

Global Markets Daily

The USD Marches Higher Ahead of NFP

Conflicts in Middle-East, Stronger US Data lifts Greenback
ISM services index came in surprisingly strong at 54.9 for Sep vs. prev. 51.5 alongside solid new orders at 59.4. That allowed the UST yields to extend gains with 10y last seen around 3.85% and 2Y around 3.71%. Equities slipped overnight, weighed by the rising UST yields and fears of broadening escalation in the Middle-East. Oil surged as Israel continued to attack Hezbollah and US Biden even mentioned about discussions on backing Israel to attack Iranian oil facilities. The fact that US service ISM turned out stronger probably added boost to the crude futures as well. The DXY index broke above the 102-figure at one point overnight and hovered thereabouts in Asia morning. JPY, MYR, THB led in losses this week. While JPY was weakened by recent dovish -sounding new PM Ishiba, the decline of the MYR and THB seem more likely due to stretched positions and drag from the JPY after making their stellar performance in Sep.

US NFP To Watch

Sep NFP is the one to watch today. Thus far, other labour market indicators release seem more resilient. Initial jobless claims might have risen a tad more than expected yesterday but on average, initial jobless claims have been declining. Continuing claims remain rather stable around 1.8mn. Sep ADP was also higher than expected. Markets have continued to recalibrate bets on policy trajectory and Fed Fund Futures are now implying around -66bps cut by the end of the year, taking into account signs of a healthy labour market. NFP tonight could be a rather binary event. Consensus expect 150k added vs. previous 142K. Unemployment rate could steady around 4.2%. Hourly earnings to also steady at 3.8%/y. Stronger prints will lend USD another boost and weaker ones will also weaken the USD.

Data/Events We Watch Today

Data docket today also has PH CPI, AU household spending and loan data, SG retail sales, FR IP. Fed Williams, Goolsbee will speak.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1031	↓ -0.13	USD/SGD	1.2974	↑ 0.43
GBP/USD	1.3124	↓ -1.09	EUR/SGD	1.4313	↑ 0.31
AUD/USD	0.684	↓ -0.65	JPY/SGD	0.883	↑ 0.10
NZD/USD	0.6213	↓ -0.80	GBP/SGD	1.7027	↓ -0.66
USD/JPY	146.93	↑ 0.31	AUD/SGD	0.8874	↓ -0.24
EUR/JPY	162.09	↑ 0.20	NZD/SGD	0.8061	↓ -0.37
USD/CHF	0.8529	↑ 0.38	CHF/SGD	1.5212	↑ 0.04
USD/CAD	1.3555	↑ 0.39	CAD/SGD	0.9572	↑ 0.04
USD/MYR	4.2218	↑ 1.10	SGD/MYR	3.2547	↑ 0.44
USD/THB	33.145	↑ 0.82	SGD/IDR	11907.76	↑ 0.43
USD/IDR	15429	↑ 1.05	SGD/PHP	43.5166	↓ -0.22
USD/PHP	56.347	↑ 0.32	SGD/CNY	5.4106	↓ -0.38

