Macro | FX Research & Strategy

Global

4 September 2024

Maybank

Global Markets Daily

Pullback in Risk Sentiment

Market Sentiment Softens

Overnight, US equity markets and UST yields declined as the country returned back from a Labor Day holiday. For the former, AI related stocks such as Nvidia saw quite a fall. The broad dollar traded sideways although in prior sessions, it had already been climbing up. For the first Sep session of the US markets, investors may just be acting cautiously about what this month could bring. Sep can be a seasonally weaker month for stocks whilst the broad Greenback and UST yields tend to rise. More immediately, jobs data - NFP and unemployment is due on Fri, which could be making markets edgy. Interestingly, futures are indicating a 40% probability of a 50bps cut in Sep, which is up from prior days. Data that came out last night was not exactly deviating from trend with US Aug ISM mfg still in contraction territory as it has been so in the last five months. However, the number was slightly below expectation at 47.2 (est. 47.5, Jul. 46.8). Prices paid index did rise and came out above estimates at 54.0 (est. 52.0, Jul. 52.9). As a whole, we still see the possibility of further climb up in the DXY as a 25bps Fed rate cut at the Sep meeting would be more likely rather than a larger 50bps move. USDAsians were sideways too this morning although we similarly believe a move up can continue as they keep tracing the broad dollar movements. Meanwhile, BOC decision is due later, where we expect a cut of 25bps amid a weakening economy.

Crude Oil Prices Tanks

Oil prices sank with both Brent and WTI with the former trading at the lowest levels since end 2023 whilst for the latter, it was doing so since early 2024. Brent was last seen at $73.26 whilst WTI at $69.84. The fall occurred following a deal to restore Libyan supply as the country's central bank governor Sadiq Al-Kabir implied strong indications that political factions could be coming to an agreement. Such developments are happening amid demand concerns and OPEC+ may bring back some more supply. We are cautious about oil prices but a rebound can still happen once markets are more comfortable that a global recession would not occur and China's economy shows some slight pick-up. Lower oil prices can be boon for oil importing related FX such as IDR, THB and PHP.

Data/Event We Watch Today

We watch Fed beige book, BOC policy decision, US Jul factory orders.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1043	-0.26	USD/SGD	1.3071	0.02
GBP/USD	1.3114	-0.24	EUR/SGD	1.4435	-0.26
AUD/USD	0.6711	-1.18	JPY/SGD	0.8986	1.01
NZD/USD	0.6187	-0.74	GBP/SGD	1.7142	-0.23
USD/JPY	145.48	-0.98	AUD/SGD	0.8773	-1.16
EUR/JPY	160.65	-1.24	NZD/SGD	0.8087	-0.71
USD/CHF	0.8503	-0.16	CHF/SGD	1.5372	0.16
USD/CAD	1.3551	0.42	CAD/SGD	0.9647	-0.40
USD/MYR	4.369	0.26	SGD/MYR	3.3376	0.10
USD/THB	34.232	0.04	SGD/IDR	11872.65	-0.10
USD/IDR	15525	0.00	SGD/PHP	43.2931	0.29
USD/PHP	56.611	0.41	SGD/CNY	5.4405	-0.10

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3063	1.3330	1.3597

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G10: Events & Market Closure

Date	Ctry	Event
2 Sep	US	Market Closure
2 Sep	CA	Market Closure
4 Sep	CA	Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
2,3 Sep	VN	Market Closure
5 Sep	MY	Policy Decision

