Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

War Escalation in Ukraine

EUR slips below 1.05 as the war in Ukraine escalates

The US sanctioned Gazprombank and other Russian banks after Russia launched an intercontinental ballistic missile (ICBM) overnight at one of its cities, the first time this has been used in the war. This was in response to Ukraine's use of American and British missiles in Russia. EUR slipped below 1.05-figure upon the news of the sanctions. Not helping the currency in the least were some concerns expressed by the ECB (earlier in the week) that the Eurozone is at risk of a new crisis after years of borrowing and "sluggish" growth, highlighting that France is "a key source of political instability" that had "rekindled concerns about sovereign debt sustainability". Meanwhile, US equities recovered, led by the DJI at +1.1%. NASDAQ was flat. The USD strengthened against most currencies as a result, along with UST yields which rebounded. Gold also made headway.

China's Firm Defense of the Yuan

PBoC has been using the daily USDCNY reference rate to support the CNY. It is no different this morning, fixed at 7.1942 vs. previous at 7.1934, a 555 discount from market consensus at 7.2497. USDCNH-USDCNY gap has also widened to around 150pips at last sight. Meanwhile, nearer to home, MYR has been displaying some resilience after BNM rescheduled its Nov government bond auction to Dec and scrapped the intended issuance in Dec. SGDMYR has also eased off from key resistance at around 3.3400 (100-dma).

Data/Events We Watch Today

We watch for Germany GDP (3Q F), Eurozone, US prelim PMIs for Nov, CA retail sales for Sep, Univ. of Mich. Sentiment (Nov F). ECB Schnabel speaks later today and PboC may also offer 1Y MLF today.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0474	-0.66	USD/SGD	1.3464	0.25
GBP/USD	1.2589	-0.50	EUR/SGD	1.4104	-0.39
AUD/USD	0.6511	0.08	JPY/SGD	0.8713	0.84
NZD/USD	0.586	-0.29	GBP/SGD	1.6951	-0.24
USD/JPY	154.54	-0.58	AUD/SGD	0.8767	0.34
EUR/JPY	161.87	-1.23	NZD/SGD	0.789	-0.03
USD/CHF	0.8867	0.28	CHF/SGD	1.5184	-0.02
USD/CAD	1.3974	-0.01	CAD/SGD	0.9636	0.28
USD/MYR	4.463	-0.19	SGD/MYR	3.3235	-0.21
USD/THB	34.717	0.07	SGD/IDR	11870.3	0.31
USD/IDR	15931	0.38	SGD/PHP	43.9471	-0.07
USD/PHP	58.995	0.12	SGD/CNY	5.3775	-0.27

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3342	1.3615	1.3887

Analysts

Saktiandi Supaat
(65) 6320 1379
saktiandi@maybank.com.sg

Fiona Lim
(65) 6320 1374
fionalim@maybank.com.sg

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

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

G10: Events & Market Closure

Date	Ctry	Event
18-19 Nov	G20	G20 Summit

AXJ: Events & Market Closure

Date	Ctry	Event
20 Nov	CH	Chinese Banks Set LPR
20 Nov	IN	Assembly Elections in Maharashtra
20 Nov	ID	BI Policy Decision

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index – *Two-way trades*.** DXY extended higher overnight due to the EUR that was dragged lower by the escalation of the war in Ukraine. Given the stretched conditions thus far, we see two-way trades within the 106-107 range, barring fresh market cues. US equities recovered, led by the DJI at +1.1%. NASDAQ was flat. The USD strengthened against most currencies as a result, along with UST yields which rebounded. Gold also made headway. Data-wise, Fri has Kansas City Fed Mfg/Services Activity (Nov), S&P Global PMI Mfg/Services/Composite (Nov P), UMich Index (Nov F), Fed Goolsbee speaks, Fed Hammack speaks.

