Maybank

Global Markets Daily

Potential Peace in Europe?

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The Munich Security Conference concluded with some divergence between the US and the EU on how to deal with the ongoing war in Ukraine. On Sat, US Special Envoy to Ukraine Kellogg said that Europe would not be directly involved in talks over peace in Ukraine, but would provide inputs. European leaders, including Germany's Scholz, were critical of the US position on Ukrainian peace. However, Sec State Rubio later clarified that Europe would be involved in any peace deal. Macron will separately host a meeting in Paris with other EU leaders to discuss the issue. Should peace be indeed achieved in Ukraine, we do see upside for the EUR, although several other issues that are plaguing the bloc such as political uncertainty and an anemic economy could eventually weigh. A possibility of a peace deal could certainly be priced in with the DXY ending last week lower (-0.3%) at 106.71 levels and the EUR hovering near the 1.05 handle. However, USD weakness could also have been precipitated by a rally in USTs (10Y: -6.5bps).

Japan Requests Tariff Exemption

Japan requested exemption from the planned reciprocal tariffs and exclusion from the 25% levy on steel and aluminum exports to the US, with Foreign Minister Iawaya speaking to Sec State Rubio on the sidelines of the Munich Conference. This follows their official request made public earlier, although it could be hard to see them getting an exemption with their 2023 trade surplus with the US at around US$57b. Trump has vowed to address trade imbalances, and providing an exemption for Japan could be difficult to defend. German Chancellor Scholz also expressed hope that a deal could be reached and a trade war could be avoided, although he ultimately said that the EU was "strong enough" to counter any US tariff threats.

Data/Events We Watch Today

Today has TH 4Q/2024 GDP, ID Jan Trade and potentially China 1Y MLF Decision (up until 25 Feb possible). US is closed for President's Day.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0492	0.26	USD/SGD	1.3394	-0.31
GBP/USD	1.2586	0.16	EUR/SGD	1.4053	-0.06
AUD/USD	0.6352	0.55	JPY/SGD	0.8794	0.01
NZD/USD	0.5725	0.85	GBP/SGD	1.6857	-0.16
USD/JPY	152.31	-0.32	AUD/SGD	0.8508	0.24
EUR/JPY	159.83	-0.04	NZD/SGD	0.7674	0.62
USD/CHF	0.8998	-0.35	CHF/SGD	1.4887	0.07
USD/CAD	1.4182	-0.08	CAD/SGD	0.9445	-0.21
USD/MYR	4.4358	-0.44	SGD/MYR	3.3093	0.23
USD/THB	33.62	-0.60	SGD/IDR	12118.45	-0.04
USD/IDR	16260	-0.58	SGD/PHP	43.0755	0.08
USD/PHP	57.838	-0.38	SGD/CNY	5.4164	0.15

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3310	1.3582	1.3853

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G10: Events & Market Closure

Date	Ctry	Event
17 Feb	US	Market Closure
18 Feb	AU	RBA Policy Decision
19 Feb	NZ	RBNZ Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
17 to 25 Feb	CH	1Y MLF Policy Decision
18 Feb	SG	2025 Budget
19 Feb	ID	BI Policy Decision
20 Feb	CH	1Y/5Y LPR

