Maybank

Global Markets Daily

CPI Just Above Estimates

CPI Slightly Above Forecast, Jobless Claims Climb, Yields Decline

Sep CPI readings yesterday came out just a tad stronger than forecasts with the headline number at 2.4% YoY (est. 2.3% YoY, Aug. 2.5% YoY) and the core at 3.3% YoY (est. 3.2% YoY, Aug. 3.2% YoY). The downward trend though still looks intact. The headline number after all still fell from the prior month whilst the core was only just marginally higher. Fed officials who spoke overnight generally though did not too appear to have expressed much concern about the CPI readings. Williams said that he sees inflation would keep moving down and it is appropriate to continue to engage in moving monetary policy to a neutral stance over time. Goolsbee said inflation was overall moving down whilst Barkin said it was definitely headed in the right direction. Bostic on the other hand said he only called for one more 25bps cut this year back at the Sep meeting. Initial jobless claims were a little higher than estimates. UST yields were lower whilst DXY is pretty much holding steady around the 102.80 - 103.00 levels this morning. Recent DXY and UST yield movements before yesterday do imply that market may be a little strong on their hawkish repricing and the CPI reading and jobs data did somewhat support some pullback. PPI readings tonight that are around expectations can somewhat guide the DXY lower. Expectations are for the headline to be slightly softer on a yearly basis although the ex food and energy number should see a slight pick-up. As a whole, we remain cognizant of upside risks still on the DXY for this month given uncertainty related to US elections and Middle East geopolitical tensions. Meanwhile, we also closely watch China's MOF press conference tomorrow and the roll-out of any fiscal measures.

BOK Cut Rates in Line With Expectations

BOK cut rates by 25bps to 3.25% after an extended hold citing easing inflation and a cooling property market. BOK also judged that risks in the FX market had somewhat eased. We see BOK cutting by another 25bps in 2024 and by 50bps in 2025 as they pivot away from a restrictive stance. As a whole, we see USDKRW faces upside risks with support for the USD building.

Data/Events We Watch Today

This includes US Sep PPI and UK Aug activity data - GDP, IP, services index

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0934	-0.05	USD/SGD	1.3056	-0.11
GBP/USD	1.3059	-0.09	EUR/SGD	1.4279	-0.14
AUD/USD	0.6739	0.31	JPY/SGD	0.8787	0.37
NZD/USD	0.6093	0.49	GBP/SGD	1.705	-0.23
USD/JPY	148.57	-0.50	AUD/SGD	0.8799	0.22
EUR/JPY	162.46	-0.52	NZD/SGD	0.7955	0.37
USD/CHF	0.857	-0.44	CHF/SGD	1.5248	0.41
USD/CAD	1.3742	0.23	CAD/SGD	0.9502	-0.34
USD/MYR	4.2925	0.26	SGD/MYR	3.2824	-0.03
USD/THB	33.59	0.49	SGD/IDR	11988.34	0.09
USD/IDR	15665	0.29	SGD/PHP	43.8585	0.35
USD/PHP	57.355	0.58	SGD/CNY	5.4125	-0.06

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3047	1.3314	1.3580

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G10: Events & Market Closure

Date	Ctry	Event
9 Oct	NZ	RBNZ Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
7 Oct	CH	Market Closure
9 Oct	IN	RBI Policy Decision
9 Oct	KR	Market Closure
11 Oct	HK	Market Closure
11 Oct	KR	BOK Policy Decision