G10 Currencies

- **DXY Index – *Up on Risk-Off*.** The DXY index rose overnight, lifted by the weaker than expected ISM Mfg at 47.2 vs. (47.5 expected), albeit a tad higher than previous 46.8. The S&P Mfg PMI was revised lower for the final print to 47.9 vs. prev. 48.0. Continuous contraction of the manufacturing output spooked markets. Bourses were down significantly. DJI (-2.1%), Nasdaq (-3.3%) and S&P (-1.5%). This sense of risk-off permeates the FX space too with CHF, JPY rising while other currencies falter against the safe haven USD. UST yields also fell overnight. We suspect that the retracements of USDAsians could be limited as the Fed easing narrative is rather entrenched. However, at this point, with US growth also in question, USDAsians may be able to extend a tad higher. While warnings of stronger data leading to higher UST yields and stronger USD have been said on multiple occasions, we found the reaction to overnight the Aug ISM Mfg particularly illuminating. Recall that the prelim. S&P Mfg PMI release on 22nd Aug was a downside surprise of 48.0 vs. expected 49.5. The USD reacted by rising. We are looking at a similar phenomenon where the downside surprise of the Aug Mfg ISM at 47.8 vs. previous 48.0 saw the USD rising against most currencies against. Oil fell, a sign of concerns over weakening demand and growth. This does suggest that given that the easing narrative of the Fed is already entrenched, markets are now paying more attention to growth and probability of a recession. Afterall, Eurozone and China still look fragile. And in the absence of other growth drivers, the US economic health could determine whether the rest of the world will slip into recession and that could be USD positive. Procyclical currencies (AUD, NZD, CAD, KRW) could come under pressure in that environment. **We could be seeing a scenario where a weak-enough US NFP would drive UST yields lower due to safe haven demand but USD higher. This scenario of USD buoyancy be it strong or weak US data could continue until we see growth improvements in other economies. The post summer Sep PMI prints for Eurozone cannot come soon enough.** Fed Fund Futures now imply around 40% probability of a 50bps rate cut for Sep, >200bps in one year. Back on the DXY index, momentum is bullish and stochastics are rising from oversold conditions. The index, is off its overnight highs, printed 101.69. Resistance remains at 102 (76.4% Fibonacci retracement of the Dec 23 -Apr 24rally). Support at 101.40. Data-wise, Wed has Factory orders (Jul), Durable goods orders (Jul F), Fed's Beige Book, Jolt Job Openings. Thu has ADP employment (Aug), S&P Services PMI (Aug F), ISM Services (Aug), Initial jobless claims. Fri has NFP (Aug), Unemployment rate (Aug), Fed William speaks.

- **EURUSD – *Lower*.** EURUSD remains below the 1.11 figure, last seen lower at 1.1048. Given how dovish Fed cut bets are at this point, one risk Is that Fed cut bets could pare and USD could rebound. At the same time, we view rebounds in the USD (lower EURUSD) as opportunities to sell the USD (buy EURUSD). The backdrop is favourable for USD softness as the case for a Goldilocks/soft-landing scenario continues to build. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. ECB are likely adopting a cautious approach despite having cut in the face of an uptick in inflation previously. Support is at 1.1000 and 1.0970 and then at 1.0920 (50-dma), resistance at 1.1060 and 1.1100. Eurozone data this week includes Aug Svcs/Comp PMI, Jul PPI Inflation (Wed) and Jul Retail Sales (Thu).

- **GBPUSD – *Lower*.** GBPUSD was seen lower at 1.3104 this morning. Options earlier showed that the market was most bullish GBP since 2020 and we highlighted the risk of a pullback in the pair. We view this latest dip as one such pullback, but we also cannot rule out further or larger pullbacks. Two-way risks however exist, as the backdrop of a soft landing/Goldilocks scenario builds, conditions become more favourable for GBP strength (and

USD weakness). BOE is priced as the most hawkish DM central bank at this point and that is providing the GBP some lift. However, we continue to see potential for 50bps cuts from the BOE in 2024, which could keep the GBPUSD from rising much further. Services inflation, the main source of discomfort for the BOE, has come off in the latest print. We think risks are two-way at this juncture, although we continue to suggest that GBP outperformance could moderate in the near-term while remaining bullish on GBP in the longer-term. Talks of a re-negotiation of Brexit terms and warmer relations with the EU could provide GBPUSD support on dips. On foreign policy, Starmer had dropped some hints on re-engaging the EU post-Brexit and positive outcomes could have significant upside for the pair. We look once again to buy EURGBP on dips as we continue to believe perceived central bank divergences should narrow and see value in fading the latest rally in the GBP. Back on the GBPUSD, resistances at 1.3120 and 1.3260. Supports are at 1.3090 and 1.3000. UK data this week includes Aug Official Reserves Change, Aug Svcs/Comp PMIs (Wed), Aug Construction PMI and Aug DMP 3M Output Price/1Y CPI Expectations (Thu).

