

Global Markets Daily

JPY Outperforms, Talks of More China Stimulus

JPY Outperforms G10 Peers, Bringing Dollar Lower

Again, overnight, the JPY strengthened further amid the potential for more narrowing in the US - JP yield gap due to central bank divergence. Expectations are rising for the BOJ to hike in Dec by 25bps whilst the Fed cut of 25bps during that month also remains a possibility. US futures are indicating a 66.5% probability of a cut in Dec whilst JP OIS imply a 73.4% likelihood of a hike (as inflation and wage readings look to be robust). Data yesterday showed firmness in the US economy but it did not surprise as Oct core PCE slightly picked up to 2.8% YoY (est. 2.8% YoY, Sep. 2.7% YoY) whilst the 3Q S was unchanged at 2.8% QoQ (est. 2.8% QoQ, Prior. 2.8% QoQ). The numbers may back some caution on the Fed’s part but we believe that it does not derail a 25bps cut as price readings can keep gradually softening. USDJPY has bounced up slightly today after having moved closer to hitting the key support level of 150.00. We believe that there would be further downside in the pair as markets raise short USDJPY bets. A decisive break below 150.00 should open the way to test the 146.00 level. Interim Resistance lies around the 200-dma at 152.00. With JPY strengthening, DXY can potentially also see further decline. Dec also tends to be a seasonally weaker month for the greenback whilst technical indicators show that it is stretch on the upside.

Talks of More Stimulus in China, BOK Surprises with Cut

Talks emerged of the possibility of more China stimulus announcements at the Dec Central Economic Work Conference. It remains uncertain at this point on what stimulus there can be. However, a possible widening in the budget deficit or issuance of 10tn yuan of special bonds are not ruled out. USDCNH moved down lower yesterday amid this speculation and any realization of stronger stimulus can help lift sentiment towards Asian FX. News reports that the US readies China chip curbs which are short of initial proposals look to also be giving CNH support this morning. Meanwhile, the BOK surprised with 25bps cut in what could be seen as a pre-emptive response to economic concerns of Trump tariffs.

Data/Events We Watch Today

EC Nov consumer, services, industrial, economic confidence

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0566	↑ 0.73	USD/SGD	1.3404	↓ -0.47
GBP/USD	1.268	↑ 0.88	EUR/SGD	1.4164	↑ 0.28
AUD/USD	0.6497	↑ 0.34	JPY/SGD	0.8871	↑ 0.84
NZD/USD	0.5894	↑ 1.03	GBP/SGD	1.6997	↑ 0.41
USD/JPY	151.09	↓ -1.30	AUD/SGD	0.8709	↓ -0.13
EUR/JPY	159.66	↓ -0.57	NZD/SGD	0.79	↑ 0.52
USD/CHF	0.8817	↓ -0.54	CHF/SGD	1.5199	↑ 0.03
USD/CAD	1.403	↓ -0.17	CAD/SGD	0.9554	↓ -0.30
USD/MYR	4.4438	↓ -0.31	SGD/MYR	3.3085	↑ 0.02
USD/THB	34.585	↓ -0.34	SGD/IDR	11828.13	↑ 0.08
USD/IDR	15930	→ 0.00	SGD/PHP	43.6668	↓ -0.18
USD/PHP	58.715	↓ -0.48	SGD/CNY	5.4074	↑ 0.58

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3281	1.3552	1.3824

Analysts

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

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

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

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

G10: Events & Market Closure

Date	Ctry	Event
27 Nov	AU	Policy Decision
28 Nov	US	Market Closure
29 Nov	US	Partial Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
27 Nov	ID	Market Closure
28 Nov	KR	Policy Decision

