The central bank cut growth forecast to 2.3% for year through Jun 2025 from 2.6% and does not see inflation sustainably to the midpoint of the 2-3% inflation target until 2026. The case for RBA to keep cash target rate unchanged for the rest of 2024 is due to tight labour market conditions. Jobless rate has fallen back to 4.1% for Sep vs. 4.2% in the month prior. In the Sep NAB business survey, wage costs remain a top issue affecting business confidence. Labour availability remains a significant constraint, according to the NAB business survey. Based on the tight labour market, less negative business confidence, resilient retail sales (+0.7%m/m in Aug), the chance for a rate cut has reduced this year. That said, the economy still looks like it is slowing with household spending softening to no growth in Aug from previous +0.8%. We are thus looking for RBA to begin easing from Feb 2025. Eyes remain on the China's NPC standing committee meeting that ends on Fri. Back on the AUDUSD chart, resistance is seen at 0.6630 (200-dma) before the next at 0.67 (100-dma) while support is now seen at 0.6490. In the medium term, we remain constructive of AUD as we continue to expect US to soft-land, Eurozone to recover and China to stabilize, although we may make tweaks to this outlook as developments progress. Australian data this week includes Nov Inflation Expectation, Oct Unemployment Rate and Employment Change (Thu).

- **NZDUSD - *Heavy*.** NZDUSD was last seen at 0.5931 levels. Like its antipodean counterpart the AUD, NZD remains somewhat resilient when compared to the broader universe of currencies. For NZD at home, we still think that there is a possibility that the NZD may not be weighed much further by policy, especially after RBNZ has tried hard to push back against 75bps cut for Nov. OIS suggests that RBNZ is expected to take OCR lower by 56bps at the Nov meeting. This suggests that sizeable cut is already well priced. Focus is on recovery as inflation has eased enough for RBNZ to act boldly to support the economy and get it out of a downturn. Recall that RBNZ took its OCR 50bps lower to 4.75%, in line with market expectations and more than what we had expected. Back on the NZDUSD chart, support around 0.5930 remains intact. Two-way swings within 0.5930-0.6050 range could continue. NZ data this week includes Oct REINZ House Sales, Food Prices (Thu) and BusinessNZ Manufacturing PMI (Fri).

- **USDCAD - *Sell?*** USDCAD was last seen higher at 1.3943 levels this morning in line with the broad USD strength. USDCAD had been buoyed by Fed-BoC divergence and the Fed's decision to cut policy rate by 25bps probably helped boost the CAD against the USD. BoC delivered the 50bps cut at the last meeting. Governor Macklem commented that the focus is now to "maintain a low, stable inflation. We need to stick the landing". He also mentioned "we want to see growth strengthen". Yesterday, Governor Macklem also told the Canadian legislature's finance committee that more interest rate cuts should be expected to keep inflation close to the 2% target. On the USDCAD chart, focus is on the bearish reversal given overbought conditions but yet the presence of the US elections seem to continue to give this pair support. Support is seen around 1.3765 before the next at 1.3650. Next resistance at 1.3950. We are near a key resistance around 1.3950 and bullish momentum is waning. We see bearish reversal risks at this point. Double top is reinforced around 1.3950.Focus could be to the downside towards 1.3760. CAD data this week includes Sep Manufacturing Sales, Sep Wholesales Sales and Oct Existing Home Sales (Fri).

- **Gold (XAU/USD) - *Pullback on Trump's victory*.** Gold pulled back further and trades at US$2609/oz this morning. View dips are still seen as opportunities to long as caution over China's data and late cycle risks (globally) continue to keep this precious metal supported. We remain constructive on gold on the medium term. Gold remains one of the few preferred hedges against the scenario of hard landing of the US economy. Gold, JPY, CHF and US treasuries may have more room to run (higher) in the late cycle of the US economy, geopolitical conflicts and other risk factors (China's hard-landing and etc). Resistance at 2680 followed by 2720. Support is seen around 2600, followed by 2580.

Asia ex Japan Currencies

SGDNEER trades around +1.36% from the implied mid-point of 1.3565 with the top estimated at 1.3295 and the floor at 1.3838.