- **USDCHF - *Two-way risks*.** USDCHF is lower 0.8485 levels this morning. We continue to look for two-way movements for the pair. Two-way risks are present given the current state of affairs for both the Fed and SNB. 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. Further rate cuts from SNB could pressure USDCHF higher and if a situation arises where it becomes the global funding currency of choice (like the JPY), then we could see more upside for USDCHF. Nevertheless, we do see USDCHF lower into quarters ahead alongside fading US economic exceptionalism and Fed rate cuts. Supports are at 0.8400 and 0.8333. Rebounds to meet resistance at 0.8500 and 0.8550 thereafter. Aug Swiss headline CPI Inflation fell to 1.1% YoY (exp: 1.2%; prev: 1.3%) and was flat at 0.0% MoM (exp: 0.1%; prev: -0.2%). Core inflation was unchanged at 1.1% (exp: 1.1%; prev: 1.1%). 2Q GDP surprised to the upside at 1.8% YoY (exp: 1.5%; prev: 0.6% and 0.7% QoQ (exp: 0.5%; prev: 0.5%). Swiss data this week includes Aug Unemployment Rate (Thu), Aug FX Reserves and Aug SECO Consumer Confidence (Fri).

- **USDJPY – *Lower, Ranged*.** The pair was last seen at 145.49. The pair came off throughout yesterday amid Ueda comments in a report and UST yields moving lower. Regarding the former, the BOJ Governor looks to have reiterated that a hike is on the table in a document submitted to a government panel chaired by outgoing PM Fumio Kishida. On the latter, a pare back in risk sentiment looks to have led to lower UST yields and resultantly, support a pullback in USDJPY. We expect the pair to remain ranged within 144.00 – 150.00 in the near term as we continue to meander through a macro transition from a world of high rates to low rates. Until more certainty is established on the pace of the easing trend globally (even as we know that the BOJ is going to be steady in hiking), it is difficult to see the pair sustainably breaking out of that range. This morning, we saw Aug F Jibun Bank PMI composite and services slightly revised lower to 52.9 (prior. 53.0) and 53.7 (prior. 54.0) respectively. The numbers are still in expansion and did not exactly have much impact. Focus for this week remains on Friday's US jobs data. Key resistance that we look out for are 150.00 and 152.00. Support is at 143.60 and 140.25. Remaining key data releases this week include Jul cash earnings (Thurs), Jul household spending (Fri) and leading/coincident index (Fri).

- **AUDUSD - *Double Top Plays Out*.** AUDUSD slipped to levels around 0.67 this morning, weighed by the weaker net exports of GDP and surprisingly wide current account deficit yesterday. Overnight risk-off also weighed on AUD. On the daily chart, stochastics are turning from overbought conditions and bullish momentum is waning. We still look out for a technical pullback towards the 0.67-figure. The balance of risks for the

AUDUSD could continue to remain to the downside. In addition, further signs of deterioration in China's economy could also weigh on the AUD via its terms of trade. In addition, with the US economy also seeing some signs of weakness, markets are becoming more concerned with global growth and AUDUSD could continue to remain under pressure. Beyond the near-term, we still hold a glass half full view of the world where global growth is more likely to soft land and bottom out as major central banks (ex BoJ) start to ease monetary policies. Support at 0.6655 before 0.6610. Rebound to extend towards 0.71 in the next twelve months. Data-wise, Jul trade data is out on Thu before Jul home loans data on Fri.

- **NZDUSD -*Still See Bearish Risks*.** NZDUSD edged lower and was last seen around 0.6180. The bearish risks we flagged could be panning out now. The pair is vulnerable to correction as stochastics show signs of turning from overbought conditions. Bullish momentum is plateauing. Resistance at 0.6370. Beyond the 0.6250-support, next levels to watch on bearish retracements are seen at 0.6170 before 0.6110. Data-wise, Wed has Aug ANZ commodity price, CoreLogic Home value for Aug.

- **USDCAD – *Bullish extension*.** USDCAD was last seen around the 1.3540. Bearish momentum is waning and stochastics show signs of turning from oversold conditions. Risk off, amplified by the drop in oil prices lifted the pair. USDCAD has bounced off support at 1.3440 and further bullish extension to meet resistance at 1.3560 before 1.3650. The rising wedge mentioned was nullified and as such, USDCAD could rise above the 1.3560 towards 1.3650. Failure to break above the 1.3560 could mean two-way trades within the 1.3440-1.3560 range. Looking ahead, we look for BoC to take policy rate by another 25bps tonight to 4.25%, given the emergence of a negative output gap, noted in the summary of deliberations for the Jul meeting. In addition, they also "expressed that a pickup in economic growth was needed to sustainably achieve the inflation target over the projection horizon". Focus right now is on growth supportive measures rather than inflation. Current slack is projected not likely to be absorbed until 2026. As long as inflation trajectory continues to trend lower towards the 2% (Jul CPI eased to 2.5%y/y from previous 2.7%), the BoC is likely to ease monetary policy further in order to support growth and employment. We now look for BoC to cut almost every meeting for the rest of the year. Apart from the policy decision on Wed, we have Mfg PMI for Aug on Tue. Jul trade is also due on wed. Thu has Services composite PMI for Aug before Aug labour report on Fri.