G10 Currencies

- **DXY Index - *Whipsaw!*** DXY whipsawed at the release of the US data overnight. US CPI turned out a tad firmer than expected at +0.2%m/m in Sep (vs. expected 0.1%, prev. +0.2%). Core CPI also steadied at +0.3%m/m (vs. expected +0.2%). Headline inflation slowed just a tad to 2.4% from previous 2.5% while the core measure picked up pace to 3.3% from previous 3.2%. The DXY rose at first but price action quickly turned choppy as the weekly jobless claims data surprised to the upside. Initial jobless claims rose to the highest seen since Jul, at 258K vs. previous 225k, vs. the 4-week moving average at around 231K. Continuing claim also rose more than expected to 1861K vs. previous 1819K. The surprising bump in jobless claims (which surpassed all projections) were attributed to the Hurricane Helene as well as the mass layoffs by automakers based on state analysis. Following the data release, NY Fed President John Williams look for moving monetary policy to "a neutral setting over time", Fed Austan Goolsbee and Fed Barkin separately commented that inflation had been trending lower. Perhaps the lone hawk of the night was Fed Bostic who told WSJ that he had only looked for one additional quarter point cut this year. This would make him one of six who did so, out of 19 participants. Two participants were of the opinion that we are done for the year in terms of easing based on the dot plot. Support is seen around 102.45 before 101.60. Resistance is seen at 103.30. Data-wise, Fri has Sep PPI and prelim. Oct Univ. of Mich. Sentiment.

- **EURUSD - *Two-way risks*.** EURUSD was last seen slightly lower at 1.0934 levels. Sticky inflation gave further reason for market to continue debating whether the Fed will continue to cut rates in Nov. Bostic also said he would be open to skipping a cut. Goolsbee, Williams and Barkin shrugged off the print and suggested the Fed could continue to cut. Nevertheless, pair is likely to remain pressured by recalibration of Fed rate cut expectations. Pair remains below the 1.10 neckline of the earlier double top pattern. Fri's stellar NFP print has led to some sustained strength in the USD, with Fed cut expectations retracing with odds of a cut in Nov at 85.4%% (pre NFP: 135%). Fed minutes also showed that the Sep decision to cut by 50bps was met with pushback as some FOMC members preferred a smaller 25bps cut. Further 50bps cuts by the Fed could thus be unlikely and USD could be better supported on this. Markets almost completely expect ECB to cut on 17 Oct after a slew of weak PMI prints for Sep and sub-2% inflation print. Markets and ECB are generally congruent in terms of rate cut expectations, although we suggest that the ECB may be more measured in terms of easing. Short term, we see two-way risks for the pair with a slight biast to the downside. Our longer term bullish EURUSD view is underpinned by the belief that the Eurozone economy will pick up and the recent China stimulus measures could also provide a boost to Eurozone growth. Lagarde mentioned that there was greater confidence that prices were coming back towards target and that would be reflected in the next ECB decision in Oct. We see a total of 50bps more of cuts for ECB in 2024 with one likely in Oct. Back to key levels on EURUSD, resistance at 1.10 and 1.11. Support at 1.09 and 1.0850. 0%). No further Eurozone data releases this week.

- **GBPUSD - *Bias to downside*.** GBPUSD is slightly lower at 1.3062 levels this morning. Bias could be to the downside as market realizes FOMC is not as dovish as previously expected and the BOE could be more dovish than expected. Sticky inflation gave further reason for market to continue debating whether the Fed will continue to cut rates in Nov. Bostic also said he would be open to skipping a cut. Goolsbee, Williams and Barkin shrugged off the print and suggested the Fed could continue to cut. Governor Bailey struck a dovish tone and suggested that the BoE can take a more aggressive approach in lowering interest rates and Fed expectations pared back significantly after a stellar NFP print. Conditions are stretched and the bearish divergence formed with MACD forest could continue to favour pullbacks. 1M options also show that traders are the most bearish about the GBP since Jul. Recall that BOE voted 8-1 to keep rates steady at 5%. Governor Bailey warned that the central bank prefers a more gradual reduction in rates as “it’s vital that inflation stays low”. Markets are broadly in line with our expectations for 50bps cuts in 2024. Inflation is on a broad downtrend, which should give BOE the comfort to cut in time. Focus is also on the 2024 Autumn Budget on 30 Oct, where Chancellor Reeves has given preliminary assurances that there would be no “return to austerity”. 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. 2Q F GDP grew by 0.7% YoY (exp: 0.9%; prev: 0.9%) and 0.5% QoQ (exp: 0.6%; prev: 0.6%), slightly lower than the preliminary prints suggested. Back on the GBPUSD, resistances at 1.3100 and then at 1.3200. Supports are at 1.3000 and 1.2950. UK data this week includesAug Monthly GDP, Industrial/Manufacturing Production and Trade Balance (Fri).