- **USDSGD - *Two-way risks*.** USDSGD was last seen higher at 1.3383 levels this morning, in line with broader USD strength. SGD continues to be broadly in the middle of the pack of currencies and we expect that it could be sheltered given the correlation of SG rates to 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. 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. The trade-weighted SGDNEER is at +1.36% 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 1.3350 and 1.3400. Supports are 1.3300 and 1.3250. No notable SG data releases this week.

- **SGDMYR - *Upside risks*.** SGDMYR was last seen slightly higher at 3.3253 levels this morning. We have observed that the MYR tends to fare better when the USD is weak, whereas SGD is more resilient when USD is strong. At the same time there could be further downside for the pair should USD bears regain control. Support at 3.32 before the next at 3.30. Resistances at 3.35 and 3.37.

- **USDMYR - *Cautious*.** Pair was last seen higher at around 4.4467 amid a climb in both UST yields and the broad dollar. Upside risks for the pair arising from the potential of higher US yields should remain. However, we do note that the authorities are likely staying vigilant and could step in to moderate excessive volatility. In the background, 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. Back on the chart, we watch if it can hold above the resistance at 4.4464 with the next after that at 4.5000. Support is seen around 4.2974 and 4.0800. Key data releases this week include 3Q CA Balance and 3Q GDP (Fri)

- **USDCNH - *Upside risks*.** USDCNH is lower at 7.2313 levels this morning. A Trump win mean greater headwinds for the yuan given his threat of 60% tariff on China. China provided local governments with a lifeline of CNY10trn last Fri, but held back from providing explicit fiscal stimulus, This potentially preserves room to respond to any measures the Trump 2.0 administration may roll out against China. Market was likely anticipating explicit fiscal stimulus, with some rumours floating around on the street of a figure around CNY15trn to 20trn and there could now be some disappointment on that front. Nevertheless, Finance Minister Lan promised "more forceful" fiscal policy next year. Over the weekend, Oct PPI inflation showed producer prices fell -2.9% YoY (exp: -2.5%; prev: -

2.8%), while CPI inflation also missed at 0.3% YoY (exp: 0.4%; prev: 0.4%). USDCNH hovers around the 7.19 level this morning, with the USDCNY fixing higher at 7.1786 this morning (prev: 7.1433). China data for the week includes Oct Industrial Production, Retail Sales and Jobless Rate (Fri).

- **1M USDKRW NDF - *Upside risks*.** 1M USDKRW NDF was higher at 1403.65 levels this morning, largely continuing to track JPY movements. South Korea's chip industry could be under threat of specific targeted measures by the Trump administration and this could present headwinds for KRW. Short-term officials should be ready to step in to moderate excessive volatility. We think that softer inflation means BOK trims its policy rate at the upcoming meeting. BOK commented that it would check whether growth momentum is slowing and that it saw a temporary correction in export momentum. The softer than expected growth figure could prompt an earlier expected easing by the BOK. We see BOK cutting by another 25bps in 2024 and by 50bps in 2025 as they pivot away from a restrictive stance. However, concerns over the KRW could ultimately prevail and we cannot rule out BOK cutting rates slower than we expect. Despite the inclusion on FTSE WGBI, pair should face upside risks with support for the USD building. South Korean government bonds will feature on FTSE Russell's WGBI in 2025, with a weighting of 2.22% in the index. We think that the resulting inflows should buoy the KRW with official (South Korean Finance Ministry) estimates of inflows at about US$56b. Extending KRW trading hours to improve access has seen average daily trading volumes in the extended hours almost double from Aug to US$2.46b (Aug: US$1.26b) in the first two weeks of Oct. Market chatter suggests that major conglomerates have traded during extended hours. We see resistances at 1420 and 1430. Supports are at 1400 and 1390. 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. Oct Unemployment edged up to 2.7% (exp: 2.6%; prev: 2.5%). KR data releases this week include Sep Money Supply (Thu).

