

Global Markets Daily

Iran Retaliates

Iran Retaliates for the Killing of Hamas Leader, Hezbollah leader and the IRGC commander

Iran launched around 200 missiles at Israel in respond to the killing of Hamas leader Ismail Haniyeh, Hezbollah leader Hassan Nasrallah, and IGRC commander Abbas Nilforoushan. The DXY index touched a high of 101.39 overnight and remained rather bid into Asia morning. Oil and gold rose in reaction as well, up 1.1% and 2.4% respectively. Many of the missiles were intercepted according to the Israel Defense Force (IDF) and Netanyahu vowed to strike back. Iran clarified that its action has concluded unless there is further retaliation from Israel (BBG). US bourses slipped with NASDAQ making most significant decline of 1.5%.

US Vice Presidential Debate Starts, BoK May Cut Soon

Into Asia morning, the US Vice Presidential Debate has started at the CBS Broadcast Centre in New York City. The Presidential debate had ended in the favour of Democrat Presidential Nominee Kamala Harris. For the debate between Tim Walz and JD Vance, it seems that the debate was more evenly matched and there has been not much movement on Predictit which tracks the implied probability of an event. In Asia, South Korea inflation eased to 0.1%*m/m* in Sep from previous 0.4%. Year-on -year, the headline CPI slowed to 1.6% from previous 2.0%. That could raise the prospect of a cut by BoK in the near-term. Mfg PMI also slipped into contraction at 48.3 in Sep from previous 51.9.

Data/Events We Watch Today

US ADP employment tonight could be key.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1135	↓ -0.24	USD/SGD	1.285	↑ 0.31
GBP/USD	1.3375	↑ 0.01	EUR/SGD	1.4309	↑ 0.05
AUD/USD	0.6913	↑ 0.14	JPY/SGD	0.8946	↓ -0.69
NZD/USD	0.6349	↑ 0.11	GBP/SGD	1.7188	↑ 0.33
USD/JPY	143.63	↑ 1.00	AUD/SGD	0.8884	↑ 0.49
EUR/JPY	159.94	↑ 0.72	NZD/SGD	0.8159	↑ 0.44
USD/CHF	0.8456	↑ 0.59	CHF/SGD	1.5196	↓ -0.30
USD/CAD	1.3525	↑ 0.07	CAD/SGD	0.9501	↑ 0.26
USD/MYR	4.1235	↓ -0.05	SGD/MYR	3.2196	↑ 0.09
USD/THB	32.429	↑ 0.16	SGD/IDR	11831.54	↑ 0.37
USD/IDR	15140	↑ 0.10	SGD/PHP	43.7468	↑ 0.20
USD/PHP	56.037	↓ -0.06	SGD/CNY	5.4632	↓ -0.24

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2873	1.3135	1.3398

Analysts

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

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

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

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

G10: Events & Market Closure

Date	Ctry	Event
No Significant Event		

AXJ: Events & Market Closure

Date	Ctry	Event
1 - 7 Oct	CH	Market Closure
1 Oct	SK, HK	Market Closure
2 Oct	SK, In	Market Closure

