17 October 2024

Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

The ECB Next

ECB Expected to Ease Rates

Markets await the ECB decision due later today where expectations are for the central bank to cut rates by 25bps to 3.25% from 3.50%. Oil prices has recently come off and this somewhat raised more confidence that inflation can keep abating and support a rate cut move. A cut today already looks to be priced in as the OIS show a 97.3% chance of a 25bps cut. Whilst markets and the ECB are generally congruent in terms of rate cut expectations, we suggest that the ECB may be more measured in terms of easing. Meanwhile, overnight, the DXY edged higher supported by a number of factors that included the UK Sep inflation coming off (in particular the services number falling below expectations) and possible safe haven demand amid the US election uncertainty. Momentum indicators are showing that the broad dollar looks stretched on the upside but a further climb cannot be ruled out given the softening environment outside of the US in addition to the concerns related to the upcoming US presidential elections. Also, political developments in Japan does create some uncertainty for the JPY (another major constituent of the DXY) as a new Nikkei poll shows that the ruling LDP risks losing its majority in the lower house. The next key resistance level for the DXY is the 200-dma at 103.79. Data wise, keep a close eye on US Sep retail sales out today.

Triple ASEAN Central Bank Decisions

Yesterday, there were decisions from three ASEAN central banks, namely the BOT, BI and BSP. The BOT surprised markets as they cut rates by 25bps whilst the BSP eased by 25bps in line with the consensus. BI in contrast held rates, which was also as the markets had expected. Despite the move, the BOT tried to assure that it was only a recalibration of monetary policy and not a starting of an easing cycle. BSP did talk about further cuts although they looked to try to sound less dovish through talking about undertaking small moves rather than big ones. BI in contrast mentioned about leaving the door open for further cuts. The THB, IDR and PHP were somewhat supported by their central banks not appearing too dovish. We remain cautious on all three given the uncertainty related to the US elections and do not rule out further downside for them.

Data/Events We Watch Today

ECB policy decisions, US Sep retail sales, US initial jobless claims

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0862	-0.28	USD/SGD	1.3134	0.31
GBP/USD	1.299	-0.64	EUR/SGD	1.4267	0.01
AUD/USD	0.6667	-0.54	JPY/SGD	0.8778	0.05
NZD/USD	0.6057	-0.43	GBP/SGD	1.7063	-0.32
USD/JPY	149.64	0.29	AUD/SGD	0.8756	-0.24
EUR/JPY	162.54	-0.01	NZD/SGD	0.7956	-0.11
USD/CHF	0.8654	0.43	CHF/SGD	1.5175	-0.07
USD/CAD	1.3751	-0.17	CAD/SGD	0.9552	0.48
USD/MYR	4.297	-0.30	SGD/MYR	3.2821	-0.37
USD/THB	33.198	-0.49	SGD/IDR	11848.85	-0.50
USD/IDR	15513	-0.43	SGD/PHP	44.1368	-0.04
USD/PHP	57.75	-0.16	SGD/CNY	5.4191	-0.31

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3082	1.3349	1.3616

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G10: Events & Market Closure

Date	Ctry	Event
14 Oct	JP	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, Stretched*.** DXY rose further overnight and was last printed 103.27. Equity markets rose overnight. UST yields rose as well. USDJPY is still near-150 high. We think that the recalibration from post-FOMC dovish positioning could be stretched. That puts long USD positions at risk. Regardless, there is still a risk that US looks relatively exceptional again, giving the greenback tentative boost. In addition, the US PredictIt shows Trump taking a lead vs. Harris as well. That lead could be a reason for USDCNH to head higher. Back on the DXY index, resistance is seen around 103.20 and is being tested. Support is seen around 102.45 before 101.60. Next resistance is seen at 103.60. Data-wise, 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 lower at 1.0861 levels. Pair is likely to remain pressured by recalibration of Fed rate cut expectations and changes in yield differentials. ECB is due later today and a cut is priced at 97.3% 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. Pair remains below the 1.10 neckline of the earlier double top pattern. Risk reversals also show a bearish skew. Fed minutes showed that further 50bps cuts by the Fed could be unlikely and USD could be better supported on this. At the same time, USD is looking a tad stretched to the upside. Short term, we see two-way risks for the pair with a slight bias 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 1.09 and 1.10. Support at 1.0850 and 1.08. Eurozone data releases this week includes 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 - *Pressured Lower on Softer CPI, Two-way risks*.** GBPUSD is lower at 1.2988 levels this morning after UK Sep CPI came in softer than expected at 1.7% YoY (exp: 1.9%; prev: 2.2%). Core and services inflation were similarly softer. In addition, private wages retreated in Sep which should bolster confidence to cut. A 25bps Nov cut by the BOE is now more than fully priced (101.1%). 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. Risk reversals also show a bearish skew. Short term, we see two-way risks for the pair with a slight bias to the downside. 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. 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. Back on the GBPUSD, resistances at 1.3000 and then at 1.3100. Supports are at 1.2950 and 1.2900. UK data this week includes Sep Retail Sales (Fri).