- **USDCHF – *Two-way risks*.** USDCHF fell to 0.8566 levels on possible safe haven flows as the JPY and gold also rose in tandem. 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. USDCHF has been trading within the 0.84-0.8550 range for a while and eyes are on whether this range could sustain for a while more. Key resistance at 0.8600 (50-ma). Next support is seen at 0.8500. 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. Sep FX Reserves rose to CHF715.6b (prev: CHF693.9b), hinting at significant intervention by SNB. Swiss data this week includes SECO Consumer Confidence (Fri).

- **USDJPY – *Lower, Remain Hovering Below the 150.00 Mark*.** The pair was last seen lower at 148.77 in line with the decline with UST yields as CPI was roughly around expectations. The USDJPY at this point is pretty much driven mainly by the US data and expectations of Fed easing – in essence, the US story. We are not ruling out at this point of the possibility that the pair can break above the 150.00 mark. However, it may not necessarily climb too much further above that level given the government could grow uncomfortable with too much JPY weakness. Yesterday, Deputy Governor Himono did say that the BOJ will consider raising interest rates if the board has "greater confidence" that its economic and price forecasts will be realised. Himino iterated the BOJ's decision on when to raise interest rates [again] will be made by looking at the "totality" of data presented at each policy meeting. His words though do not necessarily lean towards being any more hawkish or dovish. For today, we closely watch the release of US PPI data due tonight. There remains no key data releases this week.

- **AUDUSD – *From Finding Support to Testing Support*.** AUDUSD was last seen around 0.6740, testing support around the 50-dma around 0.6730. Eyes are on whether China MoF would be able to announce a fiscal plan that is supportive enough of the economy on Sat (12 Oct). Any disappointment on that front could probably weigh on the AUDUSD. Meanwhile, the hawkish RBA Minutes that continue to not rule anything in or out had been keeping the AUD from being an underperformer within the G10 space. In addition, positive risk sentiment likely helped bolster the AUD as well. The Board also see less of a need for RBA to be in line with the policy rates of other economies as inflation is higher in Australia, its labour market is stronger and its monetary policy had also been less restrictive than other advanced economies. Back on the AUDUSD, our warnings of a further move lower towards 0.6720 (50-dma) was played out. There are plenty of risk events to watch that can drag the AUD further this month – 1) the US elections, 2) China's stimulus efficacy and data, 3) broadening of the Middle-East conflict. Resistance at 0.6950 remains intact. We are of the view that RBA could be closer to a rate cut in Nov than the central bank likes to admit. Technical indicators still suggest that momentum indicators are turning lower. 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.

- **NZDUSD - *Rebound in Play, Catch-up Has Begun*.** NZDUSD bounced overnight and was last seen around 0.6110. With 150bps cut already priced in for the next one year, there is a possibility that the NZD may not be weighed further by policy. Focus 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. RBNZ's comments spurred quick dovish repricing of the NZD. The central bank spoke about rising excess capacity that leads to lower inflationary pressure in the NZ economy and that financial conditions are still considered restrictive. and that implies further bigger cuts to come. Support around 0.6050 was kept intact. Rebound could be in play now. Eye the break of the 0.6111 resistance that could open the way towards 0.6160.

- A**UDNZD - Bearish. AUDNZD may possibly fall from highs of 1.1060,** at last sight, to levels around 1.0970. Resistance is seen around 1.1092 before the next at 1.1151. RBNZ's rate trajectory has been aggressively priced but RBA is not. We see potential for convergence that could lead the AUDNZD lower.

- **USDCAD - *Double Bottom Plays out Further*.** USDCAD rose on weaker risk appetite and higher USD. Pair has reached towards the 1.3765-resistance and the next is seen around 1.3850 before 1.3950. The double bottom at 1.3440 is playing out. Support is seen around 1.3650. Data-wise, Fri has Sep labour data. In news from home, Statistics Canada reported widest income inequality this century. Lower income households are es able to take advantage of higher returns on savings and investment accounts because of fewer resources.

