Macro | FX Research & Strategy

Global

Global Markets Daily

Retracements (finally) Plays Out

Party-Pooper Block Trade

A block trade made the headlines overnight. It was perceived as a big bet on the Fed potentially easing less than currently priced for the year. The UST 2y yield rose 6bps yesterday and was last seen around 3.55% while the UST 10y yield rose 5.7bps to levels around 3.78%. The rise in yields dampened risk sentiment overnight and drove the USD higher against most currencies. DJI was down -0.7%, S&P -0.2% and NASDAQ was flat. Brent crude futures eased back to levels around $73.55 (-2.3%). Still, the Fed Fund Futures continue to imply around 80bps cut this year. Separately, Trump spoke about imposing 100% tariffs on Mexican imported cars yesterday but Senate GoP leader Mitch McConnell said he is “not a fan of tariffs” as “they raise the prices for American consumers”. That seems to be a rare criticism of the Presidential candidate and could be a sign that the tide is turning against Trump on his bid for a second Presidential term.

SNB Should Cut 25bps But it Remains a Close Call

SNB decides on its policy rate today and markets expect a 25bps cut at least and it is a close call between a 25bps cut and a 50bps cut. Bloomberg survey suggest that the 50bps cut is predicted by only one of 32 economists. Weaker inflationary pressures, falling exports, relative CHF strength might justify a bigger move but latest Aug mfg PMI improved and SNB may want to conserve ammunition given its current policy rate at 1.25%. A steady stream of 25bps cut could be dovish enough forward guidance for markets. A move of a smaller magnitude would probably offer some boost to the CHF. USDCHF has been trading within the 0.84-0.8550 range for a while and eyes are on whether this range could sustain for a while more. Next support is seen at 0.8333.

Data/Events We Watch Today

The data we watch for today includes Singapore’s Aug IP, US GDP (2Q T). US durable goods orders (Aug P). Fed Collins, Kugler, Bowman, Powell and Williams speak today. US pending home sales (Aug).

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1133	-0.42	USD/SGD	1.2899	0.50
GBP/USD	1.3324	-0.66	EUR/SGD	1.436	0.08
AUD/USD	0.6823	-1.00	JPY/SGD	0.891	-0.56
NZD/USD	0.6263	-1.21	GBP/SGD	1.7185	-0.18
USD/JPY	144.75	1.06	AUD/SGD	0.8801	-0.51
EUR/JPY	161.16	0.65	NZD/SGD	0.8077	-0.74
USD/CHF	0.8504	0.84	CHF/SGD	1.5168	-0.33
USD/CAD	1.3485	0.40	CAD/SGD	0.9565	0.09
USD/MYR	4.1293	-0.69	SGD/MYR	3.2136	-0.40
USD/THB	32.782	0.30	SGD/IDR	11755.7	-0.17
USD/IDR	15102	-0.56	SGD/PHP	43.5099	-0.18
USD/PHP	55.889	-0.62	SGD/CNY	5.4553	-0.38

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2832	1.3094	1.3356

Analysts

Saktiandi Supaat
(65) 6320 1379
saktiandi@maybank.com

Fiona Lim
(65) 6320 1374
fionalim@maybank.com

Alan Lau, CFA
(65) 6320 1378
alanlau@maybank.com

Shaun Lim
(65) 6320 1371
shaunlim@maybank.com

G10: Events & Market Closure

Date	Ctry	Event
24 Sep	AU	RBA Policy Decision
26 Sep	SZ	SNB Policy Decision
27 Sep	JP	JP LDP Election

AXJ: Events & Market Closure

Date	Ctry	Event
25 Sep	CH	MLF Rate Setting

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index – *Two-way Trade*.** The DXY index traded sideways overnight and was back around 100.93. The retracement that we had forewarned (finally) played out. A block trade made the headlines overnight. It was perceived as a big bet on the Fed potentially easing less than currently priced for the year. The UST 2y yield rose 6bps yesterday and was last seen around 3.55% while the UST 10y yield rose 5.7bps to levels around 3.78%. The rise in yields dampened risk sentiment overnight and drove the USD higher against most currencies. DJI was down -0.7%, S&P -0.2% and NASDAQ was flat. Brent crude futures eased back to levels around $73.55 (-2.3%). Still, the Fed Fund Futures continue to imply around 80bps cut this year. The US exceptionalism continues to fade and could crimp on the USD. Data-wise, 2Q GDP is due on Thu (third reading) along with jobless claims, pending home sales for Aug. Fri has personal income, personal spending for Aug. Core PCE price index for Aug are due. Separately, Trump spoke about imposing 100% tariffs on Mexican imported cars yesterday but Senate GoP leader Mitch McConnell said he is “not a fan of tariffs” as “they raise the prices for American consumers”. That seems to be a rare criticism of the Presidential candidate and could be a sign that the tide is turning against Trump on his bid for a second Presidential term.