- **USDCHF - *Two-way risks*.** USDCHF was higher at 0.8658 levels. Risk reversals show a bullish skew for CHF, likely given geopolitical concerns. 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 for a while and has since broken out. Key resistance at 0.8700. Support is seen at 0.8600. 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 Exports/Imports (Thu).

- **USDJPY – *Lower, Two-way risks*.** The pair was last seen at 149.41 as it continues to trade sideways. Pair is continuing to hover just below the 150.00 level although at this point, risks look two-ways. There remains multiple factors that can create upside for the pair including uncertainty related to the Japanese elections. A new Nikkei poll is showing that the LDP could risk losing its majority in the lower house and this can create some uncertainty about the JPY given that it would be unclear what the government's view on monetary policy would be. It remains uncertain too on the outcome of the US elections and there are concerns that a Trump victory and his proposed tariffs can risk creating an inflationary environment, which can make the Fed's rate path more complex. Momentum indicators we would like to note at this point does look stretched on the upside. Back on the chart, key resistance levels are 150.00 and 152.00. Support is at 147.00, 145.20 and 140.00. Meanwhile, economic data wise, Sep trade balance was slightly narrower at -187.2bn yen (est. -521.0bn yen, Aug. -472.0bn yen). Remaining key data releases this week include Sep CPI (Fri).

- **AUDUSD – *Reversal*.** AUDUSD was last seen around 0.6701, making a strong reversal after its Sep labour report surprised on the strong side. Australia clocked a net 64.1K employment gains for the month, well above the 25k expected. Unemployment rate slipped to 4.1%. Participation rate actually rose to 67.2% as well vs. previous 67.1%. We continue to watch the opposing forces at work for the AUD – 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. Back on the AUDUSD chart, key area of support around 0.6690-0.6710 is being challenged at this point. Next support is seen around 0.6630 (200-dma). 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. RBA-wise, we may not see a rate cut at all this year for the central bank.

- **NZDUSD - *Testing Support at 0.6070*.** NZDUSD edged higher, lifted by fellow antipodean. Pair may remain weighed for now as markets price in around 60bps cut for the next meeting in Nov. We still think that there is a possibility that the NZD may not be weighed much 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. Pair tests support thereabouts and a break there could open the way towards 0.5970. The 0.6111 resistance could open the way towards 0.6160.

- A**UDNZD - Higher on Higher AUD For now.** AUDNZD rose this morning on the back of stronger AU labour report for Sep and was last seen around 1.1040. **We still hold the view that AUDNZD may possibly fall from highs of 1.1060,** to levels around 1.0970. RBNZ's rate trajectory has been aggressively priced but RBA is not. We see potential for convergence that could lead the AUDNZD lower. Resistance is seen around 1.1092 before the next at 1.1151.

- **USDCAD - *Stretched, bearish risks*.** USDCAD was last seen around 1.3750. USDCAD seems to have fully completed the double bottom. Last printed 1.3784. Focus is on bearish reversal given overbought conditions. Support is seen around 1.3650. BoC is now expected to cut an cumulative 60bps over the next two meetings with 43bps cut implied by the OIS for the Oct meeting at last check.

- **Gold (XAU/USD) - *Buy, on Dips*.** Gold hovered around $2680/oz. Elevated UST yields, some caution over China's data and late cycle risks (globally) 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 +1.76% from the implied mid-point of 1.3349 with the top estimated at 1.3082 and the floor at 1.3616.

- **USDSGD – *Two-way risks*.** USDSGD was last seen higher at 1.3114 levels this morning. In line with expectations, MAS stood pat and continued to view the current appreciating stance as appropriate to achieving price stability. Growth and inflation remain broadly in line with MAS' expectations, although MAS sees downside risks to growth and two-way risks for inflation going forward. Our economists' base case is for a Jan-25 easing, although they do not rule out an Apr-25 easing if growth continues to be robust. The trade-weighted SGDNEER is at +1.76% 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 1.3200 and 1.3150. Supports are 1.3100 and 1.3000. Further data releases for the week are Sep Electronics Exports and NODX (Thu).

