

Global Markets Daily

USD on the Backfoot

USD Still Trades on the Backfoot

US core PCE price index came in weaker-than-expected at +0.1% m/m for Aug vs. prev. +0.2%. Year-on-year, core PCE price index picked up pace to 2.7% y/y from previous 2.6%. USD slid a little more after the release as Fed's preferred measure of inflation adds to market conviction for further rate cuts. Fed fund futures now imply around 38bps cut in Nov and an accumulative 75bps cut by the Dec meeting. US bourses ended Fri mixed with DJI able to eke out a 0.33% gain that day while S&P 500 and NASDAQ clocked mild losses. Weaker inflation prints continue to provide a benign environment for Asian FX. In addition, major cities in China (Guangzhou, Shanghai and Shenzhen) eased home-buying rules. PBoC also issued a statement to allow borrowers to refinance their home loans using prevailing market rate for new mortgages when the deviation with the existing mortgage rate reaches a "certain magnitude". This measure will take effect on 1 Nov. That can potentially reduce interest burden for borrowers and increase their disposable income.

New PM for Japan, USDJPY Reverses Lower

Shigeru Ishiba emerged victorious after a run-off vote with opponent Sanae Takaichi and became the new Prime Minister of Japan. Takaichi's defeat saw the USDJPY dived around 3% to end Fri nearer to the 142-handle, vs. the day high of 146.49. Nikkei started the week >4% lower this morning, also unwinding bets on a Takaichi win. In addition, sources were cited saying about Ishiba's intention to call for a general election on 27 Oct. He may also decide to dissolve the House of Representatives in Oct. In addition, he also mentioned about the need for monetary policy to "remain accommodative as a trend, signaling the need to keep borrowing costs low to underpin a fragile economic recovery". Those comments made over the weekend slightly lifted the USDJPY from open, last seen around 142.60.

Data/Events We Watch Today

Key data we watch include Sep PMIs for China, UK GDP, TH trade, CPI, AU CoreLogic Home Value (Sep). Dallas Fed Mfg Activity (Sep).

FX: Overnight Closing Levels % Change					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1162	↓ -0.13	USD/SGD	1.281	↓ -0.17
GBP/USD	1.3374	↓ -0.31	EUR/SGD	1.4302	↓ -0.28
AUD/USD	0.6903	↑ 0.10	JPY/SGD	0.9008	↑ 1.66
NZD/USD	0.6342	↑ 0.22	GBP/SGD	1.7132	↓ -0.48
USD/JPY	142.21	↓ -1.80	AUD/SGD	0.8841	↓ -0.09
EUR/JPY	158.79	↓ -1.90	NZD/SGD	0.8123	↑ 0.04
USD/CHF	0.8406	↓ -0.66	CHF/SGD	1.5242	↑ 0.51
USD/CAD	1.3516	↑ 0.38	CAD/SGD	0.9476	↓ -0.57
USD/MYR	4.1255	↓ -0.49	SGD/MYR	3.2167	↓ -0.18
USD/THB	32.377	↓ -0.05	SGD/IDR	11787.84	↑ 0.07
USD/IDR	15125	↓ -0.26	SGD/PHP	43.6594	↑ 0.43
USD/PHP	56.07	↑ 0.18	SGD/CNY	5.4764	↑ 0.19

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2796	1.3057	1.3318

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G10: Events & Market Closure

Date	Ctry	Event
30 Sep	Ca	Market Closure
26 Sep	SZ	SNB Policy Decision
27 Sep	JP	JP LDP Election

AXJ: Events & Market Closure

Date	Ctry	Event
1 - 7 Oct	CH	Market Closure
1 Oct	SK, HK	Market Closure
2 Oct	SK, In	Market Closure

