Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Market Patience towards China Under Test

China Falls Short on Highlighting Headline Figure

Focus over the weekend was on China's MOF press conference with expectations for an announcement of a fiscal stimulus package of some size. They highlighted a series of measures that included support for property market (special local government bonds can be used for buying back land and housing inventory), addressing local government debt and boosting capital at state-owned banks. Minister of Finance Lan Fo'an did mention that the central government has a relatively large space for deficit increases and debt expansion. There was also some indication that if necessary, more liquidity for the benefit of some needy sectors and groups of people may be rolled out. However, as a whole, the lack of any announcement on a concrete fiscal stimulus headline figure or major consumption measures is continuing to test investors patience. Markets have been eagerly awaiting for stronger measures since the Politburo vowed stronger fiscal stimulus weeks back but this has not appeared to be forthcoming just yet. Regardless, upcoming major events including the NPC standing committee meeting could still see the potential for more fiscal announcements. In the near term, asset prices could be volatile. USDCNH remains ranged traded as the forces of both domestic economic and US data uncertainties factor in. Pair was last seen at 7.0879 and two-way risks remain within the wider range of 6.97 – 7.11. Meanwhile, US Sep PPI data on Friday beat expectations on a yearly basis supporting that inflation may trend down only slowly and guiding for a gradual pace of rate cuts, giving the broad dollar support. For the upcoming week, there would be a whole slew of key central bank meetings (with our expectations in bracket) that include ECB (cut 25bps), BI (hold), BSP (cut 25bps) and BOT (hold). Malaysia would also be tabling her budget on Fri with our economist expectation of a 3.9% of GDP deficit.

MAS Holds in Line with Expectations

MAS stood pat this morning and continued to view the current appreciating stance as appropriate to achieving price stability. USDSGD traded at a high of 1.3077 prior to MAS' announcement, but quickly came off to a low of 1.3054. The trade-weighted SGDNEER is at +1.91% above the mid-point this morning. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue.

Data/Events We Watch Today

This includes US Sep NY Fed 1Y inflation expectations, CH Sep trade data and CH Sep financing data (tentative).

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0937	0.03	USD/SGD	1.3048	-0.06
GBP/USD	1.3067	0.06	EUR/SGD	1.4272	-0.05
AUD/USD	0.675	0.16	JPY/SGD	0.8749	-0.43
NZD/USD	0.611	0.28	GBP/SGD	1.705	0.00
USD/JPY	149.13	0.38	AUD/SGD	0.8809	0.11
EUR/JPY	163.12	0.41	NZD/SGD	0.7972	0.21
USD/CHF	0.8572	0.02	CHF/SGD	1.5222	-0.17
USD/CAD	1.3762	0.15	CAD/SGD	0.9481	-0.22
USD/MYR	4.2887	-0.09	SGD/MYR	3.2843	0.06
USD/THB	33.342	-0.74	SGD/IDR	11934.31	-0.45
USD/IDR	15580	-0.54	SGD/PHP	43.8332	-0.06
USD/PHP	57.211	-0.25	SGD/CNY	5.4186	0.11

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3057	1.3324	1.3590

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G10: Events & Market Closure

Date	Ctry	Event
14 Oct	JP	Market Closure
14 Oct	US	Market Closure
14 Oct	CA	Market Closure
17 Oct	EC	Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
14 Oct	TH	Market Closure
14 Oct	SG	Policy Decision
16 Oct	ID	Policy Decision
16 Oct	TH	Policy Decision
16 Oct	PH	Policy Decision
18 Oct	MY	Budget