- **EURUSD – *Double Top intact*.** EURUSD was last seen at 1.1140 levels. Markets and ECB are generally congruent in terms of rate cut expectations, although we suggest that the ECB may be more measured in terms of easing. Overbought conditions suggest that there is less room for EURUSD to climb. We think that there could be downside risks with a probable double top formation at the 1.12 resistance at play. Retracement to bring the pair towards 1.11 support before 1.10. Weaker-than-expected Sep prelim. PMIs from France and Germany dragged the EURUSD below the 1.11-figure at one point. France Mfg PMI for Sep rose less than anticipated to 44.0 (est. 44.2) while services PMI slipped into contractionary region of 48.3. German Mfg and services PMI fell in sympathy to 40.3 and 50.6 from previous 42.4 and 51.2 respectively. However, the pullback in the EURUSD was not deep. Sentiment still remained rather sanguine, possibly due to expectations that this set of indicators could prompt further rate cuts from the ECB. 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 slid to levels around 1.3330, backing away from the upper bound of the rising trend channel. Conditions are stretched and there is also bearish divergence formed with MACD forest. As such, pullbacks could continue to play out. Support is seen around 1.3190 (21-dma). Recall that BOE voted 8-1 to keep rates steady at 5%. The stark contrast between the BoE and the Fed likely boosted the GBPUSD. Govenor Bailey warned that the central bank prefers a more gradual reduction in rates as “it’s vital that inflation stays low”. Markets are broadly in line with our expectations for 50bps cuts in 2024. Inflation is on a broad downtrend, which should give BOE the comfort to cut in time. Focus is also on the 2024 Autumn Budget on 30 Oct, where Chancellor Reeves has given preliminary assurances that there would be no “return to austerity”. We think that GBP outperformance could moderate in the near-term while remaining bullish on GBP in the longer-term. Positive outcomes from warmer EU-UK relations with Labour’s victory could take time to play out. Back on the GBPUSD, resistances at 1.3480 and then at 1.3650. Supports are at 1.3200 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.

- **USDCHF - *Two-way risks*.** USDCHF slid on broad USD decline. Spot was last seen at 0.8500 levels. We continue to look for two-way movements for the pair with both the Fed and SNB looking to cut rates. We expect SNB to cut rates by 25bps later this week as inflation remains benign and growth in Switzerland is tepid. At this point, it is a close call between a 25bps cut and a 50bps cut. Bloomberg survey suggest that the 50bps cut is predicted by only one of 32 economists. Weaker inflationary pressures, falling exports, relative CHF strength might justify a bigger move but latest Aug mfg PMI improved and SNB may want to conserve ammunition given its current policy rate at 1.25%. A steady stream of 25bps cut could be dovish enough forward guidance for markets. A move of a smaller magnitude would probably offer some tentative boost to the CHF. USDCHF has been trading within the 0.84-0.8550 range for a while and eyes are on whether this range could sustain for a while more. Next support is seen at 0.8333. Of the traditional safe-havens, it does seem that gold and CHF retain most of the safe-haven properties, with the JPY being pressured by yield differentials. Safe-havens could be better supported on heightened volatility and uncertainty in the lead up to key events like the US elections. Further rate cuts from SNB could pressure USDCHF higher and if a situation arises where it becomes the global funding currency of choice (like the JPY), then we could see more upside for USDCHF. Nevertheless, we do see USDCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts.

