

# Global Markets Daily

## Retracement Possibilities

### Growth Assessment - Potential for USD to Rebound

Fed's 50bps rate cut had lifted US bourses to record highs. Along with that, gold has also been boosted to new highs as well. UST 2Y10Y dis-inverted and is last seen at a +15bps premium. The risk-on mood played a part in lifting oil futures as well. On the other hand, despite such positive sentiment, the DXY index failed to break below the key 100.60-support after-all. Part of the reason could be due to BoJ's decision to keep its policy settings unchanged last week, spurring the USDJPY to spring higher after the decision. In addition to that, we have fresh prelim. PMIs for Sep due for release early this week. Any signs of weakening activity momentum from the Eurozone, or a growth divergence between the US and Eurozone could lift the greenback. The DXY index has been forming a bottom around 100.60 and this index has failed to close below this key index for multiple weeks, reinforcing the strength of this level and the possibility of a bullish reversal. Separately, PBoC cuts 14D reverse repo by 10bps to 1.85%.

### Kamala's Momentum; More Actions on China

There could be more economic plans unveiled by Democrat Presidential Candidate Kamala this week according to unnamed sources. The Vice President led Republican Trump in two national polls of registered voters - She led with 49% to 44% (albeit within the margin of error) based on the NBC News poll conducted 13-17 Sep. At the CBS/Ipsos 18-20 Sep poll, Kamala also led Trump at 52% to 48%. This was conducted after the "attempted assassination" on Trump at his golf course. That said, CBS rated all the seven key swing states as tossups. Separately, the US Commerce Department may ban Chinese and Russian made hardware and software for vehicles connected to internet/cloud services soon according to sources cited by Bloomberg. Europe on the other hand, will on Wed vote to place tariffs of up to 50% on China-made EVs. In doing so, there could also be retaliatory tariffs from China.

### Data/Events We Watch Today

We watch prelim. Sep PMIs from UK, AU, EZ, the US today. Malaysia's CPI, SG's CPI are also due. Fed Bostic, Fed Goolsbee will speak.

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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 |

| FX: Overnight Closing Levels % Change |            |         |          |            |         |
|---------------------------------------|------------|---------|----------|------------|---------|
| Majors                                | Prev Close | % Chg   | Asian FX | Prev Close | % Chg   |
| EUR/USD                               | 1.1162     | ↗ 0.00  | USD/SGD  | 1.2905     | ↘ -0.09 |
| GBP/USD                               | 1.3321     | ↗ 0.28  | EUR/SGD  | 1.4407     | ↘ -0.08 |
| AUD/USD                               | 0.6807     | ↘ -0.10 | JPY/SGD  | 0.8968     | ↘ -0.97 |
| NZD/USD                               | 0.6238     | ↘ -0.02 | GBP/SGD  | 1.7193     | ↗ 0.19  |
| USD/JPY                               | 143.85     | ↗ 0.86  | AUD/SGD  | 0.8788     | ↘ -0.17 |
| EUR/JPY                               | 160.59     | ↗ 0.87  | NZD/SGD  | 0.8051     | ↘ -0.10 |
| USD/CHF                               | 0.85       | ↗ 0.26  | CHF/SGD  | 1.5184     | ↘ -0.33 |
| USD/CAD                               | 1.3569     | ↗ 0.07  | CAD/SGD  | 0.9511     | ↘ -0.17 |
| USD/MYR                               | 4.2037     | ↘ -0.07 | SGD/MYR  | 3.2533     | ↘ -0.21 |
| USD/THB                               | 32.928     | ↘ -0.62 | SGD/IDR  | 11731.32   | ↘ -0.53 |
| USD/IDR                               | 15150      | ↘ -0.58 | SGD/PHP  | 43.0763    | ↗ 0.16  |
| USD/PHP                               | 55.641     | ↗ 0.06  | SGD/CNY  | 5.4644     | ↘ -0.13 |

Implied USD/SGD Estimates at, 9.00am

| Upper Band Limit | Mid-Point | Lower Band Limit |
|------------------|-----------|------------------|
| 1.2881           | 1.3144    | 1.3406           |