G10 Currencies

- **DXY Index - Two-way Trade.** The DXY index slid this morning, last seen around 100.40. and remained sticky around 100.60. Core PCE price index came in weaker-than-expected at +0.1%*m/m* for Aug vs. prev. +0.2%. Year-on-year, core PCCE price index picked up pace to 2.7%*y/y* from previous 2.6%. USD slid a little more after the release as Fed's preferred measure of inflation adds to market conviction for further rate cuts within the year. Fed fund futures now imply around 38bps cut in Nov and an accumulative 75bps cut by the Dec meeting. US bourses ended Fri mixed with DJI able to eke out a 0.33% gain that day while S&P 500 and NASDAQ clocked mild losses. Weaker inflation prints continue to provide a benign environment for Asian FX. More stimulus from China to support home purchases, improve disposable income for borrowers. 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. Week ahead has MNI Chicago PMI (Sep), Dallas Fed Mfg Activity (Sep) today. Tue has Aug construction spending, Sep ISM Mfg, Dallas Fed Services Activity for Sep. Wed has Sep ADP (Sep), Thu has Aug factory orders, Sep ISM services, Fri has Sep NFP.
- **EURUSD - Double Top intact.** EURUSD was last seen at 1.1171 levels, barely changed from last Fri. 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. Disappointing Sep Prelim PMIs from France and Germany dragged the EURUSD below the 1.11-figure at one point. 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. Eurozone data this week includes Sep F Mfg PMI, Sep P CPI Inflation (Tue), Aug Unemployment Rate (Wed), Sep F Svcs/Comp PMI and Aug PPI Inflation (Thu).
- **GBPUSD - Bearish Divergence.** GBPUSD fell slightly to 1.3385 levels this morning. Conditions are stretched and the bearish divergence formed with MACD forest could continue to favour pullbacks. 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. Governor Bailey warned that the central bank prefers a more gradual reduction in rates as "it's vital that inflation stays low". Markets are broadly in line with our expectations for 50bps cuts in 2024. Inflation is on a broad downtrend, which should give BOE the comfort to cut in time. Focus is also on the 2024 Autumn Budget on 30 Oct, where Chancellor Reeves has given preliminary assurances that there would be no "return to austerity". We think that GBP outperformance could moderate in the near-term while remaining bullish on GBP in the longer-term. Positive outcomes from warmer EU-UK relations with Labour's victory could take time to play out. 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. UK data this week includes Sep Lloyds Indices, Nationwide House Px Indices, 2Q CA Balance, 2Q F GDP, 2Q F Exports/Imports, Aug Mortgage Approvals, Aug Money Supply (Mon), Sep BRC Shop Price Index, Sep F Mfg PMI (Tue), Sep Official Reserves Changes, DMP 3M Output/1Y CPI Expectations, Sep Svcs/Comp PMI (Thu), Sep New Car Registrations and Sep Construction PMI (Fri).

