

# Global Markets Daily

## Fed Goes Big

### Fed Goes Big

FOMC cut rates by 50bps in the overnight session citing significantly lower risks on the inflation front. Bowman was the sole dissenter in favour of a 25bps move. There was a whipsaw in currencies with the USD initially broadly weaker and then snapping back on Powell's speech. Powell's message was essentially that while the Fed elected for a larger cut to support the labour market amid easing inflation, there was no need for panic. Note that earlier 50bps cuts typically preceded downturns. Powell emphasized that he did not see anything that indicated a recession in the US. The Fed's dot plot implied a further 50bps of cuts in 2024 and 100bps of cuts in 2025. Terminal rate is implied to be around 2.8% to 2.9%. Equities ended a tad lower, yields rose (10Y: +7bps) while gold made a fresh high and retreated. Currencies whipsawed and the USD ended broadly stronger. With the first Fed cut out of the way and the central bank rate cuts well priced, currencies could be driven more by economic data - with US labour market data likely a focus. We view rebounds as opportunities to sell the USD.

### BOE Could Cut Today

The BOE rate decision is up next and markets are broadly expecting them to stand pat. We think that market pricing for BOE cuts could be a tad too hawkish for this meeting at just 16% for a cut today. Services inflation in the UK (a key concern) has been coming off and a hawk on the MPC (Haskel) who dissented on the previous cut has been replaced by an academic who has cautioned of the economic perils of high rates in his research (Taylor). Recall that the previous decision was finely balanced at 5-4 in favour of a cut and the replacement of a dissenting member could tilt that balance further in favour of a cut. The GBP has been an outperformer in the G10 space YTD and we think that there is ample room for that outperformance to moderate. A surprise cut may just be the catalyst needed to drive such a moderation.

### Data/Events We Watch Today

We watch BOE Policy Decision today.

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1119	↑ 0.04	USD/SGD	1.2952	↓ -0.14
GBP/USD	1.3214	↑ 0.40	EUR/SGD	1.4401	↓ -0.09
AUD/USD	0.6764	↑ 0.12	JPY/SGD	0.9103	↓ -0.04
NZD/USD	0.6209	↑ 0.40	GBP/SGD	1.7113	↑ 0.26
USD/JPY	142.29	↓ -0.08	AUD/SGD	0.8761	↓ -0.01
EUR/JPY	158.2	↓ -0.04	NZD/SGD	0.8042	↑ 0.27
USD/CHF	0.8462	↓ -0.12	CHF/SGD	1.5305	↓ -0.02
USD/CAD	1.3605	↑ 0.05	CAD/SGD	0.952	↓ -0.20
USD/MYR	4.2435	↓ -0.36	SGD/MYR	3.2809	↓ -0.38
USD/THB	33.265	↓ -0.08	SGD/IDR	11850.04	↓ -0.06
USD/IDR	15340	↑ 0.03	SGD/PHP	43.0444	↓ -0.01
USD/PHP	55.73	↑ 0.06	SGD/CNY	5.4811	↑ 0.09

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2980	1.3245	1.3510

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### G10: Events & Market Closure

Date	Ctry	Event
16 Sep	JP	Market Closure
19 Sep	US	Policy Decision (KL/SG Time)
19 Sep	UK	Policy Decision
20 Sep	JP	Policy Decision

### AXJ: Events & Market Closure

Date	Ctry	Event
16 Sep	CH, IN, SK, MY, TW	Market Closure
17 Sep	CH, SK, TW	Market Closure
18 Sep	HK, SK	Market Closure
18 Sep	CH	Policy Decision
18 Sep	ID	Policy Decision

