8 October 2024

Maybank

Global Markets Daily

Geopolitical Risks Weigh In

Middle East Concerns, Rate Cut Bets Unwind

Geopolitical tensions in the Middle East is at the forefront of concerns as Hezbollah fired 135 rockets at northern Israel whilst Israel undertook strikes in Southern Lebanon. Oil prices climbed amid fears that the conflict could widen. Brent was last seen at $80.93 whilst WTI was at $77.28. The performance of safe haven assets overnight though were mixed. UST 10y yields climbed back above the 4.00% mark whilst gold prices actually edged lower. It seems focus for these assets was more on the unwinding of aggressive rate cut bets. USDJPY did actually move lower but we do not rule out some potential bullish JPY elements of the market buying in following the recent move up in the pair rather than safe haven demand. Risk assets such as equities saw a decline in line with both the rate cut bets unwind and Mid East concerns. The DXY itself meanwhile held steady and was last seen around 102.45. Going forward, we continue to watch how geopolitical tensions pan. Resistance for DXY is at 102.88 and 103.33. Any dent to risk sentiment can also weigh on EM FX and drive the USDAsian pairs higher with the possibility that net oil importing currencies such as the IDR, THB, PHP or KRW getting hit hard. UST and gold though may not necessarily get much support given concerns about the strength of the US economy and slower pace of Fed rate cuts.

Awaiting China's NDRC Press Conference

Regionally, focus would be on China's National Development and Reform Commission (NDRC) press conference at 10am and the measures that would be announce to support the economy. It remains anybody's guess at this point what sort of measures would be announced although investor expectations are high as reflected in the surging Chinese equity markets. CNH was a regional outperformer for the start of this week with USDCNH edging lower in anticipation of the press conference and was last seen at 7.0584. We see a reasonable chance that CNH could remain supported with the technical support level at 6.9710.

Data/Events We Watch Today

This includes US Sep NFIB small business optimism, GE Aug IP and JP Sep eco watchers survey.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0976	0.02	USD/SGD	1.304	-0.04
GBP/USD	1.3083	-0.30	EUR/SGD	1.4312	-0.01
AUD/USD	0.6757	-0.56	JPY/SGD	0.8801	0.33
NZD/USD	0.6125	-0.55	GBP/SGD	1.706	-0.35
USD/JPY	148.18	-0.35	AUD/SGD	0.8813	-0.53
EUR/JPY	162.63	-0.39	NZD/SGD	0.7987	-0.61
USD/CHF	0.8545	-0.45	CHF/SGD	1.5265	0.41
USD/CAD	1.362	0.32	CAD/SGD	0.9575	-0.35
USD/MYR	4.2845	1.54	SGD/MYR	3.2855	1.01
USD/THB	33.448	1.24	SGD/IDR	12035.52	0.69
USD/IDR	15680	1.26	SGD/PHP	43.5687	0.36
USD/PHP	56.805	0.92	SGD/CNY	5.38	-0.02

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3021	1.3286	1.3552

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G10: Events & Market Closure

Date	Ctry	Event
9 Oct	NZ	RBNZ Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
7 Oct	CH	Market Closure
9 Oct	KR	Market Closure
11 Oct	HK	Market Closure
11 Oct	KR	BOK Policy Decision

G10 Currencies

- **DXY Index - *Stretched!*** DXY index hovered around 102.50, little changed in the absence of major market cues. 10Y is now seen around 4.018%, along with firm oil prices. Brent has topped $80/bbl first time since Aug amid growing conflict in the Middle-East. Israel reported interception of most Hamas' rockets. Hezbollah fired 135 rockets at Northern Israel. US equities fell across the board, down around 1% each as yields continue its climb. Markets have continued to recalibrate bets on policy trajectory and Fed Fund Futures are now implying around 50bps cut by the end of the year, taking into account signs of a healthy labour market. The DXY index hovered around 102.50. Support is seen around 101.80 before the next at 100.20. Resistance at 101.80 is broken and the next is seen at 102.88. Week ahead has NFIB small business optimism for Sep on Tue. Wholesale trade sales for Aug is also due on Wed. Thu has Sep CPI and weekly claims. Fri has Sep PPI and prelim. Oct Univ. of Mich. Sentiment.