- **USDCHF - Two-way risks.** USDCHF continued to slide with spot last seen at 0.8412 levels. We continue to look for two-way movements for the pair with both the Fed and SNB looking to cut rates. SNB cut rates by 25bps and warned of more to come if needed. SNB has indicated a preference for a weaker CHF, and a weaker currency supporting exports could also help a tepid Swiss economy. Watch for possible intervention should CHF continue to strengthen from this point. USDCHF has been trading within the 0.84-0.8550 range for a while and eyes are on whether this range could sustain for a while more. 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. Swiss data includes 2Q FX transactions, Sep KOF Leading Indicator, 27 Sep Sight Deposits (Mon), Aug Retail Sales, Sep Mfg/Svcs PMI (Tue), Sep CPI Inflation (Thu) and Sep Unemployment Rate (Fri).
- **USDJPY - Ishiba Win, Downside Risks.** The pair was last seen at 142.71 as it fell on Friday following Shigeru Ishiba's win as President of the LDP although it is just trading slightly higher this morning. Ishiba's win has led to more hawkish expectations of the BOJ again given that the new LDP leader has said that he had supported BOJ independence and a normalization path in principle in addition to the need to defeat deflation. However, on Sunday, Ishiba said that "from the government's standpoint, monetary policy must remain accommodative as a trend given current economic conditions". Several new outlets have also reported that the incoming PM eyes a general election on 27 Oct. For now, we do note about the possibility of downside risks to the USDJPY amid the hawkish concerns. Meanwhile economic data out this morning showed weakness in elements of the economy as Aug P mfg declined more than expectations. Aug retail sales though beat estimates. Back on the chart, resistance at 145.40 with the next level after that at 147.50. Support at 140.60 and 135.60. Key data releases this week include Aug job-to-applicant ratio (Tues), Aug jobless rate (Tues), 3Q Tankan mfg index (Tues), Sep F Jibun Bank PMI mfg (Tues), Sep monetary base (Wed), Sep consumer confidence index (Wed) and Sep F Jibun Bank PMI composite and services (Thurs).
- **AUDUSD - Bullish and Stretched.** AUDUSD rose to levels around 0.6920 on positive sentiment. This pair looks like it is stretched to the upside and forming a top. However, strong China stimulus announced is eventually supportive of the Australian's economy that is dependent on China's demand. While we await further details of the fiscal measures, there are already follow-through measures in terms of easing home buying measures in major Chinese cities as well as PBoC allowing borrowers to refinance at the prevailing mortgage rates offered to new borrowers with effect from 1 Nov. That could increase the disposable income of the borrowers and possibly demand. That is positive for AUDUSD. Support at 0.6820. Resistance at 0.6950 remains intact. Technical indicators that this AUDUSD is stretched to the upside at this point. In the medium term, we remain constructive of AUD. Week ahead has Aug private sector credit for Aug, corelogic home value for Sep today. Tue has Aug building approvals and retail sales. Thu has Aug trade. Fri has Aug household spending and home loans.
- **NZDUSD - Bullish Momentum, Bearish Divergence.** NZDUSD is back to test resistance around 0.6370. 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. Data-wise, ANZ business confidence is due today (60.9 in Sep vs. prev. 50.6). Tue has building permits for Aug. Wed has CoreLogic home value for Sep. Thu has ANZ commodity price for Sep. Fri has filled jobs for Aug on Fri.

- **USDCAD - *Double Bottom***. USDCAD is on the way up, playing out the double bottom formed around 1.3440. We continue to look for USDCAD to make further bullish extension towards 1.3560 before the next at 1.3650. Support remains at 1.3440 before the next at 1.3360. Week ahead has Mfg PMI for Sep on Tue. Thu has Services PMI.
- **Gold (XAU/USD) - *Pullbacks Plausible***. Gold remained rather lofty, and was last seen around \$2650/oz. The bullion could be caught in opposing forces of risk-off and the rise in yields/USD. Momentum is still bullish but stretched with bearish divergence spotted. Pullbacks to bring this metal towards \$2560 but we remain constructive on gold on the medium term. Gold remains one of the few preferred hedges against the scenario of hard landing of the US economy. Gold, JPY and US treasuries may have more room to run (higher) in the late cycle of the US economy. While geopolitical conflicts seem to become less concerning at this point, the potential for equities to come under pressure as the US election nears could also drive some demand for the gold.

Asia ex Japan Currencies

SGDNEER trades around +1.93% from the implied mid-point of 1.3102 with the top estimated at 1.2840 and the floor at 1.3364.