## G10 Currencies

- **DXY Index - Bears Running into Fatigue for Now.** Fed lowers the benchmark rate by 50bps to 4.75-5.0% target rate with only one dissenter (Michelle Bowman) calling for a 25bps cut. The statement was more dovish pointing out “job gains have slowed” and “the unemployment rate has moved up but remains low”. However, the statement also highlighted that while inflation has made further progress, it still “remains somewhat elevated”. In addition, “the risks to achieving its employment and inflation goals are roughly in balance” and this suggests an arguably rather neutral tone after the relatively bigger cut undertaken yesterday. The summary of economic projection had rather conservative revisions (much like the one in 2019) where Powell had also characterized the first rate cut as a calibration. Given the current level of interest rate (about twice as high compared to 2019), the size of calibration somewhat corresponds (50bps now compared to 25bps then). As a result, the Fed Fund Futures did not shift much. **FX Strategy:** Overnight action suggests that the downside momentum of the USD has run into fatigue. Much of the action of the greenback could remain within the 100.60-102 range for a while yet. Data releases (both the US and that of the rest of the world) remain key for the USD with the US elections now likely to be the next main event to watch. Lower US rates continue to provide a benign environment for ASEAN currencies. We still expect CNY TWI to fall, AUDNZD could rise and CHFJPY to be a sell on rally. Back on the DXY index, key support was tested and held at 100.60. Break of this level opens the way towards next support around 99.60. This could hold for now as USD bears could be running into fatigue. Resistance remains at 102. Data-wise, Thu has Philly fed outlook for Sep, weekly claims and Aug existing home sales.
- **EURUSD - Lower.** EURUSD is lower at 1.1076 levels this morning amid the broad USD rebound post-FOMC. 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. Some suggest that this latest move by the Fed significantly increases the odds of a soft-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. As we suggested, while ECB cut on 13 Sep, they did not depart from their data-dependent rhetoric and have not committed to a pre-determined rate cut path. Support is at 1.1060, followed by 1.1000, resistance at 1.1100 and 1.1150. Aug F CPI was in line with headline at 2.2% YoY (exp: 2.2%; prev: 2.2%) and core at 2.8% YoY (exp: 2.8%; prev: 2.8%). Data this week includes Jul Current Account (Thu) and Sep P Consumer Confidence (Fri).
- **GBPUSD - Lower.** GBPUSD is slightly lower at 1.3160 levels this morning as the USD found support post-FOMC. BOE is due tonight and market expectations for BOE are in favour of a hold (16.00% for a cut), but we think that the BOE may be more dovish than the market expects amid a fall in services inflation and with Haskel (hawk) on the MPC being replaced by Taylor (a possible dove). 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 see potential for 50bps cuts from the BOE in 2024, which could keep the GBPUSD from rising much further. Inflation is on a broad downtrend, which should give BOE the comfort to cut. 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 1.3200 and 1.3250. Supports are at 1.3150 and 1.3100. UK data this week includes BOE Policy Decision (Thu), Sep Consumer Confidence, Aug Retail Sales and Aug Public Finances (Fri).

■ **USDCHF - Two-way risks.** USDCHF is higher at 0.8507 levels as the USD found support post-FOMC. 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 0.8500 and 0.8400. Rebounds to meet resistance at 0.8550 and 0.8600 thereafter. Swiss data this week includes Aug Exports/Imports (Thu).

■ **USDJPY - Higher, Rebound.** The pair was last seen higher at 143.46 as it rebound following the FOMC. Whilst the Fed had cut by 50bps, markets looks to have perceived the move as rather hawkish nature given the words of the Fed Chair. Powell himself did caution against assuming big rate cuts and the dot plots only pencils it another 50bps of cuts this year. UST yields are trading higher too post the FOMC. There is a possibility there could be some “sell on the news” but on the other hand, there is somewhat confusion in markets on the Fed’s trajectory and therefore, it could also be caution leading to some profit taking and the climb in UST yields. We had called for a USDJPY rebound to occur and this looks to have happened. Even so, the upside is limited given that we remain on an easing cycle as a whole. Next up is the BOJ but we expect to them to stay on hold and Ueda to reiterate that we remain on a tightening cycle. Impact on the currency from the BOJ meeting outcome would be limited given that has already been priced in. Near term, we expect that it would still trade as a whole within a range of 140.00 - 145.00. Back on the chart, support is at 140.25 and 135.00. Resistance is at 145.00 and 148.46. Remaining key data releases this week include Aug Tokyo condominiums for sale (Thurs), Aug CPI (Fri) and BOJ policy decision (Fri).

■ **AUDUSD - Bounce within 0.66-0.68.** AUDUSD touched a high of 0.6820 before reversing rather sharply lower. The pair remains above the 21-dma (0.6737), last printed 0.6761. Labour report for Aug is out this morning with employment up a net 47.5K vs. previous 48.9k. Unemployment rate is still rather stable at 4.2%. Full time employment was down a net -3.1k vs. previous 64.7K while part-time employment gains were large at 50.6K vs. previous -15.8k. The labour force participation rate was stable at 67.1%. The labour report suggests that hiring condition is still healthy enough for RBA to focus on bringing inflation back to target. As such, RBA remains the hawkish few as most other DM central banks start to ease monetary policy. AUD could continue to have some support from a hawkish RBA as a result, vs. the NZD but this is hardly the mover for now. The 0.68-figure continues to be a strong resistance for the pair and AUD is sentiment-driven, susceptible to two-way trades within 0.66-0.68 range, especially given the current growth assessment (of the US, Australia and even the world). 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. 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 0.6620 before the next at 0.6550 and then at 0.6500. Resistance at 0.6820 before the next

at 0.6870 (Dec 2023 high). Data-wise, Thu has Aug labour report. News-wise, the Australia and the UAE had managed to come secure a trade agreement to boost Australia's exports of agricultural products and resources. Abu Dhabi will also be able to invest in renewable energy and mineral materials.

