

# Global Markets Daily

## Cautious Rally

### Cautious Rally

SP and NASDAQ ended higher, led mainly by tech counters although a sense of caution remains with various risk events (Presidential Debates, CPI) ahead. Dow was dragged lower as financial counters sold off on concerns over NIM compression, despite the big regulatory break that banks got on new, less restrictive, capital rules. 10Y yield fell (-6bps to 3.64%) while the DXY (101.647) and USD were fairly steady. As we suggested, safe-havens look to be doing fairly well with the JPY (0.5%), Gold (0.4%) and CHF (0.3%) all up against the USD. On the other hand EUR (-0.1%), AUD (-0.1%) are both weaker and other currencies are basically flat. ECB is tomorrow, and EUR weaker could be an adjustment to account for the risk of the unlikely scenario of the ECB tilting more dovish. There are certainly factors that could be more supportive of the USD going ahead, and we view rebounds in the USD as opportunities to sell, in line with our base case for a soft landing and a measured pace of Fed cuts. Presidential debate today could affect the CNY, with a stronger Trump (Harris) showing being worse (better) for the Yuan.

### Barrage of Legal Complaints on New Thai PM

New Thai PM Paetongtarn Shinawatra is facing a barrage of legal complaints seeking to oust her just days after she took office. Complainants are alleging that the newly minted PM is in breach of ethical standards and is also under the influence of her father, former PM Thaksin Shinawatra. Petitions could result in her dismissal as PM, or even the dissolution of her Pheu Thai Party. Paetongtarn has downplayed these challenges and vowed to address near-record levels of household debt and the high cost of living. Academics suggest that the complaints at this stage are a nuisance for the government and could be retaliation for being excluded from the government. However, it would be wise to be vigilant about these developments. USDTHB is unperturbed, and trades lower with the THB well supported by the rise in gold.

### Data/Event We Watch Today

We watch Jul UK GDP and Aug US CPI Inflation.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1020	↓ -0.14	USD/SGD	1.3046	↓ -0.09
GBP/USD	1.308	↑ 0.05	EUR/SGD	1.4376	↓ -0.24
AUD/USD	0.6652	↓ -0.14	JPY/SGD	0.9159	↑ 0.43
NZD/USD	0.615	↑ 0.08	GBP/SGD	1.7065	↓ -0.04
USD/JPY	142.44	↓ -0.52	AUD/SGD	0.8679	↓ -0.21
EUR/JPY	156.97	↓ -0.65	NZD/SGD	0.8024	→ 0.00
USD/CHF	0.847	↓ -0.27	CHF/SGD	1.5404	↑ 0.20
USD/CAD	1.361	↑ 0.38	CAD/SGD	0.9587	↓ -0.46
USD/MYR	4.3422	↓ -0.69	SGD/MYR	3.3275	↓ -0.60
USD/THB	33.748	↓ -0.59	SGD/IDR	11833.53	↑ 0.02
USD/IDR	15450	↓ -0.03	SGD/PHP	43.1755	↓ -0.21
USD/PHP	56.392	↓ -0.14	SGD/CNY	5.4589	↑ 0.18

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3040	1.3306	1.3572

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### G10: Events & Market Closure

Date	Ctry	Event
11 Sep	US	Presidential Debate (KL/SG Time)
12 Sep	EC	ECB Policy Decision