## G10 Currencies

- **DXY Index - 100.60 Still Holds, tentative bottom forming.** Fed's 50bps rate cut had lifted US bourses to record highs. Along with that, gold has also been boosted to new highs as well. UST 2Y10Y dis-inverted and is last seen at a +15bps premium. The risk-on mood played a part in lifting oil futures as well. On the other hand, despite such positive sentiment, the DXY index failed to break below the key 100.60-support after-all. Part of the reason could be due to BoJ's decision to keep its policy settings unchanged last week, spurring the USDJPY to spring higher after the decision. In addition to that, we have fresh prelim. PMIs for Sep due for release early this week. Any signs of weakening activity momentum from the Eurozone, or a growth divergence between the US and Eurozone could lift the greenback. The DXY index has been forming a bottom around 100.60 and this index has failed to close below this key index for multiple weeks, reinforcing the strength of this level and the possibility of a bullish reversal. 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. We see possibility of a rebound.
- **EURUSD - Double Topped.** EURUSD is back to test the year high at around 1.12-figure. ECB Governing Council Olli rehn mentioned about the clear easing direction of the ECB but pace and scope are still determined by fresh economic data and analysis. He highlighted about "downside risks" to the economy noted in the statement. Separately, ECB Knot also spoke about being comfortable with the rate cut expectations of markets (around 2 more this year and six in 2025). This is another case where the central bank and markets are congruent as well. Eurozone Sep PMIs are due early next. With such a strong run up in the EURUSD recently, any disappointing set of data could knock the pairing off its highs. Weekly stochastics plateauing in overbought conditions and suggest that there is less room for EURUSD to climb. Resistance at 1.12. Spot at 1.11160. Retracement to bring the pair towards 1.11 support before 1.10. In addition to that, we see probable double top which precedes a bearish reversal. Sep. Prelim. PMIs are due today. Wed has OECD Economic outlook. Thu has ECB economic bulletin. Fri has consumer confidence for Sep and Aug 1y and 3Y CPI expectations.
- **GBPUSD - Bearish Divergence.** GBPUSD touched 2022 high and was last seen around 1.3280. BOE voted 8-1 to keep rates steady at 5%. The stark contrast between the BoE and the Fed likely boosted the GBPUSD. Governor Bailey warned that the central bank prefers a more gradual reduction in rates as "it's vital that inflation stays low". Markets are looking at 43bps (almost two cuts) by the end of the year. This is still 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. 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. Back on the GBPUSD, resistances at 1.3314 (overnight high) before 1.3420. Supports are at 1.3165 (21-dma) and 1.3090. As GBPUSD continues to climb, a bearish divergence has formed with MACD Forest. A pullback in the GBPUSD is inevitable but the broader bullish trend channel could remain intact. Key Support at 1.3166 (21-dma) and 1.3000. Week ahead has prelim. PMI today.
- **USDCHF - Two-way risks.** USDCHF rose last week on better risk sentiment. 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. For now, range trade should continue within 0.8400-0.8550. Week ahead has sight deposits today, SNB policy rate on Thu.

- **USDJPY - Lower, Likely to be Ranged.** The pair rebounded to levels around 144.30. Resistance at 145.40. BOJ held rates as expected. BoJ Ueda sounded a lot like BoE Governor Bailey when he spoke about “not rushing” to raise rates further. He said caution is needed in examining the impact of its previous rate hikes and whether the US is able to achieve a soft landing. The next opportunity to hike would be in Oct when the quarterly outlook for Economic Activity (aka the Outlook report) would be released. USDJPY sprung higher from the news, potentially leading the USD retracement from here. Key resistance at 144.60 (100-wma) before the next at 147.50. We do not rule out a move towards the 147.50 (50-dma) before the next move lower. Weekly stochastics indicate oversold conditions and bearish momentum has weakened a tad. Daily chart indicate bullish divergence. The break of the support at 140.60 would have to come another day. However, should that be cleared, next is seen around 135.60. Week ahead has Jibun prelim. Sep PMIs on Tue. PPI Services is due on Wed. Thu has machine tool orders for Aug before Sep CPI for Tokyo on Fri.