- **NZDUSD - Supported.** NZDUSD was last seen around 0.6210, still sticky around 21-dma. Momentum is becoming more neutral but stochastics are falling. We cannot rule out more sideways moves within the 0.6100-0.6250 range in the absence of stronger market cues. 2Q GDP contracted smaller than expected by -0.5%/y vs. previous +0.5%. Sequentially, growth contracted -0.2% vs. previous 0.1%.
- **USDCAD - Sideways.** USDCAD touched a high of 1.3647 and was last seen around 1.3620. The CAD may still be reeling from the CPI release which turned out softer than expected with the headline already at target. Despite the cooling of price pressure at home, BoC Senior Deputy Governor Rogers refrained to "declare victory" and that "we've got to stick the landing". She elaborated that policymakers want underlying price pressure to slow further. Having said that, she also acknowledged the shift in the risks to a more balanced one. She said that "it's not an absolute tilt to the downside risks". Back on the daily USDCAD chart, momentum is still bullish and the stochastics are rising. Uptrend remains intact with 1.3560 as an interim support. Further bullish extension could bring the next resistance at 1.3650 into view. Balance of risk right now is still to the upside.
- **Gold (XAU/USD) -On the Climb.** Gold hovered around \$2560, after a rather choppy session after a high of 2600 reached overnight. The bounce in the broad USD and the UST yields weighed on the bullion. That said, 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. On the daily chart, stochastics are rising. MACD is bullish. Next resistance is seen at 2630. Support at 2560 before 2520.

## Asia ex Japan Currencies

SGDNEER trades around +1.92% from the implied mid-point of 1.3245 with the top estimated at 1.2980 and the floor at 1.3510.

- **USDSGD - Two-way risks.** USDSGD was higher at 1.2990 levels this morning as USD found support post-FOMC. SGD remains resilient after MAS' hold, and the trade-weighted SGDNEER is at +1.92% 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 1.3050. Supports are 1.2950 and 1.2900. Aug FX Reserves rose to US\$384.59b (prev: US\$378.62b), an indication that MAS perhaps bought a healthy amount of USD in Aug amid USD weakness to moderate SGDNEER strength.
- **SGDMYR - Lower.** SGDMYR is lower at 3.2901 levels this morning as MYR outperformed even as the USD found some support post-FOMC. We have observed that the MYR tends 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 3.2800 with the next support at 3.2700. Resistances at 3.300 and 3.3300.
- **USDMYR - Higher, Rebound.** Pair was last seen at 4.2740 as it moved higher amid the climbed back up in the broad dollar and UST yields after a "relatively hawkish" Fed cut. We see the possibility that there could be a rebound in USD-ASEAN pairs including USDMYR given the uncertainty associated with the Fed's stance and more pricing in of US election risks as we had into Oct. Back on the chart, resistances are at 4.4000 and 4.4439. Support is at 4.2250. Key data releases this week include Aug trade data (Thurs).
- **USDCNH - Range.** USDCNH hovered around 7.1000, above the 7.0875-key support for this pair. PBoC fixed reference rate at 7.0983 vs. previous 7.0870, in line with the broader USD direction. Fix is actually in line with estimate. Just as the DXY index is hovering within 100.60-102, the USDCNH remains within the 7.087-7.14 range. Resistance at 7.14 before 7.1730. Recall PBoC's pledge that they will "make maintaining price stability and pushing for the mild rebound in prices an important consideration for monetary policy and meet reasonable financing demand for consumption in a more targeted way". This does suggest a tad more urgency given that it does not normally release a statement with data release. However, the word "targeted" may also mean that there is little hope of significant, broad-based stimulus to boost consumer/business confidence. We continue to look for the CNY TWI to fall another 5% into 2025.



