14 November 2024

Maybank

Global Markets Daily

Red Sweep Confirmed

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House of Representatives was called for the Republicans overnight with their win of the 218th seat, confirming a Red sweep of the US government. Trump will now proceed through at least half of his term relatively unopposed with even the Supreme Court leaning towards the conservatives (6 to 3). US CPI inflation was in line with expectations and UST yields edged up (10Y: +2bps). Against this backdrop, the USD remained at elevated levels (DXY: 106.481). EUR and JPY were lower, which kept the DXY index buoyant, while AUD and NZD, losing the boost from positive risk sentiment as equities were largely flat. Watch 3Q Eurozone GDP data tonight to see if that can provide the EUR with some support. Cryptocurrency saw further bullish action, with Bitcoin once again making a new all-time high (US$93,462.18) amid expectations of deregulation by the Trump administration and possible onboarding as part of the US national reserves. Further clarity on who Trump appoints to his administration and his priority policies could drive FX.

Fedspeak Cautious, Recognizes Uncertainties
Fedspeakers recognized the uncertainties involved in monetary policy calibration ahead. Fed Kashkari said that he remained confident that inflation is headed to the 2% target, and had earlier said that it would require a dramatic for a Dec cut not to happen. Fed Logan said that while rate cuts are likely needed, current uncertainties about monetary policy restrictiveness "behooves us to proceed cautiously". Fed Musalem believed policy should remain "moderately restrictive" if price gains are above the 2% targe, but recognized that the target was in sight. Fed Schmid also expressed caution over how much more the Fed should cut rates. The Fed itself has different estimates of what the terminal rate should be. Our economist sees 25bps of cuts in 2024 and 100bps of cuts in 2025.

Data/Events We Watch Today

We watch IN Trade and EC 3Q GDP data.

FX: Overnight Closing Levels % Change					
Majors	**Prev Close**	**% Chg**	**Asian FX**	**Prev Close**	**% Chg**
EUR/USD	1.0564	-0.56	**USD/SGD**	1.3428	0.34
GBP/USD	1.2708	-0.31	**EUR/SGD**	1.4185	-0.23
AUD/USD	0.6485	-0.73	**JPY/SGD**	0.8637	-0.21
NZD/USD	0.588	-0.78	**GBP/SGD**	1.7064	0.02
USD/JPY	155.46	0.55	**AUD/SGD**	0.8708	-0.39
EUR/JPY	164.24	-0.01	**NZD/SGD**	0.7894	-0.47
USD/CHF	0.8857	0.45	**CHF/SGD**	1.5154	-0.16
USD/CAD	1.3997	0.38	**CAD/SGD**	0.9593	-0.04
USD/MYR	4.4473	0.20	**SGD/MYR**	3.3262	0.30
USD/THB	34.675	-0.36	**SGD/IDR**	11786.03	-0.12
USD/IDR	15775	-0.03	**SGD/PHP**	43.8085	-0.43
USD/PHP	58.747	-0.14	**SGD/CNY**	5.3776	-0.47

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3345	1.3617	1.3889

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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

G10 Currencies

- **DXY Index - *Stretched*.** DXY is seen higher at 106.487 and looks even more stretched to the topside than before. A confirmation of the Republican sweep also likely buoyed the dollar. Oct US CPI was in line with expectations at 2.6% YoY (exp: 2.6%; prev: 2.4%). Measures for core and sequential price gains were also in line. Fedspeak was cautious and signalled uncertainty over what the neutral rate was and monetary policy calibration moving forward. Fed cuts are still likely to come unless there are significant surprises to the data. At the same time, EUR weakness could keep the DXY supported. FOMC earlier 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 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 1.0556 levels this morning with risks skewed to the downside for the pair. Overnight pair was at a low of 1.0551. 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 fallen to 102.6%. Market could take some time to fully digest the impact of political 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. We have made some adjustments to the trajectory to reflect downside risks for the EUR with the new Trump administration likely to be hawkish on trade. Nevertheless, we stay constructive on the EUR in the longer-term. 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 1.2692 levels this morning amid the environment of broad USD strength. 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 1.2650 followed by 1.2600. Resistances are at 1.2700 and 1.2750. 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 breaks out and was last seen at 0.8865 levels this morning, further bullishness could prevail after clearing the 200dma (0.8820). 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 0.8900 and 0.8950. Support is seen at 0.8820 and 0.8800. 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 – *Breaks Key Level*, *Cautious*.** The pair was last seen higher at 155.86 as it broke above the key 155.00 level. Whilst US CPI fell in line with expectations and markets implied probability on a Dec Fed rate cut rose to above 80%, there seems to remain concerns about the medium term path of the Fed rate trajectory. With a Republican sweep now looking to be the case, concerns could now be regarding on the level of tax cuts and how much increase there could be to the US deficit. As a result, overnight, we saw the short end of the UST curve fall but the longer end rise. The later has been the driver of the USDJPY and therefore, this lead to the rise of the pair overnight. At this point, we remain cautious about the extent of further climbs for the pair given intervention risks. Back in Apr/May, the BOJ had appeared to intervene at levels not too much higher from where the USDJPY currently stands. However, we do note that intervention at this point can be challenging given the momentum for both a UST yields and broad dollar rise. Back on the chart, we watch if the pair can hold decisively above the key resistance at 155.00 with the next level after that at 160.00. Support is at 151.81 (200-dma), 150.00 and 145.00. Remaining key data releases this week includes Sep Industrial Production and 3QP GDP (Fri).

