Macro | FX Research & Strategy

Global

Global Markets Daily

Going Lower?

Attention on US Data, Jackson Hole to Assess Rate Cut Pace

This week, market focus would again be on data/developments that would inform the extend of the pace and depth of Fed rate cuts. To that end, investors would be paying close attention to US PMI and Powell's speech from Jackson Hole. A 25bps Sep cut is already looking likely given that job market concerns may push the Fed to that but the bigger question is whether they would do a 50bps cut instead. The thing is last Friday's retail sales data actually continued to show quite some strength with the US consumer as Jun data was revised stronger whilst the Jul readings remain fairly robust and almost in line with expectations. Jul retail sales for one was at 0.5% MoM (est. 0.6% MoM) whilst the prior month saw a revision from 0.6% MoM to 0.9% MoM. Together with mixed price readings last week (PPI strong but CPI "benign"), the economic data is not necessarily providing the backing for the Fed to cut any more than 25bps. However, take note that the pressure is strong from the Trump administration for deeper Fed cuts and therefore, the Fed's direction may not be straightforward. DXY is trading lower and last seen below the 98.00. Downward momentum looks to be picking up more strongly. The various likely scenario outcomes for 2H 2025 - whether stagflation or Fed easing are all pointing to a weaker dollar. We lean to the downside for the DXY with key support at 96.40 (around ytd low).

By Passing a Ukraine Ceasefire?

Meanwhile, there was no known tangible outcomes yet that came out of Trump's meeting with Putin though it almost appears that Trump is looking to bypass a ceasefire and instead seek for a final settlement. Trump's special envoy to the Middle East, Steven Witkoff has said that Putin agreed that the US could offer security guarantees to Ukraine - article 5-like language to the latter, which is if one ally is attacked, then it is considered an attack on all others. Putin though is known to be demanding for territorial concessions that includes the Eastern end of the country and Trump has been sounding open to that. The President would be meeting Zelenskiy today with other European leaders to be in attendance reportedly. One major outcome of the Alaska meeting is Trump has said that he would hold off tariffing Chinese goods over China's purchase of Russian oil. Oil prices saw decline, which gives net oil importers some support - THB, PHP, INR.

Data/Events We Watch

Fed Services Business Activity (Aug), NAHB Housing Market Index (Aug)

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1703	0.47	USD/SGD	1.283	-0.13
GBP/USD	1.3554	0.16	EUR/SGD	1.5015	0.33
AUD/USD	0.6507	0.18	JPY/SGD	0.8715	0.23
NZD/USD	0.5922	0.08	GBP/SGD	1.7388	0.01
USD/JPY	147.19	-0.39	AUD/SGD	0.8346	-0.01
EUR/JPY	172.18	0.04	NZD/SGD	0.7597	-0.08
USD/CHF	0.8068	-0.10	CHF/SGD	1.5898	-0.06
USD/CAD	1.3819	0.01	CAD/SGD	0.9284	-0.18
USD/MYR	4.2133	0.03	SGD/MYR	3.2849	-0.07
USD/THB	32.427	0.18	SGD/IDR	12613.27	0.30
USD/IDR	16160	0.31	SGD/PHP	44.5074	0.16
USD/PHP	57.083	0.29	SGD/CNY	5.5995	0.17

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2806	1.3067	1.3329

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G10: Events & Market Closure

Date	Ctry	Event
20 Aug	**NZ**	**RBNZ Policy Decision**

AXJ: Events & Market Closure

Date	Ctry	Event
18 Aug	ID	Market Closure
20 Aug	**ID**	**BI Policy Decision**
21 Aug	PH	Market Closure