The Trump Tracker 2025

Date	Market-Moving Events Since Trump's Inauguration on 20th Jan 2025	Impact on Markets
20th Jan	Declares National Energy Emergency, roll back on Biden's climate regulations, enable new O&G development on federal lands	Negative for Oil, Better for Inflation Outlook if crude production expands
27th Jan	Trump threatened to impose 25% tariff on Columbia but did not do so eventually after Columbia reportedly agreed "to all of President Trump's terms" including the "unrestricted acceptance" of immigrants who entered the US illegally within a few hours of the threat.	DXY clocked the low for Jan that day but headed higher thereafter in anticipation of tariffs on Canada and Mexico.
30th Jan	Eases Regulations on Crypto-Currency Industry. SEC rescinded an accounting rule (SAB 121) which required banks and FIs to treat cryptocurrencies as a liability on their balance sheet.	Supportive of cryptocurrencies but arguably, great expectations may already be in the price. Last check, bitcoin has been gyrating around $100,000, within $90-110K, after rising around 60% since Trump won the elections.
1st Feb - 3rd Feb	To impose tariffs on China, Canada and Mexico. Trump had issued executive order on 1st Feb (Sat) under the International Emergency Economic Powers Act to impose 25% tariffs on most goods from Canada and Mexico as well as 10% tariffs on goods from China that will take effect on Tue. Canada's energy and oil exports will be taxed at 10%. On top of that, the US legislators have halted the de minimis provision that allows packages worth under $800 to be exempted from tariffs. Trump said tariffs on EU goods could happen "pretty soon" while trade issues with the UK can be worked out.	USDCAD and USDMXN rose on 3rd Feb (Mon) before making a complete reversal by the end of the session when it was made known that tariffs on the two countries are to be delayed for a month. USDCAD was up 2.5% from open to high, while USDMXN was up 4.6% during the session.
4th Feb	Trump wants access to Ukraine's rare earths resources in return for aiding its defence against Russia.	An end to the war in Ukraine would be positive for EUR. However, recent tariff threats are likely to weigh.
4th Feb	Tariffs on China take effect. Trump mentioned about talks with Xi but in the end, the 10% tariff on China came into effect on 4th Feb. China's Retaliation. Almost immediately, China announced a probe into Google, added several US companies to a "blacklist" of entities, impose new export controls on critical minerals[1]. imposed 10% tariffs on US products, including coal, LNG and agricultural equipment with effect from 10 Feb.	USDCNH rose at first when US tariffs on China took effect. China's retaliatory moves were seen as mild and restrained, resulting in some retracements. We suspect that markets are confident that PBoC would continue to defend the yuan for now and this is a reflection of cautious optimism that there could be a quick deal. In addition, China also pledged to take the case to the WTO. Its foreign ministry pointed out that "fentanyl is America's problem".
7th Feb	Trump said "reciprocal tariffs" that could "affect everyone could be announced the following week.	USD started the week on 10th Feb stronger in anticipation of it.
9th Feb	Trump told the press that he would impose 25% tariffs on all steel and aluminium.	
10th Feb	Trump signed executive orders to order 25% tariffs on all steel and aluminium.	Pro-cyclical AUD, CAD, NZD fell more than G10 and Asian peers this morning.
13TH Feb	Trump announces that talks with Putin for a peace deal with Ukraine will begin.	EUR small rebound, within range.

13th Feb	Trump signs measure directing USTR and commerce secretary to propose new levies on a county-by-country basis. Howard Lutnick said that studies should be completed by 1 Apr and Trump could act immediately after.	DXY declines on hopes that the tariff timeline can provide some leeway for country to country negotiations.

Note[1]: Critical minerals include tungsten, tellurium, bismuth, molybdenum and indium products.

Sources: Bloomberg, various news sources, Maybank FX Research & Strategy

G10 Currencies

- **DXY Index - *Lower, Two-Way Risks*.** DXY continued to edge lower amid falling UST yields and was last seen at 106.724 levels this morning. We do feel that caution is warranted even if further downside for the USD is possible. There may have been some relief provided for markets with tariffs not being immediate, but the risk of escalation lingers. Markets are also focused very much on US trade policy and tariffs, while there could be some concerns later on about the state of the US labour market that could be heightened by the layoffs of US public officials brought about by the Musk-led Department of Government Efficiency (DOGE). In a nutshell, there is still a fair amount of uncertainty for markets and risks are two-way for the USD. DXY has broken out to the downside of the earlier 107 to 109 range seen and that could portend further near-term moves for the DXY lower. The US is closed for President's day today, although up ahead we watch out for Feb Empire Mfg (Tue), Dec TIC Flows, Feb NY Fed Services Activity (Wed), 29 Jan FOMC Minutes, Philly Fed Business Outlook, Initial Jobless Claims, Jan Leading Index (Thu), Feb P S&P Mfg/Svcs/Comp PMIs, Feb F U Mich Indices and Jan Existing Home Sales (Fri).