G10 Currencies

- **DXY Index - *Bid*.** DXY kept a bid tone in Asia morning, underpinned by a sense of slight disappointment. China's MoF briefing on Sat was, in our view, not as disappointing as the NDRC's presser. The key takeaway of the brief was that the proceeds of the special local government bonds can be used for unsold home purchases (instead of just infrastructure). Central government is also likely to raise budget deficit and increase borrowing. Bigger debt swap quota was also promised via one-off bond issuance. There was **no exact number** given for the extra spending that MOF promises and that was probably the source of disappointment amid plenty of speculation ahead of the brief. However, there is likely enough promises, enough policy tweaks to support property and banks in the presser to prevent a wider and deeper sell-off. Markets will have to remain patient for the policies that are undergoing legislative approvals. The DXY was bid this morning, lifted also by the rather elevated UST yields. We could be reverting to a scenario where the US looks relatively exceptional again, lending the greenback some boost. However, there are also pockets of weaknesses and so we caution against betting on the USD going much higher. Recall that the latest nitial 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. Back on the DXY index, resistance is seen around 103.20. Support is seen around 102.45 before 101.60. Resistance is seen at 103.30. Data-wise, empire mfg for Oct is due Tue along with NY Fed 1Y inflation expectations for Sep. Wed has NY Fed services business activity for Oct. Sep retail sales is due on Thu along with Philly Fed and IP, jobless claims. Fri has housing starts.

- **EURUSD - *Two-way risks*.** EURUSD was last seen slightly lower at 1.0923 levels. Pair is likely to remain pressured by recalibration of Fed rate cut expectations and changes in yield differentials. Pair remains below the 1.10 neckline of the earlier double top pattern. Fed minutes showed that further 50bps cuts by the Fed could 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%). Eurozone data releases this week includes Oct ZEW Survey Expectations, Aug Industrial Production (Tue), Sep F CPI Inflation, Aug Trade Balance, ECB Policy Decision (Thu), Aug ECB Current Account, Aug Construction Output and ECB Survey of Professional Forecasters (Fri).

- **GBPUSD - *Bias to downside*.** GBPUSD is slightly lower at 1.3048 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 includes Aug Avg Weekly Earnings, Aug ILO Unemployment Rate, Sep Jobless Claims, Claimant Count (Tue), Sep CPI/RPI/PPI Inflation (Wed) and Sep Retail Sales (Fri).

- **USDCHF – *Two-way risks***. USDCHF rose slightly to 0.8584 levels alongside broader USD strength. 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. Swiss data this week includes Sep Producer & Import Prices, 11 Oct Sight Deposits (Mon) and Sep Exports/Imports (Thu).

- **USDJPY – *Higher, Remain Hovering Below the 150.00 Mark***. The pair was last seen lower at 149.24 as it continues to edge up with UST yield pushing higher. US Sep PPI data on Friday beat expectations on a yearly basis supporting that inflation may trend down only slowly and guiding for a gradual pace of rate cuts. The USDJPY at this point is pretty much driven mainly by the US data and expectations of Fed easing – in essence, the US story. Upside risk for USDJPY therefore remains as market becomes more cautious of the pace of Fed easing. However, even then, we stay wary of substantial further upside for the pair as the Japanese government can grow uncomfortable with a JPY that is too weak. Stronger actions or jawboning by the Japanese government and BOJ can then come into focus again. Back on the chart, key resistance levels are 150.00 and 152.00. Support is at 147.00, 145.20 and 140.00. Key data releases this week include Aug F IP (Tues), Aug capacity utilization (Tues), Aug core machine orders (Wed), Sep nationwide/Tokyo dept store sales (16 – 22 Oct), Sep trade data (Thurs) and Sep CPI (Fri).

- **AUDUSD - *Still Testing Support*.** AUDUSD was last seen around 0.6730, testing the 50-dma which has become a support thereabouts. China MoF had disappointed a tad as there was no specific number given by MOF amid much speculation. However, it should be substantive enough to prevent a wider sell-off. For the AUD, there are opposing forces at work – 1) Stronger US data should reinforce the narrative of a softer landing for the global economy (positive for AUD), 2) China's pivot towards placing greater priority on growth could be positive for AUD, 3)Stronger US data could bring about higher UST yields and that is typically negative for the AUDUSD pairing due to the shifts in yield differentials. At the same time, the approach of the US elections could also generate more volatility. 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. Back on the AUDUSD chart, key area of support remains intact around 0.6690-0.6710. Break out of the area here would open the way towards 0.6630. 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. Data-wise, we have Westpac leading index for Sep on Wed, Thu has Sep labour report.