SEE PAGE 12 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index - *In a Frustrating Range.*** US data likely drove sentiment more than the widely-watched Trump-Putin meeting. Empire manufacturing rose to 11.9 in Aug from previous 5.5. In contrast to the improvement in manufacturing, the Univ. of Mich. Sentiment fell to 58.6 in Aug from previous 61.7 while 1Y and 5-10Y inflation rose to 4.9% and 3.9% from previous 4.5% and 3.4%. Retail sales softened unexpectedly to 0.5%m/m from previous 0.9% (revised higher) and the ex-auto and gas retail sales slowed even more to a growth of +0.2%m/m from previous 0.8%. The prospect of a ceasefire in Ukraine likely lifted the EUR for much of Fri – according to US special envoy Steve Witkoff, Trump and Putin had agreed that the US would be able to offer Ukraine "security guarantees" and Trump would also delay tariff hikes on China over its purchases of Russian oil. The details of the security guarantees and any potential territorial concessions were unclear. The greenback remains trapped in opposing forces of inflation and employment concerns as we have forewarned in our FX Monthly. The DXY index was last seen around 97.80, forming a falling wedge within the established 97.70-99.40 range. We had argued that 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 continue to bounce within the range. There is the economic symposium at Jackson Hole this week (21-23 Aug) and with so much jawboning already done by Scott Bessent and data thus far still rather mixed, Powells A falling wedge would typically precede a rebound but this rebound could be mild and price action could remain within the aforementioned range. Support at 97.70 is still being tested and a break there could open the way towards the next at 97.11 and then at 96.40. Resistance at 98.95. Data-wise, we have NAHB housing market index for Aug. Tue has Jul housing starts, building permits, MBS mortgage applications. Wed night has Minutes of the FOMC meeting. Thu has weekly claims, prelim. PMIs and Philly Fed outlook for Aug.

- **EURUSD - *Bullish Bias*.** EURUSD hovered around 1.1700 amid some optimism that there could be a ceasefire in Ukraine as well as mixed data releases in the US on Fri. According to US special envoy Steve Witkoff, Trump and Putin had agreed that the US would be able to offer Ukraine "security guarantees" and Trump would also delay tariff hikes on China over its purchases of Russian oil. The details of the security guarantees and any potential territorial concessions were unclear. Ukraine Zelenskiy and other European allies will be meeting Trump to set out terms for a potential peace deal he discussed with Putin in Alaska. Sources cited said that the US will focus on territorial concessions demanded by Russia and Zelenskiy will focus on possible security guarantees. The EU-US 10y yield compression continues to beckon overdue EUR gains and we see this as a matter of time before EURUSD breaks out higher. 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. A breakout of the 1.1600-1.1750 range could see this pair trade within wider 1.1430-1.1830 range. Data-wise, Jun trade is due today before, Jun current account on Tue, Jul CPI on Wed, Eurozone Mfg, services prelim. PMI for Thu.

- **GBPUSD – *Plateauing*.** GBPUSD was around 1.3540, somewhat plateauing after a decent rally for Aug. The BoE-Fed divergence remains supportive of cable. While the Fed is expected to cut target rate by 25bps, stronger-than-expected data releases of late had continue to pare expectations of further easing by the BoE. Industrial production rebounded stronger than expected by +0.7%m/m from -1.3% in the month prior. GDP surprised to the upside for Jun at +0.4%m/m vs. previous -0.1% as well, boosting 2Q GDP to +0.3%q/q growth, a more gentle slowdown vs. expected +0.1%. Expectations for further rate cut has reduced since the last policy meeting.

BoE had delivered a 25bps cut earlier in Aug 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". Back on the GBPUSD chart, we see two-way trades within the 1.3370-1.3630 range. Momentum indicators are bullish bias but entering overbought conditions. Wee ahead has Jul CPI on Wed, prelim. Mfg. services PMI for Thu and retail sales for Jul on Fri.

- **USDCHF - *Sideways*.** USDCHF remained in two=way trades, last seen around 0.8070. The sport event-adjusted GDP expanded +0.1%q/q from previous +0.8%, above the expected -0.1% contraction expected for 2Q. However, the outlook is less certain. Thus far, the Swiss government had failed to get a trade deal with the US government. In addition, Defense Minister Martin Pfister said that its order of 36 Lockheed Martin Corp F35 stealth fighters may be cut after the US refused to consider a fixed price for the transaction. 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. On the USDCHF chart, USDCHF has been consolidating within the 0.8020-0.8160 range. Support is at 0.8100 followed by 0.8000. Very little directional cue at this point is seen for the pair. Week ahead has 2Q industry & construction outpu for 2Q today, Jul trade on Thu.

- **USDJPY - *Sideways, Rising Downside Risks*.** Pair was last seen at 147.47 as it essentially continued to trade sideways. JPY is actually an underperformer in the G10 space this morning although we are not inclined to read too much into this. The pattern on the USDJPY for the last couple of weeks has been ranged as markets balance concerns related to the country local political and fiscal situation against further dollar weakness and the possibility of further Fed rate cuts. We stay cognizant of downside risks for the pair though as dollar downward momentum is strengthening whilst deeper Fed cuts are a risk too. Back on the chart, support is at 145.00 and 142.00. Resistance at 150.00 and 152.00. Key data releases this week include Jun tertiary industry (Mon), Jul trade data (Wed), Jun core machine orders (Wed), Jul Tokyo condominiums for sale (Wed), Japan/foreign buying of Japan/foreign bonds/stocks (Thurs), Aug P S&P Global PMI (Thurs), Jul F machine tool orders (Thurs) and Jul CPI (Fri).