- **AUDUSD - Breaking out Higher? Lofty, Bearish Divergence.** AUDUSD made fresh year high of 0.6839 last week and was last seen around 0.6820. Positive risk sentiment lifted the AUD for much of the week especially after the Fed cut FFR by 50bps. Strong Aug labour report likely also gave boost. Employment was up a net 47.5K vs. previous 48.9k. 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%. That leaves the unemployment rate steady at 4.2%. The labour report suggests that hiring condition is still healthy enough for RBA to focus on bringing inflation back to target. **Australia remains one of the few countries where inflation is still not close to the target. As such, RBA could remain as 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.** 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). This is especially so with the prelim. PMI prints due next week for Sep. 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. Resistance at 0.6840 (2024 high) before 0.6870 (Dec 2023 high). Support at 0.6620 before the next at 0.6550 and then at 0.6500. We do see a possibility of retracement (lower) given bearish divergence. While there is still room to head higher towards 0.6870. We prefer not to chase from here and watch the momentum indicators carefully, especially with the Sep PMI prints coming up soon. This week, we have PMIs this morning. RBA policy decision tomorrow should see a stand pat decision with hawkish guidance. Wed has Aug CPI due. Thu has job vacancies for Aug.

- **NZDUSD - Probable Double Top.** NZDUSD was last seen around 0.6240, still trading above the 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. Double-top formation is probable around 0.6300. We see more downside risks than up but we watch price formation and momentum carefully. We do not rule out a re-visit of the 0.61-figure within the next two weeks. Week ahead has NZ trade due this morning (deficit widened to NZD2.2bn). Fri has ANZ consumer confidence for Sep.
- **USDCAD - Sideways.** USDCAD traded sideways, still finding support around 1.3560. This pair seems to have settled into range trade within 1.3470-1.3650. Recall that BoC Senior Deputy Governor Rogers spoke on refraining to “declare victory” and that “we’ve got to stick the landing” with regards to inflation. She elaborated that policymakers want underlying price pressure to slow further. She also acknowledged that the risks to the economy is a more balanced one. She said that “it’s not an absolute tilt to the downside risks”. Back on the daily USDCAD chart, price action has become more two-way with immediate support seen at 1.3540. A break here would open the way towards the next at 1.3470. Further bullish extension could bring the next resistance at 1.3660 into view (50-dma).
- **Gold (XAU/USD) -On the Climb.** Gold remains absolutely bullish with a move to levels around \$2620. The fall in the USD and the UST yields buoyed the bullion. 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 +1.97% from the implied mid-point of 1.3175 with the top estimated at 1.2911 and the floor at 1.3438.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.2915 levels this morning. A falling wedge has formed for the USDSGD. The trade-weighted SGDNEER is at +1.97% 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 1.3030 and 1.3200. Supports are 1.2860 and 1.2650. Data-wise, Aug inflation is due today. Aug IP is due on Thu.
- **SGDMYR - *Doji, Rebound Risks.*** SGDMYR hovered around 3.2640 this morning after forming a doji last Fri. We have observed that the MYR tends to fare better when USD is weak, whereas SGD is more resilient when USD is strong. At this point, the SGDMYR is at the cusp of a rebound based on the doji. There could be some possibility of USD rebound as well that could favour the SGDMYR bulls as well. Support at 3.2800 with the next support at 3.2700. Resistances at 3.300 and 3.3300.
- **USDMYR - *Lower.*** USDMYR opens higher and continue to rise to levels around 4.2160. Recent low of 4.1780 is now a support before the next around 4.1390. Momentum is still rather bearish. This is a falling knife happening with the investment upcycle in the backdrop 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. That said, we cannot rule out retracements due to stretched condition. Resistance at 4.2480. Data-wise, Aug CPI is due today along with foreign reserves.