- **EURUSD - *Rebounds to upper end of range*.** EURUSD was last seen around 1.0504 levels, close to the upper end of a 1.018 to 1053 range we see for the pair. Caution as breakouts of the range are possible if a deal on Ukraine is reached. ECB Lagarde spoke about the progress in disinflation (albeit fight "isn't over") and remained concerned that global trade friction continues to pose risks to the Euro area inflation outlook. She also reiterated a "data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance". EUR continues to face pressures with the bloc likely to be next in Trump's crosshairs for action. Looking at the bigger picture, political woes in France and Germany should in our view continue to weigh on the EUR amid a more challenging external environment and uncertainty over Trump tariff policy. Trump has made explicit mention that he plans to address what he views as trade imbalances between the US and the EU. Trump mentioned EU tariffs on US goods being unfair and had an overarching message that tariffs would be imposed on goods not produced in America. Still, the divergent monetary policy outlooks and the political uncertainties surrounding the French and the German should continue to weigh on the EURUSD. On the EURUSD chart, we see-two way trades with some bias to the downside within 1.0180-1.0530 range. Week ahead has Dec Trade Balance (Mon), Feb GE ZEW Survey, ECB Holzmann and Cipollone (Tue), Dec ECB Current Account (Wed), Jan EC Consumer Confidence, 2024 ECB Financial Statements, ECB Makhlouf (Thu), Feb P HCOB EC Mfg/Svcs/Comp PMIs and ECB Lane (Fri)

- **GBPUSD - *Higher, 1.25 resistance broken*.** GBPUSD was last seen at 1.2596 levels with the earlier 1.25 resistance cap broken. Recall that the BOE cut rates by 25bps to 4.50% last week. The MPC voted 7-2 in favour of a 25bps easing, with the 2 dissenting members, Dhingra and Mann preferring a 50bps cut. Notably, Mann has been widely known as a hawk. Mann later opined that BoE should have been more aggressive with easing last week due to falling consumer demand and job markets. This was a contrast to Chief Economist Huw Pill who sees the need to keep policy restrictive. We see three more cuts for the BOE this year, and see the policy rate ending at 3.75%. This is broadly in line with current market pricing although slightly more hawkish than the 4.00% that the BOE signalled. Nevertheless, we maintain our view that the GBP could be somewhat sheltered from tariffs as it avoids specific trade action from the Trump administration. Week ahead has Dec Avg Weekly Earnings, ILO Unemployment, Jan Jobless Claims/Claimant Count (Tue), Jan CPI/RPI/PPI Inflation (Wed), Feb CBI Trends (Thu),Feb Consumer

Confidence, Jan Public Finances, Jan Retail Sales and Feb P Mfg/Svcs/Comp PMIs (Fri).

- **USDCHF - *Lower.*** USDCHF was last seen around 0.8996 levels amid broader USD weakness. CHF as a safe-haven should continue to stay resilient as long as tariff fears and threats are still at play. We expect the traditional safe-havens to be better supported on heightened volatility and uncertainty. It could however take some time to catch up with the USD. On the USDCHF chart, resistance is at 0.92 and support is at 0.91. Data for the week includes 4QP GDP (Mon), 4Q Industrial Output (Tue), Jan Exports/Imports (Thu) and Jan Money Supply (Fri).

- **USDJPY - *Reverses Lower, Cautious*.** The pair was last seen lower at 151.807 amid a broader decline in the USD and US yields. Japan's 4QP GDP performed better than expected at 0.7% SA QoQ (exp: 0.3%; prev: 0.4%) and 2.8% annualized SA QOQ (exp: 1.1%; prev: 1.7%). The USDJPY move lower from the top end of its bearish trend channel and supporting the possibility of a downward trend. Trump did single out Japan as a country that he believes are taking advantage of the US, and thus could be targeted in his latest push, according to a White House official who briefed reporters before the announcement. However, given that his recent order for a study into new tariffs could take until 1 Apr, markets look to see some hope that there is some time for countries to get to a deal with the US. Japan has officially engaged the US to ask for tariff exemptions. For now, we are cautious on the USDJPY but we lean towards the possibility of further downside given the possibility that markets sentiment near term could be better on hopes of US trade deals being hashed out. Back on the chart, resistance is at 155.00 and 158.00. Support is at 150.00 and 147.00. Remaining key data releases this week include Dec F Industrial Production (Mon), Jan Trade Balance/Exports/Imports, Dec Core Machine Orders (Wed), Feb P Mfg/Svcs/Comp PMIs and Jan National CPI Inflation (Fri)