- **Gold (XAU/USD) – *Still Consolidative*.** Gold remained around $2490 this morning. Much of the recent price actions are kept within $2480-2530 range. Recent consolidative action of the UST yields likely also kept gold within this range. That said, we are wary of bearish reversal. A bearish divergence is seen between the price action and the MACD forest. Stochastics are plateauing as well in overbought conditions. As such, we see potential for gold to make a deeper pull back. Resistance is still seen at 2530 and a pullback could potentially bring the bullion towards 2425 (50-dma) before 2380 (100-dma). Any sign of geopolitical escalation (Middle-East tensions) could give gold a nudge higher.

Asia ex Japan Currencies

SGDNEER trades around +1.94% from the implied mid-point of 1.3329 with the top estimated at 1.3062 and the floor at 1.3595.

- **USDSGD - Two-way risks.** USDSGD was lower at 1.3070 levels this morning. SGD remains resilient after MAS' hold, and the trade-weighted SGDNEER is at +1.94% above the mid-point this morning. USD has rebounded and the SGD looks to be one of the better performers, which is underpinning SGDNEER strength. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue. Although the SGD is still subject to broader drivers, we expect it to hold up better than other currencies in times of USD-strength. At the same time, it is unlikely to outperform in times of USD-weakness. Long-term view is still for USDSGD to go lower. MAS appears to be in no hurry to ease, especially not when growth and inflation outcomes are essentially in line with their expectations. MAS Chief Economist seems to have hinted at MAS not being able to ease as easily as an interest rate regime in his speech on monetary policy. We think that the SGDNEER outperformance could taper as Fed cuts come in, although we do not expect SGDNEER to tank. Specifically, currencies in SGDNEER basket that are more sensitive to rate differentials could outperform the SGD and offset any strength in SGDNEER that comes from a weakening USD. Such a scenario would entail a weaker SGDNEER alongside essentially a lower USDSGD (stronger bilateral SGD). In the medium -term, we remain positive on the SGD given robust macro fundamentals and a monetary policy that has an appreciating currency as a default stance. Resistance at 1.3100 and 1.3150. Supports are 1.3050 and 1.3000. Data wise, we have COE auction on Wed, Jul retail sales on Thu.

- **SGDMYR – *Lower*.** Cross was lower at 3.3291 levels this morning. The MYR looks to fare better as USD is weak, whereas SGD is more resilient as USD is strong. Risks are two-way as we believe rebounds are likelier as pair gets more stretched. At the same time, the soft-landing narrative favours the MYR more than the SGD. Support at 3.3000 with the next support at 3.2800. Resistances at 3.3300 and 3.3500 levels.

- **USDMYR – *Lower*.** Pair was last seen at 4.3515 amid UST yields pullback, USDJPY decline and the broad DXY just slightly lower. As a whole, Markets may be cautious ahead of the jobs data due on Friday, which can have its impact on Fed rate cut expectations. Also, there could be some wariness about Sep being a month that seasonally sees the broad dollar stronger, UST yields higher and volatility climbing up. Regardless of these concerns, we still emphasize that as a whole, there is strong positive idiosyncratic optimism towards the MYR amid the government reforms, strong growth and more foreign investor interest. Authorities leading coordinated conversions by GLCs/GLICs into local currency too has given much support to the currency. We also expect BNM to keep rates on hold this year and that is another positive factor for the MYR given other central banks globally are looking to ease. The next BNM policy decision is due later this week on Thurs with consensus too being for a hold and hence, there could be limited impacted from the decision. External events especially those related to the US, China and Japan are likely to remain the key drivers going forward. Back on the chart, resistances are at 4.4000 and 4.4439. Support is at 4.2250. Key data releases this week include 30 Aug foreign reserves (Fri).

