18 October 2024

Maybank

Global Markets Daily

Data Just Too Strong

US Retail Sales Strong

US data remains strong and continues to muddles the path of Fed easing. Sep headline retail sales data came out stronger than expectations at 0.4% MoM (est. 0.3% MoM, Aug. 0.1% MoM) whilst the control group number was also much higher than estimates at 0.7% MoM (est. 0.3% MoM, Aug. 0.3% MoM). Fed rate cut expectations were further pared back with the OIS now implying less than 40bps of cuts this year. UST yields also climbed back up with 10y moving by about 8bps higher. Strong US data readings are certainly another factor that is compounding together with risks of a Trump election win to guide both yields and the broad dollar upwards. Given these risk concerns, we are not going to rule out further higher moves for the broad dollar even as momentum indicators seem to imply that it is stretched on the upside. The index is testing the 200-dma at this point at 103.78. Meanwhile, USDJPY broke above the 150.00 mark amid the release of the strong US data and continues to test that level. There was some jawboning this morning as currency chief Mimura had said that they are monitoring the forex markets with a "high sense of urgency" and that they are "seeing slightly one-sided, sudden moves in the currency". We are more inclined to believe that there climbs above 150.00 are likely to be more limited given market would be more wary of government concerns. Resistance are the psychological levels of both 150.00 and 152.00.

ECB Eases Rates as Expected, MY Budget Today

ECB cut rates by 25bps again in line with expectations and noted that the disinflationary process is "well on track". Lagarde repeated the data dependent stance once again, but also hinted that a further reduction in rates in Dec was more likely. EUR trades lower after the announcement as market likely interpreted the ECB decision as dovish. Expectations for a 25bps Dec cut are now at 150.7%, with market suggesting that a larger cut could indeed happen. Pair is likely to remain pressured by recalibration of Fed rate cut expectations and changes in yield differentials. Meanwhile, Malaysia budget would be presented today with our economist expecting the deficit of 3.9% of GDP.

Data/Events We Watch Today

MY Budget, EC Aug current account, UK Sep retail sales

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0831	-0.29	USD/SGD	1.3143	0.07
GBP/USD	1.3011	0.16	EUR/SGD	1.4236	-0.22
AUD/USD	0.6696	0.43	JPY/SGD	0.875	-0.32
NZD/USD	0.606	0.05	GBP/SGD	1.7103	0.23
USD/JPY	150.21	0.38	AUD/SGD	0.8801	0.51
EUR/JPY	162.7	0.10	NZD/SGD	0.7965	0.11
USD/CHF	0.866	0.07	CHF/SGD	1.5178	0.02
USD/CAD	1.3795	0.32	CAD/SGD	0.9528	-0.25
USD/MYR	4.309	0.28	SGD/MYR	3.2794	-0.08
USD/THB	33.217	0.06	SGD/IDR	11796.52	-0.44
USD/IDR	15495	-0.12	SGD/PHP	44.0208	-0.26
USD/PHP	57.83	0.14	SGD/CNY	5.419	0.00

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3091	1.3358	1.3625

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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*.** The DXY index marched higher, propped up by ECB's decision to ease policy rates by 25bps last night. The central bank was disinflationary process is "well on track" in anticipation and was last printed 103.80, testing the 200-dma thereabouts. Equity bourses were mixed overnight. UST yields rose as well, overnight and was last seen around. 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, Fri has housing starts.

- **EURUSD – *Two-way risks*.** EURUSD was last seen lower at 1.0829 levels. ECB cut rates by 25bps as expected, with the disinflationary process "well on track" and anaemic growth a concern. Lagarde repeated the data dependent stance once again, but also hinted that a further reduction in rates in Dec was more likely. Sep F CPI headline inflation came off more than expected to 1.7% YoY (exp: 1.8%; prev: 1.8%). Core inflation remained sticky at 2.7% YoY (exp: 2.7%; prev: 2.7%). EUR trades lower after the announcement as market likely interpreted the ECB decision as dovish. Expectations for a 25bps Dec cut are now at 150.7%, with market suggesting that a larger cut could indeed happen. 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. 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 1.0850 and 1.09. Support at 1.08 and 1.0750. Eurozone data releases this week includes Aug ECB Current Account, Aug Construction Output and ECB Survey of Professional Forecasters (Fri).