- **SGDMYR – *Steadying*.** SGDMYR was last seen lower at 3.2794 levels this morning. Pair has steadied around 3.28 of late. 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*.** Pair was last seen at 4.2995 as it held steady. Whilst the broad dollar was higher, CNH traded stronger, which could have given some support to the MYR. However, USDCNH has retraced much of its initial move lower. As a whole, 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. Meanwhile, the Malaysian government would be tabling the budget on Fri with our economist expectation of 3.9% of GDP deficit. Other key data releases this week include Sep trade data (Fri) and 3Q A GDP (Fri).

- **USDCNH – *Rebound*.** USDCNH hovered around 7.1290 this morning. We see the recent upmove to be a reflection of the rise in support for Trump based on bookmakers (Polymarket, PredictIT) even though Harris still seems to retain a tight lead over Trump according to the poll of polls collated by fivethirtyeight.com. Regardless, shorting yuan is still seen as the hedge against a Trump win. Another reason for USDCNH upmove was due to some anxiety over upcoming China data. Thus far, trade, credit and inflation reports have disappointed and we cannot rule out a shocker 3Q GDP along with Sep activity numbers on Fri. That said, given the sharp upmove of the USDCNH, there is room for upside surprise and recovery of the yuan should there be better than expected data. Regardless, this pair is very prone to two-way trades for the next two weeks leading into the NPC meeting as well as the US elections. On the technical charts, USDCNH was last seen around 7.1250. This pair might be forming the right shoulder of an arguable inverted head and shoulders pattern. Pair seem to have formed a inverted head and shoulders with the trough around 6.9735 as the head. Neckline around 7.1420. A retracement towards 7.10 could form a right shoulder Break of the 7.14202 would nullify this incredible bullish pattern. USDCNY reference rate was fixed at 7.1191 vs. previous 7.1210, in line with expectations and overnight market movements. A MOF, PBOC and Housing Ministry briefing will be held later at 10am to “promote the steady and healthy development of the property sector” according to the State Council website.

- **1M USDKRW NDF – *Upside risks*.** 1M USDKRW NDF was last seen slightly higher at 1362.55 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. However, concerns over the KRW could ultimately prevail and we cannot rule out BOK cutting rates slower than we expect. Despite the inclusion on FTSE WGBI, pair should face upside risks with support for the USD building. South Korean government bonds will feature on FTSE Russell’s WGBI in 2025, with a weighting of 2.22% in the index. We think that the resulting inflows should buoy the KRW with official (South Korean Finance Ministry) estimates of inflows at about US$56b. Extending KRW trading hours to improve access has seen average daily trading volumes in the extended hours almost double from Aug to US$2.46b (Aug: US$1.26b) in the first two weeks of Oct. Market chatter suggests that major conglomerates have traded during extended hours. We see resistances at 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. Sep Unemployment edged higher to 2.5% (exp: 2.6%; prev: 2.4%).

- **1M USDINR NDF - *Pivoting to Neutral*.** USDINR 1M NDF is barely changed at 84.14 levels. Sep trade deficit narrowed to US$20.78b (exp: US$24.63b; prev: US$29.60b) which should have been net positive for the INR. However, RBI is ensuring that volatility remains low. RBI held steady on its policy rate but notably pivoted to a neutral stance. We think this opens the door for a rate cut in Dec. RBI is expecting food prices to fall and is convinced in the broad disinflationary trajectory. However, they are being a tad more cautious and keeping the policy rate steady (5-1 vote). Sep CPI inflation resurged to 5.49% YoY (exp: 5.10%; prev: 3.65%). This faster than expected acceleration could give the RBI reason to hold rates in Dec. We watch to see if this resurgence in prices continues or there is a return to the broad disinflationary trajectory RBI expects. The USD has been better supported following the stellar NFP print and repricing of Fed rate cut expectations. RBI preference for stability appears to prevail after pair moved in tandem with USD declines earlier. 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. No further India data releases this week.

