Global Markets Daily

JPY Weaker on Political Uncertainty

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The ruling LDP coalition has lost a majority in the lower house of Japan's Diet for the first time since 2009. As of writing, out of the contested 465 seats, the opposition parties won 235 compared to the LDP – Komeito's 215. The current cabinet would now resign once the Diet convenes for a special session that must be within 30 days after the general election. It remains highly uncertain at this point on which party would lead the formation of the next government. The LDP is still the largest party in the Diet but the largest opposition party CDP had previously said that they would not work with the LDP. In some sense, the leaders of both the LDP and CDP – Shigeru Ishiba and Yoshihiko Noda respectively may not necessarily be against monetary policy normalization. The pair was last seen at 153.39 as the pair broke above 152.00 and now moves upwards towards the next resistance at 155.00. This move of the JPY weaker occurs in line with the Japanese general election result and the broader USD strength and climb in UST yields.

Israel Strikes Iran

Over the weekend, we saw an escalation in tensions as Israel launched military strikes on Iran. Strikes were limited to military targets and as such oil prices largely fell. Iran has largely officially downplayed the impact of the attack in saying that damage was limited to air defence systems. At the same time, both the President and Supreme Leader have expressed the view that while Tehran does not a seek a war, it will defend their sovereign rights. The global community has largely urged for some restraint on Iran's part. We remain cautious on further escalations and think that we could see improved demand for safe-haven assets such as gold. Meanwhile we expect safe-haven currencies like the USD, CHF and JPY to be better supported. We do recognize that the latter may be more influenced however by political uncertainty in Japan.

Data/Events We Watch Today

We watch Oct Dallas Fed Mfg Activity and GE Retail Sales/IP.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0796	-0.30	USD/SGD	1.3213	0.24
GBP/USD	1.2962	-0.10	EUR/SGD	1.4257	-0.11
AUD/USD	0.6608	-0.48	JPY/SGD	0.8673	-0.10
NZD/USD	0.5977	-0.63	GBP/SGD	1.7131	0.15
USD/JPY	152.31	0.32	AUD/SGD	0.8722	-0.34
EUR/JPY	164.43	0.02	NZD/SGD	0.7894	-0.44
USD/CHF	0.8668	0.13	CHF/SGD	1.5233	0.06
USD/CAD	1.3892	0.27	CAD/SGD	0.9513	-0.02
USD/MYR	4.3427	-0.13	SGD/MYR	3.2888	-0.19
USD/THB	33.787	0.36	SGD/IDR	11856.35	0.43
USD/IDR	15640	0.36	SGD/PHP	44.2084	0.67
USD/PHP	58.333	0.82	SGD/CNY	5.3867	-0.20

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3169	1.3438	1.3707

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G10: Events & Market Closure

Date	Ctry	Event
28 Oct	NZ	Market Closure
30 Oct	UK	UK Budget

AXJ: Events & Market Closure

Date	Ctry	Event
31 Oct	MY/SG/IN	Market Closure

G10 Currencies

- **DXY Index - *Propped Up by the Weak JPY.*** DXY hovered around 104.40 this morning, gapping up alongside the USDJPY after Japan's incumbent Liberal democratic Party (LDP) and its coalition ally (Komeito) lost their majority in the lower house of parliament with only 215 seats achieved together out of 465 seats. At least 233 seats are needed for any party to claim a majority. Prior to this snap elections, LDP held 247. This would be its worst election result since 2009. Opposition Constitutional Democratic Party (CDP) leader Yoshihiko Noda had indicated on Sunday that he was not interested in a coalition after this election and would even build an opposition coalition that can oust the LDP. Ishiba on the other hand, would be reaching out to smaller parties such as the Democratic Party for the People (DPP) to form a government. The sheer uncertainty of the political situation for Japan likely caused JPY to weaken this morning and is keeping the DXY index propped up at around 104.40. Meanwhile, the UST yields are on the rise. Durable goods orders have slipped less than expected by -0.8%m/m in Sep (vs. prev. -0.8%). The CFO survey by the Atlanta Fed found 30% of respondents postponed/scaled down, delayed indefinitely or permanently cancelled investment plans ahead of the elections. With that, there is also a possibility of a rebound after the US elections. 10y yield rose 4.28% as we write. 2Y was last seen around 4.14%. Most traditional polls of the US elections show a very tight race between the Harris and Trump. Fed fund futures still continue to suggest a cumulative 41bps 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, Dallas Fed Mfg activity for Oct is due today. Tue has wholesale inventories (Sep P), FHFA house price (Aug), conf. board consumer confidence (Oct). Wed has 3Q advanced GDP and Oct ADP. Thu has personal income, spending and Sep core PCE price index. Fri brings Oct NFP as well as ISM Mfg for Oct.