### AXJ: Events & Market Closure

Date	Ctry	Event
NIL	NIL	NIL

## G10 Currencies

- **DXY Index - *Double Bottom for the DXY, 102-figure Still Caps.*** The DXY index was little moved yesterday, ending the session where it opened at 101.63. Major event of the morning at 9am (SGT/KLT) is the Trump-Harris Presidential debate. It is their first and possibly only debate. Will Trump continue to be seen as business-friendly? Afterall, he has been a key advocate of tax cuts as well as protectionist tariffs while Vice President Kamala Harris is a proponent for higher taxes on businesses and wealthier individuals (making at least \$400K a year). The turn of the S&P500 also roughly coincides with the peak of Trump's odds to win around mid Jul. The bounce back in the S&P was also came just a few days before the trough of the Trump's rating in Aug as well. There is, as such, some positive correlation between Trump and the equity markets. So as the US elections approach, there is a possibility that the VIX would rise further and that could be USD positive and actually AUD negative. Beyond the US elections, we have US CPI due tonight which may not be as market moving as the employment data given the shift in focus of the Fed recently. Consensus looks for CPI to steady around 0.2% m/m in Aug. Year-on-year, core CPI should also steady around 3.2%. It takes a major surprise (upside/downside) for markets to react to this data. We still take a cautiously optimistic view. While activity in the US is slowing, employers are being more cautious on hiring, latest consumer sentiment seems to be holding up. Initial jobless claims have been steady which also underscores little evidence of mass layoffs. As such, a US soft-landing is still on track. The >100bps cut priced in over the next three meetings (Sep - Dec 2024) is at risk of being a tad aggressive given that the rest of the economic report suggests some resilience still. There is a chance that the well that the Fed may reveal a milder pace of easing at its next dot plot in Sep. Key support is seen around 100.60. Resistance remains at 102. Break out above that opens the way towards 102.90. It is more likely for two-way trades within the 100.60-102.00. Data-wise, NFIB small business optimism for Aug slipped quite a bit from 93.7 to 91.2. Wed has Aug CPI. Thu has PPI for Aug. Fri has Sep prelim. Univ. of Mich. Sentiment.
- **EURUSD - *Lower.*** EURUSD is lower at 1.1021 levels this morning with market likely adjusting to the risk of ECB tomorrow. We continue to caution that the risk of further USD rebounds on recalibration of Fed rate cuts is possible. At the same time, we view rebounds in the USD (lower EURUSD) as opportunities to sell the USD (buy EURUSD). A soft-landing is favourable for USD weakness and a hard-landing is favourable for USD strength. Our base case remains one for a soft-landing although we do recognize the risks of a hard-landing. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. ECB are likely adopting a cautious approach despite having cut in the face of an uptick in inflation previously. While we do expect a cut from the ECB on 13 Sep, we think they are extremely unlikely to depart from their data-dependent rhetoric and they will neither commit to nor provide guidance for a pre-determined rate cut path. Support is at 1.1000, followed by 1.0950, resistance at 1.1060 and 1.1100. Eurozone data this week includes ECB Policy Decision (Thu) and Jul Industrial Production (Fri).
- **GBPUSD - *Slightly Higher.*** GBPUSD was slightly higher at 1.3071 levels this morning. Two-way risks exist, as the backdrop of a soft landing/Goldilocks scenario builds, conditions become more favourable for GBP strength (and USD weakness). We continue to caution that the risk of further rebounds on recalibration of Fed rate cuts is possible. At the same time, BOE is priced as the most hawkish DM central bank at this point and that is providing the GBP some lift. However, we continue to see potential for 50bps cuts from the BOE in 2024, which could keep the GBPUSD from rising much further. Services inflation, the main source of

discomfort for the BOE, has come off in the latest print. 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. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. Back on the GBPUSD, resistances at 1.3100 and 1.3200. Supports are at 1.3000 and 1.2950. UK data this week includes Aug Construction PMI and Aug DMP 3M Output Price/1Y CPI Expectations (Thu).