- **EURUSD - *Two-way risks*.** EURUSD was last seen slightly higher at 1.0982 levels, remaining below the 1.10 neckline of the earlier double top pattern. Fri's stellar NFP print has led to some sustained strength in the USD, with Fed cut expectations retracing with odds of a cut in Nov at 94.6% (pre NFP: 135%). Markets 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. Short term, we see two-way risks for the pair with a slight biast to the downside. Our longer term bullish EURUSD view is underpinned by the belief that the Eurozone economy will pick up and the recent China stimulus measures could also provide a boost to Eurozone growth. Lagarde mentioned that there was greater confidence that prices were coming back towards target and that would be reflected in the next ECB decision in Oct. We see a total of 50bps more of cuts for ECB in 2024 with one likely in Oct. Back to key levels on EURUSD, resistance at 1.10 and 1.11. Support at 1.09 and 1.0850. Aug retail sales came in at 0.8% YoY (exp: 1.0%; prev: -0.1%) and 0.2% MoM (exp: 0.2%; prev: 0.0%).

- **GBPUSD - *Bailey Dovish*.** GBPUSD trades lower at 1.3096 levels after Governor Bailey suggested that the BoE can take a more aggressive approach in lowering interest rates and Fed expectations pared back significantly after a stellar NFP print. Conditions are stretched and the bearish divergence formed with MACD forest could continue to favour pullbacks. 1M options also show that traders are the most bearish about the GBP since Jul. Support is seen around 1.30. 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 1.3100 and then at 1.3200. Supports are at 1.3000 and 1.2950. UK data this week includes Sep BRC Sales Like-for-Like YoY (Tue), Sep RICS House Price Balance, BOE Liabilities/Credit Conditions (Thu), Aug Monthly GDP, Industrial/Manufacturing Production and Trade Balance (Fri).

- **USDCHF - *Two-way risks*.** USDCHF fell to 0.8541 levels with haven flows buoying the CHF. 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 0.8600 (50-ma). Next support is seen at 0.8500. 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 this week includes Sep FX reserves, 4 Oct Sight Deposits (Mon) and SECO Consumer Confidence (Fri).

- **USDJPY - *Lower, Likely to be Ranged*.** The pair was last seen at 147.85 as it edged lower after the recent surge. There were concerns of rising Middle East geopolitical tensions overnight but that may not necessarily have explained the JPY performance given other traditional safe haven assets such as USTs and gold actually saw a decline. The latter two seem to have continued to be affected by an unwinding of aggressive rate cut bets. However, we do not rule out the possibility that some bullish JPY elements could be buying in the currency after this recent climb up in the USDJPY. Economic data out this morning was mixed as the Aug nominal labor cash earnings number was stronger than expected at 3.0% YoY (est. 2.9% YoY, Jul. 3.4% YoY) although the real number actually saw a decline at -0.6% YoY (est. -0.5% YoY, Jul. 0.3% YoY) after two months of increases. Impact on the currency at point of data release was limited. As a while, BOJ we believe would still hike by 25bps in Dec as wages growth can remain reasonably robust and inflation can climb especially towards year end even amid some near term decline. Meanwhile, Aug BoP adjusted CA balance was wider at 3.02tn yen (est. 2.42tn yen, Jul. 2.80tn yen) whilst Aug P leading index and coincident index were lower at 106.7 (est. 106.9, Jul. 109.3) and 113.5 (est. 113.6, Jul. 117.2) respectively. We still expect the pair to remain ranged traded although it could be quite wide between 140.00 – 150.00 as markets continue to assess US data and Ishiba's stance. Back on the chart, resistance at 150.00. Support at 140.60 and 135.60. Meanwhile, remaining key data releases this week include Sep eco watchers survey (Tues), Sep P machine tool orders (Wed), Sep PPI (Thurs), Sep bank lending (Thurs), Sep Tokyo average office vacancies (Thurs) and Sep M2/M3 (Fri).

- **AUDUSD - *Stretched*.** AUDUSD pulled back further on weaker risk appetite and was last seen around 0.6760. Our warning of a further move lower towards 0.6720 (50-dma) is being played out, last printed 0.6762. There are plenty of risk events to watch that can drag the AUD this month – 1) the US elections, 2) China's stimulus efficacy and data, 3) broadening of the Middle-East conflict. 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 likes to admit. Technical indicators still suggest that momentum indicators are turning lower. 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, M-I inflation to pick up pace to 2.6%y/y from previous 2.5%. Tue has Westpac consumer confidence for Oct as well as Minutes of the Sep meeting and

NAB business survey for Sep. Thu has ANZ job advertisements for Sep. Thu has Oct consumer inflation expectation (Oct).

