Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Jul Inflation Paves Way for Cut

Fed to Cut in Sep

US headline CPI slowed to 0.2%m/m in Jul from previous 0.3%. Year-on-year, CPI steadied at 2.7%, undershooting consensus at 2.8%. Core inflation (ex food and energy) picked up pace to 3.1% from previous 2.9% (slightly above cons. at 3.0%). Headline CPI softened due to flat food prices and the fall in energy inflation as well. Core inflation was boosted by the used cars and trucks prices which rebounded strongly +0.5%m/m from previous -0.7%. Services less energy services inflation was strong at +0.4%m/m vs. previous +0.3%, lifted by shelter (+0.2%), transportation (+0.8%), medical care services (+0.8%). Household furnishings, video and audio products, apparel prices did not show strengthening impact of tariffs on prices. This latest inflation report certainly paves the way for Fed to ease monetary policy and support the labour market that has been showing signs of deterioration. Treasury Secretary Scott Bessent even urged that the Fed should be open to a 50bps cut. Meanwhile, Trump accused Goldman of making a "bad prediction" about the impact of his tariff agenda.

RBA Cuts, BoT To Do So Too

RBA cut cash target rate by 25bps, in line with expectations including our own, taking the policy rate from 3.85% to 3.60%. This was already well anticipated after the central bank surprised markets by holding the cash target rate unchanged at the Jul meeting. The decision was unanimous. Key to RBA's assessment is the outlook for labour market conditions. Various models employed by the reserve bank along with some metrics continue to suggest that the labour market conditions remain tight. Meanwhile, there is also the possibility for global growth to turn out weaker than expected given the uncertain impact of tariffs on global activity and inflation. All things considered, RBA's SoMP was arguably balanced. We retain our view that AUD could remain on a slow grind higher. Nearer to home, we also look for BoT to take benchmark rate 25bps lower to 1.50%, likely priced in for THB.

Data/Events We Watch

Au wage price index softened to 0.8%q/q in 2Q from previous 0.9%. Year-on-year, wage growth steadied at 3.4%. For the rest of the day, GE CPI for Jul is due, Fed Barkins, Goolsbee, Bostic will speak and China may release its credit data for Jul. BoC releases summary of deliberations.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1675	0.52	USD/SGD	1.2837	-0.27
GBP/USD	1.35	0.51	EUR/SGD	1.4985	0.23
AUD/USD	0.653	0.26	JPY/SGD	0.8678	-0.10
NZD/USD	0.5955	0.29	GBP/SGD	1.732	0.19
USD/JPY	147.84	-0.21	AUD/SGD	0.8381	-0.01
EUR/JPY	172.6	0.31	NZD/SGD	0.7641	-0.03
USD/CHF	0.8065	-0.73	CHF/SGD	1.591	0.44
USD/CAD	1.3772	-0.05	CAD/SGD	0.9316	-0.27
USD/MYR	4.2305	-0.08	SGD/MYR	3.2878	-0.23
USD/THB	32.394	-0.24	SGD/IDR	12667.79	-0.01
USD/IDR	16290	0.06	SGD/PHP	44.383	-0.09
USD/PHP	57.072	0.04	SGD/CNY	5.5978	0.20

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2816	1.3078	1.3340

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G10: Events & Market Closure

Date	Ctry	Event
11 Aug	JP	Market Closure
12 Aug	AU	RBA Policy Decision
13 Aug	AU	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
12 Aug	TH	Market Closure
13 Aug	**TH**	**BoT Policy Decision**
15 Aug	SK, IN, ID	Market Closure
15 Aug	ID	State Budget 2026