- **1M USDKRW NDF - Higher.** 1M USDKRW NDF was higher at 1331.77 levels this morning as the USD found support post-FOMC. We maintain that the 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. No notable South Korean data this week.
- **USDINR 1M NDF - Steady.** USDINR 1M NDF was relatively steady at 83.80 levels this morning. RBI preference for a stable currency remains crystal clear. 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. Indian Finance Minister Nirmala Sitharaman reaffirmed the commitment to bring the fiscal deficit down to at least 4.5% of GDP by Mar 2026. The INR has been extremely stable, likely due to RBI's preference of leaning against the wind, and is as a result of this one of the laggards in Asia YTD. 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). 6 Sep FX Reserves showed a rise to US\$689.2b (prev: US\$684.0b) indicating a sizeable purchase of USD again. Data for India this week includes 13 Sep FX Reserves (Fri).
- **1M USIDIDR NDF - Higher, Possible Further Rebound.** Pair was last seen higher at 15351 as it inched up higher after the "relatively hawkish" cut by the Fed and a climb in UST yields. This came after an initial fall in the 1M NDF post a surprise BI cut of 25bps to 6.00%, which sent a positive signal that BI may be increasingly confident that the global macro environment is becoming more supportive of the IDR. Governor Perry Warjiyo mentioned that the "time is right" and the statement itself noted that the decision was done in accordance with expectations of inflation being within target, a strengthening and stable IDR and economic growth that needs to be pushed higher. Going forward from here, we are more inclined to believe there could be a rebound in the pair as US election uncertainty gets priced in more. Back on the chart, resistance is at 15777 and 15892 (200-dma). Support at 15318 and 15000. There are no remaining key data releases this week.
- **1M USDPHP NDF - Steady, Possible Rebound.** The pair was last seen at 55.80 as it continued to hold steady. The Fed looks to be creating some confusion in markets as they did undertake a large cut of 50bps but at the same time also sounded rather hawkish. The dot plots only see that there would be another 50bps of cuts this year and they continued to reiterate that the risks to achieving its employment and inflation goals are roughly in balance. Meanwhile, Finance Secretary Ralph Recto has said that he will support a 50bps cut at the next meeting in Oct. His words are coming after BI's surprise 25bps cut yesterday and somewhat creates an impression to markets that central banks are seeing the macro environment is turning more favorable for their currencies. Regardless, we caution of rebound in the pair especially as broad dollar can climb further as US election uncertainty is priced in more. 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 BoP overall (Thurs).

- **USDTHB - Higher, Possible Further Rebound.** Pair was last seen at 33.40 as it traded higher compared to yesterday's close. This is occurring in line with the broad dollar rise and a climb in UST yields after a "relatively hawkish" Fed cut. Gold prices are also lower. For now, there could just be some cautious profit taking. We expect that the USDTHB could see some rebound as US election uncertainty gets priced in more. However, the climb up could be limited given that gold prices may hold at an elevated level, giving the THB support. Meanwhile, new PM Paetongtarn Shinawatra has appointed a group of economic and legal experts as advisers. The panel would be headed by Pansak Vinyaratn, who had served as economic adviser to Thaksin Shinawatra during the 2001 - 2006 administration. Surapong Suebwonglee, the finance minister in the Thaksin-backed government in 2008, would be the deputy chairman of the panel. Back on the chart, support is at 32.57 and 32.00. Resistance is at 34.00 and 34.50. Remaining key data releases this week include Aug car sales (19 - 24 Sep) and 13 Sep gross international reserves/forward contracts (Fri).
- **USDVND - Retracement might Extend.** USDVND was last seen around 24650 this morning, extending higher. Support remains around 24540. Resistance is seen around 24770 (21-dma). The bounce in US rates lift the USDVND. Break of the 24500 support opens the way to 24400 as next support level but it seems that the USD may find some tentative support. At home, the Ministry of Planning and Investment said that the economy is expected to grow 6.5-7.5% in 2025. This is relatively optimistic compared to ADB's 2025 GDP forecast at 6.2% and World Bank's forecast of 6.5%.

## Malaysia Fixed Income

### Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.29	3.30	+1
5YR MI 8/29	3.46	3.47	+1
7YR MS 4/31	3.64	3.66	+2
10YR MS 7/34	3.71	3.69	-2
15YR MS 4/39	3.87	*3.88/3.86	Unchg
20YR MX 5/44	4.02	*4.03/4.01	Unchg
30YR MZ 3/53	4.17	*4.18/4.16	Unchg
IRS			
6-months	3.50	3.50	-
9-months	3.46	3.47	+1
1-year	3.41	3.41	-
3-year	3.28	3.30	+2
5-year	3.32	3.34	+2
7-year	3.42	3.43	-
10-year	3.52	3.53	+1