G10 Currencies

- **DXY Index - Squeeze Higher.** Flight to safety was seen when Iran launched around 200 missiles at Israel in response to the killing of Hamas leader Ismail Haniyeh, Hezbollah leader Hassan Nasrallah, and IGRC commander Abbas Nilforoushan. The DXY index touched a high of 101.39 overnight and remained rather bid into Asia morning. Oil and gold rose in reaction as well, up 1.1% and 2.4% respectively. Many of the missiles were intercepted according to the Israel Defense Force (IDF) and Netanyahu vowed to strike back. Iran clarified that its action has concluded unless there is further retaliation from Israel (BBG). The DXY index was squeezed even higher to levels around 101.30 this morning. Our warning that this move higher might extend is playing out and the next resistance is seen at 102. Support is seen around 100.20 before the next at 99.60. Week ahead Aug construction spending, Sep ISM Mfg, Dallas Fed Services Activity for Sep today. Wed has Sep ADP (Sep), Thu has Aug factory orders, Sep ISM services, Fri has Sep NFP.
- **EURUSD - Double Top Playing Out.** EURUSD was last seen lower at 1.1070 levels, as the USD rebounded on risk off sentiment following Iran's missile retaliation on Israel. 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. 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. Earlier double top is at play, with 1.11 already broken we look for pair to potentially head towards 1.10. Sep P Eurozone CPI was lower at 1.8% YoY (exp: 1.8%; prev: 2.2%), core inflation was lower at 2.7% YoY (exp: 2.7%; prev: 2.8%). Sequentially prices were lower at -0.1% MoM (exp: 0%; prev: 0.1%). 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. Back to key levels on EURUSD, resistance at 1.11 and 1.12. Support at 1.10 and 1.09. Eurozone data this week includes Aug Unemployment Rate (Wed), Sep F Svcs/Comp PMI and Aug PPI Inflation (Thu).
- **GBPUSD - Pullback Below 1.33.** GBPUSD fell to 1.3280 levels this morning as the USD rebounded on risk off sentiment following Iran's missile retaliation on Israel. Conditions are stretched and the bearish divergence formed with MACD forest could continue to favour pullbacks. Support is seen around 1.32. Recall that BOE voted 8-1 to keep rates steady at 5%. The stark contrast between the BoE and the Fed likely boosted the GBPUSD. 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 1.3300 and then at 1.3400. Supports are at 1.3200 and 1.3090. UK data this week includes Sep Official Reserves Changes, DMP 3M Output/1Y CPI Expectations, Sep Svcs/Comp PMI (Thu), Sep New Car Registrations and Sep Construction PMI (Fri).
- **USDCHF - Two-way risks.** USDCHF was steady at 0.8459 levels after Iran's retaliatory strike on Israel. 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. Next support is seen at 0.8333. 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. 27 Sep Sight Deposits rose to CHF472.2b (prev: CHF465.3b). Nevertheless, we do see USDCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts. Swiss data includes Sep CPI Inflation (Thu) and Sep Unemployment Rate (Fri).

- **USDJPY - Likely Ranged Traded.** The pair was last seen at 143.76 as it fell from its highs yesterday with UST yields amid geopolitical concerns in the Middle East as Iran fired 200 missiles at Israel. This was even as the new government appeared to express support for accommodative policy. The new PM Ishiba has said that he “won’t comment on interest rates” but the he “look forward to the BOJ keeping its current stance to help us beat deflation”. The new Minister for Economic Revitalization Ryosei Akazawa also said, “we absolutely mustn’t do anything to cool in the economy in any way for the time being. My thinking is that defeating deflation should be the top priority.” He also mentioned, “I want the BOJ to judge things with caution.” The USDJPY is more subject to the whimsical of UST yields movements. UST yields can remain ranged traded near term and USDJPY concurrently may do so too within 140.00 - 145.00. Back on the chart, resistance at 145.40 with the next level after that at 147.50. Support at 140.60 and 135.60. Remaining key data releases this week include Sep monetary base (Wed), Sep consumer confidence index (Wed) and Sep F Jibun Bank PMI composite and services (Thurs).
- **AUDUSD - Stretched.** AUDUSD last printed 0.6906, easing off recent lows due to more jittery sentiment when Iran retaliated with strikes on Iran. Still, the sentiment did not worsen much into Asia. Price action still looks a tad stretched to the upside and forming a top. Support at 0.6820. 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 like to admit. Technical indicators suggest that this AUDUSD is stretched to the upside at this point. We do not want to rule out a move back lower towards 0.6820 before 0.6780 (21-dma). In the medium term, we remain constructive of AUD. Data-wise, Thu has Aug trade. Fri has Aug household spending and home loans.
- **NZDUSD - Bearish Divergence.** NZDUSD softened overnight and was last seen around 0.6030. The double-top at 0.6370 remains intact. Not all double tops play out completely. However, at this point, with bearish divergence seen with MACD forest, it is possible that this bearish retracement could play out more towards 0.6250 before the next at 0.6215 (21-dma) before the next at 0.6170. Data-wise, Wed has CoreLogic home value for Sep. Thu has ANZ commodity price for Sep. Fri has filled jobs for Aug on Fri.
- **USDCAD - Lower on Oil Gains.** USDCAD softens when oil prices rose overnight in reaction to Iranian’s retaliation at Israel. Pair remains resisted by the 21-dma around 1.3545 (21-dma). Break of the 1.3545 could open the way towards the next resistance at 1.36 (200-dma) before 1.3630

