25 October 2024

Maybank

Global Markets Daily

Some Reprieve

Some Reprieve

The USD weakened overnight with UST yields (10Y: -3bps) and equities rallying, providing some reprieve for currencies which have been on a one-way street weaker against the USD of late. There will be a growing focus on the elections the closer we get to 5 Nov, and some suggest that the volatility could be extended beyond that should the results of the elections be contested. The elections are still too close to call and as of now it has been identified that the rise in Trump's chance of victory on one of the betting markets has largely been due to large bets from a single individual. Overnight US economic data was positive with a solid expansion in business activity on resilient services demand and new home sales rising to the highest level in more than a year. Strong US economic data should be positive for the USD, however there are also other factors that could guide the USD ultimately lower such as a recalibration of Fed rate cuts and UST yields rallying. As such, We continue to see two-way risks for currencies with USD still being stretched and yet having the potential to go higher.

Ueda Signals BOJ Has Time

BOJ Governor Kazuo Ueda said that policymakers have time to consider any next step, signaling that the BOJ is unlikely to hike rates next week or materially shift their stance. USDJPY has traded broadly higher over the last few days, with a marked move down yesterday after the Finance Minister Kato warned of the yen's rapid slide. He also alluded to discussing currency moves with US Treasury Secretary Yellen, which hints at intervention being considered. Japan's elections will be held over the weekend and this presents two-way risks for the JPY with the outcome being very uncertain at this point of time. With the US elections following hot on the heels, volatility for the JPY is likely to be here to stay for the foreseeable future.

Data/Events We Watch Today

We watch SG Industrial Production and US Durable Goods Orders.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0828	0.43	USD/SGD	1.3181	-0.37
GBP/USD	1.2975	0.42	EUR/SGD	1.4273	0.06
AUD/USD	0.664	0.09	JPY/SGD	0.8682	0.23
NZD/USD	0.6015	0.17	GBP/SGD	1.7106	0.06
USD/JPY	151.83	-0.61	AUD/SGD	0.8752	-0.27
EUR/JPY	164.4	-0.18	NZD/SGD	0.7929	-0.20
USD/CHF	0.8657	-0.08	CHF/SGD	1.5224	-0.31
USD/CAD	1.3855	0.14	CAD/SGD	0.9515	-0.49
USD/MYR	4.3482	-0.07	SGD/MYR	3.295	0.00
USD/THB	33.667	0.49	SGD/IDR	11806.07	-0.30
USD/IDR	15584	-0.23	SGD/PHP	43.9148	-0.01
USD/PHP	57.86	0.00	SGD/CNY	5.3977	0.20

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3131	1.3400	1.3668

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G10: Events & Market Closure

Date	Ctry	Event
23 Oct	CA	Policy Decision
27 Oct	JP	General Elections

AXJ: Events & Market Closure

Date	Ctry	Event
23 Oct	TH	Market Closure

G10 Currencies

- **DXY Index - *Toppish*.** DXY was last seen around the 104 figure, after touching a two-month high of 104.57 earlier this week. The pullback happened amid better risk sentiment amid stronger data. In addition, there was a revelation on a whaler who spent more than $45mn betting on Trump’s victory on Polymarket, potentially skewing the odds there. That might have spurred some reversal on the Trump trade that has been USD-supportive thus far. Bullish momentum is waning and stochastics continue to plateau in overbought conditions. Having made it above the 100-dma and 200-dma, bullish momentum has started to weaken although bias could remain to the upside. To a certain extent, the rise in the UST yields could be due to Trump gaining traction on the 7 swing states. Overnight, lower initial jobless claims might have lifted the UST yields but continuing claims are higher. That could have taken the edge off for USTs. Fed fund futures still continue to suggest a cumulative 43bps cut for the rest of the year which seem to have stabilized. We have quite a number of data releases/events ahead (NFP, US elections) that could keep the hawkish repricing from extending. Recent Fed’s Beige Book revealed little economic growth. That somewhat aligns with our view that the Fed could continue to cut the Fed Fund Target rate by 25bps per meeting over the next two meetings in Nov and Dec. Data-wise, Fri has Durable/Cap Goods Orders (Sep P), U Mich Indices (Oct F), Kansas City Fed Services Activity (Oct).