- **AUDUSD - *RBA Cuts, Buy Dips Continue*.** AUDUSD slipped edged higher and was last seen around 0.6520. Move higher in the past session was rather modest despite the broader decline of the greenback, AUD was likely weighed down by the underwhelming data from China. We continue to view dips as opportunities to buy, especially after the last policy meeting earlier in Aug. Last seen at 0.6520. Our view that RBA may only cut once more in this cycle was validated further by the Jul labour data - Au labour report for Jul was just out with jobless rate back lower at 4.2% (vs. prev. 4.3%). Net employment addition came in at 24.5K, well in line with expectation, much of the employment added was full-time hire at +60.5K aded in the month. Particpiation rate steadied at 67.0% with the prior print revised lower. RBA had cut cash target rate by 25bps on Tue, 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 had called for the AUD's climb to continue. 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 is broken the 0.66-figure beckons. Week ahead has Westpac consumer for Aug, Thu has prelim. PMIs.

- **NZDUSD - *Sideways*.** The NZDUSD edged higher in similar fashion as AUDUSD. This pair remains swung by USD sentiment. The external dynamics of a potentially lower USD has been driving this pair. We are more cautious of recovery prospect at home. 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 and a 25bps cut this week goes without saying. 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. For this week, we expect RBNZ to cut OCR to 3.00% as growth recovery seems weak thus far even after the OCR was cut 225bps. With growth recovery still lacking momentum, inflation potentially easing (including food prices), there is a good chance for RBNZ to cut the OCR to 3.00% in Aug and another 25bps by the end of the year. 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 1.0970. 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 rose and was last seen around 1.3810, buoyed the swings of the USD. CAD would remain a laggard because of its escalating trade conflicts – with China implementing a 75.8% anti-dumping duty on Canadian rapeseed from 14 Aug on top of its tussle with the US. Meanwhile, the US also raised tariffs on Canadian goods from 25% to 35%. There were a few issues said to be in contention including 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 around 10bps cut priced by next month and overnight summary of deliberations did not change that much. A rate cut was debated but views were divided.** We have quite a bit of conviction that a rate cut in Sep would happen and that is clearly underpriced by markets. In news, the Department of Finance published a list of tax changes the government is planning to implement but most of them were already announced during the Trudeau's administration. Meanwhile, PM Carney is also planning to visit Mexico on 18 Sep to boost trade and strengthen relations with the country amid US tariffs. Back on the USDCAD, interim resistance at 1.3860, potential to be broken 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, Jul CPI is due on Tue, CFIB business barometer for Aug on Thu and Jun retail sales on Fri.

- **Gold (XAU/USD) –** ***A Pennant***. Gold was last seen around 3340, little moved amid a lack of cues. 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 +1.85% from the implied mid-point of 1.3067 with the top estimated at 1.2806 and the floor at 1.3329.

- **USDSGD - *Sideways, Downside Risks*.** Pair was last seen around 1.2824 as it traded sideways. Markets are essentially awaiting further cues on the Fed rate cut pace. Regarding that this week, attention would be paid to Powell's Jackson Hole speech and US data releases such as PMI. Whilst the US economic situation is still unclear, it is that uncertainty of the varied outcomes that we could get (such as stagflation or Fed rate easing), which would erode appetite in US assets and hurt the USD. Therefore, we see there is rising downside risks for the pair alongside other USDAsians. The pair has after all also been moving downwards recently. Back on the chart, support is at 1.2800 with the next support level after that at 1.2700. Resistance at 1.3000 and 1.3200. Take note that SGDNEER remains near the top end of its band at around 1.86%. Meanwhile, Jul NODX showed a bigger than expected decline at -4.6% YoY (est. -1.0% YoY, Jun. 12.9% YoY) highlighting increasing softness in the trade environment. Key data releases this week include COE auction (Wed).