- **USDJPY - *Higher, Two-way Trades continue within 140-145*.** The pair was last seen higher around the 144.53 level as it rose overnight. The pair has been moving higher since the Fed cut last Friday but it remains trading within a range of 140 – 145. We do note there is also the LDP election due tomorrow with Ishiba, Koizumi and Takaichi in the lead. The latter has mentioned that it is “stupid” for BOJ to raise rates for now. Meanwhile, Ueda’s perceived dovish comments at last Friday’s meeting could also be weighing on the JPY as it keeps bulls on the edge given the high cost of holding the currency still. The BOJ Governor had reiterated patience in hiking rates but we believe that the market maybe overreacted to this given that the BOJ hiking cycle in some sense has been expected to be gradual when we look at economist consensus. Economic data too remains supportive of the hiking cycle being in place. There is also the possibility that the USDJPY climb higher since the Fed cut could simply also just be due to some profit taking or portfolio readjustments occurring in various part of the market. Overnight alone, we did witness a 118,000 SOFR block trade changing hands. We expect the pair to remain around 140 – 145 in the near term as market continues to digest both US and Japan data. Resistance at 145.40 and 147.50. Support at 140.60 and 135.60. Remaining key data releases this week include Aug F machine tool orders (Thurs), Sep Tokyo CPI (Fri) and Jul F coincident and leading index (Fri).

- **AUDUSD - *Bearish Engulfing, retracement to play out further*.** AUDUSD slipped overnight and formed a bearish engulfing candlestick. Overnight sentiment had soured and that had contributed to the AUD pullback. We do think this retracement is overdue and look for the AUDUSD to come back towards 0.6760 (at least) notwithstanding the move higher this morning to levels around 0.6850. In the medium term, we remain constructive of AUD. RBA remains one of the very few DM central banks left that cannot ease due to inflation. That could continue to give AUD that carry advantage vs. Its peers. The statement was quite hawkish, emphasizing RBA's desire for a sustained decline in inflation towards its target. Governor Bullock's mention that there was no explicit consideration of rate hike this time likely knocked the AUD off its intra-day highs but AUD's buffer from monetary policy divergence vs. most of DM central banks could sustain for a while more. Thu has job vacancies for Aug.

- **NZDUSD – *Bearish Engulfing*.** NZDUSD was last seen around 0.6270, after a bearish session on Wed as well. Momentum is turning less bullish. Double-top formation with 0.6300 is nullified but this pair has quickly arrived at the Dec 2023 high around 0.6370, forming a more significant double top. Not all double tops play out completely. However, at this point, with bearish divergence seen with MACD forest, it is possible that this bearish retracement could play out more towards 0.6250 before the next at 0.6215 (21-dma) before the next at 0.6170. Week ahead has ANZ consumer confidence for Sep on Fri.

- **USDCAD – *Sideways*.** USDCAD bounced overnight on stronger USD and weaker oil prices. That said, the weakness in the CAD seems limited in magnitude compared to AUD and NZD. This could be due to recent comments by BoC that suggests that they are not that negative on growth yet and they are still watching inflation. 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, further bearish extension to open the way towards 1.3360. Rebounds to meet resistance at 1.3540 (21-dma). Week ahead has CFIB business barometer for Sep on Thu before Jul GDP on Fri.

- **Gold (XAU/USD) – *Pullbacks Plausible*.** Gold was little moved overnight, forming a mini doji and was last seen around $2660/oz. The bullion could be caught in opposing forces of risk-off and the rise in yields/USD. Pullback to bring this metal towards $2560. Momentum is still bullish but stretched with bearish divergence spotted. We remain constructive on gold on the medium term. Gold remains one of the few preferred hedges against the scenario of hard landing of the US economy. Gold, JPY and US treasuries may have more room to run (higher) in the late cycle of the US economy. While geopolitical conflicts seem to become less concerning at this point, the potential for equities to come under pressure as the US election nears could also drive some demand for the gold.

Asia ex Japan Currencies

SGDNEER trades around +2.03% from the implied mid-point of 1.3133 with the top estimated at 1.2871 and the floor at 1.3396.

- **USDSGD - Two-way risks.** USDSGD was last seena round 1.2866 this morning. A falling wedge has formed for the USDSGD with apex around 1.2650. The trade-weighted SGDNEER is at +2.03% 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 IP is due on Thu.

- **SGDMYR - *Falling Knife with the MYR*.** SGDMYR was last seen around 3.2203 this morning. We have observed that the MYR tends to fare better when the USD is weak, whereas SGD is more resilient when USD is strong. The move lower in the USD has likely facilitated the decline of the SGDMYR. Support at 3.2070 before the next at 3.1910. Resistances at 3.2390 and 3.2945.

- **USDMYR - *Higher*.** USDMYR was last seen trading at 4.1500, which is higher compared to yesterday's close amid a rebound in the broad dollar. Momentum for the pair looks bearish and at this point, it looks akin to catching a falling knife 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. Back on the chart, support is seen around 4.0800 and 4.0000. Resistance is at 4.3000. There are no remaining key data releases this week.