G10 Currencies

- **DXY Index - *Bearish Divergence, The Shift Has Begun for the Reluctant Ones.*** The DXY index closed lower and was last seen around 106.08. The Trump rally (that is positive USD) seems to have run into fatigue recently. The fall in the DXY index yesterday was driven by JPY strength predominantly amid expectations for a rate hike and further policy normalization by BoJ in the coming quarters. Fed Fund futures seem to have also lean towards a rate cut in Dec with implied probability seen around 66.5% at last check. Core PCE price index for Oct met expectations with a pace of 0.3%*m/m*, steady from the month prior. Year-on-year, pace picked up to 2.8% from previous 2.7%. The inflation momentum is driven core services inflation and smaller drag from durable goods. Supercore PCE (core services excluding housing) picked up pace to 3.5%*y/y* from previous 3.2%. The data does not point to further disinflation but the reaction to the data which was in line with consensus underscores a lack of bullish momentum for the USD. Back on the DXY index daily chart, a bearish divergence is still seen for the DXY index with the MACD forest and given the stretched conditions thus far, we see two-way trades within the 106-108 range with some downside risks. As for FX in the broader space, relative value plays could be at work in the interim. We expect currencies that have been weakened by aggressive policy easing may not see more policy-driven weakness such as the NZD while central banks that have been more reluctant to ease may be have the opportunity to and could start to see more weakness in the currencies (AUD, SGD and KRW).
- **EURUSD - *Bullish Divergence.*** EURUSD seen higher this morning at 1.0557 levels as bullish divergence plays out. The factors that weigh on EUR could remain a drag on the currency - including the escalation of the war in Ukraine as well as weak growth prospect of the Eurozone that sharpens the Fed-ECB policy divergence. In other news, the EU proposed sanctions on several Chinese firms they claim helped Russia develop attack drones deployed against Ukraine. Back on the EURUSD chart, pairing could be in the midst of a reversal higher but resistance at 1.0610 could be harder to break through given political uncertainty in Germany and to a certain extent, France. Support at 1.05 before 1.04. Data/event -wise, Thu has Consumer confidence, Services Confidence, Industrial confidence (Nov). Fri has ECB 1Y, 3Y CPI expectations (Oct), CPI estimate (Nov).
- **GBPUSD - *Bullish Divergence.*** GBPUSD was last seen higher at 1.2672 levels. Similarly, for GBPUSD, we also spot a bullish divergence for the cable. The drop to six-month low last Fri that was triggered by the weaker prelim. Nov Mfg and Svc PMI prints as well as retail sales did not extend on Monday. However, it was also Trump's Treasury Secretary nominee that triggered a broader USD decline and prevented cable from falling further Monday. While we spot a bullish divergence for the cable, there could be limit to its gains at 1.2733 (61.8% Fibonacci retracement of the Apr-Sep rally) before the next at 1.2820 (200-dma). Support is at 1.2600 followed by 1.2570. Resistances are at 1.2680 and 1.2750. Fri has Lloyds business barometer (Nov), Mortgage approvals (Oct).
- **USDCHF - *Slight drop.*** USDCHF fell to 0.8829 levels this morning in line with the broader USD weakness. Recall that SNB Chief had flagged about negative rates (reuters) in a bid to weaken the CHF last Fri. CHF had weakened as markets priced in the scenario of SNB cutting rates to near zero by Sep 2025. With that, one can arguably said that policy divergence between the Fed and SNB is at its widest at this point. The room for CHF to fall because of policy divergence might be less as well. With the USD in a corrective mode (lower), USDCHF may move lower from here. We look for the pair to potentially break below the 200-dma at around 0.8820 (also the 23.6% Fibonacci retracement ratio of the Sep-Nov rally). The next support is seen around 0.8735 before 0.8650 (100-dma). 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 - Outperformer, Downside Potential.** The pair was last seen around 151.52 as it bounced slightly up this morning after having moved closer towards the 150.00 key support level yesterday. USDJPY saw quite a substantial move lower yesterday amid the potential for more narrowing in the US - JP yield gap due to central bank divergence. Expectations are rising for the BOJ to hike in Dec by 25bps whilst the Fed cut of 25bps during that month also remains a possibility. US futures are indicating a 66.5% probability of a cut in Dec whilst JP OIS imply a 73.4% likelihood of a hike (as inflation and wage readings look to be robust). US data showed firmness in the economy but both the Oct core PCE and 3Q S GDP readings did not surprise. The numbers may back some caution on the Fed's part but we believe that it does not derail a 25bps cut as price readings are likely to continue to gradually soften. USDJPY has bounced up slightly today after having moved closer to hitting the key support level of 150.00. We believe that there would be further downside in the pair as markets continue to increase short USDJPY bets. A decisive break below 150.00 should open the way for the pair to test the 146.00 level. Interim Resistance lies around the 200-dma at 152.00. The next after that are at 155.00 and 160.00. Meanwhile, the opposition DPP has said that BOJ hikes would not derail budget talks as they believe the central bank would not abruptly change policy such that it can interfere with the discussions. When senior DPP politician Furukawa was questioned about whether a Dec rate hike would make the DPP less cooperative on budgetary matters, he only played down the likelihood of a BOJ moving so quickly as it would detrimentally impact borrowing costs. Remaining key data releases this week include Oct jobless rate (Fri), Oct job-to-applicant ratio (Fri), Nov Tokyo CPI (Fri), Oct retail sales (Fri) and Oct dept store, supermarket sales (Fri).
- **AUDUSD - USD Fatigue Can help Support.** AUDUSD was last seen at 0.6500 levels. Pair had slid sharply earlier this week after Trump posted about his plans for tariffs on China (10% on all products), Canada (25%) and Mexico (25%). The notion of a trade war is negative for global growth and procyclical AUD. However, along with the impromptu declaration of tariffs on his social media platform, there is a sense of fatigue for Trump trade as well and as such, a possibility for the greenback to correct lower. Two-way trades within 0.6450-0.6540 could continue within the near-term but bias is skewed to the upside. Some optimism over China's stimulus in light of the incoming US President-Elect that is hostile to China could also be supportive of the AUD. RBA remains one of the few central banks of developed countries to not have embarked on an easing cycle yet. Potential trade war may dim growth outlook for Australia and help to ease inflation there, thereby effectively nudging the RBA into an easing cycle. AUDNZD could continue to fall towards 1.08. Data-wise, Thu has Private Capital expenditure (3Q), RBA Bullock speech.
- **NZDUSD - Buoyed by RBNZ.** NZDUSD extended its rise overnight due to two drivers 1) RBNZ's decision to deliver the well anticipated 50bps cut this year, taking the OCR to 4.25%. The OCR guidance is set at a more gradual pace than markets' anticipation. OIS had implied for RBNZ to take policy rate to around 3.23% by Oct 2025 before the decision. However, OCR guidance by RBNZ suggests that policy rate will be around 3.55% by end of 2025. Due to this release, markets have adjusted its expectations,