- **USDCHF - Two-way risks.** USDCHF is lower at 0.8466 levels this morning as safe-havens found better support. We continue to look for two-way movements for the pair with both the Fed and SNB looking to cut rates. 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. Nevertheless, we do see USDCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts. Supports are at 0.8400 and 0.8333. Rebounds to meet resistance at 0.8500 and 0.8550 thereafter. Aug Unemployment Rate was stable at 2.4% (exp: 2.4%; prev: 2.4%) and 2.5% SA (exp: 2.5%; prev: 2.5%). Swiss data this week includes 6 Sep Sight Deposits (Mon).
- **USDJPY - Lower, Downside But Some Limit.** The pair was last seen lower at 141.81 as it moved lower in line with the UST 10y yields. BOJ Policy Board member Nakagawa also said that the BOJ could review JGB cut plans at next week's meeting and that even with a hike, financial conditions would be easy. She additionally mentioned that there are no huge change to Japan's economic fundamentals. More bullishness for the JPY seems to be building as stock investors into Japan could be increasingly be avoiding currency hedging as they look to ride the currency's appreciation. Also, private demand for government debt could be picking up as the BOJ cuts its buying. Meanwhile, according to a Bloomberg report which was based on people familiar with the matter, BOJ officials reportedly see little need to raise rates next week as they continue to monitor market volatility and the impact of the Jul hike. This is pretty much in line with market expectations though. LDP presidential elections on 27 Sep would also be closely watched especially in relation to the impact on monetary policy from whoever is elected as the new leader. For this week, markets are awaiting the release of US CPI data due tonight and also closely monitoring the US presidential debate. We see the potential for further downside on the pair although it may be more limited as stronger developments may be needed to push it much lower. Back on the chart, support is at 140.25 and 135.00. Resistance is at 150.00 and 152.00. Meanwhile, Aug P machine tool orders declined by -3.5% YoY (Jul. 8.4% YoY), which marked the first decline since Apr. We continue to monitor the number closely and see how it evolves as it is not clear just yet that this would mark a period of weakness again in investments. Remaining key data releases this week include A 3Q BSI large all industry/mfg (Thurs), Aug PPI (Thurs), Aug Tokyo average vacancies (Thurs), Jul F IP (Fri) and Jul capacity utilization (Fri).
- **AUDUSD - Double Top.** AUDUSD waffled around the 100-dma, last printed 0.6653. Risks are still to the downside. We spot a positive correlation between S&P500 as well as Trump's odds of winning the Presidential elections. As the elections draw near, it is likely that there could be more volatility on the equity front given Trump's penchant to cut taxes for businesses while Vice President Kamala Harris advocates hiking the tax rates on the wealthier individuals and corporates. As such, Trump's poll

performance tends to correlate more positively with the S&P 500. Unfortunately, that also has spillover effects on the AUD which is more sentiment-driven. As such, given the growth assessment and fragility of sentiment, we see downside risks to the AUD. On the daily chart, stochastics are turning from overbought conditions and momentum is increasingly bearish. Our warnings that the balance of risks for the AUDUSD is for further downside could continue to play out. Our view for some further downside risks to the AUD still holds especially if global growth continues to show signs of cracks such as further signs of deterioration in China's economy. With plenty of China's Aug data due this week, the week is likely to be another bearish one for the AUD. This is a time of global growth assessment and should there be a lack of revival in consumer confidence/business confidence even after the signaling of rate cuts, we will start to take a more cautious view of the AUD. Our glass half full view of the world is based on our assumptions that the Fed is easing at a time where there is some resilience in the economy, consumer confidence is holding up and weekly jobless claims suggest little evidence of mass layoffs. Post summer, we watch if the leading indicators such as the ZEW, PMI surveys start to improve in the Eurozone as well. We assume that global growth is more likely to soft land and bottom out as major central banks (ex BoJ) start to ease monetary policies. Support at 0.6655 before 0.6610. Rebound to extend towards 0.71 in the next twelve months. Data-wise, Thu has Consumer inflation expectation for Sep.

- **NZDUSD - Bearish Skew Plays Out.** NZDUSD slid below the 0.6140-support and last printed 0.6137, little moved yesterday. Recent softening of global dairy prices weighed on the NZD along with more jittery sentiment. We remain wary of bearish risks and the pair is vulnerable to further bearish extension as stochastics show signs of turning from overbought conditions. Resistance at 0.6370. Next levels of support to watch are seen at 0.6110 before 0.6076 (50,100-dma).
- **USDCAD - Steady For Now, Bullish Retracement Could Extend.** USDCAD rose to levels around 1.3610 as growth concerns continue to weigh on the oil prices. Regardless, bullish momentum is rising and so is the stochastics from oversold conditions, Rebound of the USDCAD remains in play. Further bullish extension beyond the 1.3560-resistance could open the way towards 1.3650. Balance of risk right now is still to the upside.
- **Gold (XAU/USD) -Range bound.** Gold last printed \$2521, still stuck within the \$2480-2530 range. Along with the volatility that could come with the US elections, the balance of risks have become well more balanced. 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. On the daily chart, stochastics are plateauing. MACD is neutral. The range of 2480-2530 continues to remain in close watch,