- **EURUSD – *1.05 Support Broken*.** EURUSD was last seen lower at 1.0472 levels this morning, with the key 1.05 support broken. Escalation of the war in Ukraine could be weighing on the pair. Note that Ukraine has fired US and UK missiles at Russia and the latter has responded with an ICBM. This is significant because Putin said Russia would consider any country that provides such arms to Ukraine as being a direct participant of the conflict. In addition, Russian changed the nuclear doctrine to allow for the use of nuclear arms in such situations. Risks could still remain asymmetric as Trump trade runs the risk of being fairly priced, which means USD strength could be overdone. OIS now imply a 29bps cut in Dec. ECB Stournaras seem to concur, opining that the quarter point cut in Dec is “more or less” a done deal. Meanwhile, ECB Vujcic said that risk of ECB falling short of its 2% inflation goal has risen. OIS implies a 133bps cut by Oct next year. There is also a possibility that the scenario of ECB cutting at almost every other policy meeting in 2025 is also to bring the policy rate to below 2.00% is well priced. As such, the asymmetric risk that we observe for the DXY index (downside) is also seen in the EURUSD (upside). In addition, political risk premium for Germany, and the potential 10% US global tariff hitting Eurozone exports could also be accounted for in the EUR decline. Nevertheless, we stay constructive on the EUR in the longer-term. Back to key levels on EURUSD, resistance at 1.05 and 1.06. Support at 1.0400 and 1.0350. Data-wise, Fri has GE GDP (3Q F), FR HCOB Mfg/Services/Composite PMI (Nov P), GE HCOB Mfg/Services/Composite PMI (Nov P), EC HCOB Mfg/Services/Composite PMI (Nov P), ECB Holzmann, Kazimir, Vujcic, Lagarde, Centeno, Nagel, Villeroy speak.

- **GBPUSD – *Breaks support*.** GBPUSD fell to around 1.2593 this morning, breaking the 1.26 support. We see continuing two-way action in the GBP, with risks at this point skewed to the upside. Oct CPI came in slightly stronger than expectations with headline at 2.3% YoY (exp: 2.2%; prev: 1.7%). Core inflation was at 3.3% YoY (exp: 3.1%; prev: 3.2%) and services inflation at 5.0% YoY (exp: 4.9%; prev: 4.9%). Upside risks to inflation endangers our view for a BOE rate cut in Dec (currently priced at 11%). GBPUSD decline was largely due to broad USD gains, some expectation for BoE to cut rates further in Dec. We see a greater possibility of that vs. markets. As such, risks are still skewed to the downside. Positive outcomes from warmer EU-UK relations with Labour’s victory could take time to play out. Support is at 1.2520 followed by 1.2460. Resistances are at 1.2630 and 1.2680. UK data this week includes GfK Consumer Confidence (Nov), Retail Sales (Oct), S&P Global Mfg/Services/Composite PMI (Nov P) on Fri.

- **USDCHF – *Pullback*.** USDCHF rose to around 0.8865 levels this morning. `Recall that Martin Schlegel had recently 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. The SNB may want a weaker CHF but the broader USD moves call the shorts now. Back on the USDCHF chart, key resistance at 0.8900 to remain intact this week. Support is seen at 0.8820 (200-dma) is likely to be tested and the pair may fall further towards 0.8710 before 0.8660 (100-dma, 50% fibo retracement of the Sep-Nov rally). 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, Thu has money supply for Oct.

- **USDJPY – *Sideways*.** The pair was last seen around 154.40. Pair has eased because Governor Ueda told the press at a Europlace forum in Tokyo on Thu that the next meeting in Dec would be "impossible to predict" as there is a "vast amount of data and information" available "between now and then". This morning, national CPI softened in line with expectations at 2.3% from previous 2.5%. Ex food and energy, core inflation picked up pace to 2.3%y/y from previous 2.1%. With inflation still above target of 2%, this had likely spurred expectations for a rate hike next month. That said, price action has little conviction, likely to remain within 153-156.50 range. The pair continues to yoyo on hawkish comments from Powell, concerns on Trump trade and weak efforts from Governor Ueda to instill confidence on its monetary policy normalization. We are wary of chasing this pair higher. Remaining key data releases this week includes Sep Industrial Production, Sep capacity utilization and tertiary industry index (Fri).

- **AUDUSD – *Resilience*.** AUDUSD was last seen at 0.6515 levels. Pair seems to have settled into tentative sideway trades within 0.6490-0.6540. AUD had displayed resilience. Afterall, RBA's Minutes indicate that it is still 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. RBA remains one of the few central banks of developed countries to not embark on an easing cycle yet. That has been providing some cushion for the AUD, tentative ones.