- **NZDUSD - *Bearish Divergence Plays Out*.** NZDUSD slipped and was last seen around 0.6140, bouncing off the 100-dma support at 0.6123. The double-top at 0.6370 remains intact and seems to be playing out. Not all double tops play out completely. Current support is seen around 0.6110 before the next at 0.6050. 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. This week, we have RBNZ decision on Wed. Thu has REINZ house sales for Sep. Fri has Mfg PMI and food prices for Sep.

- **USDCAD - *Double Bottom Plays Out Further*.** USDCAD rose on weaker risk appetite, notwithstanding the rise in oil price recently. Pair has broken above the 21-dma (around 1.3545) which has acted as a resistance for this pair. Spot is last printed 1.3620. Next resistance is seen around 1.3650 (100-dma). A double bottom at 1.3440 remains intact and is playing out. Break of the 1.3650, the neckline to open the way towards 1.3950. Week ahead has Aug trade on Tue. Fri has Sep labour data.

- **Gold (XAU/USD) - *Range*.** Gold remained elevated as conflicts continue in the Middle-East. Bullion was last seen around $2640. Even though UST yields were higher, USD is elevated, gold did not fall much amid pockets of risk aversions. This puts a formidable support around 2630. Any test of this level 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 +1.94% from the implied mid-point of 1.3286 with the top estimated at 1.3021 and the floor at 1.3552.

- **USDSGD - Two-way risks.** USDSGD was last seen lower at 1.3028 levels this morning. The trade-weighted SGDNEER is at +1.94% 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 1.3100 and 1.3150. Supports are 1.3000 and 1.2900. 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 FX Reserves rose to US$389.81b (prev: US$384.59b). No further data releases for the week with 3QA GDP and MAS MPS confirmed next Mon.

- **SGDMYR - *Higher on USD rebound*.** SGDMYR was last seen higher at around 3.2880 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*.** USDMYR was last seen little moved at 4.2835 in line with the broad dollar holding steady around recent levels. 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. Meanwhile, 30 Sep foreign reserve data saw a climb to $119.7bn (prior. $117.6bn) amid a decline in the broad dollar strength during the last month. Remaining key data releases this week include Aug mfg sales (Fri) and Aug IP (Fri).

- **USDCNH - *Rebound*.** USDCNH hovered around 7.0580, softening considerably in anticipation of the NDRC announcement later at 10am. IT is said to provide an update on the “comprehensive implementation of a package of incremental policies to robustly promote upward economic momentum, optimize structural development and sustain a positive growth trajectory”. Questions will be taken from the media. More details on fiscal spending promised post Politburo is expected and any signs of quicker bond issuance for spending on projects, further details on how domestic demand (consumption and investment) can be supported. That could provide the follow through necessary for onshore equities to sustain its rally in the hopes that there could be stabilization. In related news, about 130 cities across 20 provinces have rolled out various measures to lure buyers. CCTV news reported that the sales of new homes jumped more than 10 times in the first six days of the month while used-home transactions more than tripled in Shenzhen. We will monitor how well the box office will do in China this Golden Week. 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. Back on the USDCNH chart, pair was last at 7.0580, sticky around the 21-dma. This pair may potentially find support around 7.0530 before the next at 6.9735. We see two-way risks from here but announcements from the NDRC should potentially be supportive of growth and as such, supportive of the yuan for now. Resistance around 7.10. Support around 6.9710.

- **1M USDKRW NDF - *Steady*.** 1M USDKRW NDF was last seen at 1343.22 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 1350 and 1360. Supports are at 1340 and 1330. 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 rumours saying that approval could be delayed to a later date. Inflation coming off should give BOK comfort to cut rates, although concerns over KRW weakness linger. Aug BoP Goods/CA Balance came in at US$6593.8m/US$6595.3m (prev: US$8328.5m/US$8966.0m). South Korean data this week includes, Bank Lending to Household and BOK Policy Decision (Fri).

- **1M USDINR NDF – *Steadying*.** USDINR 1M NDF has quietly edged up and has steadied around last seen levels of 84.11 levels this morning. The USD has been better supported following the stellar NFP print and repricing of Fed rate cut expectations. 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 includes RBI Policy Decision (Wed) and Aug Industrial Production (Fri).