- **Gold (XAU/USD) - *Buy, on Dips*.** Gold edged higher overnight, lifted by the fall in UST yields and possibly some caution over the US data (weaker labour report) and late cycle risks. Last at 2635. 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 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).

Asia ex Japan Currencies

SGDNEER trades around +1.89% from the implied mid-point of 1.3314 with the top estimated at 1.3047 and the floor at 1.3580.

- **USDSGD - Two-way risks.** USDSGD was last seen slightly lower at 1.3063 levels this morning with Asian currencies trading broadly stronger against the USD. The trade-weighted SGDNEER is at +1.89% 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. Specifically, currencies in SGDNEER basket that are more sensitive to rate differentials could outperform the SGD and offset any strength in SGDNEER that comes from a weakening USD. Such a scenario would entail a weaker SGDNEER alongside essentially a lower USDSGD (stronger bilateral SGD). 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 1.3100 and 1.3150. Supports are 1.3000 and 1.2900. Our economists expect a 4.3% Flash GDP figure for 3Q2024 (prev: 2.9%) and upgraded the full year forecasts to 3.5% for 2024 (prev: 3%) and 2.5% in 2025 (prev: 2.4%) on the back of the superb Aug Industrial Production print. Sep FX Reserves rose to US$389.81b (prev: US$384.59b). No further data releases for the week with 3QA GDP and MAS MPS confirmed next Mon (14 Oct). We see MAS standing pat amid sticky inflation and robust growth.

- **SGDMYR - *Steadying*.** SGDMYR was last seen slightly lower at 3.2826 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 3.27 before the next at 3.25. Resistances at 3.30 and 3.32.

- **USDMYR - *Steady*.** USDMYR was only marginally lower at 4.2875 as UST yields were just the slightest bit lower. Regardless of the recent climb in the pair, optimism towards the MYR looks like it could remain 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". China stimulus is also set to strengthen support for the MYR given the strong trade relations between China and Malaysia. The Fed at the end of the day is also overall on an easing path into next year. In the medium term therefore, we believe the USDMYR would trend downwards. Back on the chart, support is seen around 4.0800 and 4.0000. Resistance is at 4.3634 and 4.4464. Remaining key data releases this week include Aug mfg sales (Fri) and Aug IP (Fri).

- **USDCNH - *Rebound*.** USDCNH hovered around 7.0845, steady ahead of the MOF press conference tomorrow. In addition, the State Council has announced that there will be a briefing to step up support for firms. This State council indicated that officials from the State Administration for Market regulation, National Financial regulatory Administration, Ministry of Industry and Information Technology and Ministry of Justice will attend the briefing. This adds to the sense of urgency at the top to support sentiment and domestic demand. This comes after the NDRC press briefing on Tue. Key takeaways of that brief include bringing forward CNY100bn in government investment, originally budgeted for 2025. Sectors can be expanded to use funds raised from special local bond sales and provinces are now pushed to issue around CNY290bn in remaining new special local bond allocated for this year. The use of special local bond funds and construction of related projects are urged to be accelerated. There was a lack of further details on how domestic demand (consumption and investment) can be supported. Beyond the Golden Week, we watch the next set of property data for Sep. New home prices have fallen for 15 consecutive months and a failure to see some stabilization on this front is likely to quickly deflate the recent euphoria seen in the stock markets and the yuan post -stimulus announcement. Back on the USDCNH chart, pair was last at 7.0845. This pair may potentially find support around 7.0530 before the next at 6.9735. We see two-way risks within the wider range of 6.97-7.11.