- **NZDUSD - *Rebound in Play, Catch-up Has Begun*.** NZDUSD hovered around the 200-dma (0.6096). 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. Week ahead has performance services index this morning, at 45.7 for Sep (vs. Aug 45.7 revised higher). Credit card spending rose +0.3%m/m while retail credit card spending was flat. Tue has REINZ house sales (Sep) before 3Q CPI on Wed.

- A**UDNZD - Bearish. We hold the view that AUDNZD may possibly fall from highs of 1.1060,** to levels around 1.0970. Last printed at 1.1046. This could be panning out. 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 broken above the 1.3765-resistance and the next is seen around 1.3850 before 1.3950. The double bottom at 1.3440 has been playing out and target could be eventually around 1.3850 for completion. Support is seen around 1.3650. Data-wise, Sep CPI is due on Tue. Wed has Sep housing starts.

- **Gold (XAU/USD) - *Buy, on Dips*.** Gold softened after the rebound and was last seen around $2648/oz. Elevated UST yields, some caution over the US data (weaker labour report) and late cycle risks continue to keep this precious metal in elevated ranges. 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).

Asia ex Japan Currencies

SGDNEER trades around +1.91% from the implied mid-point of 1.3324 with the top estimated at 1.3057 and the floor at 1.3590.

- **USDSGD - Two-way risks.** USDSGD was last seen slightly higher at 1.3069 levels this morning. In line with expectations, MAS stood pat this morning and continued to view the current appreciating stance as appropriate to achieving price stability. USDSGD traded at a high of 1.3077 prior to MAS' announcement, but quickly came off to a low of 1.3054. The trade-weighted SGDNEER is at +1.91% 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. Further data releases for the week are Sep Electronics Exports and NODX (Thu).

- **SGDMYR - *Steadying*.** SGDMYR was last seen slightly higher at 3.2860 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 last seen at 4.2940 as the broad dollar moved up. 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. On the economic data front, Aug IP was slower at 4.1% YoY (est. 5.5% YoY, Jul. 5.3% YoY) and Aug mfg sales also decelerated to 7.7% YoY (Jul. 9.1% YoY). This continues to be some reflection of potentially some slowdown in global manufacturing. Meanwhile, the Malaysian government would be tabling the budget on Fri with our economist expectation of 3.9% of GDP deficit. Key data releases this week include Sep trade data (Fri) and 3Q A GDP (Fri).

- **USDCNH - *Rebound*.** USDCNH rose this morning, albeit still under the key resistance around 7.1010. Last printed 7.0850. China's MoF briefing on Sat was, in our view, not as disappointing as the NDRC's presser. The key takeaway of the brief was that the proceeds of the special local government bonds can be used for unsold home purchases (instead of just infrastructure). Central government is also likely to raise budget deficit and increase borrowing. Bigger debt swap quota was also promised via one-off bond issuance. There was **no exact number** given for the extra spending that MOF promises and that was probably the source of disappointment amid plenty of speculation ahead of the brief. However, there is likely enough promises, enough policy tweaks to support property and banks in the presser to prevent a wider and deeper sell-off. Markets will have to remain patient for the policies that are undergoing legislative approvals. In addition, we watch the State Council briefing that could see measures to step up support for firms. 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. Beyond these announcements, we watch the next set of activity and property data for Sep due end of this week (18th Oct). 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. Over the weekend, PPI came in weaker at -2.8%y/y from previous -1.8%. CPI slowed to 0.4%y/y from previous 0.6%. Deflationary pressure seems to be broadening and our economist maintains 2024 CPI forecast at 0.4%. Sep trade is due today and credit data is due anytime this week.

- **1M USDKRW NDF -** ***Upside risks***. 1M USDKRW NDF was last seen higher at 1356.35 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 1360 and 1370. Supports are at 1350 and 1340. 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. South Korean data releases this week includes Sep Import/Export Price Index (Tue), Sep Unemployment Rate and Aug Money Supply (Wed).

- **1M USDINR NDF -** ***Pivoting to Neutral***. USDINR 1M NDF is higher at 84.21 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 Sep Wholesale Prices, Sep CPI Inflation (Mon) and Sep Exports/Imports/Trade Balance (Tue).