- **USDCNH - *Rate Cut!*** USDCNH slipped and was last seen around 7.0370, a support level. A 10bps rate cut did not even faze CNH bulls. PBoC cuts 14D reverse repo by 10bps to 1.85%. Well, we were rather wrong on rate cut calls at this point. Regardless, we reckon that would only help on the margins and what the Chinese economy needs right now is the frontloading of fiscal stimulus to could revive some animal spirits. Back on the USDCNH daily chart, support is seen at 7.0370. PBoC fixed reference rate at 7.0531 vs. previous 7.0644, in line with the broader USD direction. Fix is actually in line with estimate. We continue to look for the CNY TWI to fall another 5% into 2025.
- **1M USDKRW NDF - *Higher.*** 1M USDKRW NDF was higher at 1336 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 - *On the Decline*.** USDINR 1M NDF slid and was last seen around 83.58 this morning. This pair is now moving in tandem with broader market forces due to rate cuts from the Fed, concomitant USD decline. 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. Support at 83.40 before the next at 83.22. data this week includes prelim. Sep PMIs due today. Fri has forex reserves.
- **1M USDIDR NDF - *Retracement potential*.** Pair was last seen lower at 15188, forming a doji last Fri. This pair may see a potential retracement after a doji formed. Potential for US to outperform the rest of the world could also bring the USD a tad higher. Recall also, the positive signal from the BI rate cut that boosts appetite for Indo GBs amid the possibility that BI could even ease faster than other EM central banks such as Mexico. Core inflation in Indonesia is also expected to remain much lower than Mexico, which would also support a faster BI cut. We see that the rally on Indo GBs can sustain and this should support more inflows, lifting the IDR further in the near term. However, further into Oct we stay cognizant that there could be some risks of rebound as US election uncertainty gets priced in. Back on the chart, resistance is at 15777 and 15892 (200-dma). Support at 15000. There are no remaining key data releases this week.
- **1M USDPHP NDF -*Downside Limited, Rebound Eventually*.** The pair was last seen at 55.71. After a few sessions of risk-on trading and decline in the USD, we look for some bottoming for the USDPHP NDF. There could eventually be a rebound in the pair as we go further into Oct as markets may increasingly price in the US election uncertainty that can support the broad dollar. Back on the chart, support is at 55.27 and 54.50. Resistance is at 56.50 and 57.20. Data-wise, budget balance is due on Wed.
- **USDTHB - *Decline persistent*.** Pair was last seen at 32.93 weighed by record high prices of gold. Next support is seen around 32.65 before 31.81. Rebounds to meet resistance at 34.11. BoT Governor Sethaput emphasized on central banks' independence in setting monetary policy in a speech last Fri. He spoke about the central bank's duty to have a long term outlook that comes with operational independence. Data-wise, Aug trade is due from Wed onwards. Thu has mfg production and Aug capacity utilization. Gross international reserves are due on Fri.
- **USDVND - *Two-way*.** USDVND was last seen around 24565 this morning, hovering within the 24530-24700 range. Next resistance is seen around 24770 (21-dma). 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.

## Malaysia Fixed Income

### Rates Indicators

| MGS          | Previous Bus. Day | Yesterday's Close | Change (bps) |
|--------------|-------------------|-------------------|--------------|
| 3YR ML 5/27  | 3.30              | 3.31              | +1           |
| 5YR MI 8/29  | 3.47              | 3.48              | +1           |
| 7YR MS 4/31  | 3.66              | 3.68              | +2           |
| 10YR MS 7/34 | 3.69              | 3.70              | +1           |
| 15YR MS 4/39 | *3.88/3.86        | 3.87              | Unchg        |
| 20YR MX 5/44 | *4.03/4.01        | 4.03              | Unchg        |
| 30YR MZ 3/53 | *4.18/4.16        | 4.17              | Unchg        |
| IRS          |                   |                   |              |
| 6-months     | 3.50              | 3.50              | -            |
| 9-months     | 3.47              | 3.47              | -            |
| 1-year       | 3.41              | 3.41              | -            |
| 3-year       | 3.30              | 3.32              | +2           |
| 5-year       | 3.34              | 3.35              | +1           |
| 7-year       | 3.43              | 3.46              | +3           |
| 10-year      | 3.53              | 3.55              | +2           |