- **USDCNH – *Bullish Reversal in Play*.** USDCNH was last seen around 7.1160, stabilizing. Caixin Services PMI fell to 51.6 from previous 52.1. USDCNY reference rate is fixed at 7.1148, higher than the prev. fix of 7.1112. The direction of the fix remains broadly in line with market forces. The fix is 5 pips lower than the median estimate. We are rather sure that the USDCNH has room to rebound based on technical analysis. In addition, recent data releases indicated little cause for cheer and positivity for the yuan. With the USD also not likely to extend much lower before NFP release, the balance of risks for USDCNH is skewed to the upside. Rebound beyond the resistance at 7.1125 now looks likely to extend towards the 7.14-handle. CFETS TWI had dropped 2.8% from its high in Apr and we continue to see more room for it to fall. In news, China holds NPC standing committee meeting on 10-13 Sep.

- **1M USDKRW NDF - *Higher*.** 1M USDKRW NDF was last seen higher at 1338.45 levels this morning. As we expected, and as widely anticipated by markets, the BOK stood pat, unsurprising given their penchant to hold for an extended period before pivoting to a cut. BOK remains concerned about upside risks to inflation and potential overheating of the property sector on rate cuts. Tight Jul job market with unemployment falling to 2.5% (exp: 2.9%; prev: 2.8%) is also supportive of a BOK hold. Apart from the aforementioned concerns, there could also be concerns about KRW weakness if they were to cut ahead of the Fed. We see resistances at 1340 and 1350. Supports are at 1320 and 1300. 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 next month (Sep 2024) the earliest possible inclusion date. Aug FX Reserves rose to US$415.92b (prev: US$413.51b). South Korean data releases include 2QP GDP (Thu) and Jul BoP Current Account/Goods Balance (Fri).

- **USDINR 1M NDF - *Steady*.** USDINR 1M NDF was relatively steady at 84.04 this morning. The INR has yet to meaningfully retrace carry trade unwind losses even as recession fears fade and the case for a soft landing/Goldilocks scenario builds. RBI will likely keep rates on hold at least while Fed remains on hold as data releases continue to reaffirm that India experiences a satisfactory pace of growth. India’s budget for the new fiscal year targets narrowing the budget deficit to 4.9% of GDP, which should be INR supportive. We look to see if India could continue to be an economic bright spark relative to the rest of the region. Support at 83.65 (100 -dma) before the next at 83.55 (50 -dma). RBI has introduced trading and settlement of sovereign green bonds issued by India in the International Financial Services Centre (IFSC). Foreigners are eligible to invest and inflows from this initiative could benefit the INR. 23 Aug FX Reserves came in higher at US$681.7b (prev: US$674.7b) potentially hinting at sizeable purchase of USD by RBI. India data this week includes Aug Svcs/Comp PMI (Wed) and 30 Aug FX Reserves (Fri).

- **1M USDIDR NDF - *Lower*, *Sideways*, *Cautious*.** Pair was last seen at 15524 as it edged lower as UST yields fell and broad DXY was just slightly lower from yesterday’s higher. As a whole, it continues to trade sideways. Markets for now may just be on the edge ahead of Friday’s US jobs data release, which can have quite an impact on Fed rate cut expectations. As a whole, we still expect the 1M NDF to rebound higher eventually given that we only see a 25bps Fed cut in Sep and this could disappoint markets which has been increasingly pricing in a more aggressive levels of easing. The futures implied probability of 50bps cut in Sep is around 40%, which is even higher than prior sessions. Also, there could be some wariness about Sep being a month that seasonally sees the broad dollar stronger, UST yields higher and volatility climbing up. Resistance is at 15777 and 15893 (200-dma). Support at 15318 and 15000. Remaining key data releases this week include Aug foreign reserves (Fri).

- **1M USDPHP NDF - *Higher, Cautious*.** The pair was last seen at 56.58 as it edged up slightly. This was even as broad dollar slightly lower and UST yields declined. Markets for now may be cautious ahead of Friday's US jobs data release, which can have quite an impact on Fed rate cut expectations. As a whole, we still expect the 1M NDF to rebound higher eventually given that we only see a 25bps Fed cut in Sep and this could disappoint markets which has been increasingly pricing in a more aggressive levels of easing. The futures implied probability of 50bps cut in Sep is around 40%, which is even higher than prior sessions. Also, there could be some wariness about Sep being a month that seasonally sees the broad dollar stronger, UST yields higher and volatility climbing up. Back on the chart, support at 56.21 with the next after that at 55.27. Resistance is at 56.89 and 57.50. Key data releases this week include Aug CPI (Thurs), Jul unemployment rate (Fri) and Aug foreign reserves (Fri).