- **1M USDIDR NDF - *Steady, Sideways Expected*.** 1M NDF was last seen at 15632 as it continued to hold at levels similar to most of Friday. The 1M NDF has remained quite steady as BI continues to intervene in the market and we expect to see that it 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. There is a BI meeting due this week on Wed, where our economist is expecting to them to hold. The continued rise in the UST yields and the broad dollar in recent times could make BI anxious with regards to the IDR. SRBI yields have also recently seen some rise. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. Key data releases/events this week include Sep trade data (Tues), Aug external debt (Tues) and BI policy decision (Wed)

- **1M USDPHP NDF - *Upside Risks*.** The 1M NDF was last seen at 57.34 as it held similar to levels seen on Fri even amid the climb in the broad dollar and UST yields. Focus would now be on the BSP meeting this week where our economist expects them to cut by 25bps. We also closely watch the BSP's tone at this meeting on how dovish they would lean. If the BSP chooses to lean dovish, we believe this could keep markets edgy and weigh on the PHP given that the recent strength in US data and the anxiety that the pace of Fed rate cuts may could be slow. Therefore, at this point, we are not ruling out upside risks for the pair. Other 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, resistance is at 57.66 and 58.22. Support is at 56.74 and 56.00. Key data releases/events this week include Aug OFWR (Tues), BSP policy decision (Wed) and Sep BoP overall (Fri).

- **USDTHB - *Higher*, *Two-Way Risks*.** Pair was last seen at 33.27 as it rose in line with the climb in UST yields and broad dollar. Gold prices were marginally lower. US Sep PPI data on Friday beat expectations on a yearly basis supporting that inflation may trend down only slowly and guiding for a gradual pace of rate cuts. Onshore markets though are closed today. This week, focus is on the BOT meeting on Wed where we expect a hold given the adamancy of the Governor to continue to state that policy settings are neutral. The BOT staying on hold should on its part help give some support to rates and also the THB somewhat although the bigger focus remains on UST yields, gold prices and the country's external position. 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 – all of which impact the factors we just mentioned. Back on the chart, resistance is at 33.61 and 34.25. Support at 32.57 with the next at 31.81. Key data releases/events this week include BOT policy decision (Wed) and 11 Oct gross international reserves/forward contracts (Fri).

- **USDVND - *Capped For Now*.** USDVND hovered around 24830, 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. This pair may continue to trade sideways, taking the cue of broader USD movements and that of UST yields. At home, National Assembly Chairman Tran Thanh Man stressed that Chinese Premier Li Qiang's visit provides "fresh momentum for the development of bi8lateral relations" especially in the cooperation of the National Assembly and China's NPC. Li Qiang was at the National Assembly house on Sun (13 Oct) when he met these comments.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.43	3.43	Unchg
5YR MI 8/29	3.56	3.56	Unchg
7YR MS 4/31	3.76	3.75	-1
10YR MS 7/34	3.78	3.79	+1
15YR MS 4/39	3.93	3.94	+1
20YR MX 5/44	4.08	4.07	-1
30YR MZ 3/53	4.20	4.20	Unchg
IRS			
6-months	3.58	3.57	-1
9-months	3.57	3.53	-4
1-year	3.57	3.54	-3
3-year	3.48	3.48	-
5-year	3.52	3.51	-1
7-year	3.61	3.60	-1
10-year	3.71	3.70	-1

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

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- UST ended mixed with steeper curve as front-end yields rose and longer-dated yields cheapened. September's CPI exceeded market expectations, though overshadowed by a surge in initial jobless claims. Ringgit government bonds had a quiet session with light trading activities as participants' offloaded risk ahead of PPI data release. Yields closed +/-1bp last Friday. There will be an upcoming reopening of the 10y MGII 11/34 auction with an issue size of MYR4.5b on Monday. WI last traded at 3.81% and 3.80%.

- MYR IRS levels fell by 1-4bp across the curve with light activity focused on the 5y tenor. The volatility in US rates did not spill over into the MYR rates market. 3M KLIBOR remained unchanged at 3.56%. 5y IRS traded at 3.51% and 10y IRS at 3.705%.