taking the NZD higher as well. The tone of RBNZ is arguably a tad hawkish with “risk of greater inflation volatility over the medium term due to geopolitical risks and climate-related energy and food risks” noted by the central bank. 2) USD is correcting lower as Trump’s trade take a pause given the amount of angst/excitement priced in. Back on the NZDUSD chart, bullish divergence may play out more strongly. Resistance at 0.5930 before the next at 0.5970. Support is seen around 0.5770. Bias is skewed to the upside as momentum turns bullish. In other data, filled jobs for Oct, Nov ANZ activity outlook and business confidence are due on Thu. Fri has ANZ consumer confidence for Nov.

- **USDCAD - Retracements.** USDCAD pulled back and was last seen around 1.4010. This pair may continue to remain supported on dips given Trump’s threat to levy a 25% tariff on all products from Canada. In reaction, Canada has already a plan to boost border security and to help the US curb the “scourge” of fentanyl. Back on the USDCAD chart, momentum is still not bullish. Pair may remain in sideways trades with resistance at 1.4170. There is also a bearish divergence seen for this pair. However, move towards support at 1.3820 may take some time. Data-wise, Thu has CFIB business barometer (Nov), current account bal (3Q). Fri has GDP (Sep).
- **Gold (XAU/USD) - Sideway Trades Unfold.** Gold was last seen around \$2630/oz, now swiveling sideways. The bullion did not react much to the eventual 60-day ceasefire agreement reached between Israel and Lebanon’s Hezbollah. The fight with Hamas is still ongoing. Hezbollah’s fight with Israeli had started in the spirit of solidarity with Hamas but its ceasefire does not guarantee an end of conflict in Gaza. As such, the precious metal may not have a long way to fall. We also have the escalation of the war in Ukraine that could continue to provide Gold support on dips. 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). With the escalation in the war in Ukraine going on, there is a limit to how much gold can drop in the interim. This sideways trades can continue within 2570-2700 for the bullion.

Asia ex Japan Currencies

SGDNEER trades around +1.00% from the implied mid-point of 1.3552 with the top estimated at 1.3281 and the floor at 1.3824.