- **AUDUSD - *Higher, Above 50-dma*.** AUDUSD was last seen at 0.6362, higher amid a weaker USD. Markets are becoming desensitized to tariff announcements. AUDUSD has broken out to the upside of the 0.6130-0.6315 range that has arguably held since last Dec. A break-out here could open the way towards 0.6450. Regardless, we remain cautious on the currency for 1H 2025 as trade frictions between the US and China impact Australia's resource exports and RBA could risk cutting more than expected. Since the last trade war in 2018, non-commercial positions of the AUD has hardly been in net long. Further signs of de-coupling between Australia's traditional ally and biggest trading partner could hurt AUD sentiment this year. Data-wise, we have RBA Policy Decision (Tue) where we see a 25bps cut, Jan Westpac Leading Index, 4Q Wage Price Index (Wed), Jan Unemployment Rate (Thu) and Mfg/Svcs/Comp PMIs (Fri).

- **NZDUSD - *Higher, Above 50-dma*.** NZDUSD was last seen around 0.5740, higher in line with a weaker USD. Support is at 0.5660 (50 dma) followed by 0.56 figure. Talks of reciprocal tariffs and tariffs on steel/aluminum have weakened risk appetite only a tad but NZD along with other risk-sensitive currencies are becoming desensitized to tariff news. We have broken out of the earlier 0.55 to 0.57 range and we now eye the next resistance before 0.5820 (100-dma). The break of the 50dma could signal the end of consolidation and portend a bullish reversal. Aggressive rate cuts expected of RBNZ vs. the Fed's milder easing trajectory could continue to keep the NZDUSD from rising significantly in an environment of US exceptionalism. Given that swaps are already expecting 110-120bps cut this year, rate cuts are also likely sufficiently priced in the NZD and as such, we see little impetus for further NZD decline as well. In data, NZ Treasury published the financial statements for six months through 31 Dec and saw a narrower budget deficit at NZ$3.5bn vs. previous projection of

NZ$3.89bn, roughly NZ$384mn narrower. Sales tax had been NZ$300mn more than expected due to stronger than expected consumption and residential investment. With the recovery of activities seen in tax revenues, we see potential for a reduction in rate cuts vs. projected and that could be positive for NZD vs. the AUD. NZ data this week includes 4Q PPI Inflation, RBNZ Policy Decision (Wed) and Jan Exports/Imports/Trade Balance (Fri).

- **USDCAD – *Two-way Action*.** USDCAD was last seen lower at 1.4169 today. Talks of reciprocal tariffs and fresh executive orders to impose 25% tariffs on steel/aluminum weighed on the CAD. We also bear in mind that Trump's delay of 25% tariffs on Canada will expire in early Mar unless there is a deal that satisfies Trump. Canada's energy and oil exports will be taxed at a lower rate of 10%. Back on the USDCAD chart, next support is at 1.4120 (100dma). Resistance is at 1.4200 figure. There is little directional cue on the momentum indicators and it is hard to see a lot more gains for the CAD as politicians at home and business leaders cautioned about high-stakes negotiations ahead and potential retaliatory plans. BoC officials also admitted that the economic uncertainty due to the prospect of a trade conflict had underpinned their decision to ease last month, in line with our view. Data-wise, Mon has Jan Housing Starts, Dec Intl Securities Transactions, Tue has Jan CPI Inflation, Thu has Jan Industrial Product Price and Fri has Dec Retail Sales.

- **Gold (XAU/USD) - *Lower, possible double top*.** Gold tanked last Fri and was last seen around 2898 levels this morning. Interestingly gold has moved lower alongside the USD and US yields. We caution of a possible double top in gold around the 2940 to 2942 levels. While we maintain the demand can remain strong and sticky, the current physical dislocations for gold could bring about heightened volatility. The sharp rise in gold likely dampened demand in the interim, perhaps also weighed marginally by the rise in UST yields. Next resistance at 3110. Support at 2780 before 2730 (21-dma).

Asia ex Japan Currencies

SGDNEER trades around +1.40% from the implied mid-point of 1.3582 with the top estimated at 1.3310 and the floor at 1.3854.