- **USDSGD - Two-way risks.** USDSGD was last seen at 1.2803 this morning. A falling wedge has formed for the USDSGD with apex around 1.2650. 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 1.2860 and 1.3000. Supports are 1.2800 and 1.2650. Our economists expect a 4.3% Flash GDP figure for 3Q2024 (prev: 2.9%) and upgraded the full year forecasts to 3.5% for 2024 (prev: 3%) and 2.5% in 2025 (prev: 2.4%) on the back of the superb Aug Industrial Production print. SG data includes 3Q P URA Private Home Prices (Tue), Sep PMI and ESI (Wed), Sep Global PMI (Thu) and Aug Retail Sales (Fri).
- **SGDMYR - *Don't Catch a Falling Knife*.** SGDMYR was last seen around 3.2055 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. This also suggests further downside for the pair as long as USD bears remain in control. Support at 3.1910 before the next at 3.1700. Resistances at 3.2100 and 3.2300.
- **USDMYR - *Lower*.** USDMYR was last seen trading lower at 4.1053 as it fell in line with both the broad greenback. Momentum for the pair appears 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. Meanwhile, BNM has said that they believe there is “enduring support” for the MYR given “Malaysia’s positive economic prospects and structural reforms, complemented by initiatives to encourage flows”. China stimulus is also set to strengthen optimism to the MYR given the strong trade relations between China and Malaysia. Back on the chart, support is seen around 4.0800 and 4.0000. Resistance is at 4.3000. Key data release this week include Sep S&P Global PMI mfg (Tues).

- **USDCNH - *Supercharged Stimulus!*** USDCNH rose this morning and was last seen around 6.9930, bouncing off low of 6.9713. Weaker inflation prints continue to provide a benign environment for Asian FX, including RMB. In addition, major cities in China (Guangzhou, Shanghai and Shenzhen) eased home-buying rules. PBoC also issued a statement to allow borrowers to refinance their home loans using prevailing market rate for new mortgages when the deviation with the existing mortgage rate reaches a “certain magnitude”. This measure will take effect on 1 Nov. That can potentially reduce interest burden for borrowers and increase their disposable income. PBoC reference fix 7.0074 vs. previous 7.0101 suggests no pushback by PBoC on its strength, given that it is in line with median estimate around 7.0080. 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. Support around 6.9710 before 6.9540. Data-wise, we have Mfg PMI improving to 49.8 vs. previous 49.1 while non-mfg slipped a tad to 50.0 from previous 50.3. Caixin Mfg PMI fell to 49.3 from previous 50.4 while services PMI also fell to 50.3 from previous 51.6. CSI300 rose 22%, extending gain a 4% this morning. Onshore markets are closed for the rest of the week for National Day Golden Week.
- **1M USDKRW NDF - *Lower.*** 1M USDKRW NDF was lower at 1305.75 levels this morning. Aug Industrial Production surged to 3.8% YoY (exp: 1.9%; prev: 5.2%) and 4.1% SA MoM (exp: 2.8%; prev: -3.9%). Cyclical Leading Index Change fell by -0.1 (prev: 0.0). 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 1320 and 1330. Supports are at 1300 and 1290. 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. Rumours are that approval will be delayed to a later date. South Korean data this week includes Exports/Imports/Trade Balance (Tue), CPI Inflation, Sep Mfg PMI (Wed) and Sep FX Reserves (Fri).
- **1M USDINR NDF - *Steady.*** USDINR 1M NDF steadied and was last seen around 83.83 this morning. RBI preference for stability appears to be prevailing after pair moved in tandem with USD declines earlier. Part of the rupee’s allure could be due to Indian Finance Minister Nirmala Sitharaman’s recent reaffirmation on the commitment to bring the fiscal deficit down to at least 4.5% of GDP by Mar 2026. We look to see if India could continue to be an economic bright spark relative to the rest of the region. Note that RBI’s preference for INR stability could also weigh on any gains. Resistance at 84.00. Support at 83.40 before the next at 83.22. Fri has forex reserves.
- **1M USDIDR NDF - *Steady, Likely to Stay Sideways Near Term.*** 1M NDF was last seen lower at 15171 as it continued to trade sideways. We expect that the pair can continue to trade sideways near term as markets continue to await more cues on US data and how UST yields would move. In the medium term, we remain bullish on the IDR especially as BI is likely to keep cutting rates in line with the Fed. This would help keep up the appetite for Indo GBs. Relative to other EM central banks such as Mexico too, BI is also in a better position to ease given core inflation in Indonesia is expected to remain much lower than Mexico. Back on the chart, support is at 15000 and 14577. Resistance is at 15400 and 15600. Remaining key data releases include Sep S&P Global PMI mfg (1 Oct) and Sep CPI (1 Oct).