SEE PAGE 12 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index - *Rate Cut More or Less Confirmed.*** US headline CPI slowed to 0.2%m/m in Jul from previous 0.3%. Year-on-year, CPI steadied at 2.7%, undershooting consensus at 2.8%. Core inflation (ex food and energy) picked up pace to 3.1% from previous 2.9% (slightly above cons. at 3.0%). Headline CPI softened due to flat food prices and the fall in energy inflation as well. Core inflation was boosted by the used cars and trucks prices which rebounded strongly +0.5%m/m from previous -0.7%. Services less energy services inflation was strong at +0.4%m/m vs. previous +0.3%, lifted by shelter (+0.2%), transportation (+0.8%), medical care services (+0.8%). Household furnishings, video and audio products, apparel prices did not show strengthening impact of tariffs on prices. This latest inflation report certainly paves the way for Fed to ease monetary policy and support the labour market that has been showing signs of deterioration. Treasury Secretary Scott Bessent even urged that the Fed should be open to a 50bps cut. Yesterday, China had urged local firms to avoid using Nvidia's H20 processors, particularly for government-related purposes, albeit short of a ban. Resumed H20 shipments were never part of any bilateral deal according to China while US officials claimed that it was a result of trade talks. The DXY index slumped on the inflation report to form a bearish engulfing candlestick, last seen around 98.10. That said, the index remained well within the 97.70-99.40 range. While the inflation report suggests that tariff impact on inflation has not strengthened, one can easily argue that this is still early days yet and impact on inflation would be more apparent when the inventory that was stocked up ahead of the tariffs were drawn down completely or when new models of autos (prices seem flat in Jul) are released. The DXY index may find support around 97.70 before 97.11 and then at 96.40. Resistance at 98.95. We continue to expect the USD to remain in recently established ranges. Data-wise, Thu has Jul PPI, weekly claims, Jul retail sales, empire mfg due on Fri.

- **EURUSD - *Two-Way*.** EURUSD rose to levels around 1.1670 level on the back of softer-than-expected US Jul CPI headline. This pair may continue to trade sideways within the 1.1600-1.1750 range. EURUSD is also one pair that could continue to benefit the most from dovish Fed speaks and negative USD developments. The Fed-ECB policy divergence could be widening now, in the favour of the EURUSD, albeit still within established range. With the ECB likely done with its easing cycle and the Eurozone getting a rather competitive tariff deal relative to other trading partners of the US, the EURUSD may continue to remain supported and a breakout of the 1.1600-1.1750 range could see this pair trade within wider 1.1430-1.1830 range. ECB Nagel Spoke about borrowing costs being at appropriate levels that allows the central bank to "react flexibly if necessary". This continues to dampen expectations for a near-term cut. Data-wise, ZEW survey for Aug on Tue fell to 25.1 from 36.1. 2Q GDP on Thu is due this week.

- **GBPUSD - *Bullish Bias*.** GBPUSD was last seen around 1.3500, rising on the back of the weaker USD post CPI. BoE had delivered a 25bps cut to bring down the policy rate to 4.00%, in line with expectations. The vote split was more hawkish than expected with a recast of vote that landed with a 5-4 outcome after the 4-4-1 on the first vote. That reduced the expectation for any further easing this year. The MPC noted that the "timing and pace of future reductions in the restrictiveness of policy will depend on the extent to which underlying disinflationary pressures continue to ease". The upcoming autumn budget is likely to come under scrutiny as Chancellor Rachel Reeves continue to pledge to stick to UK's fiscal rules in the backdrop of rising budget deficit owed to higher interest payment. There is also speculation that a wealth tax is still likely in order to plug the gap. BoE-Fed divergence could be in favour of the GBPUSD now.

Back on the GBPUSD chart, we see two-way trades with some upside bias within the 1.3370-1.3630 range. Momentum indicators are bullish bias. Data-wise, ILO unemployment rate steadied at 4.7%, average weekl earnings slowed more than expected to 4.6% from 5.0% while employment change in the three months to Jun was up +238K. Payrolled employees was down -8K in Jul, much smaller than the expected -20K. That seems to suggest some stabilization in the labour market. Week ahead has 2Q prelim. GDP, Jun industrial production and trade on Thu.

- **USDCHF - *Sideways*.** USDCHF was last seen at 0.8070 levels, giving up all gains seen in the earlier part of the week. The delegation led by President Karin Keller-Sutter did not manage to get a deal and left without even seeing the President last week. Into this week, Reuters reported that the Economy Minister Guy Parmelin and Health Minister Elizabeth Baume-Schneider will meet Pharmaceutical executives from Roche and Novartis according to sources cited. This meeting was confirmed by the Health Minister but no details were given. We see no further cuts from SNB this year unless inflation heads into negative territory, which is a possibility but not our base case. Still watching EURCHF going below 0.92 as potential intervention trigger. On the USDCHF chart, we continue to watch for the USDCHF to head towards 0.8240 (100-dma), a resistance and an interim one at 0.8160. Support is at 0.8100 followed by 0.8000.