## Asia ex Japan Currencies

SGDNEER trades around +1.99% from the implied mid-point of 1.3306 with the top estimated at 1.3040 and the floor at 1.3572.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.3031 levels this morning, in line with safe-havens being better supported. SGD remains resilient after MAS' hold, and the trade-weighted SGDNEER is at +1.99% 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 1.3050 and 1.3000. Aug FX Reserves rose to US\$384.59b (prev: US\$378.62b), an indication that the central bank perhaps bought a healthy amount of USD in Aug amid USD weakness to moderate SGDNEER strength. SG data this week includes MAS Survey of Professional Forecasters (Mon to Wed).
- **SGDMYR - Lower.** Cross was lower at 3.3293 levels this morning. This is consistent with our observation that the MYR looks to fare better when USD is weak, whereas SGD is more resilient when USD is strong. Risks are two-way as we believe rebounds are likelier as pair gets more stretched. At the same time, the soft-landing narrative favours the MYR more than the SGD. Support at 3.3300 with the next support at 3.3000. Resistances at 3.3500 and 3.3700.
- **USDMYR - Lower.** Pair was last seen slightly lower at 4.3425 as it continues as a whole to trade at levels seen in the last few sessions - 4.33 - 4.38. We expect that the pair can continue to trade sideways in the near term. However, a rebound can occur eventually as more US election concerns is priced in and markets could become more jittery on the uncertain US data trend too. Focus this week though would mainly be on US CPI due today and the US presidential debate. Back on the chart, resistances are at 4.4000 and 4.4439. Support is at 4.2250. Meanwhile, Jul mfg sales grew more strongly at 9.1% YoY (Jun. 5.9% YoY) whilst the Jul IP was also higher at 5.3% YoY (est. 5.3% YoY, Jun. 5.0% YoY). Both data points reflect elements of strength in the economy. There are no remaining key data releases this week.
- **USDCNH - Double Bottom.** USDCNH dropped and was last seen around 7.1220. This came along with USDJPY pullback as well as the fix that was lower than estimate at 7.1182 albeit still higher than the prev. at 7.1136. Move lower validates resistance at 7.1403. Support is seen around 7.1125 before 7.08. Move higher to meet next resistance at 7.1730. There have been talks about cutting the reserve requirement ratio from the average rate around 7%. However, given that the last rate cuts in Jul have failed to lift credit demand, the predominant effect of further easing (via RRR cuts or interest rate cuts) may just be a weaker yuan and export



competitiveness. China holds NPC standing committee meeting on 10-13 Sep. Data-wise, Aug credit data could be due anytime this week. Aug activity and home data is due on Sat.