- **NZDUSD – *Double Bottom Intact*.** NZDUSD was last seen at 0.5850 levels, and the double bottom is at risk now of being nullified. 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 0.5870 remains and a probable double bottom is still intact, a bullish reversal pattern that could take the NZDUSD back above the 0.60 figure.

- **USDCAD – *Finding Some Support*.** USDCAD softened hovered around 1.3970 this morning. Recently released inflation had turned out to be stronger than expected at 2.0%y/y for Oct vs. prev. 1.6%. Core inflation has also surprised to the upside with a pace of 2.5%y/y vs. previous 2.3%. That could explain why CAD was one of the better performers against the USD in the rebound of the greenback this week. Back on the USDCAD chart, support is seen around 1.3940 (23.6% Fibonacci retracement of the Sep-

Nov rally) before the next at 1.3840. Next resistance at 1.40 followed by 1.4040. Data-wise, retail sales for Sep is due Fri.

- **Gold (XAU/USD) -** ***Upmove slowing***. Gold rose further to US$2670/oz this morning in spite of higher UST yields and USD. The precious metal was probably lifted because of the escalation in the war in Ukraine after Ukraine stuck Russia on the border regions with western-supplied missiles. Russia had struck Ukraine with an ICBM and the US imposed sanctions on Gazprombank and other Russian banks in retaliation. 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 2670 and then at 2700. Support is seen around 2600 before 2545.

Asia ex Japan Currencies

SGDNEER trades around +1.16% from the implied mid-point of 1.3615 with the top estimated at 1.3342 and the floor at 1.3887.

- **USDSGD – *Bearish Risks*.** USDSGD went higher to 1.3458 levels this morning. 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 +1.16% 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 1.3490 and 1.3530. Supports are 1.3400 and 1.3340. Pair is sporting a bearish divergence formation. We see retracement risks lower. 3Q Final GDP came in robust at 5.4% YoY (exp: 4.7%; prev: 4.1%) and 3.2% SA QoQ (exp: 2.7%; prev: 2.1%). This print could delay any easing by MAS. No further data releases for the week ahead.

- **SGDMYR – *Watch potential downside*.** SGDMYR was last seen lower at 3.3210 levels this morning. SGDMYR falling has moderated SGDNEER strength. Key resistance at this point is 3.3430 (100-dma) before the next at 3.3880. Support at 3.32 before the next at 3.30.

- **USDMYR – *Cautious*.** Pair eased off recent high and was last seen around 4.4718. MYR has been relatively resilient of late, possibly on news that a MGS auction was cancelled on Wed (MY Govt fiscal discipline). We note bearish divergence for the pair vs. the MACD forest. We also 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. 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. Meanwhile, Oct trade balance continued to show a surplus at RM11.98bn (est. RM10.00bn, Sep. RM12.77bn). Data-wise, we have Oct CPI on Fri along with foreign reserves.

- **USDCNH – *PBoC Defends the Yuan with Fix*.** USDCNH remains arguably elevated around 7.2540 levels this morning. This pair may continue to see further whipsaw given that 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 at the NPC, but further explicit fiscal stimulus were not announced as they are still being approved. Finance Minister Lan did continue to promise more powerful measures to support growth and even consumption. This potentially preserves room to respond to any measures the Trump 2.0 administration may roll out against China. PBoC has been using the daily USDCNY reference rate to support the CNY. It is no different this morning, fixed at 7.1942 vs. previous at 7.1934, a 555 discount from market consensus at 7.2497. USDCNH-USDCNY gap has also widened to around 150pips at last sight. Offshore liquidity seems to be squeezed and keeping the CNH stable as well. USDCNH pairing may find support around 7.2317 before the next at 7.2030. Resistance at 7.2970.

- **1M USDKRW NDF - B*earish divergence*.** 1M USDKRW NDF was relatively unchanged around 1398.53 levels this morning. Earlier yesterday, the Financial Services Commission noted that the recent sell-off in the domestic stock market was "somewhat excessive" and urged for the active role of institutional investors to reduce volatility and that it prepares to swiftly take action to ensure market stabilization if needed. KRW may stabilize because of this. 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. Resistance is at 1400. Support at 1360. 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. No further KR data releases this week.

- **1M USDINR NDF- *Pivoting to Neutral*.** USDINR 1M NDF is edging higher and was last seen at 84.62 levels. RBI likely to continue ensuring 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. Note that RBI's preference for INR stability could also weigh on any gains. Resistance at 84.60. Support at 83.40 before the next at 83.00. Week ahead has Nov P PMIs and 15 Nov FX Reserves (Fri).