- **USDCNH - *Rate Cut!*** USDCNH steadied around 7.0200 with the CNH likely buoyed by some anticipation of further stimulus. The support level at 7.0370 is broken amid domestic optimism. China's rate cuts, supportive mortgage measures (lowering of mortgage rates /downpayments) and liquidity measures for stocks. A $142bn of capital could be injected into top banks. In related news, the Ministry of Finance and Ministry of Civil Affairs will issue living subsidies to disadvantaged groups including the very poor and orphans before the National Day holiday next week. This is seen as a rare use of cash handouts that the CCP normally refrains from. USDCNH tested the key-7 figure yesterday and the next support is seen at 6.9540. The PBoC reference fix 7.0354 vs. previous 7.202 suggests no pushback by PBoC on its strength as it is also in line with median estimate around 7.0344 (10 pips difference). The central bank is comfortable with the direction of the yuan and the momentum of its strength. Rebound of the USDCNH to meet resistance around 7.0330 before 7.1125. Week ahead has Aug industrial profits on Fri.

- **1M USDKRW NDF - *Lower*.** 1M USDKRW NDF was lower at 1326 levels this morning. 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.

- **1M USDINR NDF - *Steadying*.** USDINR 1M NDF steadied and was last seen around 83.74 this morning. 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. Note that RBI's preference for INR stability could also weigh on any gains. Support at 83.40 before the next at 83.22. Fri has forex reserves.

- **1M USDIDR NDF - *Sideways, Eventual Retracement*.** 1M NDF was last seen higher at 15181 as it rose in line with the climb the broad dollar. As a whole, the 1M NDF has been lingering just around the 15200 level for the last few sessions. In the coming sessions, it looks it continue to just trade sideways although we expect some rebound would eventually occur as the market prices in more of the US election uncertainty. As a whole, we remain bullish on the IDR in the medium term especially as BI is in a better position to cut rates a faster pace than other EM central banks such as Mexico given core inflation in Indonesia is expected to remain much lower than Mexico. This would help support appetite for Indo GBs. Back on the chart, support is at 15000 and 14577. Resistance is at 15400 and 15600. There are no remaining key data releases this week.

- **1M USDPHP NDF -*Sideways, Rebound Eventually*.** The pair was last seen at 55.99 as it continued to trade sideways. There were little catalysts in the last few sessions to drive it decisively in either direction. We expect to remain trading sideways before an eventual rebound may occur as the market begins to price in the US election uncertainty more. The latter can lead to some risk-off sentiment. Back on the chart, support is at 55.27 and 54.50. Resistance is at 56.50 and 57.20. Aug budget balance saw a wider deficit at -PHP54.2bn (Jul. –PHP28.8bn). Meanwhile, BSP Governor Eli Remolona said there could be two more rate cuts this year – 25bps each in Oct and Dec. This would be more aggressive than their initial call of 25bps in the remaining quarter but it would also be in line with market expectations of more Fed rate cuts this year. Therefore, negative impact on the currency from BSP rate cuts would be limited. There are no remaining key data releases this week.

- **USDTHB - *Steady, Pressing Lower*.** Pair was last seen at 32.66 as it traded at levels similar to yesterday. THB has been among the regional's best performers given the rise in gold prices amid speculation that the Fed could ease more. We stay cognizant of the possibility of further downside for the pair. Domestically, Thai Aug trade data saw a slowdown. Exports was at 7.0% YoY (est. 6.0% YoY, Jul. 15.2% YoY) whilst imports was at 8.9% YoY (est. 6.5% YoY, Jul. 13.1% YoY). Exports to the top markets of the US

(+3.0%), China (+6.7%) and ASEAN-5 (+4.5%) turned lacklustre, possibly as the front-loading of trade flows in 3Q had run its course, weighing on intra-regional supply chains. Aug trade balance was at $265m (est. $0m, Jul. -$1370m), which at least implies that the trade position last month did not weigh on the currency exactly. However, immediate impact on the currency from the release of the data was limited. Meanwhile, pressure from the government on the BOT to eases rates continues to persist. Finance Minister Pichai Chunhavajira yesterday reiterated his call for lower interest rates to temper the sharp appreciation of the baht, for fear it may jeopardize exports and tourism. Earlier though, Bank of Thailand governor Sethaput Suthiwartnarueput said on 20 September that monetary policy was guided by the domestic outlook, and won't be influenced much by the Fed's cuts. He also made a case for central bank independence. Both Sethaput and Pichai are scheduled to hold talks next week. We expect the BOT to be more open to easing only if more data points indicate broad economic weakness showing up, and threaten its growth outlook. Our base case is for the BOT to cut rates once, by 25 bps to 2.25% in 1H 2025. Therefore, we are not expecting at this point that central bank easing would weigh on the currency. Back on the chart, support is at 32.65 and 31.81. Resistance is at 34.00 and 34.50. Remaining key data releases this week include Aug ISIC mfg prod indes and capacity utilization (Thurs) and 20 Sep gross international reserves and forward contracts (Fri).