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2960	1.3225	1.3489

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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.** ISM services index came in surprisingly strong at 54.9 for Sep vs. prev. 51.5 alongside solid new orders at 59.4. That allowed the UST yields to extend gains with 10y last seen around 3.85% and 2Y around 3.71%. Equities slipped overnight, weighed by the rising UST yields and fears of broadening escalation in the Middle-East. Oil surged as Israel continued to attack Hezbollah and US Biden even mentioned about discussions on backing Israel to attack Iranian oil facilities. The fact that US service ISM turned out stronger probably added boost to the crude futures as well. The DXY index broke above the 102-figure at one point overnight and hovered thereabouts in Asia morning. JPY, MYR, THB led in losses. While JPY was weakened by recent dovish - sounding new PM Ishiba, the decline of the MYR and THB seem more likely due to stretched positions and drag from the JPY after making their stellar performance in Sep. Sep NFP is the one to watch today. Thus far, other labour market indicators release seem more resilient. Initial jobless claims might have risen a tad more than expected yesterday but on average, initial jobless claims have been declining. Continuing claims remain rather stable around 1.8mn. Sep ADP was also higher than expected. Markets have continued to recalibrate bets on policy trajectory and Fed Fund Futures are now implying around -66bps cut by the end of the year, taking into account signs of a healthy labour market. NFP tonight could be a rather binary event. Consensus expect 150k added vs. previous 142K. Unemployment rate could steady around 4.2%. Hourly earnings to also steady at 3.8%/y. Should the US NFP turn out stronger than expected, we can expect this USD retracement to extend. The converse is also true. The DXY index rose to a high of 102.10 and seem to have softened this morning, likely to remain in sideways trades ahead of the NFP release. Support is seen around 100.20 before the next at 99.60. Resistance at 102 is tested and break above opens the way towards 102.88.
- **EURUSD - Double Top Playing Out.** EURUSD was last seen lower at 1.1040 levels, completely playing out the double top pattern and has come to rest near the neckline around 1.10. This comes as markets now almost completely expect ECB to cut on 17 Oct after a slew of weak PMI prints for Sep and sub-2% inflation print. Markets and ECB are generally congruent in terms of rate cut expectations, although we suggest that the ECB may be more measured in terms of easing. Our longer term bullish EURUSD view is underpinned by the belief that the Eurozone economy will pick up and the recent China stimulus measures could also provide a boost to Eurozone growth. Lagarde mentioned that there was greater confidence that prices were coming back towards target and that would be reflected in the next ECB decision in Oct. We see a total of 50bps more of cuts for ECB in 2024 with one likely in Oct. Back to key levels on EURUSD, resistance at 1.11 and 1.12. Support at 1.10 and 1.09. Bias is to the downside.
- **GBPUSD - Bailey Dovish.** GBPUSD fell to levels around 1.3130 levels after Governor Bailey suggested that the BoE can take a more aggressive approach in lowering interest rates. That drove market implied rates to price in a 45bps cut over the Nov and Dec meetings from around 37bps seen earlier this week. With that, GBPUSD has come to rest above the 50-dma. 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%. 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 New Car Registrations and Sep Construction PMI (Fri).

- **USDCHF - Two-way risks.** USDCHF rose to 0.8520 levels as the USD found better support on the potential escalation in the Middle East. SNB Chief Schlegel also struck a dovish tone in his first speech as President - promising more rate cuts to come and not ruling out intervention or possible negative rates. 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. Key resistance at 0.8540 (50-ma). 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 Unemployment Rate (Fri).
- **USDJPY - Lower, Likely to be Ranged.** The pair was last seen at 146.58 as it fell after an initial rise yesterday after the DXY was softer. UST yields did actually rise overnight though. BOJ member Asahi Noguchi also stressed in a speech yesterday that they have to "maintain accommodative financial conditions patiently" until the "public mindset that aligned with the 2% inflation target" and that "will still take time to establish". Asahi though is known to be a dove in the board. For today, focus is on the jobs data out tonight (NFP, unemployment, earnings) as it gives further key info in assessing the path of Fed easing. There can be upside for the pair but we believe it would be limited. We still expect the pair to remain ranged traded eventually although it could be quite wide between 140.00 - 150.00 as markets continue US data and Ishiba's stance. Back on the chart, resistance at 147.50 and 150.00. Support at 140.60 and 135.60. Meanwhile, PM Ishiba has instructed his cabinet to draw up comprehensive economic measures and would submit a supplementary budget to parliament after the 27 Oct election. There are no remaining key data releases this week.
- **AUDUSD - Stretched.** AUDUSD last printed 0.6850, slipping further due to more jittery sentiment amid concerns on broadening conflicts in the Middle-East. Apart from the weaker sentiment, the USD also got another boost against most currencies from its stronger-than-expected ADP report for Sep. We continue to look for this pair to slide further. 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 still suggest that this AUDUSD is stretched to the upside at this point. A move below the 0.6820-support to expose the next at 0.6780 (21-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. Data-wise, Thu has Aug trade. Fri has Aug household spending and home loans.