- **USDTHB - *Higher, Cautious*.** Pair was last seen at 34.27 as it climbed up with the decline in gold prices. This was even as UST yields declined and the broad dollar was slightly lower. The last BOT meeting minutes also reiterated some hawkishness on the part of the central bank as the MPC deemed the current policy rate remained consistent with the economic growth and inflation outlook, whilst fostering macro-financial stability in the longer term. We see the possibility for further climb as the we only 25bps Fed cut in Sep and this could disappoint markets which has been increasingly pricing in a more aggressive levels of easing. The futures implied probability of 50bps cut in Sep is around 40%, which is even higher than prior sessions. The US jobs data out on Friday, if it falls in line with expectations could spark some repricing towards only 25bps cut. Meanwhile, we continue to await the approval of the cabinet line-up and updates on the cash handout program. Back on the chart, support is at 34.00 and 33.61. Resistance at 34.50 and 35.00. Remaining key data releases this week include Aug CPI (Thurs) and 30 Aug gross international reserves/forward contracts (Fri).

- **USDVND - *Finding Support*.** USDVND edged higher and was last seen around 24894, still finding support around 24830. This pair seems to be stabilizing within the narrow 24820-24900 range for now but downtrend seems to remain intact. Resistance is seen around 24900 before 25100 while support is seen at 24810, 24770 and then at 24695. In news, Vietnam has imposed anti-dumping duty on polyester yarn imports from Indonesia, India, Malaysia and China according to the Trade Remedies Authorities of Vietnam at the Ministry of Industry and Trade (Saigon Times).

Malaysia Fixed Income

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Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.35	3.36	+1
5YR MI 8/29	3.53	3.53	Unchg
7YR MS 4/31	3.70	3.71	+1
10YR MS 7/34	3.77	3.77	Unchg
15YR MS 4/39	3.92	3.92	Unchg
20YR MX 5/44	*4.07/05	4.06	Unchg
30YR MZ 3/53	4.19	4.19	Unchg
IRS			
6-months	3.50	3.50	-
9-months	3.49	3.47	-2
1-year	3.46	3.44	-2
3-year	3.38	3.39	+1
5-year	3.46	3.44	-2
7-year	3.55	3.53	-2
10-year	3.65	3.64	-1

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

- Ringgit government bonds continued to trade sideways without a clear direction due to a lack of economic data and US rates market was little changed at Asia close. Sentiment remained cautious as market participants prefer to stay on the side-line amid weakening Ringgit for the fourth consecutive trading session. Trading activity concentrated on the short-to-belly part of the yield curve, while not much traded on the long-end with the yields closing little changed.

- MYR IRS shifted mostly 1-2bp lower on thin activity in the short end as paying/hedging interest waned although local bond market remained lacklustre ahead of Friday's US NFP while locally there's BNM MPC this Thursday. 3M KLIBOR was unchanged at 3.53%. Both 2y and 3y IRS traded at 3.38%.

- PDS market traded on moderate tone. GG space saw Prasarana and Danainfra trading range-bound. In AAA space, Cagamas short-end was under selling pressure causing spread 4-5bp wider. AA1/AA+ traded mixed +/2bp specifically YTL 3/37 and Maybank 1/34. AA2 Imtiaz Sukuk 5/29 traded 1bp lower. Single-A saw financial names being dealt in small amount.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.57	2.59	+2
5YR	2.61	2.61	-
10YR	2.75	2.74	-1
15YR	2.84	2.84	-
20YR	2.89	2.89	-
30YR	2.86	2.87	+1

Source: MAS (Bid Yields)

- SGS traded mixed with yields mostly in +/-1bp on the day and the US Treasury cash market reopened from the Labour Day holiday with no major change in tone. Breaking out of the range would likely require surprises from jobs data this week.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.65	6.60	(0.05)
2YR	6.53	6.54	0.01
5YR	6.55	6.58	0.03
7YR	6.72	6.72	(0.00)
10YR	6.66	6.67	0.01
20YR	6.83	6.85	0.02
30YR	6.85	6.85	(0.00)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened yesterday. It seemed that investors preferred realizing their profits first by applying "sell on rally" strategy amidst "wait & see" mode for incoming releases of the latest U.S. labour data. Actually, Indonesian economic condition is on positive environment after the pressures of imported inflation lessened due to recent drop on the global oil prices. A cheaper of oil prices can give a comfortable fiscal room for the Indonesian government. Currently, there is possibility by the government for restricting the consumption of the subsidized national fuel for only the poor categorized people only for managing availability of national fuel stocks during this year.