- **EURUSD - *Two-way risks*.** EURUSD was last seen lower at 1.0792 levels amid a broadly stronger USD and higher US yields. 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 137.3%, 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. Eurozone data this week includes Oct Consumer/Services/Economic/Industrial Confidence indices, 3QA GDP (Wed), ECB Economic Bulletin, Oct CPI Inflation and Sep Unemployment Rate (Thu).

- **GBPUSD – *Two-way risks*.** GBPUSD is lower at 1.2958 levels this morning with the USD and US yields both higher. 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 95.6%. 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. UK data this week includes Oct Business Barometers and Oct Retail Sales (Mon), Oct BRC Shop Price Index, Sep Consumer Credit, Sep Mortgage Approvals and Sep Money Supply (Tue), Oct Nationwide House Price Indices and Oct F Mfg PMI (Fri).

- **USDCHF – *Two-way risks*.** USDCHF was higher at 0.8694 levels this morning amid higher US yields and a stronger USD. 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. Swiss data releases this week include 25 Oct Sight Deposits (Mon), Oct KOF Leading Indicator, Oct UBS Survey Expectations (Wed), Oct CPI Inflation, Sep Retail Sales and Oct PMI (Fri).

- **USDJPY – *Breaks Above 152.00, Upside Risks*.** The pair was last seen at 153.39 as the pair broke above 152.00 and now moves upwards towards the next resistance at 155.00. The move occurs in line with the Japanese general election result and the climb in UST yields. The former saw the LDP and its coalition partner Komeito lose their majority. As of writing, out of the contested 465 seats, the opposition parties won 235 compared to the LDP – Komeito’s 215. The current cabinet would now resign once the Diet convenes for a special session that must be within 30 days after the general election. It remains highly uncertain at this point on which party would lead the formation of the next government. The LDP is still the largest party in the Diet but the largest opposition party CDP had previously said that they would not work with the LDP. In some sense, the leaders of both the LDP and CDP – Shigeru Ishiba and Yoshihiko Noda respectively may not necessarily be against monetary policy normalization. The CDP has actually called for modifying the BOJ’s inflation target from the current 2% to one “exceeding zero” whilst Ishiba in the past has spoken of his opposition to Abenomics (although we note he has recently appeared supportive of accommodative monetary policy). However, for the LDP or CDP to form a coalition government with other smaller parties, they may have to compromise on allowing greater fiscal spending and this in turn can complicate the BOJ’s tightening path. At this point, we believe the risk of upside for USDJPY remains. This is not only due to the domestic political uncertainty but also can be driven by the anxiety related to the upcoming US elections and US data (NFP, JOLTS, PCE core, etc) and the BOJ policy decision. The latter would be due this Thursday 31 Oct and whilst they are expected to hold, it remains to be seen what tone Governor Ueda would express especially in light of all the recent developments. Resistance is at 155.00 and 160.00. Support is at 150.00 and 145.00. Key events and data releases this week include Sep jobless rate (Tues), Sep job-to-applicant ratio (Tues), Oct consumer confidence index (Wed), Sep retail sales (Thurs), Sep dept store, supermarket sales (Thurs), Sep P IP (Thurs), Sep housing starts (Thurs), BOJ policy decision (Thurs) and Oct F Jibun Bank PMI mfg (Fri).