- **1M USDINR NDF - *Pivoting to Neutral*.** USDINR 1M NDF is broadly stable at 84.48 levels. RBI has already likely intervened to smooth volatility and prevent USDINR from rising excessively. Sep trade deficit narrowed to US$20.78b (exp: US$24.63b; prev: US$29.60b) which should have been net positive for the INR. However, RBI is ensuring that volatility remains low. RBI held steady on its policy rate but notably pivoted to a neutral stance. We think this opens the door for a rate cut in Dec. RBI is expecting food prices to fall and is convinced in the broad disinflationary trajectory. However, they are being a tad more cautious and keeping the policy rate steady (5-1 vote). Sep CPI inflation resurged to 5.49% YoY (exp: 5.10%; prev: 3.65%). This faster than expected acceleration could give the RBI reason to hold rates in Dec. We watch to see if this resurgence in prices continues or there is a return to the broad disinflationary trajectory RBI expects. The USD has been better supported following the stellar NFP print and repricing of Fed rate cut expectations. RBI preference for stability appears to prevail after pair moved in tandem with USD declines earlier.. We look to see if India could continue to be an economic bright spark relative to the rest of the region. Note that RBI's preference for INR stability could also weigh on any gains. Resistance at 84.0. Support at 83.40 before the next at 83.00. Oct CPI Inflation rose by 6.21% YoY (exp: 5.90%; prev: 5.49%), Sep Industrial Production rose to 3.1% YoY (exp: 2.5%; prev: -0.1%). India data includes Oct Imports/Exports/Trade Balance (as early as Thu).

- **1M USDIDR NDF - *Cautious*.** 1M NDF was last seen at around 15808 amid both a climb in the UST yields and broad dollar. Authorities could be moderating volatility as Trump's win can sap appetite for EM Asia FX including the IDR given his proposed tariffs and the negative impact it can have on global growth. In the near term, markets are likely to be edgy as they continue to await further Trump policy announcements and cabinet announcements. Additionally, there is also the release of US CPI data, which could be making markets somewhat nervous. Any upside surprise can put the possibility of a December cut at risk. Markets have already been scaling back rate cut bets and the futures are now implying a 58.7% chance of a Dec cut. The latter had almost been seen like a certainty by the markets before the elections. Overall, we stay cautious regarding the 1M NDF. Back on the chart, resistance at 15882 (200-dma) and 16170. Support is at 15600 and 15417. Indonesian data includes Oct trade data (Fri).

- **1M USDPHP NDF - *Cautious*.** The 1M NDF was last seen at around 58.71 as it traded around levels seen yesterday. In the near term, markets are likely to be edgy as they continue to await further Trump policy announcements and cabinet announcements. Additionally, there is also the release of US CPI data, which could be making markets somewhat nervous. Any upside surprise can put the possibility of a December cut at risk. Markets have already been scaling back rate cut bets and the futures are now implying a 58.7% chance of a Dec cut. The latter had almost been seen like a certainty by the markets before the elections. Therefore, we remain wary of the 1M USDPHP NDF and do not rule out further upside. Back on the chart, resistance is at 59.13 (YTD high) and 59.84. Support is at 58.30 followed by 57.42 (100-dma). Philippines data this week includes Sep Remittances (Fri).

- **USDTHB - *Upside risks*.** Pair was last seen higher at 34.75 amid a decline in gold prices, anxiety about Trump policies and concerns on the new BOT Chairman appointment. Both UST yields and the broad dollar look to be supported by concerns about the Trump policies and edginess ahead of the US CPI data today. Gold prices have in turn also been weighed down by the higher yields and risks regarding US Fed rates staying higher for longer. Meanwhile, on the BOT Chairman appointment, the government is set to appoint former Finance Minister Kittiratt NaRanong to the position according to a Bloomberg news article, citing people familiar with the matter. Sathit Limpongpan, the head of the committee to select the new Chair, has also said that a decision has already been made yesterday although he did name the person. Deputy Prime Minister Phumtham Wechayachai though did say yesterday that the identity of the new chairman is merely a news report at this stage. Kittiratt has been known as a critic of the central bank's hawkish stance and the appointment comes to only highlight the government's determination to push the BOT to loosen policy further. The BOT Chair does not have the power to decide on the central bank's policy but he/she would be able to assess the performance of the governor. We overall stay cautious on the USDTHB and do not rule out further upside. Back on the chart, we watch if the pair can break decisively above the resistance at 34.57 with the next after that at 35.14 and 35.84. Support at 34.00 and 33.29. Remaining key data releases/events this week include International reserves on Fri.