- **NZDUSD - Bearish Divergence Plays Out.** NZDUSD slid this morning, in line with fellow antipode and was last seen around 0.6210. 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, this bearish pullback plays out and has broken the 0.6250-support. The next support is at 0.6215 (21-dma) before the next at 0.6170. Data-wise, filled jobs rose +0.2% m/m in Aug vs. prev. -0.2%. More are calling for RBNZ to cut policy rate by a larger 50bps vs. the Aug 25bps. Markets have already priced in 50bps cut for each of the next two meetings by the end of 2024. We think based on the inflation trajectory and improvement in business sentiment, RBNZ has reason to continue to its easing pace of 25bps.
- **USDCAD - Double Bottom Plays Out Further.** USDCAD rose on weaker risk appetite, notwithstanding the rise in oil price overnight. Pair has broken above the 21-dma (around 1.3545) which has acted as a resistance for this pair. Spot is last printed 1.3553. A decisive break of the 1.3545-resistance 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. Week ahead has Services PMI on Thu.
- **Gold (XAU/USD) - Risk-Off and Rise in Yields keep Gold in Range.** Gold remained elevated as conflicts continue in the Middle-East with Israel continuing to bombard Hezbollah and Biden even considering supporting Israel to attack Iranian oil facilities. Bullion was last seen around \$2660. The bullion could also be caught in opposing forces of risk-off and the 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 +1.96% from the implied mid-point of 1.3225 with the top estimated at 1.2960 and the floor at 1.3489.

- **USDSGD - Two-way risks.** USDSGD was last seen higher at 1.2966 levels this morning. The trade-weighted SGDNEER is at +1.96% 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 1.3000 and 1.3100. Supports are 1.2900 and 1.2850. 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. Sep PMI/ESI printed at 51.0/51.5 (prev: 50.9/51.3). Sep Global PMI came in at 56.6 (prev: 57.6). SG data includes Aug Retail Sales (Fri).
- **SGDMYR - Higher on USD rebound.** SGDMYR was last seen higher at around 3.2663 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 3.25 before the next at 3.23. Resistances at 3.27 and 3.30.
- **USDMYR - Higher.** USDMYR was last seen trading higher at 4.2265 in line with the climb in the broad dollar and UST yields. For today, focus is on the jobs data out tonight (NFP, unemployment, earnings) as it gives further key info in assessing the path of Fed easing. 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 - Rebound.** USDCNH made bullish extension along with broader USD move and was last seen around 7.0560. 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 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 above the 7.0330-resistance before the next at 7.0660 (21-dma) and then at 7.1125. Support around 6.9710. Onshore markets in mainland China are closed until Mon for National Day Golden Week.

- **1M USDKRW NDF - Higher.** 1M USDKRW NDF was last seen at 1331.08 levels this morning. Now that the Fed has cut, the BOK could start to discuss rate cuts. However, their concerns over currency volatility and weakness that could arise from cuts could ultimately still prevail. 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). Sep CPI Inflation fell to 1.6% YoY (exp: 1.9%; prev: 2.0%). Core inflation was also lower at 2.0% YoY (exp: 2.0%; prev: 2.1%). Sequentially CPI inflation was also lower at 0.1% MoM (exp: 0.4%; prev: 0.4%). This should provide BOK the comfort to cut given that inflation risks are coming off, concerns over the KRW should still linger though. Sep Mfg PMI slipped into contraction at 48.3 (prev: 51.9). South Korean data this week includes and Sep FX Reserves (Fri).
- **1M USDINR NDF - Edging Higher.** USDINR 1M NDF has quietly edged up and is seen at around 84.08 levels this morning. The USD has been better supported with the potential for escalation in the Middle East. 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 84.30. Support at 84.00 before the next at 83.40. Indian data this week also Mfg PMI (Tue), Svcs/Composite PMI and 27 Sep FX Reserves (Fri).
- **1M USDIDR NDF - Higher, Upside Risks.** 1M NDF was last seen slightly higher at 15480 amid a climb in the broad dollar and UST yields. There is also the possibility that China's recent market pick-up could be leading to equity reallocation out of other EM markets and weighing on the currency. Indo GB yields have also risen, which could be due to some rise in credit yields in the country. Overall, upside risks for the pair near term amid possible paring back of some rate cut bets. Back on the chart, resistance at 15550 and 15777. Support is at 15100 and 15000. There are no remaining key data releases this week.
- **1M USDPHP NDF - Steady, Likely to Stay Ranged.** The pair was last seen at 56.32 as it continued to remain around levels seen in the last few sessions. This was even as the broad dollar and UST yields traded higher. On the central bank front, Governor Eli Remolona has said that he sees no need for jumbo cuts amid a robust economy and that a 25bps cut is on the cards for the Oct meeting. He said that if the data is as expected,

then it would be “small steps at a time, baby steps”. He also mentioned that the central bank is comfortable with the recent PHP rally as the gains are not as outsized as those seen in most Asian peers. Sep CPI data this morning though fell substantially to 1.9% YoY (est. 2.5% YoY, Aug. 3.3% YoY). As a whole, we expect that the pair can continue to trade around a range of 55.50 - 57.00 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. Remaining key data releases this week include Aug bank lending (Fri).