- **AUDUSD – *Two-way swings to continue*.** AUDUSD was lower at 0.6478 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.

- **NZDUSD - *Heavy*.** NZDUSD was last seen at 0.5869 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 BusinessNZ Manufacturing PMI (Fri).

- **USDCAD - *Buoyant on broad USD strength*.** USDCAD was last seen higher at 1.4005 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 1.3950 before the next at 1.3800. Next resistance at 1.4000 and 1.4050. Double top pattern is likely nullified. 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$2560/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 2580 followed by 2600. Support is seen around 2540, followed by 2520.

Asia ex Japan Currencies

SGDNEER trades around +1.20% from the implied mid-point of 1.3617 with the top estimated at 1.3345 and the floor at 1.3889.

- **USDSGD - *Two-way risks*.** USDSGD was last seen higher at 1.3454 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/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 +1.20% 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 1.3500 and 1.3550. Supports are 1.3450 and 1.3400. No notable SG data releases this week.

- **SGDMYR - *Upside risks*.** SGDMYR was last seen slightly higher at 3.3313 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 4.4775 amid a climb in both the longer end of UST yield curve 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, resistance is at 4.5000 and 4.6320. Support is seen around 4.3634 and 4.2974. Key data releases this week include 3Q CA Balance and 3Q GDP (Fri)

- **USDCNH - *Upside risks*.** USDCNH is higher at 7.2564 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 1407.15 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 84.54 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 15872 amid both a climb in the longer end of the UST yield curve 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. With a Republican sweep now looking to be the case, there are increasing concerns on the budget deficit trajectory and the level of debt issuance. 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 58.87 as it climbed higher. In the near term, markets are likely to be edgy as they continue to await further Trump policy announcements and cabinet announcements. With a Republican sweep now looking to be the case, there are increasing concerns on the budget deficit trajectory and the level of debt issuance. Overall, 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 35.00 amid a decline in gold prices, anxiety about Trump policies and concerns on the new BOT Chairman appointment. Both the longer end of the UST yield curve and the broad dollar look to be supported by concerns about the Trump policies especially as a Republican sweep looks to be the case. Gold prices have in turn also been weighed down by the higher yields. Meanwhile, former Finance Minister Kittiratt Na-Ranong has been appointed as BOT Chairman according to the Bangkok Post. 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 would be able to assess the performance of the governor. On other matters, Finance Minister Pichai Chunhavajira has said that Thailand's growth needs to accelerate to 3.5% YoY but he said that he also doesn't want to see the fiscal deficit above 800 baht a year. He did say that fiscal spending space has been used almost to its limit and the public to debt GDP ratio is expected to rise to 65% - 66% at the end of the current fiscal year, close to the legal cap of 70%. We overall stay cautious on the USDTHB and do not rule out further upside. Back on the chart, resistance is 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 25366. 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	3.50	*3.54/3.50	Unchg
5YR MI 8/29	3.62	3.67	+5
7YR MS 4/31	3.81	3.82	+1
10YR MS 7/34	3.87	3.88	+1
15YR MS 4/39	4.02	4.02	Unchg
20YR MX 5/44	4.10	4.10	Unchg
30YR MZ 3/53	4.19	4.19	Unchg
IRS			
6-months	3.59	3.59	Unchg
9-months	3.57	3.57	Unchg
1-year	3.56	3.56	Unchg
3-year	3.51	3.51	Unchg
5-year	3.56	3.57	+1
7-year	3.65	3.65	Unchg
10-year	3.75	3.75	Unchg

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

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- Ringgit bonds traded softer in light trading volume especially on the 5y benchmark papers as some market participants trimmed their exposure ahead of the upcoming 5y GII issuance. Yields rose 5bp for both 5y MGS and 5y MGII. Meanwhile, the long-end bond yields continued to be supported and closed relatively flat. Ahead of key US inflation report, traders were loading up bets for stronger USD and higher UST yields on expectation that Trump's pledged economic policies will bring back inflationary pressure and keep US interest rates high.