- **USDSGD - Bearish Risks.** USDSGD was last seen lower at 1.3417 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 +1.00% above the mid-point this morning. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue. Although the SGD is still subject to broader drivers, we expect it to hold up better than other currencies in times of USD-strength. At the same time, it is unlikely to outperform in times of USD-weakness. 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.
- **SGDMYR - Watch potential downside.** SGDMYR was last seen at 3.3076 levels this morning. SGDMYR falling has moderated SGDNEER strength. This has been in line with developments this year, where MYR has been the main moderator of the SGDNEER. Resistances at 3.32 followed by 3.3430 (100-dma) before the next at 3.3880. Support at 3.30 before the next at 3.28.
- **USDMYR - Cautious.** Pair was last seen at 4.4380 as it moved lower in line with the decline in the DXY and the USDCNH. MYR has been relatively resilient of late, possibly on news that a MGS auction was cancelled on Wed (MY Govt fiscal discipline). 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. There are no key data releases this week.
- **USDCNH - Capped for Now.** USDCNH traded around 7.2470, dropping a tad at one point this morning after news report that the Biden administration could be announcing additional curbs on sales of semiconductor equipment and AI memory chips to China that would escalate the US crackdown on China's tech industry development but the circulated proposal seems to be short of certain stricter measures considered previously. This pair may continue to see further sideways

trades within 7.2130-7.2700 range. Scott Bessent's appointment as Treasury Secretary may not be the most positive for the yuan as he was aligned with Trump's tariff plans. However, his experience with Wall Street gave market some assurance that he may prioritize market stability. UST yields slipped as a result and that also allowed USDCNH to ease a tad on Mon (before the rebound this morning). His preference for a "phased approach" for tariffs is also seen as potentially providing China a breathing room and this could be the start of this "phased approach". PBoC has been using the daily USDCNY reference rate to support the CNY. USDCNY central parity was fixed lower at 7.1894 vs. prev. at 7.1982. Estimate is at 7.2501, resulting in a gap of -607pips. Week ahead has NBS Nov Mfg and non-mfg PMIs due on Sat. Ahead of the Central Economic Work Conference 2024 in Dec, there has been some optimism on stimulus being announced. A CNY10trn special issuance of local government debt is expected by our economist along with a higher budget deficit. Finance Minister Lan Fo An has pledged more "forceful" fiscal stimulus. NBS had said that the foundation for continuous economic recovery needs to be strengthened. Domestic consumption could be boosted by more "cash-for-clunkers" program - a trade-in-subsidies to boost consumer demand.

- **1M USDKRW NDF - Bearish divergence.** 1M USDKRW NDF was last seen at around 1392.97 levels this morning. This morning BOK surprised by cutting rates by 25bps. This move came against consensus by in line with our own expectations of a cut. This is the first back to back cut by the BOK since 2009 and comes on the back of weakening growth, slowing exports and moderating inflation. We see BOK cutting by 50bps in 2025 as they pivot away from a restrictive stance. KRW may stabilize because of measures by authorities to reduce stock market volatility. Short-term officials should be ready to step in to moderate excessive volatility. 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.
- **1M USDINR NDF - Pivoting to Neutral.** USDINR 1M NDF is edging higher and was last seen at 84.57 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.
- **1M USDIDR NDF - Cautious.** 1M NDF was last seen higher at around 15890 as it moved lower in line with the broad dollar. Onshore spot market is back today after yesterday's holiday for the local elections. Unofficial counts are showing that opposition candidate, former cabinet secretary Pramono Anung is leading with 49.5% - 50.1% of the vote against Prabowo's favored candidate of Ridwan Kamil with 39.3% - 40% of the vote in the key Jakarta Governor race. We continue to keep a close eye on how the local elections results fare. Overall, the 1M NDF remains trading within recent ranges of around 15800 - 16000. We do note though authorities could be moderating volatility. We stay cautious on the pair given the uncertainties although we do not rule out that it can eventually come off. Externally,

uncertainty related to Trump policies may remain a concern although we are aware that Dec can seasonally be a softer month for the greenback. Back on the chart, resistance at 15962 and 16170. Support is at 15800 and 15611. There are no key data releases this week.