- **EURUSD - *Two-way risks*.** EURUSD was last seen higher at 1.0823 levels with some reprieve from USD strength. Pair remains stretched to the downside. ECB officials did not rule out a quicker pace of cuts and this weighed on the pair. Lagarde said that the direction of borrowing costs was clear, although the pace of reductions has yet to be decided. Centeno said that the ECB would cut in larger steps if the data warranted it. The 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.. Expectations for a 25bps Dec cut are now at 137.9%, 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. 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. We see a total of 25bps more of cuts for ECB in 2024. Back to key levels on EURUSD, resistance at 1.0800 and 1.0900. Support at 1.0750 and 1.07. Conditions are stretched to the downside and a reversal could be on the cards. Data-wise, ECB 1Y, 3Y CPI expectation for Sep will be out on Fri.

- **GBPUSD - *Two-way risks*.** GBPUSD is higher at 1.2968 levels this morning with some reprieve from USD strength. Short term, we see two-way risks for the pair with a slight bias to the downside. A 25bps Nov cut by the BOE is priced at 101.3%. Governor Bailey struck a dovish tone and suggested that the BoE can take a more aggressive approach in lowering interest rates. 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. Data-wise, consumer confidence for Oct is due on Fri.

- **USDCHF - *Two-way risks*.** USDCHF was steady at 0.8661 levels this morning with USD support continuing. 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. 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. No further Swiss data releases of note for week ahead.

- **USDJPY - *Below 152.00, Upside Risks*.** The pair was last seen at 151.94 as the pair pulled back amid jawboning from officials. Yesterday, Finance Minister Katsunobu Kato said that they are watching FX moves with a stronger sense of urgency and it is important for currencies to move stably and reflect economic fundamentals. The country's top currency chief Atsushi Mimura also mentioned that Finance Minister Katsunobu Kato and US Treasury Secretary Janet Yellen did discuss "recent moves in foreign exchange rates" and that "the two confirmed they would continue to closely communicate to exchange views". We do not rule out further upside on the pair given the uncertainty associated with both the upcoming Japanese and US elections but we are also vigilant about the potential for any intervention. The Japanese election itself would be held this Sunday 27 Oct 2024 and it remains uncertain if the LDP can retain a majority. The Mainichi newspaper forecast the LDP to win between 203 – 250 seats, which can be short of the 233 majority needed. A Nikkei poll in cooperation with the Yomiuri Shimbun Newspaper also implied that the LDP may not be able to outright win a majority and so too did another Asahi newspaper poll. A Kyodo news poll showed that only 22.6% of respondents backed the LDP (which is a narrowing of the lead from 14% a week earlier to 8.5% over the opposition Constitutional Democratic Party). Nonetheless, the LDP may still be able to form a government coalition with Komeito if the LDP do not get a majority. However, this will still risk muddling the path of monetary policy. Meanwhile, Ueda said that policymakers have time to consider any next step, which gives a possible signal that the central bank may not hike at next week's meeting. Our view is for them to stay on hold in Oct and to make a 25bps hike in Dec. Tokyo CPI data out this morning was in some sense positive as the core core data was above expectations at 1.8% YoY (est. 1.6% YoY, Sep. 1.6% YoY), which would be supportive of BOJ tightening. The headline number was slower in line with estimates at 1.8% YoY (est. 1.8% YoY, Sep. 2.1% YoY) but this could be due to the effect of temporary utility subsidies that would wear off. Remaining key data release this week include SSep PPI services (Fri), Aug F leading/coincident index (Fri) and Sep Tokyo dept store sales and Nationwide dept sales (Fri).

- **AUDUSD - *Pressured*.** AUDUSD remained stuck within 0.6640. Pair remains pressured by elevated UST yields ahead of the US elections. 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) at the same time stronger US data brings about higher UST yields and that is typically negative for the AUDUSD pairing due to the shifts in yield differentials. 3) China's pivot towards placing greater priority on growth could be positive for AUD. 4) At the same time, the approach of the US elections could also generate more volatility. Back on the AUDUSD chart, resistance is seen at 0.67 (100-dma) before the next at 0.6767 while support is seen at 0.6659 (recent low) before the next at 0.6628 (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 - *Heavy*.** NZDUSD slid and was last seen around 0.6005. Moves are likely to be driven by broader USD move and UST yields ahead of the US elections. The US elections may continue to be a source of volatility for the USD as markets become increasingly concerned with US fiscal trajectory, tariffs and taxes. For NZD at home, 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. This morning, Orr pushed back against expectations of a 75bps cut, noting that the central bank can be more "circumspect" and "incremental" on the way down. Back on the NZDUSD chart, support around 0.6050 is broken and the next is seen around 0.5970. Resistance is now at 0.6050 before the 0.6100.