- **USDJPY - *Lower, Ranged*.** Pair was last seen at 147.78 as it edged lower amid a US CPI reading that fell in line with expectations. Despite, the positive US reading, we continue to see that that USDJPY would trade around 145.00 – 150.00 with the likelihood that it could push up to the upper end of the range in the near term. This is due to the ongoing political anxiety that could end up keeping investors at bay. At this point, there is still no clarity about PM Ishiba’s future as he continues to face pressure to leave his position. At last Friday LDP joint plenary meeting, lawmakers had called for an early leadership election and that request has gone to a party committee for further deliberation. There is also a party review of the upper house elections that looks to be finalized later in Aug. Developments related to these two items are being closely watch to inform whether the PM can survive. Resistance at 150.00 and 152.00 whilst support is at 145.00 and 142.00. Remaining key data releases this week include Jul PPI (Wed), Jul P machine tool orders (Wed), 2Q P GDP (Fri), Jun F IP (Fri) and Jun capacity utilization (Fri).

- **AUDUSD - *RBA Cuts, Buy Dips*.** RBA cut cash target rate by 25bps, in line with expectations including our own, taking the policy rate from 3.85% to 3.60%. This was already well anticipated after the central bank surprised markets by holding the cash target rate unchanged at the Jul meeting. The decision was unanimous. Key to RBA’s assessment is the outlook for labour market conditions. Various models employed by the reserve bank along with some metrics continue to suggest that the labour market conditions remain tight. Meanwhile, there is also the possibility for global growth to turn out weaker than expected given the uncertain impact of tariffs on global activity and inflation. All things considered, RBA’s SoMP was arguably balanced. We retain our view that AUD could remain on a slow grind higher. AUDUSD softened after RBA decision before being taken higher because of the softer-than-expected US CPI report that drove the greenback lower. According to Nikkei, Treasury Secretary Scott Bessent made known that most US trade talks will be largely done by October and that would also signal that much of the US trade conflict should be coming to some form of closure as well. With greater clarity from here, central banks and governments around the world would be able to provide the monetary and fiscal support should their respective economies require. The recovery of the AUDUSD in 2H of 2025 would also reflect that of global recovery - gradual and cautious, possibly guided by the path of the rising trend channel that it has been trading within, notwithstanding the false break due to Liberation Day. A move towards the 0.67-figure cannot be ruled out. Key Support is seen around 0.6430-0.6440 (100-dma, red line). Interim resistance is seen around 0.6550. Data-wise, wage price index softened to 0.8%q/q in 2Q from previous 0.9%. Year-on-year, wage growth steadied at 3.4%. Thu has Jul labour data.

- **NZDUSD - *Sideways*.** The NZDUSD was last seen around 0.5960, lifted by the post-CPI USD decline. The external dynamics of a potentially lower USD has been underpinning this pair. Data-wise, retail card spending rose +0.2%m/m in Jul vs. previous +0.5%. Core spending (excluding vehicles, fuel) was flat after a 0.7% gain in Jun. Total card spending seemed like a healthy +0.6%m/m vs. the -0.1% in Jun. The recovery seems rather mixed. Earlier, concrete production had fallen -5.9%y/y in Jun to new low not seen since 2014, another sign of soft demand conditions. This adds to our view that the RBNZ would have to cut its OCR deeper. Meanwhile, NZD Trade Minister Todd McClay had vowed that the country will push for a reduction in the tariff rate. This higher-than-expected tariff rate may sour business sentiment even more. We see two-way trades within 0.5850-0.6000. AUDNZD has risen to levels around 1.0975 on the back of divergence in tariff treatments and the fact that RBA-RBNZ may start to diverge in terms of policy trajectory again. AUDNZD was last seen around 1.0975. This cross can resume range trade but a break out above 1.0975 would open the way towards 1.1050. Our bet is to the upside.