- **USDVND - *Softening*.** USDVND was last seen at 25342. This pair continues to be driven by broader USD movement as well as the swings of the UST yields. This pair is back to test the upper bound of the daily trading band. 25460 is still likely to cap this pair. Recent price action has been more consolidative, likely taking the cue from the USD as well as UST yields. Key resistance is seen around 25475 now. Support at 25086 (100-dma).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.48	3.50	+2
5YR MI 8/29	3.59	3.62	+3
7YR MS 4/31	3.80	3.81	+1
10YR MS 7/34	3.86	3.87	+1
15YR MS 4/39	4.02	4.02	Unchg
20YR MX 5/44	4.10	4.10	Unchg
30YR MZ 3/53	4.20	4.19	-1
IRS			
6-months	3.59	3.59	Unchg
9-months	3.57	3.57	Unchg
1-year	3.55	3.56	+1
3-year	3.48	3.51	+3
5-year	3.54	3.56	+2
7-year	3.63	3.65	+2
10-year	3.72	3.75	+3

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

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- Ringgit bonds showed minor weakness, with yields rising 1-3bp on the front-to-belly part of the curve, while the yield curve flattened as institutional demand supported longer-term papers. Trading activity in MGS improved while MGII remained subdued. The UST market was closed on Monday for Veteran's Day, but trading resumed with slight selling pressure, pushing 10y yields up by 5bp as investors appeared poised to reignite the selloff following Donald Trump's presidential victory last week. The market is closely watching the upcoming inflation data for clues on the Fed's next move, with a reduced 60% chance priced in for a 25bp Fed rate cut at the December meeting.

- MYR IRS shifted 1-3bp higher across the curve, driven by light paying and hedging activity as the local bond market experienced profit taking after several days of price gains. 3M KLIBOR remained unchanged at 3.60%. 5y traded at 3.555%.

- PDS market had a decent trading session with increased activities in GG and AAA space. In GG, trades were focused on mid-to-longer tenor papers mostly near MTM levels. Notably, Dana 11/34 spread fell 6bp. In AAA, names were traded rather mixed as Caga 28s, F&N Cap 10/27, TM Tech, and MAHB 2027 traded 2-4bp higher, while PASB traded close to MTM level. In AA1/AA+, YTL Power traded mixed with the 2027 maturity traded 1bp firmer, while YTL 2039 saw spread widened 1bp. An eye-catching trade was Genting 6/2027 being sold about 40bp wide in 4.80% area.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.59	6.72	0.13
2YR	6.50	6.58	0.09
5YR	6.54	6.61	0.07
10YR	6.75	6.92	0.16
15YR	6.90	7.01	0.11
20YR	6.94	7.06	0.12
30YR	6.95	7.00	0.04

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened as the fears of global sentiments mounted yesterday. On the other side, the local news informed a latest update of slowing growth on the retail sales. It seemed that the global investors have anticipated to incoming new era of U.S. leadership under Donald Trump, as shown by recently stronger positions of US$ and higher yields on the U.S. government bonds. It seemed that further Trump's policy measures increase local protectionisms on the entire segments, included trading, investment, and immigrating and loosening tax payment will give the side effects of stronger U.S. economic growth with the consequences of higher inflation and increasing debt record for financing potential swelling on the fiscal budget. According to Bloomberg, Donald Trump named John Ratcliffe as CIA Director. The list of Treasury secretary candidates is narrowing after John Paulson dropped out of the running. Scott Bessent is said to be the top pick of some of Trump's key advisers.

- Nevertheless, we expect a pressures on the emerging markets, such as Indonesian financial market, to be temporary given that the Federal Reserve is still being neutral on its policy measures for responding current economic condition. The Fed is still cautiously monitoring the U.S. economic development. Last night, The Fed's Neel Kashkari said that only "inflation surprises to the upside" could derail a cut in December, adding that it may take a year or two to get to the central bank's 2% goal. Thomas Barkin said the U.S. economy is "in a good place," with policymakers in position to respond however it evolves. Tonight, the announcement of latest U.S. CPI inflation data will be announced. Most market consensus expect U.S. inflation to be stable by 2.4% YoY in Oct-24. According to those aforementioned conditions, investors can obtain a good momentum for applying "buy on weakness" strategy on the bond market that offering attractive yield with relative solid fundamental economic background, such as Indonesia.