- **USDTHB - *Rebound***. Pair was last seen at 33.17 as it bounces back up amid a climb in the broad dollar and UST yields. Gold prices were also steady. Even so, we are cognizant of two-sided risks for USDTHB. There are factors which can push the pair lower which include 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. The Fed being on an easing cycle can keep investors in the precious metal too and provide support for it. China stimulus optimism can also help guide the pair lower given the strong trade links between China and Thailand. However, a rebound in UST yields and paring back of some rate cut bets cannot be ruled out, which in turn could guide the pair higher. Meanwhile, on other items, we also remain wary of the ongoing pressure from the government on the central bank to ease rates. Following talks between the BOT Governor Sethaput Suthiwartnarueput and Finance Minister Pichai Chunhavajira, the latter said that he would want to see more liquidity and that the BOT is in agreement. The Finance Minister also mentioned that monetary easing would help improve credit access. Pichai said that the two had discussed the issue of high household debt and the need for liquidity although the central declined to comment on what was discussed. The Finance Minister is also expecting an agreement over the inflation target this month. Back on the chart, support at 32.57 with the next at 31.81. Resistance is at 33.61 and 34.25. Remaining key data releases this week include 27 Sep gross international reserves/forward contracts (Fri).
- **USDVND - *Bullish Retracements***. USDVND rallied in line with most USDAsians, last seen around 24720, having broken out of the 24530-24700 range. This pair may continue to rise towards 24770-resistance before the next at 24870 (50-dma). Support remains at 24530 before the next at 24400. At home, Vietnam Trade Ministry announce a cut in Ron-95 gasoline price by VND715/litre to a max of VND19,803 per liter. Vietnam plans to fund a \$67bn high-speed railway without foreign funding that would run from Hanoi to HCM city.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.34	3.36	+2
5YR MI 8/29	3.50	3.52	+2
7YR MS 4/31	3.69	3.70	+1
10YR MS 7/34	3.72	3.73	+1
15YR MS 4/39	*3.90/3.88	*3.90/3.88	Unchg
20YR MX 5/44	*4.05/4.03	*4.05/4.03	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.56	3.57	+1
9-months	3.54	3.54	-
1-year	3.51	3.53	+2
3-year	3.43	3.43	-
5-year	3.46	3.47	+1
7-year	3.55	3.56	+1
10-year	3.66	3.66	-

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Source: Maybank

*Indicative levels

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

- UST faced selling pressures following a string of strong data including stronger-than-expected ADP private payrolls and ISM services PMI, while crude oil prices jumped amid the Middle East tensions. Ringgit government bonds tracked global bond weakness with sentiment further dampened by weaker Ringgit. BNM announced the reopening of the 3y MGS 5/27 with the issuance size coming in line with expectation of MYR4.5b. WI was quoted at 3.37/3.34%. MGS yields rose 1-2bp in the front-to-belly part of the curve, while longer tenors remained unchanged.
- MYR IRS levels drifted mostly 1-2bp higher, supported again by sustained paying interest in the 5y point. MYR rates generally carried on from the overnight movement higher in US rates. 3M KLIBOR edged up 1bp to 3.56%. 5y IRS traded at 3.47% and 3.475%.
- The PDS market saw an uptick in activity. In GG, Danainfra and Prasarana traded mixed, with the 2028 maturity yield rising 4bp, while the longer-dated 2039 yield eased 2bp. In AAA, Cagamas led the volume with MYR355m trades near MTM. In AA1/AA+, Johor Plantation and YTL Power traded range-bound. In AA2/AA, Benih 25 saw spreads 2bp wider. In the AA3/AA- segment, JPB 32 and Gamuda 29 traded at MTM, while Kesturi 27 traded 2bp higher.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.50	2.53	+3
5YR	2.53	2.57	+4
10YR	2.65	2.69	+4
15YR	2.71	2.75	+4
20YR	2.70	2.74	+4
30YR	2.66	2.70	+4