(50-dma). A double bottom at 1.3440 remains intact. A possible bullish extension towards 1.3560 cannot be ruled out before the next at 1.3650. Support remains at 1.3440 before the next at 1.3360. Week ahead has Mfg PMI for Sep on Tue. Thu has Services PMI.

- **Gold (XAU/USD) - *Pullback Playing Out*.** Gold bounced on safe-haven demands after Iran struck back on Israel, last at \$2659. The bullion could be caught in opposing forces of risk-off and the potential for a rebound in yields/USD. Momentum is still bullish but stretched with bearish divergence spotted. Pullbacks to bring this metal towards \$2560 but we remain constructive on gold on the medium term. Gold remains one of the few preferred hedges against the scenario of hard landing of the US economy. Gold, JPY and US treasuries may have more room to run (higher) in the late cycle of the US economy. While geopolitical conflicts seem to become less concerning at this point, the potential for equities to come under pressure as the US election nears could also drive some demand for the gold.

Asia ex Japan Currencies

SGDNEER trades around +1.98% from the implied mid-point of 1.3135 with the top estimated at 1.2873 and the floor at 1.3398.

- **USDSGD - Two-way risks.** USDSGD was last seen higher at 1.2875 levels this morning following the risk-off from Iran's retaliatory missile strike on Israel. The trade-weighted SGDNEER is at +1.98% 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 1.2900 and 1.3000. Supports are 1.2860 and 1.2800. Our economists expect a 4.3% Flash GDP figure for 3Q2024 (prev: 2.9%) and upgraded the full year forecasts to 3.5% for 2024 (prev: 3%) and 2.5% in 2025 (prev: 2.4%) on the back of the superb Aug Industrial Production print. SG data includes Sep PMI and ESI (Wed), Sep Global PMI (Thu) and Aug Retail Sales (Fri).
- **SGDMYR - Higher on USD rebound.** SGDMYR was last seen higher at around 3.2379 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. This is evident in today's move. At the same time there could be further downside for the pair should USD bears regain control. Support at 3.23 before the next at 3.21. Resistances at 3.25 and 3.27.
- **USDMYR - Higher.** USDMYR was last seen trading higher at 4.1667 in line with the climb in the broad dollar. Overall, optimism towards the MYR looks like it could remain strong amid the backdrop of an investment upcycle as the Forest City Special Financial Zone (SFZ) is launched with incentives to attract businesses and investors such as concessionary corporate tax rate, special deductions on relocation costs. The SFZ would be included in the Johor Singapore Special Economic Zone. Malaysia remains in pole position to attract investors and that is generating significant support for the MYR. Meanwhile, BNM has 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. Back on the chart, support is seen around 4.0800 and 4.0000. Resistance is at 4.3000. There are no remaining key data releases this week.
- **USDCNH - Breaks for Golden Week.** USDCNH bounced overnight in tandem with broader USD move. With the slew of measures announced, CSI 300 is up around 30% and USDCNH down -1.2% since 24th Sep. We will monitor how well the box office will do in China this Golden Week along with other spending as well as whether property transactions can rise.

Beyond the Golden Week data, we watch the next set of property data for Sep. New home prices have fallen for 15 consecutive months and a failure to see some stabilization on this front is likely to quickly deflate the recent euphoria seen in the stock markets and the yuan post-stimulus announcement. Onshore markets in China, Hong Kong and South Korea are out. USDCNH continues to take the cue from the broader USD action (higher) and that is amplifying the USD move against other Asian currencies this morning. We see two-way risk form here. A rebound of the USDCNH to meet resistance around 7.0330 before 7.1125. Support around 6.9710 before 6.9540. Onshore markets in mainland China are closed for the rest of the week for National Day Golden Week.