- **GBPUSD – *Two-way risks*.** GBPUSD is slightly higher at 1.3015 this morning. 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 priced at 97.3%. 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

1.3100 and then at 1.3200. Supports are at 1.3000 and 1.2950. UK data this week includes Sep Retail Sales (Fri).

- **USDCHF - *Two-way risks*.** USDCHF was higher at 0.8663 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. Sep Real Exports fell -3.5% MoM (prev: 1.4%) and Real Imports rose 0.6% MoM (prev: -0.5%). No further Swiss data releases this week.

- **USDJPY - *Break 150.00 Upside Limited*.** The pair was last seen at 150.07 as it breaks above the 150.00 mark amid the release of strong US retail sales data. The pair at this point is still testing that 150.00 psychological resistance level. There was some jawboning this morning as currency chief Mimura had said that they are monitoring the forex markets with a "high sense of urgency" and that they are "seeing slightly one-sided, sudden moves in the currency". We are more inclined to believe that there climbs above 150.00 are likely to be more limited given market would be more wary of government concerns. Meanwhile, there was the release of Sep CPI data where both the headline and the core showed a slowdown at 2.5% YoY (est. 2.5% YoY, Aug. 3.0% YoY) and Sep core at 2.4% YoY (est. 2.3% YoY, Aug. 2.8% YoY). The core core number was more steady at 2.1% YoY (est. 2.0% YoY, Aug. 2.1% YoY). There was little limited impact on the currency from the slower headline and core CPI reading given that it was driven by temporary utility subsidies which would wear off in time. Inflation readings can still pick up going closer to year end once the subsidy period has lapsed whilst there can be more feed through of demand pressures on prices too. Back on the chart, we watch if it can break the key resistance at 150.00 with the next after that at 152.00. Support is at 147.00, 145.20 and 140.00. There are no remaining key data releases this week.

- **AUDUSD - *Reversal*.** AUDUSD is lifted this morning to levels around 0.6710, underpinned by better than expected China activities for Sep, just releases this morning. Pair had been underpinned by its strong Sep labour report. 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 0.6060*.** NZDUSD has found similar support around 0.6050. 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 edged higher this morning as AUD continues to remain underpinned by the strong AU labour report for Sep and was last seen around 1.1060. **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 1.3790. USDCAD seems to have fully completed the double bottom. Last printed 1.3790. 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. We cannot rule out a bigger cut next week of around 50bps.

- **Gold (XAU/USD) – *Buy, on Dips*.** Gold hovered around $2700/oz, making fresh record highs, likely in anticipation of a Trump win and potential escalation of a trade war with China. Some caution over China's data and late cycle risks (globally) continue to keep this precious metal elevated. 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 +1.66% from the implied mid-point of 1.3358 with the top estimated at 1.3091 and the floor at 1.3625.

- **USDSGD – *Two-way risks*.** USDSGD was last seen higher at 1.3134 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 +1.66% 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. Export growth slowed in Sep as NODX came in at 1.1% SA MoM (exp: 4.9%; prev: -4.7%) and 2.7% YoY (exp: 9.1%; prev: 10.7%). Electronics Exports fell to 4.0% YoY (prev: 35.1%). No further data releases for the week ahead.

- **SGDMYR – *Steadying*.** SGDMYR was last seen slightly higher at 3.2811 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 4.3057 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 presenting the budget today with our economist's expectation of 3.9% of GDP deficit. Other key data releases this week include Sep trade data (Fri).