- **USDCAD -*Upside Risks*.** USDCAD was little changed, last seen around 1.3770 and we see upside risks for this pair. CAD weakness would be due to escalating trade conflicts – with China implementing a 75.8% anti-dumping duty on Canadian rapeseed from 14 Aug. Meanwhile, the US also raised tariffs on Canadian goods from 25% to 35%. There were a few issues said to be in contention include Canada's decision to recognize a Palestinian state and fentanyl flows as well as Canada's retaliatory moves. PM Carney had admitted that a deal may not be struck so soon. In addition, Canada saw a net decrease in employment of around 40.8K with 51K permanent employment decline. Participation rate fell to 65.2% from previous 65.4%. Softening labour market conditions should make the case for a more urgent rate cut in Sep. **Thus far, market implied rates suggest only a 10bps cut priced by next month.** BoC had held at 2.75% last week and there are some hints that further rate cuts are required if demand conditions weaken further and inflationary pressures are contained. The recent hike in tariff rate should just do the trick and we look for a rate cut in Sep that is underpriced by markets but that is still some time away. Interim resistance at 1.3860 before 1.3900 and then at 1.40. Support at 1.3740. We see two-way trades within 1.36-1.39 before key data releases nudge markets in more dovish repricing and risks to the USDCAD to remain skewed to the upside. Data-wise, mfg sales are due on Fri.

- **Gold (XAU/USD) - *A Pennant*.** Gold was last seen around 3350, softening after the Trump administration clarified that gold bars should not face tariffs. The bullion continues to find its foothold at the 100-dma at 3290 and some concerns of stagflation in the US economy could be underpinning gold as well. Our medium term remains for a slowdown in the US economy, increasing focus on rate cuts that would potentially some support for gold. We see two-way trades within 3270-3435 in the interim. We see a pennant forming, a continuation pattern typically that could take the bullion well above the 4000.

Asia ex Japan Currencies

SGDNEER trades around +1.90% from the implied mid-point of 1.3078 with the top estimated at 1.2816 and the floor at 1.3340.

- **USDSGD – *Sideways, Ranged*.** Pair was last seen around 1.2830 as it edged down amid a US CPI reading that more or less matched expectations but nonetheless, it is still trading sideways as a whole. The USDSGD movement has pretty much been in line with that of the USD. A 25bps Sep cut looks strongly likely to happen and markets are already expecting. The bigger question now is whether the Fed would move by more than that or at a faster pace – especially amid Bessent's comments suggesting a 50bps move and ongoing pressure from Trump to ease rates. For now, we still keep to our view that the USDSGD would remain ranged at 1.2800 – 1.3000 given that we still need to observe the data more but nonetheless recognize the risk it could break below it. Take note that SGDNEER remains near the top end of its band at around 1.90%. Key support levels include 1.2800 and 1.2700 – both recent levels of which USDSGD has found support at. Resistance at 1.3000 – about the 100-dma mark and around levels it had recently pulled back from. The next after that at 1.3200. There are no remaining key data releases this week.

- **SGDMYR - *Sideways*.** SGDMYR was higher at 3.2922 levels. SGD and MYR have been the more resilient currencies (thanks to solid fundamentals and increased cooperation between the neighbours e.g. JS-SEZ) in the ASEAN space against the uncertain backdrop. We expect the resilience to continue. Resistance at 3.30, 3.33 and 3.35. Support at 3.27 followed by 3.25.

- **USDMYR - *Lower*.** Pair was last seen at 4.2220 as it traded lower amid a US CPI reading that matched expectations. Nonetheless, it overall remains sideways as whole and its movement is much in line with the broad dollar. Expect external developments especially in relation to the US to be the main factors driving the pair. Back on the chart, resistance at 4.3000 and 4.3600. Support at 4.2000 and 4.1000. Key data releases this week include 2Q GDP (Fri) and BoP CA balance (Fri).

- **1M USDKRW NDF - *Sideways*.** 1M USDKRW NDF was last seen at 1380.60 level. Korea has been hit with a 15% tariff rate after a deal with the US. Korea's economy rebounded in 2Q2025 as growth came in at +0.6% QoQ (exp: 0.5%; prev: -0.2%) and 0.5% YoY (exp: 0.4%; prev: 0%). The US was reportedly requesting a multi-billion dollar investment fund from South Korea to bolster US manufacturing. South Korea looks to engage the US with further discussion over the 25% tariff. Lee Jae Myung has officially won the race for President in South Korea and that could mean better stability for the KRW as the political risk premium eases. The KOSPI rose by almost 2% and the KRW was some 0.3% stronger after Lee's win, which should herald a turning point for the country that was plunged into chaos from Yoon's declaration of martial law. Nevertheless, we cannot rule out the risk of Trump's planned semiconductor and pharmaceutical tariffs weighing on the KRW. BOK cut rates by 25bps to 2.50% as expected to support the economy amid uncertainty. We see 50bps more of cuts in 2025 for the BOK. BOK cuts should resume with central banks generally pivoting towards growth support given the downside risks to both growth and inflation from tariffs. Back on the chart, resistance is at 1370. Support is at 1350.