- Yesterday, the government successfully met its indicative target by absorbing Rp22 trillion amidst unfavourable regional markets condition on its conventional bond auction. Asian market condition didn't being conducive after recent emerging concerns on further economic outlook, especially China, during the new era of U.S. leadership by Donald Trump. China has substantial influence on the Asian economies, especially through the transmission of international trade activities. Investors' total incoming bids for this auction reached Rp37.39 trillion. Most investors had most interest for bidding the liquid series, such as FR0103 and FR0104, with relative high yields for asking the range of yields for those series. Investors' total incoming bids for FR0104 and FR0103 were at Rp8.62 trillion and Rp11.46 trillion, respectively, with asking the range yields by 6.600000%-6.800000% and 6.85000%-7.05000%, subsequently. Then, the government decided absorbing Rp10.2 trillion and awarded 6.92955% of weighted average yields from investors' total received bids for FR0103. The government also absorbed Rp3.5 trillion with awarding 6.63995% of weighted average yield for investors' received bids on FR0104.

- The latest local business economic indicator continued posing a slowing activities. According to Bank Indonesia, the domestic retail sales growth slowed from 4.8% YoY in Sep-24 to be 1.0% YoY in Oct-24. We saw a weakening of Indonesian retail sales activities as the impact of seasonal factor didn't appear during Oct-24. Meanwhile, the campaign activities for Regional Head election also didn't instantly lift the retail sales performance during Oct-24. It can be seen by -0.5% of monthly changes (MoM) on the retail sales index. The retail sales index growth for the Food, Beverages, and Tobacco Commodity (this commodity always given as a sweetener for the voters during campaign period) slowed from 6.9% YoY (-2.7% MoM) in Sep-24 to 3.0% YoY (-0.2% MoM) in Oct-24. Furthermore, we also obtained a conclusion that high interest rate environment have struggled purchasing activities for the durable goods segments, as shown by recent drop on the retail sales index growth for the Information & Communication Equipment Commodity and the Other Household Equipment Commodity to -29.4% YoY and -4.1% YoY during Oct-24. Hence, we expect more stimulant from both fiscal and monetary sides to be directly transmitted for the real sector to boost national economic activities.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0695	155.82	0.6611	1.2935	7.2728	0.5999	165.0233	101.6913
R1	1.0659	155.22	0.6572	1.2842	7.2579	0.5963	164.6367	101.3497
Current	1.0620	154.87	0.6532	1.2746	7.2337	0.5930	164.4700	101.1570
S1	1.0591	153.71	0.6504	1.2687	7.2257	0.5900	163.5567	100.5847
S2	1.0559	152.80	0.6475	1.2625	7.2084	0.5873	162.8633	100.1613

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3443	4.4584	15837	58.9687	35.1307	1.4245	0.6151	3.3264
R1	1.3413	4.4484	15809	58.8993	34.9653	1.4231	0.6143	3.3213
Current	1.3383	4.4490	15788	58.7540	34.7760	1.4213	0.6138	3.3249
S1	1.3341	4.4204	15744	58.6933	34.5573	1.4196	0.6124	3.3097
S2	1.3299	4.4024	15707	58.5567	34.3147	1.4175	0.6114	3.3032

**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	20/11/2024	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	6/12/2024	Neutral
BOK Base Rate	3.25	28/11/2024	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	4.75	27/11/2024	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	43,910.98	-0.86
Nasdaq	19,281.40	-0.09
Nikkei 225	39,376.09	-0.40
FTSE	8,025.77	-1.22
Australia ASX 200	8,255.63	-0.13
Singapore Straits Times	3,711.48	-0.75
Kuala Lumpur Composite	1,608.43	-0.05
Jakarta Composite	7,321.99	0.76
Philippines Composite	6,810.11	-1.87
Taiwan TAIEX	22,981.77	-2.33
Korea KOSPI	2,482.57	-1.94
Shanghai Comp Index	3,421.97	-1.39
Hong Kong Hang Seng	19,846.88	-2.84
India Sensex	78,675.18	-1.03
Nymex Crude Oil WTI	68.12	0.12
Comex Gold	2,606.30	-0.44
Reuters CRB Index	279.39	-0.81
MBB KL	10.48	1.35

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