- **AUDNZD - *Elevated For Now*.** AUDNZD traded sideways within the 1.0970-1.1100 range. 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 - *Bullish Momentum Wanes*.** USDCAD was last seen steady at 1.3850. Better prelim. PMIs from the Eurozone, the US seem to have anchored sentiment and kept USDCAD from rising much further. BoC delivered the 50bps cut that markets including ourselves expected, taking into account that inflation has come off. Governor Macklem commented that the focus is now to "maintain a low, stable inflation. We need to stick the landing". He also mentioned "we want to see growth strengthen". Focus is on bearish reversal given overbought conditions but yet the presence of the US elections seem to continue to give this pair bullish momentum. Support is seen around 1.3765 before the next at 1.3650.

- **Gold (XAU/USD) - *Buy, on Dips*.** Gold is still hovering around $2730 after making a fresh all-time high at US$2758 before easing a tad more to levels around $2730. The approach of the US elections, the rise in the UST yields, caution over China's data and late cycle risks (globally) continue to keep this precious metal on the upmove. 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). Next resistance at 2775. Support is seen around 2680.

Asia ex Japan Currencies

SGDNEER trades around +1.57% from the implied mid-point of 1.3400 with the top estimated at 1.3131 and the floor at 1.3668.

- **USDSGD - *Two-way risks*.** USDSGD was last seen lower at 1.3190 levels this morning with some reprieve from USD strength. Sep core inflation rose to 2.8% YoY (prev: 2.7%), mainly due to an increase in retail & other goods inflation. Given the uptick in prices, our economists think that MAS' forecast for core inflation to reach around 2% by end-2024 looks ambitious, given the stickiness in services inflation. Recall that MAS stood pat in Oct. Our economists' base case is for a Jan-25 easing, although easing could be delayed if inflation is sticky and/or growth remains robust. The trade-weighted SGDNEER is at +1.57% above the mid-point this morning with the move up in USDSGD weighing on the trade-weighted index. 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 1.3250. Supports are 1.3150 and 1.3100. Data releases for the week ahead include 3Q URA Home Prices and Sep Industrial Production (Fri).

- **SGDMYR - *Two-way risks*.** SGDMYR was last seen slightly higher at 3.2994 levels this morning, breaking away from the 3.28 level that it had steadied around. 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 4.3500 as it held steady. In the near term, external events particularly those related to the US election looks like it could drive the pair. Idiosyncratic optimism though 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". The government's fiscal consolidation effort (with the budget deficit continuing to narrow) is also likely to instill more confidence with investors on the country's financial position. The potential for stronger China stimulus can also strengthen support for the MYR given the strong trade relations between China and Malaysia. The Fed at the end of the day is also still 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. Sep CPI out yesterday was just a little below the expectations at 1.8% YoY (est. 1.9% YoY, Aug. 1.9% YoY). There are no remaining key data releases this week.

- **USDCNH- *Higher*.** USDCNH was still stuck below the 7.14-resistance this morning. We could be in for a period of consolidation, awaiting the outcome of the US elections on 5 Nov. 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 7.1444. 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. Decisive break of the 7.14202 would nullify this incredible a bullish pattern that could be formed with a Trump-victory outcome. USDCNY reference rate was fixed at 7.1090 vs. previous 7.1286, in line with expectations and overnight market movements. 1Y MLF rate was kept unchanged at 2.00%, withdrawing a net CNY89bn of liquidity via the facility.

- **1M USDKRW NDF - *Upside risks*.** 1M USDKRW NDF was seen broadly unchanged at 1380.21 levels this morning Pair seems to largely be tracking developments in USDJPY. This morning 3Q A GDP showed that the economy expanded by less than expected at 1.5% YoY (exp: 2.0%; prev: 2.3%) and 0.1% SA QoQ (exp: 0.4%; prev: -0.2%). BOK commented that it would check whether growth momentum is slowing and that it saw a temporary correction in export momentum. This softer than expected growth figure could prompt an earlier expected easing by the BOK. 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. No data remains for South Korea 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. India data includes Oct Mfg/Svcs/Comp PMIs (Thu).

- **1M USDIDR NDF - *Lower, Cautious*.** 1M NDF was last seen at 15636 as it moved down from its highs yesterday was both UST yields and the broad dollar declined. We continue to stay wary on upside risks given the uncertain US presidential elections. The race at this point appears to be very close but we note that a Trump win can sap appetite for EM Asia FX including the IDR given his proposed tariffs and the negative impact it can have on global growth. Meanwhile, domestically, with Prabowo's new cabinet announced, we watch closely the policies that he looks to implement. For investors, there is some relief that Sri Mulyani has been reappointed as Finance Minister although it is important to note that she is operating under different leadership. The Indo GB 10Y yields edged lower throughout last and early this week but has been rebounded back up. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. There are no other key data releases this week.