- **USDCNH - *Ranged*.** USDCNH was last seen around 7.1850, pushed lower by the broader USD decline. Yesterday, China had urged local firms to avoid using Nvidia's H20 processors, particularly for government-related purposes, albeit short of a ban. Resumed H20 shipments were never part of any bilateral deal according to China while US officials claimed that it was a result of trade talks. Meanwhile, Trump also signed an executive order that extends the tariff suspension on China for another 90 days. This would allow more time for negotiations. Ahead of the announcement, Trump had urged for China to quadruple its soybean orders in order to narrow the US trade deficit with China but that was not mentioned in the executive order. It is hard to know the details of the deal – Scott Bessent had denied that Chinese investments in the US could be a part of any trade pact as the US wants to reshore critical industries away from China and the desired outcome from the trade pact would be to stem the flow of chemicals used to make fentanyl (BBG). The USDCNY reference rate is set at 7.1350 vs 7.1418 previously. Gap between actual and median estimate narrowed slightly to around 418pips vs. previous 487pips yesterday. Key support for the USDCNH remains at 7.1470. Resistance at 7.2220 (100-dma) before the next at 7.2540. This pair is likely to remain range-bound within 7.1470-7.2220 in the near-term. The yuan remains an anchor for the region in times of turbulence. Week ahead has credit data for Jul due by the end of the week, along with activity, property data dump on Fri.

- **USDHKD - *Stuck at the Weaker End*.** USDHKD remains stuck to the upper bound of 7.75-7.85 range. 1M Hibor hovered around 0.90% and the SOFR-Hibor 1M rate differential was last seen around 343bps this morning, likely to keep the USDHKD supported at the edge of the band.

- **USDTWD - *Gains to Slow*.** USDTWD steadied this morning, last seen at 29.90. Equity-outflow could be weighing on the TWD but USDTWD has been settling within the range of 29.60-30.20, trapped by opposing forces of weaker USD and pressure from equity-related outflow. Expect 30.20 to be remain a tentative resistance for the USDTWD before 30.60. Support to remain around 29.60.

- **1M USDINR NDF- *Sideways*.** USDINR 1M NDF was last seen at 87.72 as it continues to hold just below the 88.00 mark. Expectations are for the RBI to be in the market to support the INR and limit upside beyond the 88.00 mark. We continue to keep a close eye on the tariff situation for India with Trump expressing frustration with India buying Russian oil. A crucial development to watch out for this week regarding India's situation would be the Trump – Putin meeting due to be held in Alaska on Friday. The two sides would be discussing on ending the war in Ukraine although it is far from clear that the two sides can make any progress at the talks. The President has talked about Russia and Ukraine swapping land although Zelensky is rejecting such a proposal. USDINR may just hold below the 88.00 for now amid the RBI support. However, we are wary of upside moves given there is immense uncertainty if India and the US can reach to any deal. Back on the chart, resistance at 88.00 and 90.00. Support stands at 87.00 and 86.00. Economic data wise, Jul CPI was above expectations but still soft at 1.55% YoY (est. 1.40% YoY, Jun. 2.10% YoY). Inflation readings continue to back further RBI cuts although we also closely observe the situation regarding the INR. Remaining key data releases this week include Jul trade data (14-18 Aug), Jul wholesale prices (Thurs) and 8 Aug foreign exchange reserves (Fri).

- **1M USDIDR NDF - *Lower, Ranged*.** 1M USDIDR NDF was last seen at 16263 amid a US CPI reading that came in line with expectations. It can be said that the pair is still somewhat sideways overall, which is similar to the greenback movements. A 25bps Sep cut looks strongly likely to happen and markets are already expecting. The bigger question now is whether the Fed would move by more than that or at a faster pace – especially amid Bessent's comments suggesting a 50bps move and ongoing pressure from Trump to ease rates. Any increased expectations of that can back further BI rate cuts and support appetite and inflows into the bonds. In turn, this would guide the IDR and the 1M NDF to break out below its range of 16200 – 16500 in the near term. For now, we keep to our view of the pair to stay between that range given that we still need to observe the data more but nonetheless recognize the risk it could break below it. For this week, keep an eye on Indonesian state budget on Friday. Impact on the currency should be limited as long as the government exhibits a strong commitment to fiscal discipline and keep the deficit below 3.00%. Resistance at 16500 and 16800. Support at 16200 and 16000. Remaining key data releases this week include Jun external debt (Fri).