- **1M USDPHP NDF - *Cautious*.** The 1M NDF was last seen at around 58.75 as it declined in line with the fall in the broad dollar. We are staying cautious on the pair given the risks related to the external environment especially in relation to Trump policies. However, we note that Dec can be a seasonally weaker month for the greenback and technical also indicate the USD is stretched on the upside. We therefore do not rule out the pair coming off. Domestically, 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, we watch if the pair can decisively break the resistance at 59.13 (YTD high) with the next level after that at 59.84. Support is at 58.15 followed by 57.46 (100-dma). Remaining key data releases this week include Oct M3 money supply (Fri) and Oct bank lending (Fri).
- **USDTHB - *Lower, Cautious*.** Pair was last seen at 34.48 as it fell lower in line with the decline in the broad dollar and the USDCNH. As a whole, the THB is still trading around recent ranges of 34.00 - 35.00. We are cautious of the pair given Thailand is one of the export exposed countries in the region and the Trump tariffs can risk having quite some negative impact on the THB. However, we also do not rule out some near term decline. Technicals show the broad greenback is stretched on the upside whilst Dec can be a seasonally a softer month for it. Further decline near term for the broad greenback can occur and this can help guide the USDTHB lower. Meanwhile, domestically, we continue to keep a close eye on the pressure the BOT faces to ease especially following the appointment of Kittiratt Na-Ranong as the central bank Chairman. 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. Back on the chart, resistance is at 35.38 (200-dma) and 35.84. Support is at 34.35 (100-dma) and 33.90. Meanwhile, economic data was better than expected yesterday with the Oct ISIC mfg production index declining by less than estimates at -0.91% YoY (est. -2.00% YoY, Sep. -3.17% YoY). Oct capacity utilization was higher at 57.75 (Sep. 57.56). The data at least some positive news on the economy. Remaining key data releases this week include Oct BoP CA balance (Fri), Oct trade data (Fri), Oct BoP overall balance (Fri) and Oct gross international reserves/forward contracts (Fri).
- **USDVND - *Capped for now*.** USDVND hovered around 25372. This pair continues to be driven by broader USD movement as well as the swings of the UST yields. The downside risks to the USD at this point may provide some relief for the VND. 25475 could still cap this pair. Recent price action has been more consolidative. At home, PM Pham urged the US to recognize the country as a market economy at a Vietnam-US business summit on 27 Nov.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.47	3.48	+1
5YR MI 8/29	3.62	3.62	Unchg
7YR MS 4/31	3.78	3.79	+1
10YR MS 7/34	3.81	3.81	Unchg
15YR MS 4/39	3.93	3.93	Unchg
20YR MX 5/44	4.06	*4.07/4.05	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.59	3.59	Unchg
9-months	3.59	3.59	Unchg
1-year	3.57	3.56	-1
3-year	3.49	3.47	-2
5-year	3.52	3.50	-2
7-year	3.61	3.59	-2
10-year	3.70	3.68	-2

Analysts

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

Source: Maybank

*Indicative levels

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

- Ringgit bonds traded mixed with initial selling pressure seen on the front to belly MGS, pushing the yields 1-2bp higher before dip buyers emerged. Overall MGS/MGII yields ended relatively unchanged, except for the 3y and 7y MGS yields rose 1bp to 3.48% and 3.79% respectively. Liquidity was light during the trading session.
- MYR IRS closed 1-2bp lower on the day and 5y IRS tested just below 3.50% level but attracted paying/hedging interest there. The second half session saw US rates come off which led to the downtick in MYR IRS. 3M KLIBOR remained unchanged at 3.62%. 5y IRS traded at 3.495% and 3.50%.
- In the PDS market, GG saw mixed trading as Dana 10/38 spread widened 2bp while LPPSA 7/39 spread tightened 1bp. In AAA, ALR, Air Selangor and PSEP traded rangebound. Notable trade was short-end Caga 3/25 with MYR235m being traded in one single ticket at 4bp higher from previous day's marking. AAA-rated Toyota paper was being highly sought after, with the paper traded 1-4bp lower. In AA1, Genting Cap 6/27 traded rangebound on a MYR115m volume. In AA2, Renikola 9/30 and 9/33 traded close to MTM levels in small amount. In AA3, DRB-HICOM 11/26 and 11/31 traded close to MTM levels while MMC Port 4/32 spread tightened 2bp.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.83	2.82	-1
5YR	2.81	2.82	+1
10YR	2.84	2.83	-1
15YR	2.90	2.89	-1
20YR	2.87	2.86	-1
30YR	2.76	2.76	Unchg

Source: MAS (Bid Yields)

- The SGS yields ended within +/-1bp across the curve, with the 10y SGS yield falling 1bp to 2.83%. The overnight SORA declined 16bp to 2.90% as of 26 November 2024.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.79	6.76	(0.03)
2YR	6.59	6.58	(0.00)
5YR	6.77	6.82	0.04
10YR	6.91	6.93	0.02
15YR	7.04	7.05	0.01
20YR	7.06	7.08	0.02
30YR	7.06	7.07	0.01