- **USDSGD - *Lower*.** USDSGD was last seen lower at 1.3391 levels alongside a weaker USD. MAS eased for the first time since 2020 (24 Jan 2025) and the market reaction has been rather muted – a possible indication that this move was expected. The move looks to be one that is calculated to be a tad more growth supportive while continuing to hold the reins on inflation. The trade-weighted SGDNEER is at +1.40% above the mid-point this morning and looks to remain supported in line with our expectations. We expect that SGD could be sheltered given the correlation of SG/US rates. Moreover, Singapore is unlikely to be singled out by the US for additional tariffs given that it has a bilateral trade deficit with the US. Regional safe-haven properties are also likely to be supportive for the SGD. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue even with this easing. We do not expect SGDNEER to weaken too much further even with MAS easing (slight slope reduction). 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 1.3400 and 1.3450. Support at 1.3350 and 1.3300. NODX underwhelmed at -2.1% YoY (exp: 0.3%; prev: 9.0%) and -3.3% SA MoM (exp: 0.3%; prev: 1.3%). Electronics Exports also fell to 9.6% YoY (prev: 18.6%). For week ahead we have 2025 SG Budget (Tue) and COE Bidding (Wed).

- **SGDMYR - *Ranged*.** SGDMYR was last seen at 3.3072 levels this morning. SGD does better on tariff fears and when the fears ease MYR tends to do better which affects the movement of the cross. Resistance at 3.32. Support at 3.30.

- **USDMYR - *Lower*.** Pair was last seen lower at 4.4263 with the broad dollar and UST yields moving lower. External developments are likely to continue to stay the main focus regarding the MYR, especially those related to the US and China. We do note domestic fundamentals are strong (robust growth, strong investment interest and pick-up of inflation, which lead to less easing pressure on BNM) and acts as a support for the currency. Back on the chart, resistance at around 4.5000 (around 200-dma) and 4.6300. Support at 4.3600. Last week, 2024 F GDP came in line at 5.1% YoY (exp: 5.1%; prev: 5.1%). 4Q F GDP came in better at 5.0% YoY (exp: 4.8%; prev: 4.8%) and -1.1% SA QoQ (exp: -1.3%; prev: 1.9%). Key data releases this week include Jan Imports/Exports/Trade Balance(Thu), Jan CPI Inflation and 14 Feb FX Reserves (Fri).

- **1M USDKRW NDF - *Sideways*.** 1M USDKRW NDF was last seen at 1438.25 levels in line with the lower USD. President Yoon has been indicted, and elections will need to be held within 60 days should he be removed from office. Yoon's impeachment hearings are ongoing. However, there remains plenty of concerns for the KRW. The political situation is highly uncertain with a snap election likely. Opposition leader Lee Jae-myung had proposed compiling an extra budget worth at least KRW30trn to prop up the economy in the face of headwinds posed by political uncertainties and tariff threats. There also remains risks that the BOK could cut rates in the coming months given the economic concerns. We see markets are likely to stay cautious too and so are we too amid these concerns on the KRW. For near term, we are watching how both the political and Trump tariff developments pan out. Back on the chart, resistance is at 1440 followed by 1450. Support is at 1430.

- **USDCNH - *Lower*.** USDCNH was last seen around 7.2491 in line with lower USD and US yields. Fix is at 7.1702, 951 pips below estimate of 7.2653. The rise of UST yields have supported the USDCNH and the USDCNY on dips while the prospect of an end to the war in Ukraine provides some offsetting pressure via a firmer EUR and lower USD. With the USDCNH still within the 7.22-7.38 range, markets arguably optimistic that a tentative US-China deal could come into fruition within coming days. Trump was almost nonchalant about the retaliatory moves by China and mentioned that there is no hurry to have a talk. Recall that China had looked eager to strike a deal with the US by pledging to invest more in the country, ensuring that the yuan would not be devalued to support exporters. We also keep an eye on the next key date – 1 Apr for Trump administration's assessment of China's compliance with the first trade agreement, potential for tariff modifications and its PNTR status. Back on the USDCNH, pair remains around 7.30. Should a deal be struck, we cannot rule out a move lower towards 7.2180 (200-dma). If not, expect this pair to remain buoyant. Keeping the yuan from depreciating would be a sign of goodwill but PBoC may allow the fix to rise above the 7.20 at one point should tensions escalate or talks come to an impasse. With a multi-front trade war, the USD is actually strengthening against most currencies, and not just against CNY. There is little reason for PBoC to hold the line against such broad market forces. At home, there have been some worrying news on Chinese authorities trying to help Vanke to plug a funding gap of around $6.8bn this year. This was in addition to reports that at least a dozen of developers facing petition to liquidate. On the other hand, local press Economic Information Daily noted that Beijing, Zhengzhou, Shenzhen and Hangzhou recorded premiums in land auctions this year, a nascent sign of some stabilization in these regions. Key data this week includes 1Y MLF (from Mon 17 Feb to next Tue 25 Feb), Jan FX Net Settlement (Tue), Jan New and Used Home Prices (Wed), 1Y/5Y LPR and Jan Swift Global Payments CNY (Thu).