- **1M USDIDR NDF - *Steady*.** 1M NDF was last seen hovering around 15947. We do take note of a bearish divergence with MACD forest but we are also aware that the macro environment remains highly uncertain at this point especially in relations to the US. Pair could be ranged traded near term before edging lower we believe. BI held steady as expected at 6.00% yesterday. Governor Perry said that the room for rate cuts previously seen as wide does seem narrower now. Back on the chart, resistance at 15885 (200-dma) has become a support being tested. Next level of resistance at 16100 whilst subsequent support levels are at 15600 and 15417. We expect the central bank to stand pat. BoP current account balance is due on Thu.

- **1M USDPHP NDF - Sideways, *Double Top?*** The 1M NDF was last seen at around 58.99 as it continues to trade sideways. This pair has double topped and there is a potential for bearish reversal from here. Regardless, we still stay cautious of risks related to the external environment especially in relation to Trump policies. BSP Governor Eli Remolona has said that the central bank would consider both a rate cut and a pause at the Dec meeting. His comments can somewhat give the PHP some support given the possibility of a slowdown in the pace of rate easing. Back on the chart, resistance is at 59.13 (YTD high) and 59.84. Support is at 58.15 followed by 57.43 (100-dma). There are no remaining key data releases this week.

- **USDTHB – *Sideways for Now*.** Pair rose a tad with upmove likely slowed because of the gold rise. THB was buffered by the rise in gold, last seen around 34.70. We see two-way trades likely between next support seen at 34.35 (100-dma) and resistance at 35.40 (200-dma). Notwithstanding retracements in the interim, concerns regarding the currency continue to persist given the impact that the Trump administration policies on both gold and trade. Regarding the latter too, Thailand is also one of the most export exposed countries in the region. Meanwhile, on domestic items, 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. In other news, PM Paetontarn Shinawatra said that the economy is expected to grow more than estimate in 2025 because of the government's investment spending and higher confidence from domestic political stability. Investment budget will amount to THB960bn.

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	3.58	3.62	+4
7YR MS 4/31	3.77	3.77	Unchg
10YR MS 7/34	3.81	3.81	Unchg
15YR MS 4/39	3.95	3.94	-1
20YR MX 5/44	4.06	4.06	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.59	3.59	Unchg
9-months	3.57	3.57	Unchg
1-year	3.55	3.57	+2
3-year	3.49	3.49	Unchg
5-year	3.53	3.53	Unchg
7-year	3.63	3.63	Unchg
10-year	3.72	3.72	Unchg

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

Analysts
Winson Phoon
(65) 6231 5831
winsonphoon@maybank.com

- Ringgit government bonds traded mixed. The session saw a repeat of split activity on the curve, with some selling pressure on the short-to-belly, while longer-dated and off-the-run papers attracted stronger demand. At yesterday's close, the belly of MGS/MGII curve underperformed, while yields on the other parts of the curve were unchanged.

- MYR IRS market was almost unchanged from the prior session in the absence of domestic catalysts, with stale quotes hanging throughout the session until late action on the 5y. However, there was no follow-through momentum afterward, except for mild profit-taking activity in the MGS/MGII belly. 3M KLIBOR remained unchanged at 3.60%. 5y IRS traded at 3.525%.

- In the PDS market, GG space saw better buying interests with spread tightening 1bp particularly for Danainfra. AAA-rated PLUS 1/30 and Danum Capital mid-tenor bonds spread tightened 1bp. Sarawak Petchem traded at MTM. Notable trade was CIMB Isl 3/34 which traded 3bp lower on MYR30m volume. In AA1/AA+, Public Bank 10/33 saw MYR20m exchanged at MTM. In AA3/AA-, Gamuda and Edra Energy traded rangebound in sizeable amount.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.83	2.84	+1
5YR	2.83	2.81	-2
10YR	2.89	2.87	-2
15YR	2.95	2.94	-1
20YR	2.91	2.90	-1
30YR	2.81	2.79	-2

Source: MAS (Bid Yields)