- **SGDMYR - *Higher*.** SGDMYR was lower at 3.2951 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 - *Higher.*** Pair was last seen at 4.2240 as it edged up marginally. External factors remain a major driver of the pairs. Whilst the US economic situation is still unclear, it is that uncertainty of the varied outcomes that we could get (such as stagflation or Fed rate easing), which would erode appetite to stay in US assets and hurt the USD. Whilst USDAsian pairs are still ranged, we do believe that the downside risks for them are increasing due to this. Back on the chart, we watch if the pair can break decisively below the 4.2000 support with the next level at 4.1000. Resistance at 4.3000 and 4.3600. Meanwhile, 2Q F GDP data was pretty much in line with estimates and little change from prior reading at 4.4% YoY (est. 4.5% YoY, prior. 4.5% YoY). 2Q BoP CA balance was also very much in line with expectations at 0.3bn (est. 0.4bn, prior. 16.7bn). Key data releases include Jul trade data (Tues), Jul CPI (Fri) and 15 Aug foreign reserves (Fri).

- **1M USDKRW NDF - *Sideways*.** 1M USDKRW NDF was last seen at 1381.27 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 - *Sideways*.** USDCNH was last seen around 7.1850, still stuck in consolidation. China had released its Jul activity last Fri and property data dump - a barrage of underwhelming numbers including retail sales at 3.7%y/y from previous 4.8%. Industrial production at 5.7%y/y from previous 6.8%. FAI slowed on a YTD basis to a mere 1.6%y/y from previous 2.8%. Surveyed jobless rate jumped to 5.2% from previous 5.0%. Property-wise, primary home sale and secondary home prices continue to log declines of -0.31% and -0.55% respectively. Residential property investment also fell a steeper -12.0%y/y on a YTD basis. In order to support sentiment, China had already pushed out growth-supportive measures ahead of this set of data – namely the interest subsidies for personal loans as well as SMEs in consumer service sectors in order to boost consumption. As well, there were rumours on China asking SOEs to purchase unsold homes from distressed property developers in order to reduce the excess home inventory and firms will be able to tap CNY300bn of funding allocated for this last year. USDCNH remains stuck in consolidation within 7.15-7.20 with vol suppressed by the daily fix. The USDCNY reference rate is set at 7.1322 vs 7.1371 previously. Gap between actual and median estimate steadied around 490pips, underscoring strong countercyclical adjustment factor. 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. Eyes on Russia-US-Europe talks as Trump had put off tariff hikes for China for its purchase of Russian oil due to ongoing talks.

- **USDHKD - *Bouncing from Lows*.** USDHKD touched a low of 7.8119 last Fri and was last seen edging higher to levels around 7.8300 this morning. Its aggregate balance has been reduced to HKD53.7bn at last check. Carry trades are being unwound. 1M Hibor hovered around 1.45% this morning but the SOFR-Hibor 1M rate differential was last seen around 289bps. It was a matter of time for USDHKD to start pulling away from the upper bound.

- **USDTWD - *Gradual Creep Higher*.** USDTWD steadied this morning, last seen at 30.02. $172.2mn net inflow of equities recorded for 15 Aug. News that TSMC is likely to be exempted from the upcoming semiconductor chips continue to buoy sentiment at home, in addition to strong AI demand. In contrast, there is some doubt on Korea’s Value-Up program that could be dampening sentiments in Kospi. could be weighing on the TWD. Expect 30.20 to be remain a tentative resistance for the USDTWD before 30.60. Support to remain around 29.60. Week ahead has export orders for Jul on Wed and unemployment rate for Jul on Fri.

- **1M USDINR NDF- *Sideways*.** USDINR 1M NDF was last seen at 87.63 as it remains just below the 88.00 mark amid purported RBI support. There was no known tangible outcomes yet that came out of Trump’s meeting with Putin though it almost appears that Trump is looking to bypass a ceasefire and instead seek for a final settlement. Trump’s special envoy to the Middle East, Steven Witkoff has said that Putin agreed that the US could offer security guarantees to Ukraine – article 5-like language to the latter, which is if one ally is attacked, then it is considered an attack on all others. Putin though is known to be demanding for territorial concessions that includes the Eastern end of the country and Trump has been sounding open to that. The President would be meeting Zelenskiy today with other European leaders to be in attendance reportedly. One major outcome of the Alaska meeting is Trump has said that he would hold off tariffing Chinese goods over China’s purchase of Russian oil. This does give some hope to India regarding their tariff situation as Trump has been taking qualms with India’s purchases of Russian oil. Meanwhile, domestically, India officials have said that the proposed GST tax cuts announced by PM

Modi – which will see the tax categories reduce from four to two – would help benefit multiple sectors. Back on the chart, we expect the 1M USDIDR NDF to remain just below the 88.00 amid the likely ongoing RBI support. Nonetheless, given the uncertainty still on the US – Russia and India tariff situation, we are staying cautious of any upside pressure. Resistance at 88.00 and 90.00. Support stands at 87.00 and 86.00. Key data releases include Jul unemployment rate (Mon), Jul right infrastructure industries (Wed), Aug P HSBC PMI (Thurs) and 15 Aug foreign exchange (Fri).