- **USDVND – *Rising*.** USDVND was last seen around 25420. SBV had been fixing the reference rate 0.10-0.14% higher every day since Tet but the fix today saw a smallest rise of +0.06%. PM Pham had been urging cabinet members to prepare for a global trade war. Given that Vietnam is an exporter of steel to Trump, the 25% tariff on steel is likely to hit Vietnam as well. SBV is likely allowing the VND to adjust so as to allow for Trump's talks of reciprocal tariffs along with tariffs on steel/aluminum had weighed on VND sentiment. The fluidity of the US-China situation could also mean there could be more two way trades for the yuan as well as for the dong. Resistance at 25430 before 25475. Break-out higher cannot be ruled out. Support around 25255.

- **1M USDIDR NDF – *Lower, Cautious*.** 1M USDIDR NDF was last seen lower at 16205 as it pulled back with a decline in the UST yields and broad dollar after favorable US data elements and Trump tariff order providing more time for countries to negotiate a deal. External events for now can have quite an impact on the IDR as markets continue to monitor Trump administration policies on trade and rates. For the rest of this week, focus on US retail sales data due on Friday. We are staying cautious on the IDR, warning of two-way risks given the immense uncertainty related to global developments. Meanwhile, on the domestic front, Prabowo has said that Danantara will start on 24 Feb and would invest in various industries (including renewable energy, advanced manufacturing, downstream industries and food production) to boost growth to 8%. He also said that the fund would have more than $900bn in assets under management. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800. Data releases include Jan Imports/Exports/Trade Balance, Dec External Debt (Mon), BI Policy Decision (Wed) and 4Q BOP CA Balance (Thu).

- **1M USDPHP NDF – Cautious.** The 1M USDPHP NDF was last seen at 57.94 levels, holding broadly steady even as the USD and US yields went lower. The BSP hold caught markets off guard with the Governor hinting at U.S.

tariff concerns as a factor. This was puzzling given market sentiment has been leaning to hopes of US trade resolutions whilst the Philippines is not heavily trade-dependent. It is difficult see how FX could have been a factor given the Governor had not really made FX comments that deviated from what had been previously said. He did talk about developing an FX intervention "playbook" but that appeared like a rather general remark. Overall, he still sounded rather dovish and instead pointed to an RRR cut of 200bps to be considered. Our economist now expects 50bps of rate cuts this year (down from 100bps). We stay cautious on the USDPHP with further declines depending on external developments. Back on the chart, resistance is at 59.50 (around the recent Dec high) and 60.00. Support is at 58.00 (around 200-dma and 100-dma) and 57.00. Key data releases include Dec Remittances (Mon) and Jan BoP (Wed).

- **USDTHB -** ***Cautious***. Pair was last seen lower at 33.682 as it moved lower in line with the decline in the USD and yields. Both favorable US data elements and an extended timeline for Trump tariff imposition supported the latter moves. Higher gold prices also gave the THB support. There are quite some risks for that THB given Thailand can be quite exposed to Trump's tariff. The country imposes higher tariff rates on the US making it vulnerable to Trump's reciprocal tariffs and potential puts agricultural and transport exports at risk. Finance Minister Pichai Chunhavajira has said that the country will consider importing more US goods and discuss tariff risks with businesses. Reports have also emerged that the Thai government has asked Thai petrochemical companies to significantly step up purchase of US ethane by at least 1m tons. On top of the trade concerns, there is also uncertainty on US data, which can have quite an impact on the broad dollar, UST yields and the THB. We are cautious on the THB amid these risks but we do lean to the downside for USDTHB given some hope of the global macro environment improving. Back on the chart, resistance at 34.00 with the next level after that at 34.40. Support is at 33.60 and 33.30. Key data releases this week include 4Q/2024 GDP (Mon), Jan Car Sales (Tue onwards), 14 Feb FX Reserves and Forward Book (Fri) and Jan Customs Exports/Imports/Trade Balance (Fri onwards).