- **1M USDIDR NDF - *Lower, Cautious*.** 1M NDF was last seen at 15556 as it edged lower even as the broad dollar moved higher. BI held rates yesterday that was in line with expectation and this it looks to have given some support to the IDR as they somewhat do appear less dovish as they did not engage in back to back cuts. They also continue to emphasize the importance of ensuring IDR stability. Our economist expects a further 50bps of cuts this year and 75bps next year. At the same time, USDCNH had moved lower earlier in the morning and given some support to Asian currencies but this looks to have retraced somewhat already. We remain cautious on the 1M NDF and do not rule out upside risks given especially as we build up to the US elections where the outcome looks very uncertain. Polling is showing it to be close but the betting sites indicate a higher chance of a Trump win. A Trump win and implementation of his proposed tariffs can risk weighing on the region's economies and hurt appetite for EM Asia FX. Meanwhile, domestically, we keep watching developments related to whether Mulyani would continue as Finance Minister. Prabowo would be sworn on the 20 Oct and we continue monitor what to composition of his cabinet would turn out to be. Mulyani's reappointment can help to be a positive for sentiment towards the IDR although this could be offset by the various risks that we have talked about. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. There are no other remaining key data releases this week.

- **1M USDPHP NDF - *Lower, Cautious*.** The 1M NDF was last seen at 57.66 as it edged lower. The BSP did cut rates yesterday but they also appeared to avoid sounding too dovish about undertaking small moves rather than big ones. In particular, Governor Remolona did signal a preference for 25bps cuts and also did mention that a 25bps cut is possible in Dec. He noted too that the balance of risk for inflation in 2025 and 2026 has shifted towards the upside, owing mainly to adjustments in electricity rates and higher minimum wages in area outside Metro Manilla. Initial move lower in USDCNH did somewhat give support to Asian FX although that has retraced substantially. We continue to stay cautious on the USDPHP despite momentum indicators looking stretched on the upside. The US election uncertainty lingers on the horizon and a Trump win and implementation of his proposed tariffs can risk weighing on the regional economies and appetite for EM Asia FX. We do not rule out further upside for the USDPHP. Back on the chart, resistance is at 57.71 and 58.22. Support is at 56.84 and 56.00. Remaining key data releases/events this week include Sep BoP overall (Fri).

- **USDTHB - *Lower, Two-Way Risks*.** Pair was last seen at 33.21 as it moved lower yesterday although it held steady today. BOT did surprise markets by cutting rates yesterday by 25bps but this did not appear to weigh on the THB given their words given they avoided leaning too dovish. The central bank had stated that this is just a recalibration of monetary policy and cited the alleviation of debt-servicing burdens for borrowers as a key consideration for lowering rates. They also noted that this is not the beginning of an easing cycle. Our economist does not see the BOT engaging in any further cuts into end next year 2025. USDTHB actually edged lower post the meeting although this could also arise from optimism of more economic support given the cut. We do remain cautious on the USDTHB and see two-way risks building up to the US election. There remains uncertainty related to outcome of the elections and a Trump win can risk weighing on regional economies and hurt appetite for regional EM FX. However, we also note that higher safe haven demand for gold can go some way to give support for the THB and possibly lead it to hold up better compared to peers. Back on the chart, resistance is at 33.61 and 34.25. Support at 32.57 with the next at 31.81. Remaining key data releases/events this week include 11 Oct gross international reserves/forward contracts (Fri).

- **USDVND – *Capped For Now.*** USDVND rose further and was last seen around 25040, above the 200-dma resistance. Support at 24695 before the next at 24530. Break of the 200-dma resistance could open the way towards the next resistance around 25100 (100-dma). This pair may continue to trade higher, taking the cue of broader USD movements. Next resistance is around 25100.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.42	3.41	-1
5YR MI 8/29	3.55	3.53	-2
7YR MS 4/31	3.75	3.73	-2
10YR MS 7/34	3.80	3.78	-2
15YR MS 4/39	3.93	3.93	Unchg
20YR MX 5/44	4.07	4.07	Unchg
30YR MZ 3/53	4.21	4.21	Unchg
IRS			
6-months	3.57	3.57	-
9-months	3.54	3.54	-
1-year	3.54	3.54	-
3-year	3.49	3.48	-1
5-year	3.53	3.50	-3
7-year	3.62	3.61	-1
10-year	3.72	3.71	-1

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

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- Ringgit bonds saw improved price action, tracking overnight UST movement and supported by foreign buying interest. Buying momentum gained traction following the release of UK CPI data, which dropped to 1.7%, below the consensus of 1.9%. MGS/MGII yields fell 1-2bp primarily in the front- to mid-end of the curve.

- MYR IRS levels closed 1-3bp lower tracking overnight rally in US rates despite the absence of significant drivers. Sentiments in the MYR rate space appears stable ahead of the Malaysia 2025 Budget this Friday. 3M KLIBOR rose by 1bp to 3.57%. 5y IRS traded at 3.505% and 3.5075%.