- MYR IRS curve were relatively flat save for light hedging interest in the 5y which increased 1bp to 3.57%. 3M KLIBOR remained unchanged at 3.60%. 2y traded at 3.525%. 5y traded at 3.565% and 3.57%.

- In the PDS market, most trades dealt in small amount at around MTM levels. In GG, only one trade was recorded for Dana 2/29 at MTM. AAA-rated segment was most active with MYR125m in trades reported. Danga 1/33 spread tightened 3bp, while Spetchem 7/30 and MAHB 11/27 were traded 2-3bp higher. In AA1/AA+, SCC 7/31 and YTL 10/39 traded close to MTM. In AA3/AA-, AmBank Islamic IMTN and MRCB Perp traded rangebound.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.72	6.73	0.01
2YR	6.58	6.58	0.00
5YR	6.61	6.68	0.07
10YR	6.92	6.92	0.01
15YR	7.01	7.03	0.02
20YR	7.06	7.05	(0.01)
30YR	7.00	7.02	0.03

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds still weakened until yesterday. A higher yields on most Indonesian government seemed compensating the global investors for staying on Indonesian financial market after seeing latest limited depreciation of Rupiah against US$ during strong rallies on both US$ and yields of U.S. government bonds amidst higher fear of further slowing Asian economic growth on the new era of Trump's leadership yesterday.

- Today, we foresee a persistent pressure on the emerging markets, included Indonesia. The yield Indonesian government bonds are still on increasing trends after the positions of both DXY Dollar Index and the yields of U.S. government bonds continued strengthening as the direct responses for higher U.S. CPI inflation from 2.4% YoY in Sep-24 to be 2.6% YoY in Oct-24 and the latest winning result of Donald Trump on the Republican's trifecta. Stronger U.S. inflation seemed giving further limited rooms for the Fed to cut policy rate by aggressively next month. Meanwhile, according to Bloomberg, Donald Trump won the Republican trifecta as the GOP now has the majority in both houses of Congress, which along with the White House gives the party unified government control and the ability to fend off many curbs on the incoming president's power. Trump said he will nominate Senator Marco Rubio as secretary of state and Matt Gaetz to be attorney general. However, we still see Indonesian bond market to keep being attractive recently due to providing attractive investment return with the latest condition of solid fundamental background on both economic growth and healthy fiscal position.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0688	156.42	0.6570	1.2802	7.2716	0.5972	165.3867	101.6847
R1	1.0626	155.94	0.6527	1.2755	7.2576	0.5926	164.8133	101.2603
Current	1.0552	156.07	0.6472	1.2686	7.2588	0.5866	164.6800	101.0100
S1	1.0529	154.66	0.6461	1.2674	7.2214	0.5855	163.6533	100.4363
S2	1.0494	153.86	0.6438	1.2640	7.1992	0.5830	163.0667	100.0367

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3500	4.4754	15818	58.8250	35.1083	1.4271	0.6194	3.3425
R1	1.3464	4.4613	15797	58.7860	34.8917	1.4228	0.6173	3.3343
Current	1.3459	4.4830	15873	58.8300	35.0470	1.4202	0.6189	3.3314
S1	1.3363	4.4356	15756	58.6870	34.5157	1.4148	0.6139	3.3157
S2	1.3298	4.4240	15736	58.6270	34.3563	1.4111	0.6126	3.3053

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	43,958.19	0.11
Nasdaq	19,230.72	-0.26
Nikkei 225	38,721.66	-1.66
FTSE	8,030.33	0.06
Australia ASX 200	8,193.36	-0.75
Singapore Straits Times	3,720.34	0.24
Kuala Lumpur Composite	1,611.50	0.19
Jakarta Composite	7,308.67	-0.18
Philippines Composite	6,714.33	-1.41
Taiwan TAIEX	22,860.23	-0.53
Korea KOSPI	2,417.08	-2.64
Shanghai Comp Index	3,439.28	0.51
Hong Kong Hang Seng	19,823.45	-0.12
India Sensex	77,690.95	-1.25
Nymex Crude Oil WTI	68.43	0.46
Comex Gold	2,586.50	-0.76
Reuters CRB Index	280.28	0.32
MBB KL	10.42	-0.57

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