- **1M USDIDR NDF – *Sideways, Downside Risks*.** 1M USDIDR NDF was last seen at 16195. Note that onshore markets are on holiday today. The pair looked to have creeped up after the release of the Indonesian state budget. Whilst the government announced the deficit at 2.48% of GDP – well below the 3.00% legal limit, it looks like investors could have taken some qualms with a high growth outlook at 5.4% YoY in addition to a strong tax revenue growth forecast 13.5% YoY (compared to the 7.5% YoY outlook this year). The government is also looking at raising central government expenditure at 17.8% YoY (compared to an outlook of 6.7% YoY this year). On our part, we are not viewing the budget negatively and believe the government can keep within the 3.00% legal limit. Despite high growth and revenue forecasts, their expenditure allocation itself is also very high, which in itself can be at risk of under expenditure. This has actually happened this year. In particular, the government is looking to expand the school meals program to IDR335tn from IDR171tn this year but they have not been successful at fully implementing the program this year though. We are keeping to our bullish IDR view consequently especially with the likelihood of ongoing BI cuts. On the latter, a decision is due later this week on Wed 20 Aug and our economist expects a 25bps cuts given the softer dollar and currency stability. The consensus is for a hold though. Any easing by the central bank can continue to keep giving both country's bonds and currency further support. Back on the chart, we continue watch if the 1M NDF can hold decisively below 16200 with the next level of support at 16000. Resistance at 16500 and 16800. Key data releases this week include BI policy decision (Wed) and 2Q BoP CA balance (Thurs).

- **1M USDPHP NDF – *Sideways, Downside Risks*.** Pair was last seen at 57.11 as it traded sideways. Markets are essentially awaiting further cues on the Fed rate cut pace. Regarding that this week, attention would be paid to Powell's Jackson Hole speech and US data releases such as PMI. PHP did get some lift this week from the lower oil prices. Nonetheless, pair remains volatile and strongly influenced by USD movements given the latter can really impact the country's import costs (note that Philippines runs a trade deficit). We expect the pair as such to stay subjected to the USD movements. However, whilst the US economic situation is still unclear, it is that uncertainty of the varied outcomes that we could get (such as stagflation or Fed rate easing), which would erode appetite in US assets and hurt the USD. Therefore, we see increasing downside risks for the 1M NDF. Back on the chart, support is at 56.50 and 55.50. Resistance at 58.50 and 59.00. Key data releases this week include Jul BoP overall (Tues).

- **USDTHB – *Sideways, Downside Risks*.** Pair was last seen at 32.43 as it traded sideways. Given the THB strong performance this year, markets could be edgy about further strength. However, we are of the view that further dollar softness would keep backing the pair to move lower. Dollar weakness momentum is actually strengthening at this point and therefore, we lean to downside on the pair. On economic data, 2Q Thai GDP came out just above estimates at 2.8% YoY (est. 2.7% YoY, 1Q. 3.1% YoY) although this looked to have been driven by frontloading of exports ahead of the tariff risks. There are concerns of a payback in 2H whilst domestic conditions are likely to stay soft. The BOT has already highlighted about this in their monetary policy statement last week and such conditions looks to be backing further cuts of which our economist expects another

25bps. Despite the rate cuts, the THB is actually not weakening. Take note though that a softer dollar can improve appetite for EM bonds as currency losses pose less of a risk and instead there can be gains. This combined with rate cuts actually makes returns on EM bonds strong. Back on the chart, support is at 32.00 and 31.00. Resistance is at 33.00 and 33.50. Meanwhile, Thailand's next fiscal year budget of THB3.78tn has passed the lower house, which is much of a relief given that a deadlock has been avoided despite the suspension of the PM. The senate will review the budget on 25 – 26 Aug although expectations are that the budget can take effect on 1 Oct as planned. Little impact on currency given there had been rising expectations for the budget to get through in time. The budget is crucial to provide support to the economy at a time when it has been softening. Key data release this week include Jul car sales (19 – 24 Aug), Jul customs trade data (19 – 26 Aug) and 15 Aug gross international reserves/forward contracts (Fri).