- **1M USDKRW NDF - *Upside risks*.** 1M USDKRW NDF was last seen higher at 1348.01 levels this morning. BOK cut rates by 25bps to 3.25% after an extended hold citing easing inflation and a cooling property market. BOK also judged that risks in the FX market had somewhat eased. We see BOK cutting by another 25bps in 2024 and by 50bps in 2025 as they pivot away from a restrictive stance. Despite the inclusion on FTSE WGBI, pair should face upside risks with support for the USD building. South Korean government bonds will feature on FTSE Russell's WGBI in 2025, with a weighting of 2.22% in the index with Now that the Fed has cut, the BOK could start to discuss rate cuts. We think that the resulting inflows should buoy the KRW with official (South Korean MinFin) estimates of inflows at about US$56b. However, their concerns over currency volatility and weakness that could arise from cuts could ultimately prevail. We see resistances at 1340 and 1350. Supports are at 1330 and 1320. 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 South Korean data releases this week.

- **1M USDINR NDF - *Pivoting to Neutral*.** USDINR 1M NDF remains steady at 84.09 levels. 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). The USD has been better supported following the stellar NFP print and repricing of Fed rate cut expectations. RBI preference for stability appears to be prevailing after pair moved in tandem with USD declines earlier. Part of the rupee's allure could be due to Indian Finance Minister Nirmala Sitharaman's recent reaffirmation on the commitment to bring the fiscal deficit down to at least 4.5% of GDP by Mar 2026. In addition, IGBs are due to join the FTSE EM GBI from Sep 2025 onwards with a weightage of 9.35%, the second highest after China. Inflows from the inclusion should be positive INR, though RBI's leanings could keep the INR relatively stable. 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 84.30. Support at 84.00 before the next at 83.40. Indian data this week includes Aug Industrial Production (Fri).

- **1M USDIDR NDF - *Lower, Sideways Expected*.** 1M NDF was last seen at 15640 as it moved lower this morning amid the slight decline in both the broad dollar and the UST yields. Yesterday though, it had ended little changed. The 1M NDF has remained quite steady as BI continues to intervene in the market and we continue to see that the 1M NDF is likely to trade sideways near term. Several factors this month though keeps market on the edge and that includes developments related to the Fed and US data in addition to the US elections and geopolitical tensions. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. Remaining key data releases this week include Sep local auto sales (11 – 15 Oct).

- **1M USDPHP NDF – *Upside Risks*.** The 1M NDF was last seen at 57.23 as it declined by from yesterday's open although it is trading at around the same levels as yesterday's morning. The slight decline in UST yields could be guiding the 1M NDF and other USDAsian pairs lower. Regardless upside risks remain. There is a possibility that the 1M NDF could be weighed by a BSP that remains dovish whilst markets remain anxious about the pace of Fed rate cuts given the strength of US data. We are not going to rule out further upside risks in the near term. Risk events near term also adds to the possibility of more upside including geopolitical tensions in the Middle East and US elections. Back on the chart, we watch if it can decisively hold above the resistance is at 57.20 with the next after that at 57.66. Support is at 56.00 and 55.50. There are no remaining key data releases this week.

- **USDTHB – *Lower, Two-Way Risks*.** Pair was last seen at 33.28 as it declined in line with UST yield moving slightly lower and gold prices edging up. We see two-way risks for the pair in the near term depending on how US data, the size of China stimulus and geopolitical tensions pan out to be. Meanwhile, on other items, we also remain wary of the ongoing pressure from the government on the central bank to ease rates. Finance Minister Pichai Chunhavajira has said that the government is considering a proposal to raise the annual inflation target to support economic growth. Back on the chart, resistance is at 33.61 and 34.25. Support at 32.57 with the next at 31.81. Meanwhile, Sep consumer confidence data was slightly lower at 55.3 (Aug. 56.5). Remaining key data releases this week include 4 Oct gross international reserves/forward contracts (Fri).

- **USDVND – *Capped For Now*.** USDVND hovered around 24840, still capped by the 24870 (50-dma). Support at 24695 before the next at 24530. Break of the 50-dma resistance could open the way towards the next resistance around 24980. At home, South Korea President Yoon and Vietnam PM Pham had met on the sidelines of the ASEAN summit in Laos and agreed to expand security and economic ties.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.42	3.43	+1
5YR MI 8/29	3.55	3.56	+1
7YR MS 4/31	3.75	3.76	+1
10YR MS 7/34	3.77	3.78	+1
15YR MS 4/39	3.91	3.93	+2
20YR MX 5/44	4.06	4.08	+2
30YR MZ 3/53	4.20	4.20	Unchg
IRS			
6-months	3.58	3.58	-
9-months	3.57	3.57	-
1-year	3.55	3.57	+2
3-year	3.46	3.48	+2
5-year	3.52	3.52	-
7-year	3.60	3.61	+1
10-year	3.70	3.71	+1