- **1M USDPHP NDF - *Likely to Stay Sideways***. The pair was last seen steady at 56.05. As a whole, it is still trading sideways around recent levels. We expect that the pair can continue to trade sideways the near term as we await more cues on US data and the Fed's inclination. Back on the chart, support is at 55.27 and 54.50. Resistance is at 56.50 and 57.20. Key data releases this week include Aug bank lending (Mon), Sep S&P Global PMI mfg (Tues) and Sep CPI (Fri).
- **USDTHB - *Pressing Lower***. Pair was last seen lower at 32.33 in line with the decline in the broad dollar, USDCNH/CNY and USDJPY. There is potential for more downside if optimism towards China's stimulus measures can continue to grow and guide the USDCNH/CNY lower. Gold prices also appear like it can continue to remain supported at elevated levels amid falling rates (despite some recent decline). However, we also remain cognizant of the ongoing pressure from the government on the central bank to ease rates. Both Bank of Thailand governor Sethaput Suthiwartnarueput and Finance Minister Pichai Chunhavajira are scheduled to hold talks this week. We expect the BOT to stay on hold for the rest of this year at 2.50% and only to be more open to easing only if more data points indicate broad economic weakness showing up, and threaten its growth outlook. We do though expect the BOT to cut rates by 25bps next year to 2.25%. Back on the chart, we watch if the pair can hold decisively below the support at 32.57 with the next at 31.81. Resistance is at 33.61 and 34.25. Key data releases this week include BoP CA and overall balance (Mon), Aug trade data (Mon), Sep S&P Global PMI mfg (Tues), Sep business sentiment index (Tues) and 27 Sep gross international reserves/forward contracts (Fri).
- **USDVND - *Two-way***. USDVND hovered around 24570, still 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. USDVND was a tad lower this morning, moving in tandem with broader USD action in the region.

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	3.51	3.51	Unchg
7YR MS 4/31	3.68	3.68	Unchg
10YR MS 7/34	3.73	3.72	-1
15YR MS 4/39	3.88	3.89	+1
20YR MX 5/44	4.03	4.03	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.53	3.53	-
9-months	3.51	3.52	+1
1-year	3.50	3.51	+1
3-year	3.37	3.38	+1
5-year	3.42	3.43	+1
7-year	3.52	3.53	+1
10-year	3.61	3.62	+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. Yields remained steady with most participants on the sideline, though there was real money mostly in the short end to the belly of the curve. The 30y GII 3/54 was quoted at 4.195/185% with nothing traded in WI. The US jobless claims data released overnight came in close to the consensus expectation.
- MYR IRS shifted about 1bp higher across the curve but on fairly decent volume and paying interest mainly in the 5y tenor. Higher US rates in the overnight session may keep MYR IRS elevated although the levels already rose for a fourth straight day. 3M KLIBOR was unchanged at 3.54%. 5y IRS traded at 3.435% and 3.44%.
- The PDS market was more active. In GG, MRL 7/36 dealt at MTM, while Prasarana 8/26 was 3bp lower in yield. AAA Infracap mid tenor bonds tightened 1-2bps, while DIGI 5/30 widened 2bp. AA1/AA+ Sime Darby Property 12/25 traded 6bp higher for MYR 10m, and YTL at MTM. Notable trade was AA2 CIMB 11/30 spread narrowed, though only for MYR10m.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.38	2.41	+3
5YR	2.42	2.46	+4
10YR	2.57	2.61	+4
15YR	2.63	2.67	+4
20YR	2.62	2.65	+3
30YR	2.62	2.63	+1