Analyst

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

* Source: Bloomberg, Maybank Indonesia

- Most medium-long tenors of Indonesian government bonds weakened on the last trading day before yesterday's public holiday for Regional Head Election. We thought that most investors took profit taking actions as the global financial markets' condition was being unfavourable due to heightening threat of incoming trade war between the U.S. against China, Canada, and Mexico. Donald Trump on its incoming U.S. leadership era is ready to give additional tariffs for importing goods from China, Canada, and Mexico by 10%, 25%, and 25%, respectively. This scenario will potentially add global economic pressures for higher inflation with slowing pace of economic growth due to limited rooms for loosening monetary policy during lacking international trade activities and stricter protectionism period.
- Recently, we saw a quite development on the U.S. economy with 2.8% QoQ (annualized) of economic growth in 3Q24, higher PCE inflation from 2.1% YoY in Sep-24 to be 2.3% YoY in Oct-24, and the latest' lower initial jobless claims record. The Fed also still have a relative neutral on the monetary tones, as shown its latest meeting minutes. Indonesian bond market, as one of global investors' investment destination on the emerging countries, is really sensitive to current development on the global side, although on the domestic side is still on relative stable of social economic condition, ahead of the big political agenda, such as Regional Head Election.
- On the domestic economic side, we believe that most investors are still on "wait&see" mode for Bank Indonesia's next monetary decision and incoming various fiscal policies that will be applied by the government, such as more tax incentives on the property sector and the electric car, a modification scheme for distributing the energy subsidy, and higher tariff for the value added tax. Recent series event of Regional Head election is approximately giving 7 bps of contributions for Indonesian economic growth during 2024. We thought that most investors still took short term orientation on their investment strategy during recent unfavourable on the global social economic political condition. Actually, most Indonesian government bonds are looking attractive with a wide gap of investment yields against U.S. government bonds and current conditions of weakening Dollar DXY index. Both yields of U.S. government bonds and Dollar DXY index have reached their peak levels, then began gradually dropping after the last Tuesday.
- We also witnessed a lack investors' enthusiasm for participating the government's conventional bond auction. Investors' total incoming bids only reached Rp29.10 trillion. The government didn't meet its indicative target by Rp22 trillion for this auction. The government decided absorbing only Rp20.30 trillion. On this auction, most investors also asked higher yields for compensating recent unfavourable on the global social economic political situation. FR0103 became the most attractive series for investors on this auction with Rp8.97 trillion of total investors' incoming bids and relative high for asking the range yields by 6.98000%-

7.13000%. Then, the government absorbed Rp7.05 trillion from investors' total incoming bids for FR0103 and awarding the weighted average yields by 7.02987%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0657	154.36	0.6524	1.2774	7.2799	0.5957	161.4333	99.8783
R1	1.0611	152.73	0.6511	1.2727	7.2624	0.5925	160.5467	99.0257
Current	1.0555	151.55	0.6500	1.2668	7.2509	0.5893	159.9600	98.5130
S1	1.0497	149.96	0.6474	1.2600	7.2348	0.5845	158.9367	97.5187
S2	1.0429	148.82	0.6450	1.2520	7.2247	0.5797	158.2133	96.8643
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3513	4.4729	N.A	59.0490	34.9157	1.4227	0.6163	3.3217
R1	1.3458	4.4584	N.A	58.8820	34.7503	1.4196	0.6148	3.3151
Current	1.3421	4.4445	15858	58.7410	34.4760	1.4165	0.6135	3.3118
S1	1.3369	4.4334	N.A	58.6290	34.4213	1.4118	0.6119	3.3015
S2	1.3335	4.4229	N.A	58.5430	34.2577	1.4071	0.6106	3.2945

*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	3.00	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	4.25	19/2/2025	Easing
BOJ Rate (Lower bound)	0.00	19/12/2024	Tightening
BoC O/N Rate	3.75	11/12/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	44,860.31	-0.31
Nasdaq	19,175.58	-0.60
Nikkei 225	38,134.97	-0.80
FTSE	8,274.75	0.20
Australia ASX 200	8,406.67	-0.56
Singapore Straits Times	3,708.09	-0.12
Kuala Lumpur Composite	1,604.25	0.07
Jakarta Composite	7,245.89	-0.93
Philippines Composite	6,702.59	-1.53
Taiwan TAIEX	22,334.78	-1.52
Korea KOSPI	2,503.06	-0.69
Shanghai Comp Index	3,309.78	1.53
Hong Kong Hang Seng	19,603.13	2.32
India Sensex	80,234.08	0.29
Nymex Crude Oil WTI	68.72	-0.07
Comex Gold	2,664.80	-0.70
Reuters CRB Index	288.02	0.18
MBB KL	10.18	-0.39

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Published by:



Malayan Banking Berhad
(Incorporated In Malaysia)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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