- **AUDUSD - *Pressured*.** AUDUSD remained rather heavy around 0.6600. 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 now seen at 0.6580. 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 by the central bank given the tightness in the labour market. Data-wise, 3Q CPI is key for Australia, due on Wed. Consensus expects a slowdown in sequential momentum to 0.3% from previous 1.0%. Trimmed mean could slow to 0.7%q/q from previous 0.8% with yearly momentum to slow to 3.5% from previous 3.9%. On thu, Sep retail sales and building approvals are due along with CoreLogic home value for Oct. Fri has household spending for Sep along with 3Q PPI.

- **NZDUSD - *Heavy*.** NZDUSD slid and was last seen around 0.5980. Moves are 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. OIS suggests that RBNZ is expected to take OCR lower by another 56bps at the Nov meeting. Focus is 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. Data-wise, Sep filled jobs are due on Tue. Thu has ANZ business confidence for Oct. Friday brings building permits for Sep.

- **AUDNZD - *Elevated For Now*.** AUDNZD traded sideways within the 1.0970-1.1100 range, last printed 1.1050. 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 at 1.3900, led higher by the broader USD strength that was propelled by 1) JPY weakness, 2) higher UST yields ahead of the US elections. In addition, CAD could also be weighed by potential for Fed-BoC divergence. BoC delivered the 50bps cut at the last meeting. 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. Next resistance at 1.3950.

- **Gold (XAU/USD) – *Buy, on Dips***. Gold is still hovering around $2730 after making a fresh all-time high at US$2758 last week. 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 +1.42% from the implied mid-point of 1.3438 with the top estimated at 1.3169 and the floor at 1.3707.

- **USDSGD - *Two-way risks*.** USDSGD was last seen higher at 1.3245 levels this morning amid a stronger USD and higher UST yields. Sep Industrial Production climbed by 9.8% YoY (pev: 22%) and was flat SA MoM. Expansion was broad based and our economists maintain their forecast for growth at 3.5% in 2024 and 2.5% in 2025. Final 3Q GDP should come in strong at 4.6% YoY (flash estimate 4.1%), given that manufacturing was only assumed to be 1.3% YoY in MTI's flash estimate and this print takes output growth to 11% YoY. 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 +1.42% 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 1.3250 and 1.3300. Supports are 1.3200 and 1.3150. Data releases for the week ahead include Sep Unemployment Rate (Tue), Sep Money Supply (Wed) and Oct PMI and ESI (Sat).

- **SGDMYR - *Two-way risks*.** SGDMYR was last seen slightly lower at 3.2936 levels this morning. We have observed that the MYR tends to fare better when the USD is weak, whereas SGD is more resilient when USD is strong. At the same time there could be further downside for the pair should USD bears regain control. Support at 3.27 before the next at 3.25. Resistances at 3.30 and 3.32.

- **USDMYR - *Steady*.** Pair was last seen at 4.3615 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. Key data releases this week include Oct S&P Global PMI mfg (Fri).

- **USDCNH- *Higher*.** USDCNH rose to levels around 7.1460, lifted by the rise of the USDJPY this morning. The political uncertainty in japan has been fanning the JPY weakness and potentially taking most USDAsians higher, including the USDCNH. In addition, we have the effect of higher UST yields that has been boosted by the presence of the US elections. Markets are increasingly of the view that both Presidential candidates could be putting the US fiscal path on a path of further deterioration amid spending promises that could require more debt issuance and higher term premium. At home, Vice Finance Minister Liao Min said that the stimulus rollout is focused on lifting domestic demand and hitting the annual growth goal. A more complete fiscal package is now expected to be revealed at the National People's Congress meeting that would be held between 4-8 Nov. On the technical charts, USDCNH was last seen around 7.1460. The arguable inverted head and shoulders pattern may not come to fruition. Price action remains very two-way. USDCNY reference rate was fixed at 7.1307 vs. previous 7.1090, in line with expectations and overnight market movements. In other news, PBoC officially added outright reverse repo to its monetary policy toolbox. This repos will be conducted monthly with primary dealers for a timeframe of no more than a year with the aim of maintaining a reasonable level of liquidity in the banking system and to enrich its toolkit for monetary policy. Data-wise, CNY share of SWIFT payment is due on Thu along with Oct NBS PMI prints. Caixin version of Oct Mfg PMI is due on Fri.