- **1M USDKRW NDF - Higher.** 1M USDKRW NDF was higher at 1317.99 levels this morning after the risk-off from Iran's retaliatory missile strike on Israel. We maintain that the BOK is likely to only start discussing rate cuts after the Fed has cut given their concerns over currency volatility and weakness that could arise from cutting ahead of the Fed. We see resistances at 1320 and 1330. Supports are at 1300 and 1290. 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. Further upside risks for the KRW also exist if KGBs are included in the FTSE Russell WGBI, with this month (Sep 2024) the earliest possible inclusion date. Rumours are that approval will be delayed to a later date. Export momentum remained strong on strong chip demand as Sep exports rose 7.5% YoY (exp: 6.4%; prev: 11.2%). Trade balance widened to US\$6658m (exp: US\$5000m; prev: US\$3770m). South Korean data this week includes CPI Inflation, Sep Mfg PMI (Wed) and Sep FX Reserves (Fri).
- **1M USDINR NDF - Steady.** USDINR 1M NDF pared back on a rise and is seen at around 83.93 levels this morning. 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. 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 84.00. Support at 83.40 before the next at 83.22. Indian data this week also Mfg PMI (Tue), Svcs/Composite PMI and 27 Sep FX Reserves (Fri).
- **1M USIDR NDF - Higher, Likely to be Ranged.** 1M NDF was last seen slightly higher at 15236. A risk-off sentiment (amid geopolitical tensions) and a higher broad dollar supported the NDF higher but at the same time lower UST yields could have offset some of this effects. We see the possibility that the pair could range trade between 15200 - 15400 as markets continue to assess the US data and Chins stimulus whilst also remaining cautious of US election uncertainty. Economic data wise, Sep headline inflation continued to edge lower yesterday as it came out at 1.84% YoY (est. 2.00% YoY, Aug. 2.12% YoY), which was the lowest since Nov 2021. The number fell lower towards the lower end of BI's target range of 1.5% - 3.5%. Cooler food and transport inflation looks to have been the driver behind the lower number. Core inflation only rose marginally to 2.09% YoY (est. 2.03% YoY, Aug. 2.02% YoY) on top of higher gold prices. Given this lower headline number, our economists now sees that BI may ease rates by 25bps at the Oct policy meeting whilst there would overall cumulatively cut rates by 50bps in the remaining months of 2024. The possibility of more BI cuts in line with a Fed easing can give further support for Indo GBs and help lift the IDR. Back on the chart, support is at 15000 and 14577. Resistance is at 15400 and 15600. There are no remaining key data releases this week.

- **1M USDPHP NDF - *Likely to Stay Ranged*.** The pair was last seen at 56.17 which was similar to levels seen yesterday. Geopolitical tensions hurting risk sentiment and a climb in the broad dollar support the NDF higher. However, a decline in UST yields offsets this too. As a whole, it is still around a recent range of 55.50 - 56.50. As a whole, we expect that the pair can continue to trade around that range in the near term as markets continues to assess US data and the Fed's inclination and China's stimulus. Back on the chart, support is at 55.27 and 54.50. Resistance is at 56.50 and 57.20. Key data releases this week include Aug bank lending (Fri) and Sep CPI (Fri).
- **USDTHB - *Steady, Downside Risks Remain*.** Pair was last seen at 32.53 as it traded around levels seen yesterday. Whilst the broad dollar was higher, both higher gold prices amid geopolitical tensions and a decline in UST yields looks to have given the THB support. We stay cognizant of downside risks for USDTHB still for the pair given that gold prices can continue to remain supported amid geopolitical tensions (especially related to the Middle East) in addition to some hedging against recession uncertainty. Also, the Fed being on an easing cycle would likely keep investors in the precious metal and provide support for it. China stimulus optimism can also help guide the pair lower given the strong trade links between China and Thailand. On other items, we also remain WARY of the ongoing pressure from the government on the central bank to ease rates. Both Bank of Thailand governor Sethaput Suthiwartnarueput and Finance Minister Pichai Chunhavanjira are scheduled to hold talks this week. We expect the BOT to stay on hold for the rest of this year at 2.50% and only to be more open to easing only if more data points indicate broad economic weakness showing up, and threaten its growth outlook. We do though expect the BOT to cut rates by 25bps next year to 2.25%. Back on the chart, we watch if the pair can hold decisively below the support at 32.57 with the next at 31.81. Resistance is at 33.61 and 34.25. Meanwhile, Sep business sentiment index was lower at 45.7 (Aug, 47.1), which highlights some concerns about the domestic economy. Remaining key data releases this week include 27 Sep gross international reserves/forward contracts (Fri).
- **USDVND - *Two-way*.** USDVND hovered around 24640, still within the 24530-24700 range. Next resistance is seen around 24640 (21-dma). Break of the 24500 support opens the way to 24400 as next support level. At this point, momentum indicators are neutral. USDVND was a tad lower this morning, moving in tandem with broader USD action in the region.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.33	3.33	Unchg
5YR MI 8/29	3.50	3.50	Unchg
7YR MS 4/31	3.67	3.69	+2
10YR MS 7/34	3.71	3.72	+1
15YR MS 4/39	3.88	3.88	Unchg
20YR MX 5/44	4.04	4.04	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.57	3.57	-
9-months	3.54	3.54	-
1-year	3.53	3.53	-
3-year	3.40	3.42	+2
5-year	3.45	3.46	+1
7-year	3.53	3.56	+3
10-year	3.62	3.65	+3