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Source: Maybank

\*Indicative levels

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

- Ringgit government bonds traded sideways yesterday in light volume as profit-takings were balanced by buying interest ahead of the closely watched FOMC meeting, which cut rate by 50bp overnight. BNM announced a reopening auction for the 7y MGS with a larger-than-expected issue size of MYR5.5b. The WI was quoted at 3.68%-3.65%, rising 2bp from yesterday's close. MGS/GII yields ended the day mixed with the front-to-belly part of curve inching higher by 1-2bp while there was selective buying flows on the 10y benchmark stocks which closed 2bp lower in yield. The longer dated bonds closed relatively unchanged.
- MYR IRS levels generally drifted 1-2bp higher yesterday but trading activity was muted ahead of the FOMC decision. 3M KLIBOR was unchanged at 3.53%. 2y IRS traded at 3.30% and 5y IRS traded at 3.33%.
- The PDS market traded in range for most names. In GG space, PASB 6/38 traded 4bp lower in yield while Danainfra 5/40 2bp higher. AAA sector was active. TNB and Cagamas spreads tightened 2-4bp while PLUS dealt at MTM. AA+/AA1 Sime Darby mid tenor bonds saw MYR20m changing hands. AA3/AA- UEM Sunrise 2/34 spread tightened 1bp for MYR10m.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.27	2.31	+4
5YR	2.27	2.28	+1
10YR	2.41	2.43	+2
15YR	2.46	2.48	+2
20YR	2.50	2.52	+2
30YR	2.51	2.53	+2

Source: MAS (Bid Yields)

- The SGS curve shifted 1-4bp higher yesterday. Yields traded rangebound most of the day although mild weakness appeared toward the close. The long-end will probably experience bear steepening this morning following a moderate correction in UST durations overnight as the 50bp Fed rate cut has kept front-end anchored but accelerated Fed easing could increase long-term inflation expectations.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.47	6.45	(0.02)
2YR	6.53	6.50	(0.03)
5YR	6.45	6.41	(0.04)
7YR	6.62	6.58	(0.04)
10YR	6.57	6.56	(0.01)
20YR	6.78	6.77	(0.00)
30YR	6.85	6.85	0.00

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\* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds strengthened yesterday. The market players gave positive responses for the latest Bank Indonesia's decision by slashing its policy rate by 25 bps to 6.00%. Furthermore, we expect a rally on Indonesian government bonds to continue further, especially after the Fed decided slashing its policy rate by 50 bps early today. We believe Bank Indonesia to continue slashing its policy rate on incoming months. There are a wide room for Bank Indonesia to cut again its BI Rate up to 50 bps this year as the inflation pressures remain cooling and Rupiah is also on appreciation trends due to further prospect of heavy money inflow during global lower interest rate environment.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1227	144.08	0.6853	1.3365	7.1338	0.6306	159.1933	96.9810
R1	1.1173	143.18	0.6808	1.3289	7.1146	0.6257	158.6967	96.6130
<b>Current</b>	1.1084	143.73	0.6762	1.3173	7.1071	0.6199	159.3100	97.1960
S1	1.1081	140.92	0.6731	1.3147	7.0729	0.6171	157.3767	95.6010
S2	1.1043	139.56	0.6699	1.3081	7.0504	0.6134	156.5533	94.9570
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3031	4.2862	15381	55.8907	33.6030	1.4459	0.6030	3.3080
R1	1.2992	4.2649	15361	55.8103	33.4340	1.4430	0.6011	3.2944
<b>Current</b>	1.2991	4.2765	15340	55.8600	33.4740	1.4399	0.6022	3.2923
S1	1.2898	4.2276	15322	55.6743	33.0810	1.4377	0.5969	3.2689
S2	1.2843	4.2116	15303	55.6187	32.8970	1.4353	0.5946	3.2570

\*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	3.5500	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	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	5.25	-	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	Neutral
Fed Funds Target Rate	5.00	19/9/2024	Easing
ECB Deposit Facility Rate	3.50	17/10/2024	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	41,503.10	-0.25
Nasdaq	17,573.30	-0.31
Nikkei 225	36,380.17	0.49
FTSE	8,253.68	-0.68
Australia ASX 200	8,142.07	0.01
Singapore Straits Times	3,592.42	-0.03
Kuala Lumpur Composite	1,660.59	-0.22
Jakarta Composite	7,829.14	-0.03
Philippines Composite	7,155.90	-0.27
Taiwan TAIEX	21,678.84	-0.78
Korea KOSPI	2,575.41	#DIV/0!
Shanghai Comp Index	2,717.28	0.49
Hong Kong Hang Seng	17,660.02	1.37
India Sensex	82,948.23	-0.16
Nymex Crude Oil WTI	70.91	-0.39
Comex Gold	2,598.60	0.24
Reuters CRB Index	279.82	0.42
MBB KL	10.68	0.19

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