- **1M USDKRW NDF - *Upside risks*.** 1M USDKRW NDF was seen slightly higher at 1384.10 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 1390 and 1400. Supports are at 1380 and 1370. 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. Korean data includes Sep Retail Sales (Tue), Sep Industrial Production, Cyclical Leading Index (Thu) and Oct Exports/Imports/Trade Balance and Oct Mfg PMI (Fri).

- **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 Sep Fiscal Deficit, Eight Infrastructure Industries (Wed) and 25 Oct FX Reserves (Fri)

- **1M USDIDR NDF - *Higher, Cautious*.** 1M NDF was last seen at 15715 as it headed higher in line with the climb in UST yields. 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. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. Key data releases this week include Oct S&P Global PMI mfg (Fri) and Oct CPI (Fri).

- **1M USDPHP NDF - *Lower, Cautious*.** The 1M NDF was last seen at 58.45 as as it moved higher in line with the climb in UST yields and the broad dollar. 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. Key data releases this week include Sep M3 money supply (Thurs) and Sep bank lending (Thurs).

- **USDTHB - *Steady, Upside Risks*.** Pair was last seen at 33.80 as it was relatively steady compared to other regional pairs even amid the climb in UST yields, broad dollar and USDCNH. 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. Meanwhile, Finance Minister Pichai Chunhavajira has said that he expects to discuss the 2025 inflation target with the BOT in "a few days". Pichai has been calling for the target and hence, we remain wary of continued pressure from the government on the BOT to cut rates. Thailand's Finance Ministry has also raised its 2024 growth target to 2.8%, which is higher compared to the July estimate of 2.7%. They have also forecasted the 2025 growth to be at 3%. Back on the chart, resistance is at 34.00 and 34.57. Support at 33.00 and 32.15 (year to date low). Key data releases/events this week include Sep customs trade data (Mon), Sep ISIC mfg prod index (Wed), Sep ISIC capacity utilization (Wed), Sep BoP CA balance (Thurs), Sep trade data (Thurs), Sep BoP overall balance (Thurs), Oct S&P Global PMI mfg (Fri), Oct business sentiment index (Fri) and 25 Oct gross international reserves/forward contracts (Fri).

- **USDVND – *Capped for now.*** USDVND hovered around 25380. 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, SBV may want to gradually remove the credit growth quota policy following the National Assembly.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.49	3.49	Unchg
5YR MI 8/29	3.62	3.62	Unchg
7YR MS 4/31	3.84	3.84	Unchg
10YR MS 7/34	3.86	3.86	Unchg
15YR MS 4/39	4.00	4.00	Unchg
20YR MX 5/44	4.14	4.13	-1
30YR MZ 3/53	4.23	4.23	Unchg
IRS			
6-months	3.58	3.58	-
9-months	3.58	3.57	-1
1-year	3.57	3.57	-
3-year	3.51	3.50	-1
5-year	3.55	3.54	-1
7-year	3.64	3.63	-1
10-year	3.75	3.74	-1

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

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- Ringgit bonds traded with a slightly firmer tone, with bid prices largely holding at previous day closing levels. However, trading activities remained lackluster and MGS/MGII yields ended the day relatively unchanged. The sharp selloff in UST over the past few days eased overnight, with US bonds rallying alongside European bonds. This rebound was driven by mixed European PMI data, which increases the discussions for a potential half point cut by the ECB. BNM announced the 7y MGII tender with an issue size of MYR5b, in-line with market expectations. WI was quoted at 3.875-3.850% levels.

- MYR IRS market had a similar episode to the previous trading session, with a quiet first half before receivers attempted to drive the belly segment lower, where 5y traded at 3.54% in sizeable volume. However, further downward movement was capped by equally determined bidders, as the curve ended flat to 1bp lower. It remains to be seen whether this downtick signals a sustained reversal or merely a temporary relief rally. 3M KLIBOR remained unchanged at 3.58%. 5y traded at 3.540%.