- **1M USDPHP NDF - *Lower, Cautious*.** The 1M NDF was last seen at 57.98 as it came off its high yesterday with the move lower in the broad dollar and UST yields. Momentum indicators at this point are stretched on the upside but we remain cautious still on upside risks for the 1M NDF given the upcoming US presidential elections. The race is looking to be very close and a Trump win can risk weighing on appetite for EM Asia FX given his proposal to implement additional tariffs. External events in the near term looks like it could remain the main concern for the 1M USDPHP NDF. Domestically, we note that the BSP looks to be on an easing path as Governor Remolona had signal for continued reduction in rates. However, he has also chosen no too appear too dovish as he stated a preference for baby steps such as 25bps cut compared to larger moves of 50bps. Back on the chart, resistance at 58.50 and 59.13 (year to date high). Support is at 57.11 (200-dma) and 56.00. There are no remaining key data releases this week.

- **USDTHB - *Lower*, *Upside Risks*.** Pair was last seen at 33.71 as it came off its high yesterday with the move lower in the broad dollar and UST yields. Gold prices are also lower this morning. We remain cautious on the USDTHB and see upside 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 help the THB and possibly lead it to hold up better compared to peers. We also 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. Domestically, we are also keeping a close eye on the political situation and the outcome regarding the petition on allegations of former PM Thaksin Shinawatra's influence over the Pheu Thai Party. Back on the chart, resistance is at 34.00 and 34.57. Support at 33.00 and 32.15 (year to date low). Remaining key data releases/events this week include 18 Oct gross international reserves/forward contracts (Fri).

- **USDVND - *Capped for now*.** USDVND hovered around 25400. This pair continues to be driven by broader USD movement as well as the swings of the UST yields. VND is close to erasing all gains vs. the USD since the mid of this year. However, recent price action has been more consolidative, likely taking the cue from the USD as well as UST yields. Key resistance is seen around 25475 now. Support at 25086 (100-dma). Into the elections, the USD continues to gain tail winds. Just as we are looking for USD index to start to consolidate, so is there a possibility for the USDVND to start to trade sideways, especially with the resistance at a 25475. In news (BBG), Vice Foreign Ministers of North Korea and Vietnam have met to discuss ways to boost bilateral cooperation.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.48	3.49	+1
5YR MI 8/29	3.63	3.62	-1
7YR MS 4/31	3.84	3.84	Unchg
10YR MS 7/34	3.86	3.86	Unchg
15YR MS 4/39	4.01	4.00	-1
20YR MX 5/44	4.14	4.14	Unchg
30YR MZ 3/53	4.23	4.23	Unchg
IRS			
6-months	3.57	3.58	+1
9-months	3.58	3.58	-
1-year	3.58	3.57	-1
3-year	3.53	3.51	-2
5-year	3.57	3.55	-2
7-year	3.65	3.64	-1
10-year	3.75	3.75	-

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

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- Ringgit bonds traded sideways with less selling pressure after global bond yields stabilized overnight. Buying interests emerged following the release of lower-than-expected Malaysia inflation data. Malaysia's CPI for September rose by 1.8% YoY, below the market expectation of 1.9%. Sentiment improved slightly as global bond yields edged lower, led by Eurozone bonds, following weaker-than-expected French and UK PMI figures. Nevertheless, trading activities remained lackluster as liquidity remained thin. MGS/MGII yields closed little changed, moving within a range of +/-1bp.

- MYR IRS market had a lackluster first half session, with sporadic quotes remaining largely unchanged from the previous close. However, the stalemate was broken as USTs began inching higher during the London open, fueled by mixed manufacturing and service data from the EU and UK. Onshore bids disappeared, and the MYR IRS market gapped lower driven by foreign offerors. Overall MYR IRS curve ended mixed with short tenors 6M rose by 1bp to 3.58%, while mid- to long-tenors fell by 1-2bp. 3M KLIBOR remained unchanged at 3.58%. 3y traded at 3.505%.