- **1M USDPHP NDF - *Higher, Ranged*.** Pair was last seen at 57.00 as it was slightly lower although 1M NDF remains rather sideways overall still. That is pretty much in line with the broad dollar that had edged lower amid an inline CPI reading. A 25bps Sep cut looks strongly likely to happen and markets are already expecting. The bigger question now is whether the Fed would move by more than that or at a faster pace – especially amid Bessent's comments suggesting a 50bps move and ongoing pressure from Trump to ease rates. Any increased expectations of that can back further dollar softness and provide more support to the PHP. The PHP does exhibit quite some sensitivity to the dollar given that the latter can really affect its import costs and hurt its trade position (note, the country does have a trade deficit). For now, we still keep to our view that the 1M NDF would remain ranged at 56.50 – 59.00 given that we still need to observe the data more but nonetheless recognize the risk it could break below it. Key support levels at 56.50 and 55.50. Resistance at 58.50 and 59.00. Key data releases this week include Jun OFWR (Fri).

- **USDTHB** – ***Sideways*, *Ranged*.** Pair was last seen at 32.36 as it edged lower but nonetheless remained sideways around recent levels. That is pretty much in line with the broad dollar that had edged lower amid an inline CPI reading. A 25bps Sep cut looks strongly likely to happen and markets are already expecting. The bigger question now is whether the Fed would move by more than that or at a faster pace – especially amid Bessent's comments suggesting a 50bps move and ongoing pressure from Trump to ease rates. Any increased expectations of that can back further dollar softness and provide more support to the THB. For now, we still keep to our view that the USDTHB would remain ranged at around 32.00 – 33.00 given that we still need to observe the data more but nonetheless recognize the risk it could break below it. For today, BOT decision is due later where we see a 25bps cut. We only expect limited impact on the currency as market is already expecting further easing by the BOT this year. Resistance is at 33.00 and 33.50. Support at 32.10 and 31.00. Key data release this week include 8 Aug gross international reserves/forward contracts (Fri).

- **USDVND - *Buoyant*.** USDVND was last seen around 26269, at record high. Earlier, South Korea and Vietnam had pledged to deepen economic and strategic cooperation at a summit with pledges to expand trade to $150bn by 2030 and ten MOUs were signed for energy, finance, technology cooperation (Reuters). At home, SBV mentioned to the cabinet that the central bank may refrain from lowering interest rates to avoid affecting the dong stability. That seems to have little effect on the VND as it continues to drop against the USD. On a trade weighted basis, we continue to look for VND to weaken against relative trading peers in an environment of weaker USD. SGDVND rose, last seen around 20480. Resistance at 20610. MYRVND softened, last seen around 6220. Resistance at 6240. Support at 6085.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 4/28	3.02	3.03	+1
5YR MI 5/30	3.07	3.10	+3
7YR M0 7/32	3.27	3.29	+2
10YR MS 7/35	*3.37/35	3.39	+2
15YR MS 4/39	3.59	3.61	+2
20YR MX 5/44	3.74	3.74	Unchanged
30YR MZ 7/55	3.91	3.90	-1
IRS			
6-months	3.14	3.14	-
9-months	3.11	3.10	-1
1-year	3.06	3.08	+2
3-year	2.98	3.01	+3
5-year	3.06	3.09	+3
7-year	3.13	3.16	+3
10-year	3.25	3.27	+2

Source: Maybank

**Indicative levels*

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

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- For Ringgit government bonds, better selling interest in the belly of the curve weighed on the market, ending the small rally. Supportive buying emerged toward the close, capping the rise in yields. The reopening on the 15y GII 7/40 was announced with an issuance size of MYR3b + MYR1b private placement. WI was last seen at 3.62/595% with three WI trades done at 3.60%. Local real moneys were again better sellers of the long end, this time in relatively larger sizes.