Source: MAS (Bid Yields)

- The 50y SGS auction received only a modest 1.64x bid-to-cover ratio yesterday but the lukewarm turnout didn't seem to have much impact on the curve. Instead, the ultra-long held up better rising 1bp in 30y50y sector compared a 3-4bp increase in other parts of the curve. 10y SGS was sold 4bp higher in yield to 2.61%. There wasn't much volatility in overnight funding as the SORA remained in 3.10-3.20%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change	Analyst
1YR	6.34	6.29	(0.05)	Myrdal Gunarto
2YR	6.31	6.30	(0.01)	(62) 21 2922 8888 ext 29695
5YR	6.21	6.20	(0.01)	MGunarto@maybank.co.id
7YR	6.49	6.49	(0.00)	
10YR	6.46	6.48	0.01	
20YR	6.76	6.77	0.01	
30YR	6.86	6.86	0.00	

* Source: Bloomberg, Maybank Indonesia

- Most short tenor series of Indonesian government bond strengthened on the last trading days of previous week (30 Sep-24). The short tenor series of government became more attractive as recent environment of interest rate is being lower further due to strong dovish measures by the Central Banks, especially the Fed and Bank Indonesia, amidst low inflation pressures during current weak positions of both US\$ and Brent oil prices.
- On domestic side, we foresee Indonesian inflation to keep being weak by 0.08% MoM (2.04% YoY) in Sep-24. Monthly inflation during Sep-24 is mostly driven by the academic cost and several raw foods prices, such as rice and the red chili. Indonesian raw foods prices are well manageable so far, thanks to solid government's measures for providing ample domestic supply. Furthermore, for this week, the investors will focus to several data economic releases, such as Fed's Governor policy statement (especially waiting for hint of incoming policy rate cuts), Indonesian CPI inflation, PMI Manufacturing index from various countries (included Indonesia), and the U.S. labour data. Going forward, we believe Indonesian short tenor of government bonds to keep maintaining their rally trends.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1241	148.01	0.6972	1.3454	7.0183	0.6406	165.2033	101.6647
R1	1.1202	145.11	0.6937	1.3414	7.0000	0.6374	161.9967	99.9143
Current	1.1173	142.55	0.6923	1.3382	6.9751	0.6363	159.2700	98.6780
S1	1.1124	140.69	0.6868	1.3347	6.9676	0.6303	157.0767	97.2223
S2	1.1085	139.17	0.6834	1.3320	6.9535	0.6264	155.3633	96.2807

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2895	4.1535	15197	56.2033	32.6070	1.4393	0.5916	3.2406
R1	1.2852	4.1395	15161	56.1367	32.4920	1.4347	0.5899	3.2286
Current	1.2802	4.1130	15130	56.1000	32.3320	1.4303	0.5886	3.2130
S1	1.2778	4.1145	15088	55.9367	32.2670	1.4267	0.5867	3.2053
S2	1.2747	4.1035	15051	55.8033	32.1570	1.4233	0.5853	3.1940

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

Equity Indices and Key Commodities

	Value	% Change
Dow	42,313.00	0.33
Nasdaq	18,119.59	-0.39
Nikkei 225	39,829.56	2.32
FTSE	8,320.76	0.43
Australia ASX 200	8,212.24	0.10
Singapore Straits Times	3,573.36	-0.25
Kuala Lumpur Composite	1,660.09	-0.67
Jakarta Composite	7,696.92	-0.61
Philippines Composite	7,428.30	-0.41
Taiwan TAIEX	22,822.79	-0.16
Korea KOSPI	2,649.78	-0.82
Shanghai Comp Index	3,087.53	2.88
Hong Kong Hang Seng	20,632.30	3.55
India Sensex	85,571.85	-0.31
Nymex Crude Oil WTI	68.18	0.75
Comex Gold	2,668.10	-0.99
Reuters CRB Index	285.94	0.46
MBB KL	10.50	-1.50

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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