- **1M USDIDR NDF – *Higher, Further Upside Likely Limited*.** 1M NDF was last seen at 15742 as it climbed in line with the rise in UST yields overnight. We are not ruling out further upside for the pair still although we also note that markets have already pared back rate cut expectations to 25bps easing in Nov and US data coming out is likely to be more supportive of that outcome. At the same time, we are also wary of US election uncertainty being priced in more and the impact it can have on hurting sentiment towards the riskier EM assets. Markets as a whole does not appear as concerned about US elections currently although we cannot rule out complacency. Other risks we are aware of include uncertainty related to Prabowo's policies as he takes offices but even then, it does appear that potential figures of the new incoming administration at this point are looking cautious about causing major movements in markets. Back on the chart, resistance at 15777 and 16060. Support is at 15200 and 15000. Meanwhile, Sep foreign reserves was slightly lower at $149.9bn (Aug. $150.2bn). Remaining key data releases this week include Sep consumer confidence index (Tues) and Sep local auto sales (11 – 15 Oct).

- **1M USDPHP NDF - Higher, *Upside Risks*.** The 1M NDF was last seen at 56.81 as it rose throughout yesterday with the climb in UST yields as 10y breached 4.00. Near term, it looks like external events could be the main driver of the 1M NDF, particularly those related to US data and the Fed's rate path. Upside risks remains for the pair. Back on the chart, we watch if the 1M NDF can hold above the 56.50 resistance with the next level after that at 57.20. Support is at 55.27 and 54.50. Meanwhile, Sep foreign reserves rose to $112.0bn (Aug. $107.9bn) amid a decline in broad dollar strength during that period. Aug unemployment rate was also lower at 4.0% (Jul. 4.7%). Remaining key data releases this week include Aug trade data (Thurs).

- **USDTHB - *Steady*, *Upside Risks*.** Pair was last seen at 33.46 as it held steady with the broad dollar still trading around recent levels. Gold did edge lower whilst UST 10y breached 4.00. We stay wary of upside risks for the pair if gold prices decline near term and broad dollar continues its climb. We are also cognizant of geopolitical risks and the impact it can have on oil prices and inflation concerns. China stimulus optimism on the other hand can provide support to the THB given the strong trade links between China and Thailand. Meanwhile, on other items, we also remain wary of the ongoing pressure from the government on the central bank to ease rates. Finance Minister Pichai Chunhavajira has said that the government is considering a proposal to raise the annual inflation target to support economic growth. However, he also declined to comment on a recent report that MOF is pushing for the 2025 inflation target to be raised to 1.5% - 3.5%. Back on the chart, support at 32.57 with the next at 31.81. Resistance is at 33.61 and 34.25. Meanwhile, Sep CPI came out below expectations at 0.61% YoY (est. 0.75% YoY, Aug. 0.35% YoY) whilst it declined on a monthly basis at -0.10% MoM (est. 0.04% MoM, Aug. 0.07% MoM). Sep core data was higher though at 0.77% YoY (est. 0.75% YoY, Aug. 0.62% YoY). The latter number rising should on its part keep the BOT on hold at the Oct meeting. We see BOT overall staying on hold at 2.50% in 2024 although they may lower rates to 2.25% in 2025 (with a cut of 25bps possibly occuring in 1Q 2025). Remaining key data releases this week include Sep consumer confidence (8 – 15 Oct) and 4 Oct gross international reserves/forward contracts (Fri).

- **USDVND - *Bullish Retracements*.** USDVND rallied in line with most USDAsians, last seen around 24850. This was in line with the rise in UST yields. This pair has continued to make headway towards the next resistance seen around 24870 (50-dma). Support at 24695 before the next at 24530. Vietnam just released data with 3Q GDP outperforming at 7.4%y/y in the third quarter from an upward-revised 7.1% in 2Q. Our economist noted that the 3Q outturn surpassed our above-consensus estimate of 6.7%, GDP rose 6.8% in first nine months, led by trade, tourism and transportation. SBV should stand pat on rates as inflation cools in Sep. Our economist now looks for GDP to grow 6.7% in 2024 and 6.4% in 2025, an upgrade from 6.4% and 6.2% previously. In somewhat related news, PM Pham Minh Chinh urged "drastic measures" to be implemented by ministries to boost growth to above 7% this year. Minister of Planning and Investment Nguyen Chi Dung said that the country must achieve GDP growth of 7.6-8% in 4Q to hit the 2024 target of 7% or more.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.37	3.43	+6
5YR MI 8/29	3.53	3.55	+2
7YR MS 4/31	3.71	3.75	+4
10YR MS 7/34	3.74	3.77	+3
15YR MS 4/39	*3.90/3.88	3.92	+3
20YR MX 5/44	*4.05/4.03	4.05	+1
30YR MZ 3/53	4.18	4.23/18	Not traded
IRS			
6-months	3.57	3.57	-
9-months	3.54	3.54	-
1-year	3.53	3.53	-
3-year	3.44	3.45	+1
5-year	3.47	3.51	+4
7-year	3.56	3.60	+4
10-year	3.66	3.70	+3