- MYR IRS mostly shifted 1-3bp higher but with hardly any trading interest ahead of yesterday's US CPI data. 3M KLIBOR was unchanged at 3.21%. No trades were reported in IRS. The 5y closed at 3.10/08%.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.60	1.60	-
5YR	1.69	1.68	-1
10YR	1.97	1.95	-2
15YR	2.05	2.03	-2
20YR	2.06	2.04	-2
30YR	2.12	2.10	-2

Source: MAS (Bid Yields)

- SGS yields continued to grind lower, driven largely by domestic factors without being affected much by UST, where yields remained stable. The curve flattened slightly, with the 10y SGS yield falling further to 1.95%, while the front end was little changed. Overnight SORA held steady at 1.61% as of 11 August.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	5.55	5.55	0.00
2YR	5.63	5.62	(0.01)
5YR	5.96	5.94	(0.02)
10YR	6.44	6.43	(0.01)
15YR	6.79	6.79	(0.00)
20YR	6.84	6.85	0.01
30YR	6.90	6.90	0.00

** Source: Bloomberg, Maybank Indonesia*

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Most Indonesian government bonds slightly strengthened yesterday. It seemed that investors had stronger appetite for investing on the emerging market during relative less pressures from the global side. The new trade deal between the U.S. against China was postpone until the next three months. The global investors also had strong expectation for imminent policy rate cut by the Fed after seeing a weak expansion on the U.S. labour market. Indonesia, as the country that has sound fundamental on the macroeconomic background, becomes a favourable destination for investments, both through the financial markets and FDI. Yesterday, we also saw a very high interest by the investors for participating on the conventional government bond auction. Investors' total incoming bids reached Rp162.32 trillion, mostly to the new series FR00109 (5Y Series with 5.87500% of coupon rate). The government, then absorbed Rp32 trillion from this auction. It's higher than the government's indicative target by Rp27 trillion.

Today, we expect a rally on Indonesian government bond market to continue after seeing a limited increment on the latest U.S. CPI inflation result due to the side impact of the new implementation of U.S. imported goods tariffs. The U.S. inflation kept being stable from 2.7% YoY in Jun-25 to be 2.7% YoY in Jul-25. Then, a recently stable of the U.S. CPI inflation, couple with a weak expansion on the labour market, have given investors' stronger confidences for incoming the policy rate cut by the Fed. Hence, we foresee the global investors to continue coming to the emerging markets, such as Indonesia. FR0108 and FR0109 are two most attractive series for the investors currently. Our expectation for FR0108 and FR0109 are to reach around 5.90% and 6.40%, respectively, at the end of this week.

Economic Update: *Indonesia's Economic Activity, Particularly From The Consumption Side, Showed An Increase in Jul-25*.

The consumers' confidence index increased from 117.8 in June-25 to 118.1 in July-25, in line with improving conditions in job availability and capacity to purchase durable goods. The retail sales index growth also increased from 1.3% YoY in June-25 to 4.8% YoY in July-25, driven by higher growth in the commodity sales of the motor vehicle parts, the food, beverages, and tobacco, and the automotive fuels. On the durable goods side, the new car sales increased from 57,800 units in June-25 to 60,552 units in July-25. This condition is a good signal for the Indonesian economy to continue the trend of economic growth of at least 5% in 2H25 and beyond. Indonesia recorded a convincing economic growth of 5.12% YoY in 2Q25. Activity in the household consumption sector is the main support for the Indonesian economy, because it reflects more than 52% of total economic activity in Indonesia. Several positive factors that are driving the improvement in the consumer confidence index data, retail sales, and monthly new car sales, namely

1.) improving global economic conditions, especially after the trade war tensions subsided, especially after Indonesia received certainty of receiving a 19% tariff on its exports to the United States, as well as the war tensions between Israel and Iran that ended, 2.) the realization of transfer spending and priority development programs by the government which are starting to show positive results, 3.) a climate of loan interest rates that is gradually cheaper, especially after Bank Indonesia's decision to implement a policy of reducing the BI Rate by 75 bps during 7M25.

However, we note several points from the release of consumer confidence index data, the Bank Indonesia retail sales survey, and new car sales.

1) The increase in the consumer confidence index appears to be limited, remaining below the 127.7 figure recorded on December 25. We observe that Indonesian consumers are still not experiencing a surge in income amidst difficulties and concerns about domestic job availability amidst unfavorable global conditions. Meanwhile, local economic activity has yet to see a surge in government spending that could generate multiplier effects for the economy.