- The SGS curve retraced 1-2bp lower except the front-end in the absence of new catalysts and yields have largely been in range this week amid uncertainties on the FOMC rate path. 10y SGS eased 2bp to 2.87%. The overnight SORA fell 12bp to 2.94% as of 20 Nov 2024.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.74	6.73	(0.01)
2YR	6.60	6.62	0.02
5YR	6.71	6.74	0.02
10YR	6.90	6.92	0.02
15YR	7.02	7.03	0.01
20YR	7.05	7.07	0.02
30YR	7.03	7.06	0.03

** Source: Bloomberg, Maybank Indonesia*

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

- Most Indonesian government bonds weakened yesterday. It's consequences of investors' profit taking actions during recent high volatility condition on the global financial markets due to heightening geopolitical tensions between Ukraine and Russian and also fears of slowing global economic prospect after Donald Trump's winning on the latest U.S. Presidential election. On the domestic side, a positive development on the latest result of surplus on Indonesian balance of payment during 3Q24 didn't seem giving positive impact for the local bond market. Going forward, we expect Indonesian bond market to keep being underpressures, along with investors' continuing for profit taking action for fulfilling needs for a year end period and recent realities of gradual higher position on both DXY Dollar Index and the yields of U.S. government bonds.

- Indonesia's foreign exchange traffic performance improved in 3Q24, along with a lower current account deficit, strong inflows in domestic financial instruments, and accelerated foreign direct investment flows. The Indonesian balance of payments booked a surplus of US$5.87 billion in 3Q24, from a deficit of US$556.80 million in 2Q24, despite a widening deficit in the other investment account due to more placements to overseas by Indonesians for saving, giving loans & account receivables. This condition still caused Indonesian foreign reserves to jump from US$140.18 billion in 2Q24 to US$149.92 billion in 3Q24. Going forward, we expect the current account deficit trend to remain low in the 4Q24 period amidst a still solid trade surplus trend and increasing inflows by Indonesian workers abroad in the secondary income account throughout the year-end period. Meanwhile, the deficit in the primary income account will widen at the end of the year as a consequence of increased seasonal year-end activities for investment returns and interest payments on debt. On the financial account side, we see a declining surplus due to safety measures by foreign investors when volatility in domestic financial markets increased following the election of Donald Trump as the new President of the United States, despite the Fed's interest rate cut. We estimate the Indonesian current account deficit to reach 0.71% of GDP and with a foreign exchange reserve position of US$154.7 billion in 2024.

- On details, the Indonesian current account deficit dropped from US$3.25 billion (-0.95% of GDP) in 2Q24 to US$2.15 billion (-0.60% of GDP) in 3Q24. This condition occurred along with a decrease in the deficit in the service account and primary income account, as well as an increase in the repatriation contribution from Indonesian workers working abroad, despite a decrease in the surplus in the trade balance. The decrease in the service account deficit from US$5.11 billion in 2Q24 to US$4.15 billion in 3Q24 was a contribution from the surge in foreign tourists entering Indonesia from

3.41 million foreigners in 2Q24 to 3.93 foreigners in 3Q24. This is certainly a good development for the domestic tourism industry after the COVID-19 pandemic period. In the primary account, the decline in the deficit from US$9.64 billion in 2Q24 to US$8.86 billion in 3Q24 is a reflection of the end of the peak season for dividend distribution, both from companies that invest directly in Indonesia and for foreign investors who have ownership in issuers on the Indonesia Stock Exchange. The decline in the primary income deficit also reflects a decrease in interest payments on debt or coupons from government and private bonds when the global interest rate trend is declining.

- Then, we also saw an increase in the secondary income account surplus of US$1.47 billion in 2Q24 to US$1.58 billion in 3Q24. This is in line with the contribution of the number of Indonesian workers which increased from 3.79 million in 2Q24 to 3.85 million in 3Q24. On the other hand, the decline in Indonesia's trade balance surplus from US$10.03 billion in 2Q24 to US$9.29 billion in 3Q24 was the impact of faster import growth than exports. Indonesia's export growth of 5.83% YoY in 3Q24, is still slower than import growth of 8.56% YoY in 3Q24. Export growth is still slow, in line with the development of global economic recovery which is not yet conducive. Meanwhile, we see import growth that is growing aggressively, although the amount of oil imports has decreased due to the decline in oil prices from US$83.46/barrel in 2Q24 to US$78.73/barrel in 3Q24. This can be a picture of the still strong demand for domestic needs, both for production and consumption activities, especially for non-oil & gas imported goods.