- **USDCNH – *Rebound*.** USDCNH hovered around 7.1330 this morning, a tad lower after China's activities data came out stronger than expected. GDP came in at 4.6%y/y, slowing from previous 4.7%. Sequentially, growth quickened less than expected to +0.9% from previous 0.5%. Industrial production picked up pace to 5.4%y/y from previous 4.5%. Retail sales also surprise to the upside to 3.2%y/y from previous 2.1%. FAI ex rural maintained its pace at 3.4%y/y for the first nine months vs. Jan-Aug. In the housing sector, new home prices fell -0.71%m/m vs. prev. -0.73% used home prices also clocked a decline of -0.93%m/m vs. previous 0.95%. Property investment fell -10.1%y/y for Jan-Sep, vs. previous -10.2%. Jobless rate (surveyed) fell to 5.1% from previous 5.3%. The move lower this morning was small. Focus remains on other drivers such as the upcoming Trump trade elections. 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. On the technical charts, USDCNH was last seen around 7.1330. This pair might be forming the right shoulder of an arguable inverted head and shoulders pattern. Pair seem to have formed an 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 7.1420 would nullify this incredible bullish pattern. USDCNY reference rate was fixed at 7.1274 vs. previous 7.1220, in line with expectations and overnight market movements. PBoC, NFRA and CSRC held meetings on 16 Oct to implement growth policy. There was a call for financial firms to ensure swap facility, stock repurchase mechanism are well implemented, strengthen financial support for small enterprises.

- **1M USDKRW NDF – *Upside risks*.** 1M USDKRW NDF was last seen slightly higher at 1368.63 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 1370 and 1380. Supports are at 1360 and 1350. 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%). No further South Korea data releases this week.

- **1M USDINR NDF - *Pivoting to Neutral*.** USDINR 1M NDF is barely changed at 84.18 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 15494 as it edged lower even as the broad dollar moved higher. A number of factors could be giving the IDR support which include BI holding rates recently (as they prioritize IDR stability) whilst the JCI has also been climbing, which could be leading to more inflows. Importantly, there has been more optimism on the possibility of Sri Mulyani being reappointed as Minister of Finance. The inauguration of the new President Prabowo would be held this Sunday on 20th Oct and closely watch out for announcements of his new cabinet thereafter. Despite these slew of fairly positive factors, we remain wary on the pair and do not rule out upside risks eventually given that we are building up to the US elections. The possibility of a Trump win can weigh on appetite for regional EM FX given the impact that his tariffs can have. 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 57.70 as it edged lower even amid both the climb in the broad dollar and the UST yields. The recent run up in the 1M NDF had already been quite strong and momentum indicators are already looking stretched on the upside. The BSP may have cut rates recently although they did look like they tried to avoid appearing too dovish. In particular, Governor Remolona did signal a preference for 25bps cuts and not for larger move. He 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. We continue to stay cautious on the USDPHP as the US election uncertainty lingers on the horizon and a Trump win and implementation of his proposed tariffs can risk weighing on 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 33.10 as it moved lower as higher prices gave the THB support even as the broad dollar and UST yields moved up. We remain cautious on the USDTHB and see two-way risks building up to the US election. A Trump win can risk weighing on regional economies and hurt appetite for regional EM FX given the tariffs that he has proposed to implement. 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. Meanwhile, we continue to also keep a close eye on the developments related to the China stimulus. Any roll out of strong measures can help lift sentiment towards regional EM FX including THB given the strong trade links between China and the other regional EM countries. 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 – *Rising***. USDVND rose further and was last seen around 25040, above the 100-dma resistance. Pair may have been lifted by SBV's signal that there could be rate cuts in order to support the economy, according to Deputy Governor Dao Minh Tu. Tu added that "a more open policy" is needed to support businesses and economy with more capital, support in interest rates, FX rates and currency demand. This USDVND pair may continue to trade higher, taking the cue of broader USD movements. Next resistance is around 25325. Support is at 25100.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.41	3.42	+1
5YR MI 8/29	3.53	3.55	+2
7YR MS 4/31	3.73	3.74	+1
10YR MS 7/34	3.78	3.79	+1
15YR MS 4/39	3.93	3.94	+1
20YR MX 5/44	4.07	4.08	+1
30YR MZ 3/53	4.21	4.19	-2
IRS			
6-months	3.57	3.57	-
9-months	3.54	3.54	-
1-year	3.54	3.54	-
3-year	3.48	3.47	-1
5-year	3.50	3.52	+2
7-year	3.61	3.60	-1
10-year	3.71	3.69	-2

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

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- Ringgit government bonds experienced a choppy session. Initially the curve was well bid, but selling pressure emerged at the London open, tracking higher UST yields. Market participants remained defensive, reducing exposure ahead of US retail sales, initial jobless claims and the Malaysia Budget 2025 announcement. BNM announced the reopening of 20y MGS 5/44 at a larger-than-expected auction size of MYR3b and another MYR2b via private placement. The stock was last dealt at 4.07% prior to the announcement, and last quoted 4.13/085% in WI. Overall, yields ended mixed in +/-2bp.