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

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- Ringgit bond yields rose 1-6bp across the curve, with the interest primarily in the front-to-belly part of the curve. The weakness mirrored the UST bear-flattening move following the stronger-than-expected NFP data, which reduced market expectations for aggressive rate cuts in the upcoming FOMC meetings. The market now expects 2 cuts for the remainder of the year, down from 3 cuts forecasted earlier last week. The MGS 5/27 3y reopening drew a tepid BTC of 1.606x on an expected MYR4.5b size with no private placement. Next auction is a reopening of 10y GII 11/34 with expected size of RM4.5b with no private placement.

- MYR IRS levels rose 1-4bp, resulting in a steeper curve, while the 3M KLIBOR was unchanged at 3.56%. 5y IRS traded at 3.49%, 3.50% and 3.51%, while 10y IRS traded at 3.70%.

- In the PDS market, trading activity remained muted. In the GG segment, Danainfra 7/39 was the only trade with yields rising 3bp on a MYR10m volume. In AAA, Cagamas 11/26 traded at MTM on a MYR165m volume, while BSN 2/29 traded 3bp lower for MYR10m. In AA3/AA-, Maybank Perp's spread narrowed by 4bp with only odd-lot being traded.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.59	2.79	+20
5YR	2.63	2.82	+19
10YR	2.75	2.91	+16
15YR	2.81	2.94	+13
20YR	2.80	2.92	+12
30YR	2.75	2.85	+10

Source: MAS (Bid Yields)

- The SGS yield curve experienced an upward movement across all tenors, tracking extended weakness in UST. The 2y5y saw the largest increase, rising 19-20bp while 30y SGS yield rose 10bp to 2.85%. The overnight SORA eased further by 4bp to 3.55%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1005	149.66	0.6837	1.3166	7.1197	0.6198	164.1033	102.0400
R1	1.0991	148.92	0.6797	1.3125	7.0954	0.6162	163.3667	101.0840
Current	1.0984	147.83	0.6765	1.3102	7.0582	0.6145	162.3700	100.0100
S1	1.0958	147.65	0.6730	1.3051	7.0525	0.6101	162.0967	99.5080
S2	1.0939	147.12	0.6703	1.3018	7.0339	0.6076	161.5633	98.8880

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3076	4.3255	15745	57.0757	33.6667	1.4349	0.6130	3.3226
R1	1.3058	4.3050	15712	56.9403	33.5573	1.4331	0.6117	3.3040
Current	1.3028	4.2860	15690	56.8180	33.4670	1.4310	0.6109	3.2901
S1	1.3021	4.2465	15636	56.5523	33.2793	1.4287	0.6083	3.2504
S2	1.3002	4.2085	15593	56.2997	33.1107	1.4261	0.6062	3.2154

**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	41,954.24	-0.94
Nasdaq	17,923.90	-1.18
Nikkei 225	39,332.74	1.80
FTSE	8,303.62	0.28
Australia ASX 200	8,205.40	0.68
Singapore Straits Times	3,599.19	0.28
Kuala Lumpur Composite	1,635.29	0.33
Jakarta Composite	7,504.14	0.11
Philippines Composite	7,554.68	1.16
Taiwan TAIEX	22,702.56	1.79
Korea KOSPI	2,610.38	1.58
Shanghai Comp Index	3,336.50	#DIV/0!
Hong Kong Hang Seng	23,099.78	1.60
India Sensex	81,050.00	-0.78
Nymex Crude Oil WTI	77.14	3.71
Comex Gold	2,666.00	-0.07
Reuters CRB Index	293.57	0.66
MBB KL	10.50	0.00

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