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

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- Ringgit bonds traded softer as local players remained cautious due to the recent sharp increase in UST yields. 3y10y yields rose 1bp while the 15y20y yields rose 2bp. Meanwhile, the 30y tenor remained unchanged. BNM announced the reopening of the 10y MGII 11/34 auction with an issue size of MYR4.5b, in-line with market expectation. WI last quoted 3.81/3.80, inching higher by 1bp.

- MYR IRS levels rose 1-2bp across the curve tracking hawkish commentary from the Fed and the release of FOMC minutes, which pushed US rates higher in the overnight session. Hedging theme in the MYR rates space continued ahead of the US CPI data release. Meanwhile, 3M KLIBOR was unchanged at 3.56%. 2y IRS traded at 3.48% while 5y IRS traded at 3.52% and 3.535%.

- In the PDS market, trading activity remained muted. No GG names were transacted. In AAA, PLUS 1/26 traded 2bp higher on a MYR25m volume while ALR 10/29 traded at MTM. In AA1/AA+, YTL 3/33 and Maybank 1/31 spread tightened by 1bp. In AA3/AA-, Eco World 8/28 traded at MTM on a volume of MYR15m. In AA2/AA-, PONSB and Imtiaz mid-tenor bonds traded range bound.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.80	2.81	+1
5YR	2.83	2.82	-1
10YR	2.89	2.90	+1
15YR	2.94	2.94	-
20YR	2.92	2.92	-
30YR	2.84	2.84	-

Source: MAS (Bid Yields)

- SGS traded mixed with yields ended in +/-1bp range on the day. 10y SGS yield rose 1bp to 2.90% while the ultra-long ≥15y held flat. The overnight SORA eased further by 9bp to 3.30%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.52	6.51	(0.01)
2YR	6.39	6.40	0.01
5YR	6.44	6.45	0.01
7YR	6.57	6.58	0.01
10YR	6.68	6.69	0.01
20YR	6.98	6.94	(0.04)
30YR	6.93	6.95	0.01

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened yesterday as investors were on "wait & see" mode for the latest result of U.S. CPI inflation. The market players seemed also realizing their profits after the latest result of the Fed's Meeting Minutes showed a less dovish tones. Today, we expect Indonesian bond market to remain on the selling mode due to the latest result of stronger U.S. core CPI inflation that indicating a slightly higher living cost in Sep-24. We also saw that the market players' consensus on several financial agencies reduced their strong optimism for incoming decision by the Fed's policy rate. Moreover, Raphael Bostic also told to the WSJ that he's open to skipping a reduction. Meanwhile, on the domestic side, we kept seeing a relative resilient of economic condition. We saw a slowing growth on the retail sales index from 5.8% YoY in Aug-24 to be 4.7% YoY in Sep-24 amidst Bank Indonesia's decision to gradually lower its policy rate by 25 bps. We thought that it's being struggling for the retailers to book aggressive selling growth as the conditions of 1.) leveraging activities remain on high interest rate environment, and 2.) a stagnancy on the global economic growth that impacting to limited increase on Indonesian labour income on the natural resources sector due to sluggish prices of the mainstay exported commodities prices, especially coal and CPO. On monthly basis, the retail sales index dropped by 2.5% MoM to 210.5 in Sep-24 as we concluded due to seasonal factor after the end of discount month for celebrating the National Independence Day.