- PDS market were muted with only a handful of credit names being traded. In GG space, large trades were reported on LPPSA 7/33 and Prasa 8/26, with yields edging higher by 3bp. In AAA, activity was relatively active with most trades dealt near MTM, including PLUS 1/35, 1/37, and ALR 10/31. However, SEB 7/30 cheapened with its spread widened by 7bp. In AA+/AA1, YTL Power 5/27 saw MYR20m traded, with its spread tightened by 2bp. In AA3/AA-, long-tenored Renikola traded close to MTM levels.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.77	2.71	-6
5YR	2.82	2.74	-8
10YR	2.92	2.85	-7
15YR	2.99	2.91	-8
20YR	2.95	2.88	-7
30YR	2.86	2.78	-8

Source: MAS (Bid Yields)

- SGS yields fell by 6-8 bps across the curve. 10y SGS yield eased by 7bp to 2.85%. The risk of additional hawkish repricing in US rates going into the US Election continues to pose upside risk to bond yields. The overnight SORA retraced to 3.07%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.48	6.46	(0.02)
2YR	6.45	6.46	0.01
5YR	6.59	6.58	(0.02)
7YR	6.68	6.70	0.01
10YR	6.79	6.76	(0.03)
20YR	6.98	7.00	0.02
30YR	6.99	6.98	(0.00)

** Source: Bloomberg, Maybank Indonesia*

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- Several Indonesian government bonds tried reviving yesterday. We thought several investors grabbed momentum for applying "buy on weakness" for the "liquid benchmark series", especially for 1Y tenor, 5Y tenor, and 10Y tenor, due to lessening pressures from the global side. We didn't see any new global updates that giving negative impacts for Indonesian government bonds. Foreign investors also seemed being comfortable placing their funds on Indonesian bond market, as shown by relative stable of the foreigners' ownership on the government bonds from Rp889.33 trillion on 17 Oct-24 to be Rp889.62 trillion on 23 Oct-24, given that the country has solid economic growth prospect at least 5% further under new government era.

- Furthermore, we expect Indonesian government bond market to keep momentum for reviving given that global pressures subdued recently. The positions of both DXY Dollar index and the yield of U.S. government bonds gradually decreased recently. A strong investors' expectation for incoming Fed's policy rate cut will give positive sentiment for the emerging markets, such as Indonesia. Indonesia became one of favourable destination for the global investors due to its solid fundamental background. Bank Indonesia just recently continued loosening its macroprudential measures for both the automotive and the property sector until the end of 2025. The valuation of national government bonds also appreciated after Rupiah strengthened again against US$. We expect Indonesian bond market to keep staying on the positive mode. The yield of 10Y Indonesian government bond has fair level around 6.43%-6.71%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0869	153.35	0.6681	1.3036	7.1488	0.6048	165.2733	101.8797
R1	1.0848	152.59	0.6660	1.3006	7.1366	0.6032	164.8367	101.3493
Current	1.0826	151.83	0.6633	1.2969	7.1333	0.6005	164.3600	100.7080
S1	1.0789	151.31	0.6620	1.2927	7.1143	0.5999	163.8867	100.3713
S2	1.0751	150.79	0.6601	1.2878	7.1042	0.5982	163.3733	99.9237

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3253	4.3703	15669	58.0333	33.9423	1.4319	0.6148	3.3133
R1	1.3217	4.3593	15627	57.9467	33.8047	1.4296	0.6129	3.3041
Current	1.3193	4.3530	15615	58.0570	33.7730	1.4282	0.6111	3.2997
S1	1.3163	4.3426	15559	57.8567	33.5707	1.4238	0.6096	3.2865
S2	1.3145	4.3369	15533	57.8533	33.4743	1.4203	0.6084	3.2781

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	Neutral
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	3.10	-	Easing
RBI Repo Rate	6.50	6/12/2024	Neutral
BOK Base Rate	3.25	28/11/2024	Neutral
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	3.75	11/12/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	42,374.36	-0.33
Nasdaq	18,415.49	0.76
Nikkei 225	38,143.29	0.10
FTSE	8,269.38	0.13
Australia ASX 200	8,206.26	-0.12
Singapore Straits Times	3,604.95	0.12
Kuala Lumpur Composite	1,632.23	-0.57
Jakarta Composite	7,716.55	-0.91
Philippines Composite	7,283.79	-1.14
Taiwan TAIEX	23,192.52	-0.61
Korea KOSPI	2,581.03	-0.72
Shanghai Comp Index	3,280.26	-0.68
Hong Kong Hang Seng	20,489.62	-1.30
India Sensex	80,065.16	-0.02
Nymex Crude Oil WTI	70.19	-0.82
Comex Gold	2,748.90	0.71
Reuters CRB Index	282.38	-0.37
MBB KL	10.58	-0.38

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