- **USDVND - *Two-way*.** USDVND hovered around 24620, still within the 24530-24700 range but notably bid for the day. 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. In news, SBV aims to increase green financing. Separately, PM Pham Minh Chinh also vowed to attract crucial foreign investment into AI development by cutting logistics costs and improving infrastructure as the country seeks to establish itself as a global hub for advanced technology (BBG).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.34	3.34	Unchg
5YR MI 8/29	3.50	3.51	+1
7YR MS 4/31	3.68	3.68	Unchg
10YR MS 7/34	3.72	3.73	+1
15YR MS 4/39	3.88	3.88	Unchg
20YR MX 5/44	4.03	4.03	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.52	3.53	+1
9-months	3.50	3.51	+1
1-year	3.46	3.50	+4
3-year	3.34	3.37	+3
5-year	3.40	3.42	+2
7-year	3.49	3.52	+3
10-year	3.58	3.61	+3

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

Analysts

Winson Phoon
(65) 6340 1079
winsonphoon@maybank.com

Se Tho Mun Yi
(603) 2074 7606
munyi.st@maybank-ib.com

- Despite lower global bond yields and stronger Ringgit, domestic government bonds traded lacklustre with some selling pressures in the belly, possibly due to the unwinding of bond-swap-spread positions. BNM announced the 30y GII auction with an auction size of MYR3b plus an additional MYR2b private placement, within market expectations. The MGS curve closed flat to +1bp and the WI was traded at 4.185%.

- MYR IRS continued rising yesterday by 2-4bp on lower US rates in the overnight session following poor US consumer confidence data. Local rates opened lower but it was clear again that the recent receiving bias had turned and by the noon session, strong paying and hedging interest drove rates back higher on the day. 3M KLIBOR was unchanged at 3.54%. IRS trades were active: 2y at 3.375%, 3y at 3.38% and 5y traded between 3.4225% and 3.4325%.

- The PDS market was quiet. No GG names were traded. AAA Danum Cap 2/35 and Sarawak Energy 7/28 tightened 2bp. AA3/AA- BGSM Mgt traded range-bound. Single-A names were dealt in odd amount specifically DRB Hicom and Alliance Bank. The remaining names were unchanged.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.37	2.40	+3
5YR	2.40	2.45	+5
10YR	2.54	2.60	+6
15YR	2.64	2.68	+4
20YR	2.65	2.67	+2
30YR	2.66	2.67	+1

Source: MAS (Bid Yields)

- SGS yields fell 2-5bp yesterday, reversing most losses incurred in prior day buoyed by better bids in US Treasuries. The results of the 50y SGS auction today likely will not have much bearing on market sentiment. Previous issuance of 50y at larger size was absorbed at ease, although was placed out though syndication instead of auction. The overnight SORA was little changed in 3.10-3.20%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.43	6.37	(0.06)
2YR	6.32	6.28	(0.04)
5YR	6.22	6.17	(0.05)
7YR	6.52	6.52	0.00
10YR	6.45	6.44	(0.01)
20YR	6.70	6.71	0.01
30YR	6.84	6.84	0.00