- The PDS market was quiet. In GG, Prasarana 9/32 spread tightened 1bp with MYR30m traded. In AAA, PLUS mid-tenor bonds, TM Tech 9/27, and BSN 2/26 were traded at MTM. Similarly, Ambank 11/33 had MYR10m exchanged at MTM.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.81	2.75	-6
5YR	2.82	2.75	-7
10YR	2.90	2.82	-8
15YR	2.94	2.88	-6
20YR	2.92	2.86	-6
30YR	2.84	2.79	-5

Source: MAS (Bid Yields)

- Despite the continued pressures on UST, SGS traded stronger last Friday with yields falling 5-8bp across the curve, probably boosted by some relief in funding cost as the overnight SORA continued to ease from a high of 3.88% at September month-end to 3.10%. 10y SGS yield declined 8bp to 2.82%. Not having any new SGS supply also helps. The SORA OIS curve shifted lower in a similar fashion but underperformed slightly at the 10y point, narrowing the swap spread (vs SGS) i.e. less negative to around -12bp.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.51	6.38	(0.13)
2YR	6.40	6.38	(0.02)
5YR	6.45	6.44	(0.00)
7YR	6.58	6.57	(0.01)
10YR	6.69	6.68	(0.01)
20YR	6.94	6.94	(0.00)
30YR	6.95	6.93	(0.02)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds strengthened on the last trading days of previous week (14 Oct-24). A rally on Indonesian government bond market is in line with positive movements on the regional Asian financial market, mainly due to high expectation of the Chinese government's new fiscal stimulus plan by 2 trillion Yuan. We thought that the market players grabbed those momentum for applying short term of "buy on weakness" as the impacts of instant responses on the latest results of U.S. labour market and U.S. CPI core inflation subdued. For this week, we expect high volatility on the local financial market to keep persisting due to various events that can trigger significant movements on the markets. We underline several key macro events, such as Bank Indonesia's BI Rate decision, ECB's policy rates decision, Chinese latest economic growth and monthly exports-imports, and various monetary policy statements by several Fed's members. Bank Indonesia is expected to slash its policy rate again this week and then giving positive movements for Indonesian bonds.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0969	149.81	0.6779	1.3105	7.0979	0.6141	164.0467	101.2437
R1	1.0953	149.47	0.6764	1.3086	7.0845	0.6125	163.5833	100.9573
Current	1.0926	149.29	0.6734	1.3055	7.0858	0.6092	163.1100	100.5260
S1	1.0922	148.60	0.6730	1.3045	7.0620	0.6089	162.4833	100.2123
S2	1.0907	148.07	0.6711	1.3023	7.0529	0.6069	161.8467	99.7537

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3083	4.2983	15701	57.4403	33.6707	1.4309	0.6080	3.2910
R1	1.3066	4.2935	15640	57.3257	33.5063	1.4290	0.6074	3.2876
Current	1.3069	4.3000	15602	57.3450	33.2600	1.4279	0.6077	3.2905
S1	1.3035	4.2826	15548	57.1137	33.1533	1.4258	0.6060	3.2804
S2	1.3021	4.2765	15517	57.0163	32.9647	1.4245	0.6050	3.2766

**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	28/11/2024	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	42,863.86	0.97
Nasdaq	18,342.94	0.33
Nikkei 225	39,380.89	0.26
FTSE	8,253.65	0.19
Australia ASX 200	8,214.51	-0.10
Singapore Straits Times	3,573.76	-0.32
Kuala Lumpur Composite	1,633.55	-0.45
Jakarta Composite	7,520.60	0.54
Philippines Composite	7,310.32	-1.36
Taiwan TAIEX	22,901.64	1.07
Korea KOSPI	2,596.91	-0.09
Shanghai Comp Index	3,217.74	-2.55
Hong Kong Hang Seng	21,251.98	2.98
India Sensex	81,381.36	-0.28
Nymex Crude Oil WTI	75.56	-0.38
Comex Gold	2,676.30	1.40
Reuters CRB Index	290.99	0.12
MBB KL	10.56	0.19

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