- On the financial account side, we saw higher surplus on both sides of direct investment and portfolio investment. We suspect that the positive development is a reflection of the improving domestic investment climate after there is certainty of the continuation of the new government after the election with a conducive socio-political climate, as well as improvements in domestic investment conditions that encourage foreign investors to enter the Indonesian financial market. In the 3Q24 period, we saw the global interest rate climate starting to decline, along with the Fed's move to lower its monetary policy by 50 bps in Sep-24. The surplus on the Indonesian direct investment account widened from US$2.14 billion in 2Q24 to US$5.24 billion in 3Q24. This is a contribution from foreign investment activities in the country which increased from US$5.31 billion in 2Q24 to US$7.45 billion in 3Q24.

- Meanwhile, the surplus on the portfolio investment account which widened from US$3.19 billion in 2Q24 to US$9.55 billion in 3Q24 is a reflection of the improving global investment climate with attractive investment yields in Indonesia and supported by solid fundamental conditions. We see an increase in the position of incoming funds for government debt investments from US$365 million in 2Q24 to US$5.55 billion in 3Q24. Investments by foreign investors are dominated by long-term debt securities. So it should be safer for short-term debt repayment needs.

- On the other hand, we see a decrease in the amount of foreign fund inflows in financial instruments issued by Bank Indonesia (maximum tenor of 12M) from US$6.83 billion in 2Q24 to US$3.84 billion in 3Q24. This is a reflection of Bank Indonesia's steps which are no longer aggressive in absorbing foreign funds when domestic monetary conditions are more conducive. Then, on the other hand, we see an increase in overseas asset placement activities carried out by the Indonesian private sector, especially for savings placement, lending, and receivables. This is reflected in the widening of the deficit on the other investment account from US$2.77 billion in 2Q24 to US$8.55 billion in 3Q24. The widening of the deficit on the other investment account is expected to provide additional inflow for the primary income account in the future, so that it can ultimately reduce the current account deficit.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0631	156.21	0.6547	1.2722	7.2620	0.5912	165.3167	101.5643
R1	1.0615	155.44	0.6528	1.2700	7.2447	0.5903	164.6233	101.1117
Current	1.0473	154.46	0.6517	1.2588	7.2549	0.5840	161.7600	100.6550
S1	1.0522	153.90	0.6493	1.2616	7.2251	0.5867	162.4933	100.2547
S2	1.0445	153.13	0.6477	1.2554	7.2228	0.5840	161.0567	99.8503

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3483	4.4881	15960	58.9387	34.8253	1.4225	0.6198	3.3445
R1	1.3435	4.4836	15909	58.8133	34.7037	1.4207	0.6194	3.3389
Current	1.3458	4.4715	15918	58.9610	34.7730	1.4094	0.6171	3.3221
S1	1.3376	4.4666	15857	58.7493	34.5217	1.4133	0.6174	3.3238
S2	1.3365	4.4541	15856	58.8107	34.4613	1.4077	0.6158	3.3143

**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	Easing
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	Easing
BOK Base Rate	3.25	28/11/2024	Easing
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	43,389.60	-0.13
Nasdaq	18,791.81	0.60
Nikkei 225	38,220.85	-1.09
FTSE	8,109.32	0.57
Australia ASX 200	8,300.17	0.18
Singapore Straits Times	3,732.55	-0.32
Kuala Lumpur Composite	1,604.04	0.73
Jakarta Composite	7,134.28	-0.38
Philippines Composite	6,761.35	1.27
Taiwan TAIEX	22,546.54	-0.86
Korea KOSPI	2,469.07	2.16
Shanghai Comp Index	3,323.85	-0.21
Hong Kong Hang Seng	19,576.61	0.77
India Sensex	77,339.01	-0.31
Nymex Crude Oil WTI	69.16	3.19
Comex Gold	2,614.60	1.73
Reuters CRB Index	284.01	1.53
MBB KL	10.34	-0.19

DISCLAIMER

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act 2001), MRPL shall be legally liable for the contents of this report.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 22 November 2024, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 22 November 2024, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 22 November 2024, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

Published by:

Malayan Banking Berhad
(Incorporated In Malaysia)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Soh Jing Ying
Fixed Income Analyst
jingying.soh@maybank.com
(+60) 3 2074 7606

s