- **1M USDKRW NDF - Lower.** 1M USDKRW NDF was last seen lower at 1336.26 levels this morning. BOK is likely to only start discussing rate cuts after the Fed has cut given their concerns over currency volatility and weakness that could arise from cutting ahead of the Fed. We see resistances at 1340 and 1350. Supports are at 1330 and 1320. 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. Aug FX Reserves rose to US\$415.92b (prev: US\$413.51b). Aug Unemployment Rate edged lower to 2.4% (exp: 2.6%; prev: 2.5%). Data releases this week included Aug Bank Lending to Household (Wed), Aug Import/Export Price Index and Jul Money Supply (Fri).
- **USDINR 1M NDF - Steady.** USDINR 1M NDF was steady at 84.07 levels this morning. The INR has yet to meaningfully retrace carry trade unwind losses even as recession fears fade and the case for a soft landing/Goldilocks scenario builds. RBI will likely keep rates on hold at least while Fed remains on hold as data releases continue to reaffirm that India experiences a satisfactory pace of growth. Their preference for currency stability suggests that they would not cut ahead of the Fed. India's budget for the new fiscal year targets narrowing the budget deficit to 4.9% of GDP, which should be INR supportive. We look to see if India could continue to be an economic bright spark relative to the rest of the region. Support at 83.65 (100 -dma) before the next at 83.55 (50 -dma). RBI has introduced trading and settlement of sovereign green bonds issued by India in the International Financial Services Centre (IFSC). Foreigners are eligible to invest and inflows from this initiative could benefit the INR. 30 Aug FX Reserves came in higher at US\$684.0b (prev: US\$681.7b) potentially hinting at sizeable purchase of USD by RBI. India data this week includes Aug CPI, Jul Industrial Production (Thu), 6 Sep FX Reserves and Aug Imports/Exports/Trade Balance (Fri).
- **1M USDIDR NDF - Lower, Sideways for Now.** Pair was last seen at 15464 as UST yields decline. As a whole, it continued to trade at levels seen in the last few sessions with markets awaiting the US CPI and monitoring the outcome of the US presidential debate. We expect that the pair can continue to trade sideways in the near term. However, a rebound can occur eventually as more US election concerns is priced in and markets could become more jittery on the uncertain US data trend too. Back on the chart, resistance is at 15777 and 15892 (200-dma). Support at 15318 and 15000. Remaining key data releases this week include Aug local auto sales (11 - 15 Sep).
- **1M USDPHP NDF - Lowers, Sideways for Now.** The pair was last seen at 56.25 as it declined with UST yields lower. As a whole, it is still trading around recent levels as markets await the US CPI and monitor the outcome of the US presidential debate. We expect that the pair can continue to trade sideways in the near term. However, a rebound can occur eventually as more US election concerns is priced in and markets could become more jittery on the uncertain US data trend too. Back on the chart, resistance is at 56.50 and 57.20. Support is at 56.00 and 55.27. There are not remaining key data releases this week.

- **USDTHB - Lower, Sideways for Now.** Pair was last seen lower at 33.66 as gold price moved up and UST yields declined. It may still hold up above 33.50 and trade sideways near term. However, a rebound can occur eventually as more US election concerns is priced in and markets could become more jittery on the uncertain US data trend too. For today, markets are awaiting the release of US CPI data and also monitoring the outcome of the US presidential debate. Meanwhile, on the political front, political activists and rivals have filed a dozen complaints with the election commission on the new PM Paetongtarn Shinawatra. We continue to monitor the political situation. Back on the chart, resistance at 34.50 and 35.00. Support is at 33.50 and 32.57. Key data releases this week include Aug consumer confidence (Thurs) and 6 Sep gross international reserves and forward contracts (Fri).
- **USDVND - Downtrend intact.** USDVND was last seen around 24630 this morning. Downtrend remains intact but taking a pause, much in line with the region. Resistance is seen around 24770 while support is seen at 24500. In news, SBV noted that credit growth has finally surged, reaching 7.75% as of 7 Sep on track to reach its target of 15% growth rate for the full year.

## Malaysia Fixed Income

### Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.35	3.34	-1
5YR MI 8/29	3.49	3.49	Unchanged
7YR MS 4/31	3.69	3.70	+1
10YR MS 7/34	3.74	3.74	Unchanged
15YR MS 4/39	3.89	3.88	-1
20YR MX 5/44	*4.08/03	4.04	Unchanged
30YR MZ 3/53	4.19	4.19	Unchanged
IRS			
6-months	3.50	3.51	+1
9-months	3.48	3.48	-
1-year	3.43	3.44	+1
3-year	3.34	3.35	+1
5-year	3.40	3.40	-
7-year	3.49	3.50	+1
10-year	3.58	3.60	+2