- On details, we saw an increase of retail sales growth on both monthly and annual basis on the motor vehicle part & accessories commodities and the automotive fuel commodities during Sep-24. It can be a reflection of strong demand for those both commodities for accommodating higher mobility after the end era of pandemic COVID-19. On the regional side, we saw a strong retail sales growth by 24.3% YoY, 22% YoY, 16.6% YoY, 13% YoY, and 11% YoY, respectively, in Medan, Jakarta, Semarang, Denpasar, and Manado, subsequently, during Sep-24. On the other side, we saw a significant drop by 23.4% YoY on the retail sales index in Banjaramasin, the capital that highly related to the coal business activities. The retail sales index is expected to grow being more aggressive after the condition of interest rate environment becomes lower further. We expect a smooth progress on the monetary transmission from Bank Indonesia's monetary measures through both interest rate and non interest rate policies. According to the conditions of relative sound performances on the local retail sales growth, we expect Indonesian consumption activities to keep being buoyant for supporting the national economy to grow by 5.06% this year.

- Then, the World Bank also just upgraded its outlook on Indonesian economy. It has proven a solid condition on Indonesian economy from the global side. The World Bank has raised its projections for Indonesia's economic growth for 2024 and 2025 from 4.9% and 5% respectively to 5% and 5.1%. The World Bank highlighted that Indonesia will continue to grow supported by rising domestic consumption, recovering exports of goods, and a revived tourism sector.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0985	150.06	0.6768	1.3130	7.1101	0.6121	164.1800	101.2843
R1	1.0959	149.31	0.6753	1.3095	7.0975	0.6107	163.3200	100.7157
Current	1.0936	148.68	0.6743	1.3062	7.0808	0.6098	162.6000	100.2510
S1	1.0904	148.06	0.6713	1.3023	7.0703	0.6069	161.8900	99.6337
S2	1.0875	147.56	0.6688	1.2986	7.0557	0.6045	161.3200	99.1203

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3115	4.3048	15708	57.5283	33.7787	1.4337	0.6088	3.2958
R1	1.3085	4.2987	15687	57.4417	33.6843	1.4308	0.6075	3.2891
Current	1.3051	4.2865	15617	57.2000	33.2980	1.4273	0.6062	3.2847
S1	1.3039	4.2867	15640	57.1467	33.4643	1.4259	0.6056	3.2752
S2	1.3023	4.2808	15614	56.9383	33.3387	1.4239	0.6049	3.2680

**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	Oct-24	Neutral
BNM O/N Policy Rate	3.00	6/11/2024	Neutral
BI 7-Day Reverse Repo Rate	6.00	16/10/2024	Easing
BOT 1-Day Repo	2.50	16/10/2024	Neutral
BSP O/N Reverse Repo	6.25	16/10/2024	Easing
CBC Discount Rate	2.00	19/12/2024	Neutral
HKMA Base Rate	5.25	-	Easing
PBOC 1Y Loan Prime Rate	3.35	-	Easing
RBI Repo Rate	6.50	6/12/2024	Neutral
BOK Base Rate	3.25	11/10/2024	Easing
Fed Funds Target Rate	5.00	8/11/2024	Easing
ECB Deposit Facility Rate	3.50	17/10/2024	Easing
BOE Official Bank Rate	5.00	7/11/2024	Easing
RBA Cash Rate Target	4.35	5/11/2024	Neutral
RBNZ Official Cash Rate	4.75	27/11/2024	Easing
BOJ Rate (Lower bound)	0.00	31/10/2024	Tightening
BoC O/N Rate	4.25	23/10/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	42,454.12	-0.14
Nasdaq	18,282.05	-0.05
Nikkei 225	39,380.89	0.26
FTSE	8,237.73	-0.07
Australia ASX 200	8,222.98	0.43
Singapore Straits Times	3,585.29	-0.29
Kuala Lumpur Composite	1,640.94	0.37
Jakarta Composite	7,480.08	-0.28
Philippines Composite	7,411.47	-0.18
Taiwan TAIEX	22,659.08	0.21
Korea KOSPI	2,599.16	0.19
Shanghai Comp Index	3,301.93	1.32
Hong Kong Hang Seng	20,637.24	-1.38
India Sensex	81,611.41	0.18
Nymex Crude Oil WTI	75.85	3.56
Comex Gold	2,639.30	0.51
Reuters CRB Index	290.63	1.57
MBB KL	10.54	0.38

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