- The PDS market ended the week on a quiet note, with less than MYR150m in trades reported. In GG, mid-tenor PTPTN 3/29 and Dana 7/27 saw yields edged 1bp higher, while the long-tenored Dana 2/44 traded near MTM. In AAA, Mercedes 8/26 saw its spread widened 1bp on a MYR40m volume. In AA3/AA-, MMC 4/27 and UEMS 4/25 were traded at MTM levels.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.71	2.71	-
5YR	2.74	2.74	-
10YR	2.85	2.83	-2
15YR	2.91	2.89	-2
20YR	2.88	2.85	-3
30YR	2.78	2.75	-3

Source: MAS (Bid Yields)

- The SGS curve saw yields on the 10y-30y tenors falling 2-3bp. The 10y yield fell 2bp to 2.83%, while the 2y and 5y remained flat at 2.71% and 2.74% respectively. The overnight SORA retraced further by 12bp to 2.95%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.46	6.48	0.01
2YR	6.46	6.45	(0.01)
5YR	6.58	6.58	0.00
7YR	6.70	6.75	0.05
10YR	6.76	6.75	(0.01)
20YR	7.00	6.98	(0.02)
30YR	6.98	6.96	(0.02)

** Source: Bloomberg, Maybank Indonesia*

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- Several Indonesian government bonds, especially long tenor series, kept strengthening amidst strong external pressures during the end of day last week. High geopolitical tension on the Gaza made a nervous for the global market players on the emerging countries. However, we saw that the market players took momentum for applying “buy on weakness” strategy as the yields of Indonesian government bonds were looking attractive with supported by solid fundamental background. So far, we saw recent high tension on the Gaza to give minimal impact for Indonesian fiscal condition due to recent reality of low Brent oil prices at still below US$76/barrel. Going forward, we foresee a relative prone to fluctuate on the condition of Indonesian financial markets during this week due to many various important global economic and non economic events, such as the U.S. PCE inflation data, the U.S. GDP data revision, the U.S. labour market data, and BOJ policy rate decision. Indonesian bond market is expected to strengthen further if the incoming results of U.S. economic data are signalling a weakening activities on the country. The yield of 10Y Indonesian government bond has fair level around 6.43%-6.81%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0855	152.97	0.6665	1.3014	7.1466	0.6042	165.2300	101.4853
R1	1.0826	152.64	0.6636	1.2988	7.1403	0.6009	164.8300	101.0357
Current	1.0792	153.62	0.6599	1.2954	7.1414	0.5972	165.7800	101.3770
S1	1.0780	151.72	0.6590	1.2946	7.1256	0.5959	163.9900	100.2187
S2	1.0763	151.13	0.6573	1.2930	7.1172	0.5942	163.5500	99.8513

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3248	4.3601	15686	58.7603	33.9403	1.4323	0.6127	3.3059
R1	1.3231	4.3514	15663	58.5467	33.8637	1.4290	0.6113	3.2973
Current	1.3240	4.3630	15734	58.4010	33.7850	1.4288	0.6120	3.2956
S1	1.3188	4.3349	15610	57.9587	33.6717	1.4240	0.6086	3.2827
S2	1.3162	4.3271	15580	57.5843	33.5563	1.4223	0.6073	3.2767

**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	42,114.40	-0.61
Nasdaq	18,518.61	0.56
Nikkei 225	37,913.92	-0.60
FTSE	8,248.84	-0.25
Australia ASX 200	8,211.29	0.06
Singapore Straits Times	3,593.41	-0.32
Kuala Lumpur Composite	1,618.30	-0.85
Jakarta Composite	7,694.66	-0.28
Philippines Composite	7,314.23	0.42
Taiwan TAIEX	23,348.45	0.67
Korea KOSPI	2,583.27	0.09
Shanghai Comp Index	3,299.70	0.59
Hong Kong Hang Seng	20,590.15	0.49
India Sensex	79,402.29	-0.83
Nymex Crude Oil WTI	71.78	2.27
Comex Gold	2,754.60	0.21
Reuters CRB Index	284.68	0.81
MBB KL	10.54	-0.38

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