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Source: Maybank

\*Indicative levels

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

- Ringgit government bonds moved sideways, lacking fresh inflows and release of major macro data. Trading activity remained subdued, despite narrow two-way bond price quotes. Liquidity was moderate, with yields closing relatively unchanged.
- It was a quiet day in the MYR rates space, with IRS levels drifting 1-2bps higher amid low trading interest. Only 5y IRS got dealt at 3.40%. 3M KLIBOR remained unchanged at 3.53%.
- It was an active session for onshore PDS, with elevated liquidity, though most credits traded rangebound. GG space saw the most activity, with PTPTN, PASB and Prasarana long-tenor bonds trading in large volumes at MTM levels, while MRL 7/40 traded 1bp lower. In the AAA space, spreads narrowed by 3-4bps due to buying pressure, particularly for TNB and Cagamas. In the AA1/AA+ segment, Sime Darby 12/25 traded at MTM and Maybank 1/34 yield fell by 1bp. AA3/AA- Edra Energy 2032s and A+/A1 DRB-Hicom 8/30 both traded at MTM levels.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.45	2.43	-2
5YR	2.46	2.42	-4
10YR	2.61	2.57	-4
15YR	2.67	2.65	-2
20YR	2.72	2.69	-3
30YR	2.73	2.70	-3

Source: MAS (Bid Yields)

- USTs ended mostly flat overnight as the market awaits the upcoming inflation report ahead of the FOMC meeting on 18 Sep. SGS yields continued to move sideways, with the 10y SGS yield holding within the 2.55-2.65% range. The 2y10y SGS curve flattened slightly as the 10y yield dropped 4bps, while the 2y yield fell 2bps. SGD SORA OIS rates moved 2-6bps lower for the day. The market likely shifts focus to the US Presidential debate for insights on taxes, trade and tariffs.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.59	6.62	0.03
2YR	6.54	6.53	(0.01)
5YR	6.51	6.50	(0.00)
7YR	6.66	6.64	(0.01)
10YR	6.63	6.62	(0.01)
20YR	6.82	6.82	(0.00)
30YR	6.85	6.85	0.00

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\* Source: Bloomberg, Maybank Indonesia

- Most government bonds strengthened following positive environment on Indonesian investment market yesterday. The market players seemed having strong expectation for imminent policy rate cut by the Fed next week. According various market consensus, we also saw a high expectation for loosening pressures on the U.S. CPI inflation from 2.9% YoY in Jul-24 to be 2.6% YoY in Aug-24. A development on the U.S. CPI inflation becomes one of main consideration factors for the Fed to make decision on its policy rate. The U.S. CPI inflation will be announce tonight at 19.30 Indonesian West Region Time Zone.
- Indonesian government successfully absorbed Rp8 trillion from its latest Sukuk auction yesterday. We saw a moderate responses by investors during this auction as most investors seemed on “the wait & see mode” for incoming release of the latest U.S. CPI inflation. Investors’ total incoming bids on this auction reached Rp21.27 trillion. At this auction, the investors gave most attention for the short tenor series, such as PBS032 and SPNS09062025. Investors’ total incoming bids for those two series reached Rp6.21 trillion and Rp4.02 trillion, respectively, with the range of asking yields by 6.50000%-6.67000% and 6.40000%-6.55000%, respectively. Then, the government decided absorbing Rp1.2 trillion and Rp1.4 trillion for investors’ total interests for PBS032 and SPNS09062025, subsequently, and giving weighted average yields by 6.56995% and 6.49897%, respectively. We thought that the government kept being efficient on its debt strategy with optimizing absorption for relative low interest cost series, such as SPNS09062025.
- Bank Indonesia reported that Indonesian retail sales index growth is projected to strengthen from 4.5% YoY (-7.2% MoM) in Jul-24 to 5.8% YoY (1.6% YoY) in Aug-24. We saw that a stronger growth on Indonesian retail sales index is mostly contributed by an increase in sales on the food beverages & tobacco commodities and the automotive fuels. A solid growth on the retail sales of the food beverages & tobacco commodities is in line with solid performances on the Indonesian economy with consistent growth around 5% in recent years and strong government’s role to maintain the consumers’ purchasing power capacities through its various social safety net programs for the poor people. In addition, the increase in retail sales for the automotive fuel is in line with the increase in world oil prices accompanied by the strengthening of the US\$ globally throughout the Aug-24 period. Then, according to Bank Indonesia, the better achievement of retail sales last month was mainly supported by the momentum of the celebration of the national Independence Day which usually triggers people to shop more, especially in cultural and recreation goods commodities which grew 2.8% YoY in Aug-24. Bank Indonesia estimates that retail sales performance in 3Q24 will be better than 2Q24. The Retail Sales Index in 3Q24 is estimated to grow 5.1% yoy, from 0.7% in 2Q24. The increase