- **USDVND – *Buoyant*.** USDVND was last seen around 26280, still hovering near record high. China Foreign Minister Wang Yi had met Vietnam Deputy PM and Foreign Minister Bui Thanh Son in Yunnan, pledging that the countries will continue to work together to oppose unilateralism and protectionism, uphold free trade rules and safeguard international trade system. This comes after 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). Vietnam has been strengthening bilateral relations in order to cope with the higher tariffs imposed by the US. Separately, Fitch Ratings warned that the current push for rapid growth could potentially lead to policy decision that scould worsen already high debt levels. On a trade weighted basis, we continue to look for VND to weaken against relative trading peers in an environment of weaker USD. SGDVND remained rather elevated, last seen around 20463. Resistance at 20610. MYRVND fell as well as MYR too reacts more to external development than VND, last seen around 6220. Key resistance is seen at 6300. Support at 6085.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 4/28	2.95	2.95	Unchanged
5YR MI 5/30	3.05	3.04	-1
7YR M0 7/32	3.25	3.26	+1
10YR MS 7/35	3.36	3.36	Unchanged
15YR MS 4/39	3.58	3.57	-1
20YR MX 5/44	3.73	3.73	Unchanged
30YR MZ 7/55	3.90	3.89	-1
IRS			
6-months	3.14	3.14	-
9-months	3.09	3.10	+1
1-year	3.05	3.07	+2
3-year	2.96	2.98	+2
5-year	3.02	3.05	+3
7-year	3.08	3.12	+4
10-year	3.21	3.23	+2

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

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- Ringgit government bond traded more quietly toward the end of the week after an already solid rally in recent days. There was some buying activity in the morning session before the release of Malaysia's final 2Q GDP. Decent two way flows from real money were seen at the long end, where yields ended between flat and 1bp lower on the day.

- MYR IRS moved 2-4bps higher across the curve, tracking higher US/global rates after US PPI printed well above estimates and markets scaled back dovish expectations. Paying interest sustained in the afternoon session despite Malaysia 2Q25 GDP came in at 4.4% YoY, slightly below the consensus 4.5%. 3M KLIBOR was unchanged at 3.21%. The 5y IRS traded at 3.03-3.045%, and the 4y at 3.00%.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.54	1.54	-
5YR	1.63	1.62	-1
10YR	1.89	1.88	-1
15YR	1.98	1.96	-2
20YR	1.99	1.97	-2
30YR	2.05	2.04	-1

Source: MAS (Bid Yields)

- The SGS curve held firm despite mild uptick in UST yields. Overall, yields declined 1-2bp on the day amid still conductive SGD funding conditions. Overnight SORA stayed benign, last seen at 1.30% on 14 August.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1757	148.40	0.6541	1.3601	7.1966	0.5954	172.8933	96.3457
R1	1.1730	147.79	0.6524	1.3577	7.1926	0.5938	172.5367	96.0613
Current	1.1702	147.44	0.6517	1.3555	7.1854	0.5933	172.5300	96.0900
S1	1.1661	146.66	0.6489	1.3528	7.1816	0.5907	171.6667	95.5073
S2	1.1619	146.14	0.6471	1.3503	7.1746	0.5892	171.1533	95.2377

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2867	4.2274	16197	57.3630	32.5370	1.5059	0.5884	3.2966
R1	1.2849	4.2203	16179	57.2230	32.4820	1.5037	0.5876	3.2907
Current	1.2825	4.2270	16199	57.0750	32.4400	1.5008	0.5885	3.2962
S1	1.2812	4.2091	16143	56.9350	32.3870	1.4975	0.5863	3.2791
S2	1.2793	4.2050	16125	56.7870	32.3470	1.4935	0.5858	3.2734

**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	1.50	8/10/2025	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	44,946.12	0.08
Nasdaq	21,622.98	-0.40
Nikkei 225	43,378.31	1.71
FTSE	9,138.90	-0.42
Australia ASX 200	8,938.57	0.73
Singapore Straits Times	4,230.53	-0.61
Kuala Lumpur Composite	1,576.34	-0.30
Jakarta Composite	7,931.25	n/a
Philippines Composite	6,315.93	0.38
Taiwan TAIEX	24,334.48	0.40
Korea KOSPI	3,225.66	0.04
Shanghai Comp Index	3,696.77	0.83
Hong Kong Hang Seng	25,270.07	-0.98
India Sensex	80,597.66	0.07
Nymex Crude Oil WTI	62.80	-1.81
Comex Gold	3,382.60	-0.02
Reuters CRB Index	295.54	0.15
MBB KL	9.80	-0.41

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