** Source: Bloomberg, Maybank Indonesia*

Analyst
Myrdal Gunarto
(62) 21 2922 8888 ext 29695
MGunarto@maybank.co.id

- Most Indonesian government bonds strengthened yesterday. The global investors kept inflowing to Indonesian bond market amidst relative silent sentiments, from both global and domestic sides. On the fiscal side, Indonesian position stayed solid with the fiscal deficit by Rp153.7 trillion (0.68% of GDP) during 8M24 amidst strong measures for spending by the government, such as for the programs of infrastructure, social safety net for the poor, energy subsidy, and routine transfers for the region and the state apparatus. Indonesian economy still performs solid growth at least 5% during the regime of prudent fiscal measures with the level of fiscal deficit ratio at below 3%. A healthy fiscal position positively impacted to the government's capability to manage supply of its bonds for the state financing. Going forward, we expect a positive trend on Indonesian government bond to keep continue during recent euphoria of global lower policy rates, especially the Fed and Bank Indonesia. There is an adequate room for the yield of Indonesian government bonds to reach 6.41% at the end of this month.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1248	146.10	0.6940	1.3473	7.0619	0.6389	162.7000	99.7360
R1	1.1191	145.42	0.6881	1.3398	7.0474	0.6326	161.9300	99.2530
Current	1.1142	144.92	0.6842	1.3338	7.0161	0.6270	161.4600	99.1490
S1	1.1099	143.49	0.6791	1.3281	7.0067	0.6230	160.1300	98.3880
S2	1.1064	142.24	0.6760	1.3239	6.9805	0.6197	159.1000	98.0060

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2956	4.1797	15149	56.2110	32.9613	1.4423	0.5925	3.2596
R1	1.2927	4.1545	15126	56.0500	32.8717	1.4392	0.5899	3.2366
Current	1.2871	4.1455	15175	55.9990	32.6840	1.4340	0.5906	3.2211
S1	1.2846	4.1059	15072	55.8040	32.6277	1.4338	0.5849	3.1962
S2	1.2794	4.0825	15041	55.7190	32.4733	1.4315	0.5826	3.1788

**Values calculated based on pivots, a formula that projects support/resistance for the day.*

Equity Indices and Key Commodities

	Value	% Change
Dow	41,914.75	-0.70
Nasdaq	18,082.21	0.04
Nikkei 225	37,870.26	-0.19
FTSE	8,268.70	-0.17
Australia ASX 200	8,126.36	-0.19
Singapore Straits Times	3,583.27	-1.09
Kuala Lumpur Composite	1,673.38	0.18
Jakarta Composite	7,740.90	-0.48
Philippines Composite	7,362.62	-0.94
Taiwan TAIEX	22,761.60	1.47
Korea KOSPI	2,596.32	-1.34
Shanghai Comp Index	2,896.31	1.16
Hong Kong Hang Seng	19,129.10	0.68
India Sensex	85,169.87	0.30
Nymex Crude Oil WTI	69.69	-2.61
Comex Gold	2,684.70	0.29
Reuters CRB Index	286.16	-0.50
MBB KL	10.70	-0.37

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	5/11/2024	Neutral
RBNZ Official Cash Rate	5.25	9/10/2024	Easing
BOJ Rate (Lower bound)	0.00	31/10/2024	Tightening
BoC O/N Rate	4.25	23/10/2024	Easing

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Published by:

Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange
Singapore
Saktiandi Supaat
Head, FX Research
saktiandi@maybank.com
(+65) 6320 1379

Fiona Lim
Senior FX Strategist
Fionalim@maybank.com
(+65) 6320 1374

Alan Lau
FX Strategist
alanlau@maybank.com
(+65) 6320 1378

Shaun Lim
FX Strategist
shaunlim@maybank.com
(+65) 6320 1371

Indonesia
Juniman
Chief Economist, Indonesia
juniman@maybank.co.id
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto
Industry Analyst
MGunarto@maybank.co.id
(+62) 21 2922 8888 ext 29695

Sales
Malaysia
Zarina Zainal Abidin
Head, Sales-Malaysia, Global Markets
zarina.za@maybank.com
(+60) 03- 2786 9188

Tan Yew Yan
Head, Sales Corporates & CFS
yewyan.tan@maybank.com

Singapore
Sheetal Dev Kaur
Head, Corporates Sales (MBS)
skaur@maybank.com
(+65) 63201335

Tan Huilin
Head, Sales FI
TanHuilin@maybank.com
(+65) 63201511

Janice Loh Ai Lin
Head, Sales (MSL)
jloh@maybank.com.sg
(+65) 6536 1336

Shanghai
Joyce Ha
Treasury Sales Manager
Joyce.ha@maybank.com
(+86) 21 28932588

Indonesia
Endang Yulianti Rahayu
Head of Sales, Indonesia
EYRahayu@maybank.co.id
(+62) 21 29936318 or
(+62) 2922 8888 ext 29611

Philippines
Angela R. Ofrecio
Head, Global Markets Sales
Arofrecio@maybank.com
(+632 7739 1739)

Fixed Income
Malaysia
Winson Phoon
Head, Fixed Income
winsonphoon@maybank.com
(+65) 6231 5831

Se Tho Mun Yi
Fixed Income Analyst
munyi.st@maybank-ib.com
(+60) 3 2074 7606

s