in retail sales performance occurred in the clothing, food and beverage and tobacco groups, each estimated to grow 4.7% YoY and 7.1% YoY in 3Q24. As retail sales performance continues to grow positively, we see that Indonesia, whose economic structure is dominated by household consumption activities, is expected to grow 5.06% this year.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1063	144.29	0.6693	1.3137	7.1477	0.6182	159.3100	96.1957
R1	1.1042	143.37	0.6672	1.3109	7.1417	0.6166	158.1400	95.4793
<b>Current</b>	1.1028	142.23	0.6655	1.3083	7.1298	0.6146	156.8600	94.6570
S1	1.1007	141.86	0.6636	1.3051	7.1235	0.6133	156.3000	94.2793
S2	1.0993	141.27	0.6621	1.3021	7.1113	0.6116	155.6300	93.7957
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3081	4.3832	15501	56.6180	34.0647	1.4440	0.6158	3.3579
R1	1.3063	4.3627	15475	56.5050	33.9063	1.4408	0.6128	3.3427
<b>Current</b>	1.3042	4.3450	15460	56.2950	33.6500	1.4384	0.6103	3.3315
S1	1.3035	4.3290	15427	56.3230	33.6213	1.4360	0.6080	3.3175
S2	1.3025	4.3158	15405	56.2540	33.4947	1.4344	0.6062	3.3075

\*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	3.7000	Oct-24	Neutral
BNM O/N Policy Rate	3.00	6/11/2024	Neutral
BI 7-Day Reverse Repo Rate	6.25	18/9/2024	Neutral
BOT 1-Day Repo	2.50	16/10/2024	Neutral
BSP O/N Reverse Repo	6.25	17/10/2024	Easing
CBC Discount Rate	2.00	19/9/2024	Neutral
HKMA Base Rate	5.75	-	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	Neutral
Fed Funds Target Rate	5.50	19/9/2024	Easing
ECB Deposit Facility Rate	3.75	12/9/2024	Easing
BOE Official Bank Rate	5.00	19/9/2024	Easing
RBA Cash Rate Target	4.35	24/9/2024	Neutral
RBNZ Official Cash Rate	5.25	9/10/2024	Easing
BOJ Rate (Lower bound)	0.00	20/9/2024	Tightening
BoC O/N Rate	4.25	23/10/2024	Easing

## Equity Indices and Key Commodities

	Value	% Change
Dow	40,736.96	-0.23
Nasdaq	17,025.88	0.84
Nikkei 225	36,159.16	-0.16
FTSE	8,205.98	-0.78
Australia ASX 200	8,011.94	0.30
Singapore Straits Times	3,512.67	0.46
Kuala Lumpur Composite	1,660.35	0.54
Jakarta Composite	7,761.39	0.76
Philippines Composite	6,984.63	0.01
Taiwan TAIEX	21,064.08	-0.38
Korea KOSPI	2,523.43	-0.49
Shanghai Comp Index	2,744.19	0.28
Hong Kong Hang Seng	17,234.09	0.22
India Sensex	81,921.29	0.44
Nymex Crude Oil WTI	65.75	-4.31
Comex Gold	2,543.10	0.41
Reuters CRB Index	265.48	-1.53
MBB KL	10.94	0.37

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