Source: MAS (Bid Yields)

- Weighed by the continued selloffs in UST, the SGS curve steepened slightly with yields rising across the curve. 2y SGS yield increased 3bp to 2.53%, while yields in 5y30y rose 4bp. The overnight SORA retraced another 13bp to 3.60%, continuing its downward adjustment.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.65	6.60	(0.05)
2YR	6.53	6.54	0.01
5YR	6.55	6.58	0.03
7YR	6.72	6.72	(0.00)
10YR	6.66	6.67	0.01
20YR	6.83	6.85	0.02
30YR	6.85	6.85	(0.00)

* Source: Bloomberg, Maybank Indonesia

- **Global: Export Growth (% YoY,signi** Most Indonesian government bonds booked a limited weakening yesterday. However, we saw an appreciation on the prices of Indonesian 1Y tenor series of government bonds. It can be an indication that the short tenor of Indonesian government bonds remains being attractive, ahead of upcoming release of the U.S. labour data tonight. We believe most investors to stay expecting a sluggish development on the U.S. labour development. Hence, those conditions have consequences on further lower policy rates by the Fed for preventing further drop performance on the U.S. labour market.
- Meanwhile, a drop on other series of Indonesia government bonds were highly related to 1.) “sell on rally” measures on the emerging market, such as Indonesia, after the market players are being nervous during recent higher geopolitical tension between Iran and Israel with obtaining possibility back up from the United States, 2.) the negative effects from the latest less dovish tones by the Governor Jerome Powell, 3.) global investors’ investment shifting to China after PBOC released various loosening monetary policies measures, such as cutting its 7 Days Reverse Repo Rate and slashing the requirement rates on the Banking Reserve Requirement.
- For today, we expect the Indonesian bond market to keep being underpressures due to recent higher geopolitical tension between Iran and Israel with giving instant effect of soaring the global oil prices to near US\$78/barrel. Moreover, the yield of U.S. government bonds also increased recently. According to those conditions, we still view an opportunity for “buy on weakness” position given that the position of recent global oil prices is still below US\$82/barrel and high possibility of the incoming results of U.S. non farm payroll to remain at below 200,000 in Sep-24. It will keep placing high probability for the Fed to keep being dovish on its further monetary stances.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1070	147.77	0.6912	1.3345	7.0671	0.6299	163.0967	101.7083
R1	1.1051	147.35	0.6876	1.3235	7.0593	0.6256	162.5933	101.1067
Current	1.1035	146.83	0.6848	1.3128	7.0501	0.6217	162.0200	100.5360
S1	1.1010	146.40	0.6817	1.3053	7.0396	0.6190	161.4833	100.0717
S2	1.0988	145.87	0.6794	1.2981	7.0277	0.6167	160.8767	99.6383

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3029	4.2558	15518	56.4677	33.4717	1.4364	0.6040	3.2784
R1	1.3002	4.2388	15473	56.4073	33.3083	1.4339	0.6027	3.2665
Current	1.2969	4.2250	15432	56.3690	33.1370	1.4311	0.6019	3.2573
S1	1.2930	4.1920	15349	56.2293	32.9173	1.4276	0.5994	3.2373
S2	1.2885	4.1622	15270	56.1117	32.6897	1.4238	0.5974	3.2200

*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	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	42,011.59	-0.44
Nasdaq	17,918.47	-0.04
Nikkei 225	38,552.06	1.97
FTSE	8,282.52	-0.10
Australia ASX 200	8,205.19	0.09
Singapore Straits Times	3,577.43	-0.20
Kuala Lumpur Composite	1,641.55	0.14
Jakarta Composite	7,543.83	-0.26
Philippines Composite	7,388.92	-0.19
Taiwan TAIEX	22,390.39	0.75
Korea KOSPI	2,561.69	-1.22
Shanghai Comp Index	3,087.53	--
Hong Kong Hang Seng	22,113.51	-1.47
India Sensex	82,497.10	-2.10
Nymex Crude Oil WTI	73.71	5.15
Comex Gold	2,679.20	0.36
Reuters CRB Index	291.15	1.40
MBB KL	10.54	0.76

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