Analysts

Winson Phoon
(65) 6340 1079
winsonphoon@maybank.com

Se Tho Mun Yi
(603) 2074 7606
munyi.st@maybank-ib.com

Source: Maybank

*Indicative levels

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

- Ringgit government bonds had a choppy session. The higher overnight UST yields, hawkish Fed tone and weaker Ringgit led to softer bond prices. But buyers soon emerged to scale in on higher yields, lending support to the curve. Flows skewed toward selling in the belly, while the short ends saw firm bids. At the close, yields were up 1-2bps.
- MYR IRS curve shifted 1-3bps higher and steeper, reversing the flatter bias in prior day while local bonds traded cheaper at the start before drawing support buyers later in the session. 3M KLIBOR was unchanged at 3.55%. 2y IRS traded between 3.425% and 3.43%, 5y IRS traded between 3.465% and 3.47%.
- The PDS market kicked off the month relatively quiet. No GG names were traded. AAA SMJ Energy 10/33 dealt at MTM. AA1/AA+ GENM Capital 5/29 tightened 1bp though only for small amount, while SCC 4/25 saw MYR20m exchanged. AA3/AA- financial names were dealt in odd amount, specifically Ambank 10/32, Affin Islamic Bank 12/27 and Malaysia Reinsurance 10/32.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.44	2.47	+3
5YR	2.50	2.52	+2
10YR	2.62	2.63	+1
15YR	2.69	2.69	-
20YR	2.68	2.69	+1
30YR	2.65	2.65	-

Source: MAS (Bid Yields)

- The SGS curve flattened. At the front end and belly the 2y and 5y SGS yields increased 2-3bp which more than reversed the small dip in prior day, while long-tenor yields were between flat and 1bp higher. The OIS curve also flattened but outperformed SGS slightly, widening the negative swap spreads by about 2bp i.e. more negative. The overnight SORA jumped to 3.88% at month-end - 30 September the latest available at the time of writing.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.43	6.28	(0.15)
2YR	6.32	6.18	(0.15)
5YR	6.22	6.22	(0.01)
7YR	6.52	6.49	(0.03)
10YR	6.45	6.47	0.02
20YR	6.70	6.85	0.15
30YR	6.84	6.88	0.04