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Source: Maybank

\*Indicative levels

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

- Despite global risk assets receiving a boost from the 50bp Fed rate cut resulting in the Ringgit continuing its strong rally, this has yet to translate into gains for local bonds. Ringgit government bonds traded slightly weaker amid the subdued demand at the 7y MGS reopening auction. The auction saw a tepid bid-to-cover ratio of 1.729x, partly due to the larger-than-expected MYR5.5b issue size. MGS yields inched higher by 1-2bps while GII closed mostly unchanged.
- MYR IRS had another lightly traded session with the levels almost unchanged in +/-1bp range. 3M KLIBOR was unchanged at 3.53%. 5y IRS traded at 3.35%.
- The PDS market was active. In GG, Danainfra long-tenor bonds dealt at MTM. In AAA, PLUS, TNB and SMJ Energy spreads tightened 3-4bp. AA1/AA+ YTL 5/27 dealt at MTM for MYR40m. AA2 Ambank 11/26 spread tightened 2bp. AA3/AA- Maybank Perp saw MYR210m dealt at MTM. Tropicana Corp, DRB-Hicom and Affin Isl Bank traded in odd amounts.

## Singapore Fixed Income

### Rates Indicators

| SGS  | Previous Bus. Day | Yesterday's Close | Change (bps) |
|------|-------------------|-------------------|--------------|
| 2YR  | 2.33              | 2.33              | -            |
| 5YR  | 2.33              | 2.35              | +2           |
| 10YR | 2.46              | 2.48              | +2           |
| 15YR | 2.51              | 2.53              | +2           |
| 20YR | 2.55              | 2.57              | +2           |
| 30YR | 2.56              | 2.58              | +2           |

Source: MAS (Bid Yields)

- SGS yields shifted almost uniformly higher for another day by 2bp as UST extended bear-steepening move following the 50bp Fed rate cut that spurred market risk-on with the S&P 500 index hitting an all-time high. The 10y long-term US inflation expectation rose 7bp WoW to 2.15%. The overnight SORA declined to 3.10% last Thursday based on the latest update at the time of writing. MAS announced a SGD1.5b size for the 50y SGS auction this Thursday.

## Indonesia Fixed Income

### Rates Indicators

| IDR Gov't Bonds | Previous Bus. Day | Latest Day's Close | Change |
|-----------------|-------------------|--------------------|--------|
| 1YR             | 6.45              | 6.39               | (0.05) |
| 2YR             | 6.39              | 6.31               | (0.08) |
| 5YR             | 6.30              | 6.23               | (0.07) |
| 7YR             | 6.54              | 6.53               | (0.00) |
| 10YR            | 6.55              | 6.44               | (0.12) |
| 20YR            | 6.74              | 6.69               | (0.05) |
| 30YR            | 6.85              | 6.82               | (0.03) |

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\* Source: Bloomberg, Maybank Indonesia

- Most Indonesian government bonds strengthened on the last Friday (20 Sep-24). The market players still enjoyed purchasing Indonesian government bonds that offering attractive investment returns and has solid fundamental economic background during the euphoria of the latest policy rate cut decisions by both Bank Indonesia and the Federal Reserve. We expect Indonesian bond market to keep sustaining its rally further as we foresee another policy rate cuts by both Bank Indonesia and the Fed during recent era of moderate paces of both economic growth and inflation paces. For this week, the market players will keep watch for various macroeconomic data, especially U.S. PCE inflation and several statements by Fed's policy members and geopolitical issues, especially on the Middle East, Ukraine, and the U.S. Presidential Election progress.
- Then, on the local macroeconomic update, the profile of Indonesian external debt remains healthy recently, as shown by the ratio of total external debt to the national incomes that only reached 30.2% of GDP with 84.9% of total external debt has the long term profile. Indonesia's debt position illustrates the economic conditions that are less vulnerable to shocks that occur in the global financial market. The country recorded a moderate growth by 4.1% YoY to US\$414.3 billion of total external debt during 7M24. On a monthly basis, Indonesian external debt increased by US\$5.7 billion from US\$408.6 billion in 6M24. According to Bank Indonesia, the development of total external debt came from the public sector, both the government and the central bank. The increase in total external debt in Jul-24 was also influenced by the weakening of the US\$ against the majority of global currencies, including the rupiah. On details, total government's external debt slightly rose by 0.6% YoY to US\$194.3 billion. It has 46.89% of portion to total external debt. The development was influenced by the withdrawal of foreign loans and an increase in foreign capital inflows in government bonds, along with the continued maintenance of investor confidence in the prospects of the Indonesian economy. On the other hand, total private sector's external debt contracted 0.1% YoY to US\$195.2 billion in 7M24. The development was mainly driven by total external debt by nonfinancial corporations which recorded a growth contraction of 0.04% YoY in 7M24.