- MYR IRS levels drifted 1-2bp lower except for the 5y, which held up at +2bp amid light trading. The sentiment in MYR rates remained neutral. 3M KLIBOR was unchanged at 3.57%. There were no trades in IRS, and the 5y IRS closed at 3.525%/3.51%.

- The PDS market saw a moderate session. In GG, Danainfra 7/44 spread narrowed 2bp, while MRL 3/25 had MYR40m traded at MTM. A notable trade was Prasarana 9/29, which saw MYR150m exchanged with yields falling 2bp. In AAA, Celcom 8/27 traded 3bp higher for MYR10m. In AA, most names dealt in small amount particularly in Genting and UEM. In A3/A-, WCT Holdings Perpetual spread tightened 1bp.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.65	2.66	+1
5YR	2.65	2.69	+4
10YR	2.71	2.75	+4
15YR	2.78	2.81	+3
20YR	2.78	2.80	+2
30YR	2.71	2.74	+3

Source: MAS (Bid Yields)

- SGS yields rose 1-4bp across the tenors, reversing the previous day's rally. The relief in SGD funding cost continued to provide support as the overnight SORA eased further to 2.91%, falling below 3.00% for the first time since early 2023. The SORA OIS curve also shifted lower by a similar magnitude with little change in the swap spreads (vs SGS).

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.45	6.38	(0.07)
2YR	6.40	6.37	(0.02)
5YR	6.42	6.42	(0.01)
7YR	6.58	6.59	0.00
10YR	6.68	6.66	(0.01)
20YR	6.87	6.87	0.00
30YR	6.93	6.94	0.01

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds strengthened yesterday. The market players seemed giving positive reactions from current conditions of stable on both Indonesian fiscal management and Bank Indonesia's keeping its BI Rate at 6.00%. Today, we expect Indonesian bond market to continue their rally trends after global monetary environment loosens due to recent ECB's policy rate cut decision. The market players also seemed welcoming to the prospect of the new comprehensive Indonesian cabinet.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0902	151.00	0.6739	1.3052	7.1585	0.6091	163.3467	101.3630
R1	1.0866	150.60	0.6718	1.3031	7.1477	0.6076	163.0233	100.9750
Current	1.0838	149.95	0.6714	1.3024	7.1271	0.6067	162.5200	100.6700
S1	1.0803	149.53	0.6667	1.2982	7.1260	0.6045	162.1133	99.9110
S2	1.0776	148.86	0.6637	1.2954	7.1151	0.6029	161.5267	99.2350

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3181	4.3260	15581	57.9607	33.3343	1.4302	0.6068	3.2926
R1	1.3162	4.3175	15538	57.8953	33.2757	1.4269	0.6059	3.2860
Current	1.3132	4.3075	15473	57.7300	33.1270	1.4233	0.6053	3.2804
S1	1.3115	4.2990	15471	57.7013	33.1547	1.4207	0.6039	3.2720
S2	1.3087	4.2890	15447	57.5727	33.0923	1.4178	0.6028	3.2646

**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	3.25	12/12/2024	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	43,239.05	0.37
Nasdaq	18,373.61	0.04
Nikkei 225	38,911.19	-0.69
FTSE	8,385.13	0.67
Australia ASX 200	8,355.92	0.86
Singapore Straits Times	3,625.25	0.96
Kuala Lumpur Composite	1,641.44	0.54
Jakarta Composite	7,735.04	1.13
Philippines Composite	7,400.33	-0.49
Taiwan TAIEX	23,053.84	0.19
Korea KOSPI	2,609.30	-0.04
Shanghai Comp Index	3,169.38	-1.05
Hong Kong Hang Seng	20,079.10	-1.02
India Sensex	81,006.61	-0.61
Nymex Crude Oil WTI	70.67	0.40
Comex Gold	2,707.50	0.60
Reuters CRB Index	281.71	-0.02
MBB KL	10.68	0.75

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