Analyst

Myrdal Gunarto

(62) 21 2922 8888 ext 29695

MGunarto@maybank.co.id

* Source: Bloomberg, Maybank Indonesia

- Most short-medium series of Indonesian government bonds strengthened yesterday amidst broader rooms for Bank Indonesia to cut its policy rate further due to slowing inflation and a persistent contraction activities on the manufacturing sector, as shown by Indonesian PMI Manufacturing still at below 50 in Sep-24.
- Again, Indonesia booked a monthly deflation in Sep-24. The country booked monthly deflation by 0.12% MoM in Sep-24, especially driven by a monthly drops on the raw foods commodities, such as the red chilli, the cayenne pepper, the purebreed chicken, and the chicken egg, thanks to abundant domestic supply for those commodities. The government, recently, has well managed and distributed domestic supply of foods commodities, especially staples. Indonesian monthly deflation in Sep-24 is also contributed by a discount on the non subsidized fuels due to an appreciation of Rupiah and a discount on the global oil prices, thanks also for recently government's decision to unchanged the domestic energy prices. On yearly basis, Indonesian inflation registered by a very modest level at 1.84% YoY during Sep-24. Going forward, we expect Indonesian inflation to keep being very moderate this year, in line with current conditions of abundant supply of domestic raw foods supply and lessening pressures on the imported inflation. The government will keep applying a stability on the prices of strategic commodities prices, especially energy with adequate supply for domestic side. We believe those aforementioned conditions to give a wide room for Bank Indonesia to loosen its monetary stances by upcoming cuts on BI Rate by 75 bps until the end of this year.
- Yesterday, the government also successfully absorbed Rp24 trillion from its conventional bond auction. It's above the government's indicative target for this auction by Rp22 trillion. Investors' total incoming bids remained strong that reached Rp46.65 trillion for this auction. Most investors had high attention for FR0103 and FR0104. Today, we saw a higher pressures on investment climate in the emerging markets due to intensifying geopolitical tension in Gaza area. The Brent oil prices increases, but still below US\$76/barrel. The position of Dollar Index DXY also increased to above 101 on early today. It's still relative safe for Indonesian fiscal position so far.

According to those conditions, we see a good momentum for investors to apply “buy on weakness” for Indonesian investment assets, included the government bonds.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1206	145.26	0.6980	1.3486	7.0489	0.6410	162.2733	101.0063
R1	1.1171	144.45	0.6947	1.3430	7.0281	0.6380	161.1067	100.1527
Current	1.1071	143.70	0.6882	1.3284	7.0244	0.6287	159.0900	98.8930
S1	1.1073	142.90	0.6868	1.3278	6.9939	0.6292	158.5767	98.3967
S2	1.1010	142.16	0.6822	1.3182	6.9805	0.6234	157.2133	97.4943
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2925	4.1962	15211	56.3063	32.7757	1.4385	0.5947	3.2646
R1	1.2888	4.1599	15175	56.1717	32.6023	1.4347	0.5910	3.2421
Current	1.2877	4.1740	15209	56.1880	32.5100	1.4256	0.5928	3.2414
S1	1.2822	4.1051	15141	55.9827	32.3023	1.4256	0.5876	3.2026
S2	1.2793	4.0866	15143	55.9283	32.1757	1.4203	0.5879	3.1856

*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	3.4000	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	9/10/2024	Neutral
BOK Base Rate	3.50	11/10/2024	Easing
Fed Funds Target Rate	5.00	8/11/2024	Easing
ECB Deposit Facility Rate	3.50	17/10/2024	Easing
BOE Official Bank Rate	5.00	7/11/2024	Easing
RBA Cash Rate Target	4.35	5/11/2024	Neutral
RBNZ Official Cash Rate	5.25	9/10/2024	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	42,156.97	-0.41
Nasdaq	17,910.36	-0.53
Nikkei 225	38,651.97	1.93
FTSE	8,276.65	0.48
Australia ASX 200	8,208.93	-0.74
Singapore Straits Times	3,580.96	-0.12
Kuala Lumpur Composite	1,656.39	0.45
Jakarta Composite	7,642.13	1.52
Philippines Composite	7,380.32	1.48
Taiwan TAIEX	22,224.54	-2.62
Korea KOSPI	2,593.27	-2.13
Shanghai Comp Index	3,087.53	2.88
Hong Kong Hang Seng	21,133.68	2.43
India Sensex	84,299.78	-1.49
Nymex Crude Oil WTI	69.83	2.44
Comex Gold	2,690.30	1.16
Reuters CRB Index	286.37	0.50
MBB KL	10.54	0.57

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Published by:



Malayan Banking Berhad
(Incorporated In Malaysia)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

s