## Foreign Exchange: Daily Levels

|                | EUR/USD | USD/JPY | AUD/USD | GBP/USD | USD/CNH | NZD/USD | EUR/JPY  | AUD/JPY |
|----------------|---------|---------|---------|---------|---------|---------|----------|---------|
| R2             | 1.1206  | 146.11  | 0.6852  | 1.3382  | 7.0864  | 0.6286  | 162.7900 | 99.2477 |
| R1             | 1.1184  | 144.98  | 0.6830  | 1.3351  | 7.0642  | 0.6262  | 161.6900 | 98.5973 |
| <b>Current</b> | 1.1157  | 144.12  | 0.6809  | 1.3311  | 7.0468  | 0.6234  | 160.8000 | 98.1310 |
| S1             | 1.1138  | 142.23  | 0.6784  | 1.3279  | 7.0293  | 0.6212  | 158.9600 | 97.0053 |
| S2             | 1.1114  | 140.61  | 0.6760  | 1.3238  | 7.0166  | 0.6186  | 157.3300 | 96.0637 |
|                | USD/SGD | USD/MYR | USD/IDR | USD/PHP | USD/THB | EUR/SGD | CNY/MYR  | SGD/MYR |
| R2             | 1.2961  | 4.2439  | 15210   | 55.7610 | 33.2580 | 1.4452  | 0.5997   | 3.2786  |
| R1             | 1.2933  | 4.2238  | 15180   | 55.7010 | 33.0930 | 1.4430  | 0.5978   | 3.2659  |
| <b>Current</b> | 1.2912  | 4.2050  | 15155   | 55.6610 | 32.9370 | 1.4406  | 0.5964   | 3.2572  |
| S1             | 1.2882  | 4.1798  | 15090   | 55.5220 | 32.8330 | 1.4391  | 0.5934   | 3.2396  |
| S2             | 1.2859  | 4.1559  | 15030   | 55.4030 | 32.7380 | 1.4374  | 0.5910   | 3.2260  |

\*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      | 3.4000      | 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        | 17/10/2024          | 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        | 24/9/2024           | 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                     | 42,063.36 | 0.09     |
| Nasdaq                  | 17,948.32 | -0.36    |
| Nikkei 225              | 37,155.33 | 2.13     |
| FTSE                    | 8,229.99  | -0.19    |
| Australia ASX 200       | 8,209.47  | 0.21     |
| Singapore Straits Times | 3,624.76  | -0.23    |
| Kuala Lumpur Composite  | 1,668.82  | 0.19     |
| Jakarta Composite       | 7,743.00  | -2.05    |
| Philippines Composite   | 7,252.32  | 0.70     |
| Taiwan TAIEX            | 22,159.42 | 0.53     |
| Korea KOSPI             | 2,593.37  | 0.49     |
| Shanghai Comp Index     | 2,736.81  | 0.03     |
| Hong Kong Hang Seng     | 18,258.57 | 1.36     |
| India Sensex            | 84,544.31 | 1.63     |
| Nymex Crude Oil WTI     | 71.92     | -0.04    |
| Comex Gold              | 2,646.20  | 1.21     |
| Reuters CRB Index       | 282.39    | 0.07     |
| MBB KL                  | 10.60     | -0.38    |

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