- The Indonesian government successfully met its indicative target by Rp22 trillion of absorption funds on the conventional bond auction yesterday. In line with our expectation, total investors' incoming bids reached by Rp45.49 trillion. Investors' enthusiasm for participating this auction remained strong amidst investors' "wait & see" mode for incoming result of the latest U.S. labour data next Friday night. FR0104 and FR0103 received most investors' attention by Rp15.16 trillion and Rp14.31 trillion, respectively, of total incoming bids with the range yields around 6.43000%-6.60000% and 6.57000%-6.80000%, subsequently. Then, we saw that the government optimized its absorption funds from FR0104 and FR0103 on yesterday's auction. The government decided absorbing Rp8.70 trillion and Rp9.25 trillion with awarding 6.46516% and 6.63995% of weighted average yields from investors' total incoming bids for FR0104 and FR0103, respectively.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1094	148.00	0.6821	1.3178	7.1397	0.6262	163.6167	100.5890
R1	1.1069	146.74	0.6766	1.3146	7.1303	0.6225	162.1333	99.1130
Current	1.1055	145.44	0.6704	1.3112	7.1060	0.6180	160.7900	97.5010
S1	1.1022	144.69	0.6682	1.3085	7.1120	0.6165	159.8333	96.8880
S2	1.1000	143.90	0.6653	1.3056	7.1031	0.6142	159.0167	96.1390

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3112	4.3964	15608	56.8597	34.4073	1.4500	0.6162	3.3581
R1	1.3091	4.3827	15566	56.7353	34.3197	1.4468	0.6149	3.3479
Current	1.3070	4.3535	15490	56.5500	34.2400	1.4449	0.6124	3.3312
S1	1.3058	4.3544	15502	56.4603	34.1597	1.4419	0.6127	3.3288
S2	1.3046	4.3398	15480	56.3097	34.0873	1.4402	0.6119	3.3199

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

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	3.7000	Oct-24	Neutral
BNM O/N Policy Rate	3.00	5/9/2024	Neutral
BI 7-Day Reverse Repo Rate	6.25	18/9/2024	Easing
BOT 1-Day Repo	2.50	16/10/2024	Easing
BSP O/N Reverse Repo	6.25	17/10/2024	Easing
CBC Discount Rate	2.00	19/9/2024	Neutral
HKMA Base Rate	5.75	-	Easing
PBOC 1Y Loan Prime Rate	3.35	-	Easing
RBI Repo Rate	6.50	9/10/2024	Neutral
BOK Base Rate	3.50	11/10/2024	Easing
Fed Funds Target Rate	5.50	19/9/2024	Easing
ECB Deposit Facility Rate	3.75	12/9/2024	Easing
BOE Official Bank Rate	5.00	19/9/2024	Easing
RBA Cash Rate Target	4.35	24/9/2024	Neutral
RBNZ Official Cash Rate	5.25	9/10/2024	Easing
BOJ Rate (Lower bound)	0.00	20/9/2024	Tightening
BoC O/N Rate	4.50	4/9/2024	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	40,936.93	-1.51
Nasdaq	17,136.30	-3.26
Nikkei 225	38,686.31	-0.04
FTSE	8,298.46	-0.78
Australia ASX 200	8,103.23	-0.08
Singapore Straits Times	3,480.34	0.50
Kuala Lumpur Composite	1,676.65	-0.09
Jakarta Composite	7,616.52	-1.01
Philippines Composite	6,882.92	-0.58
Taiwan TAIEX	22,092.21	-0.64
Korea KOSPI	2,664.63	-0.61
Shanghai Comp Index	2,802.98	-0.29
Hong Kong Hang Seng	17,651.49	-0.23
India Sensex	82,555.44	-0.01
Nymex Crude Oil WTI	70.34	-4.36
Comex Gold	2,523.00	-0.18
Reuters CRB Index	272.80	-1.53
MBB KL	10.70	-0.56

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