- The PDS market activity picked up after several quiet days. In GG, Danainfra and Prasarana mid-tenor bonds traded mixed within a +/-1bp range. In AAA, Pengurusan Air SPV spread widened 1bp with MYR110m exchanged. In AA2, Press Metal 9/30 spread tightened 1bp on a volume of MYR10m. In AA3/AA-, Gamuda 6/28 traded at MTM. In A3/A-, MBSB 12/9 traded 7bp lower, though only for MYR10m.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.68	2.65	-3
5YR	2.67	2.65	-2
10YR	2.75	2.71	-4
15YR	2.81	2.78	-3
20YR	2.80	2.78	-2
30YR	2.73	2.71	-2

Source: MAS (Bid Yields)

- The SGS market traded stronger with yields falling 2-4bp across all tenors. This is the fourth consecutive session of rally and 10y SGS yield has retraced almost 20bp from 2.90% at recent peak. The relief in SGD funding cost continued to provide support as the overnight SORA eased further to 3.03% from a high of 3.88% at the end of September.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.37	6.45	0.08
2YR	6.42	6.40	(0.02)
5YR	6.43	6.42	(0.01)
7YR	6.58	6.58	0.00
10YR	6.70	6.68	(0.02)
20YR	6.88	6.87	(0.01)
30YR	6.94	6.93	(0.00)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds strengthened yesterday. The market players gave positive reactions after Bank Indonesia decided keeping its BI Rate at 6.00% amidst weakening inflation with current manageable pressures of national currency. We saw that BI has a concern on the national economic stability, especially through transmission of Rupiah's stability due to resurging on the global uncertainty condition.

- It's quite understood that BI keeps retaining its BI Rate, rather than slashing after seeing the latest slightly declining position of national foreign reserves amidst heavy money inflow on the local financial market during Sep-24. The Indonesian economy is also on solid condition with around 5% of growth so far. It can be an indication that an external pressure is high. Moreover, we saw a stronger external pressures that impacting high volatility on the national currency position. A movement on Rupiah is one of key factors for stabilizing domestic macroeconomic condition, especially through both of international trade and FX market activities transmissions.

- Furthermore, we expect BI to begin loosening its policy rate again next month if the global economic uncertainty deteriorate after major central banks, especially the Fed, send a clear signal to loosen its policy rate. High geopolitical tension on the Gaza area remains giving limited impact to Indonesian economy due to current reality of the Brent oil prices at below US$78/barrel. According to those conditions, we believe a rally on Indonesian bond market to be limited until next month.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0920	150.37	0.6728	1.3115	7.1537	0.6123	163.2867	100.5377
R1	1.0891	150.01	0.6697	1.3052	7.1453	0.6090	162.9133	100.1473
Current	1.0862	149.38	0.6697	1.2993	7.1321	0.6068	162.2500	100.0350
S1	1.0843	149.08	0.6647	1.2952	7.1248	0.6032	162.1433	99.4023
S2	1.0824	148.51	0.6628	1.2915	7.1127	0.6007	161.7467	99.0477

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3183	4.3263	15576	57.9100	33.5220	1.4296	0.6056	3.3024
R1	1.3159	4.3116	15545	57.8300	33.3600	1.4282	0.6046	3.2923
Current	1.3117	4.3050	15531	57.6880	33.2020	1.4247	0.6047	3.2825
S1	1.3093	4.2869	15496	57.7160	33.0820	1.4244	0.6028	3.2747
S2	1.3051	4.2769	15478	57.6820	32.9660	1.4220	0.6020	3.2672

**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	20/11/2024	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	5.25	-	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	43,077.70	0.79
Nasdaq	18,367.08	0.28
Nikkei 225	39,180.30	-1.83
FTSE	8,329.07	0.97
Australia ASX 200	8,284.75	-0.40
Singapore Straits Times	3,590.62	-0.13
Kuala Lumpur Composite	1,632.63	-0.57
Jakarta Composite	7,648.94	0.29
Philippines Composite	7,437.00	-0.26
Taiwan TAIEX	23,010.98	-1.21
Korea KOSPI	2,610.36	-0.88
Shanghai Comp Index	3,202.95	0.05
Hong Kong Hang Seng	20,286.85	-0.16
India Sensex	81,501.36	-0.39
Nymex Crude Oil WTI	70.39	-0.27
Comex Gold	2,691.30	0.46
Reuters CRB Index	281.77	-0.39
MBB KL	10.60	-0.56

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