2) The per capita consumption rate of Indonesians each month still needs to be increased, as the majority of Indonesian consumers' monthly spending is recorded at below IDR 5 million.

3.) Retail sales of durable goods, such as information and communication equipment and other household appliances, continued to decline on July 25.

4.) Retail sales in Jakarta continued to decline by 27.5% year-on-year, necessitating stronger drivers and incentives to boost retail sales in Jakarta and positively impact the Indonesian economy.

5.) New car sales continued to show signs of sluggish growth, as monthly new car sales in Indonesia have yet to exceed 80,000 units since 2024. We believe it will still be difficult for Indonesian new car sales to exceed 1 million units in 2025.

Therefore, to maintain a conducive climate for the household consumption sector, we recommend the following steps:

1.) The government should continue to intensively lobby internationally to maintain a conducive global socio-political climate.

2.) Priority development programs should be accelerated to immediately provide a multiplier effect on national economic performance.

3.) The reduction in lending interest rates, which we see as being triggered by the BI Rate cut, should continue to be implemented to encourage stronger consumer expansion in their consumption spending.

4.) Encouraging investment activity, especially FDI-based investment, should be strengthened to create more jobs and increase consumption capacity.

5.) Implementing fiscal incentives and tax holidays for industry, which can have a broad impact on the domestic economy.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1755	148.92	0.6575	1.3585	7.2050	0.5998	173.3933	97.1510
R1	1.1715	148.38	0.6553	1.3542	7.1949	0.5976	172.9967	96.8430
Current	1.1678	148.06	0.6521	1.3499	7.1871	0.5947	172.8900	96.5410
S1	1.1617	147.44	0.6495	1.3439	7.1780	0.5923	172.0667	96.2200
S2	1.1559	147.04	0.6459	1.3379	7.1712	0.5892	171.5333	95.9050

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2900	4.2484	16325	57.2587	32.5907	1.5040	0.5900	3.3010
R1	1.2868	4.2394	16307	57.1653	32.4923	1.5013	0.5896	3.2944
Current	1.2835	4.2265	16263	56.9990	32.3880	1.4989	0.5884	3.2920
S1	1.2810	4.2246	16277	57.0183	32.3023	1.4935	0.5885	3.2841
S2	1.2784	4.2188	16265	56.9647	32.2107	1.4884	0.5878	3.2804

**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	3.3000	Oct-25	Neutral
BNM O/N Policy Rate	2.75	4/9/2025	Neutral
BI 7-Day Reverse Repo Rate	5.25	20/8/2025	Easing
BOT 1-Day Repo	1.75	13/8/2025	Neutral
BSP O/N Reverse Repo	5.25	28/8/2025	Easing
CBC Discount Rate	2.00	18/9/2025	Neutral
HKMA Base Rate	4.75	-	Easing
PBOC 1Y Loan Prime Rate	3.00	-	Easing
RBI Repo Rate	5.50	1/10/2025	Easing
BOK Base Rate	2.50	28/8/2025	Easing
Fed Funds Target Rate	4.50	18/9/2025	Easing
ECB Deposit Facility Rate	2.00	11/9/2025	Neutral
BOE Official Bank Rate	4.00	18/9/2025	Easing
RBA Cash Rate Target	3.60	30/9/2025	Easing
RBNZ Official Cash Rate	3.25	20/8/2025	Easing
BOJ Rate (Lower bound)	0.00	19/9/2025	Tightening
BoC O/N Rate	2.75	17/9/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	44,458.61	1.10
Nasdaq	21,681.90	1.39
Nikkei 225	42,718.17	2.15
FTSE	9,147.81	0.20
Australia ASX 200	8,880.80	0.41
Singapore Straits Times	4,220.72	-0.28
Kuala Lumpur Composite	1,567.90	0.30
Jakarta Composite	7,791.70	n/a
Philippines Composite	6,289.85	0.57
Taiwan TAIEX	24,158.36	0.09
Korea KOSPI	3,189.91	-0.53
Shanghai Comp Index	3,665.92	0.50
Hong Kong Hang Seng	24,969.68	0.25
India Sensex	80,235.59	-0.46
Nymex Crude Oil WTI	63.17	-1.24
Comex Gold	3,399.00	-0.17
Reuters CRB Index	295.36	-0.11
MBB KL	9.71	0.62

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