- **1M USDINR NDF-** ***Intervention continues***. USDINR 1M NDF was last seen at 86.88 levels, alongside a weaker USD and lower US yields. RBI Chief has hinted at some willingness to allow more flexible currency moves. There was likely some RBI intervention earlier this week as INR rallied by about 1.2%. Some have suggested that the RBI has been less interventionist under new governor Sanjay Malhotra, but this episode is evidence to the contrary. RBI could be trying to draw a line in the sand, with INR weakness pretty much a one-way street since Trump's election win. RBI's latest bout of intervention could necessitate a further injection of liquidity into INR money markets. Modi has already sought to directly engage Trump as India also warms ties with China with the resumption of direct flights between the two countries resuming in late Jan. Both countries could be aware of the potential mutual benefit from close collaboration amid a more challenging and uncertain external environment. Growth support is likely to be a major concern for the RBI, as more generally central banks have shown a preference to opt to be more growth supportive and are generally less worried about inflation. INR could face some near-term pressures as expectations of easing build, although it remains one of the more sheltered against the impact of US tariffs. Also contrary to what some might suggest, we think RBI maintains a relatively tight grip on the INR Resistance at 87.00. Support at 86.00. Data this week includes Jan Exports/Imports/Trade Balance (Mon), 14 Feb FX Reserves and Feb P Mfg/Svcs/Comp PMIs (Fri).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.44	3.45	+1
5YR MI 8/29	3.63	3.63	Unchg
7YR MO 7/32	3.78	3.77	-1
10YR MS 7/34	3.82	3.80	-2
15YR MS 4/39	3.97	3.97	Unchg
20YR MX 5/44	4.07	4.06	-1
30YR MZ 3/53	4.19	4.19	Unchg
IRS			
6-months	3.63	3.63	-
9-months	3.62	3.61	-1
1-year	3.59	3.59	-
3-year	3.55	3.52	-3
5-year	3.58	3.57	-1
7-year	3.65	3.63	-2
10-year	3.74	3.72	-2

Source: Maybank

**Indicative levels*

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

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- Ringgit government bonds had a sluggish start last Friday. Bids were firmer at the open tracking lower global yields. Malaysia's 4Q GDP was revised slightly higher to 5% in final reading vs 4.8% advance estimate, with muted impact on market. As the session progressed, the front end of the curve saw mild selling pressure. The 7-10y sector was active with better buying in 10y which drove yields 2bp lower. Fast money accounts were seen mainly buying in 5-10y, while real money selling in the same part of the curve. At close, the curve flattened.

- MYR IRS reversed prior session's gains, shifting 1-3bp lower after US rates pulled back substantially on Trump tariff delay and downsides to from PPI data that feed into the core PCE inflation. 3M KLIBOR was unchanged at 3.66%. 5y IRS traded at 3.56%.

- PDS market activity picked up toward the end of last week. GG took up bulk of volume and traded rangebound for PTPTN, Danainfra and MRL. AAA-rated Sarawak Petchem mid-tenor spread tightened 3bp with total MYR100m exchanged while Danum Cpaital 2/34, BPMB 6/31 and TNB Power Gen 3/33 traded 1bp lower in yield. Public Isl 12/27 saw MYR140m dealt 1bp lower in a single ticket. In AA1/AA+, YTL long tenor bonds traded 1-2bp lower. AA2-rated RHB 1/33 dealt 3bp lower for MYR10m. In AA3/AA-, Affin Isl 12/27 traded 2bp lower and HLA 12/25 6bp lower, though only for MYR10m.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.81	2.77	-4
5YR	2.81	2.77	-4
10YR	2.89	2.86	-3
15YR	2.90	2.87	-3
20YR	2.89	2.87	-2
30YR	2.87	2.84	-3

Source: MAS (Bid Yields)

- Boosted by stronger UST, SGS yields eased 2-4bp across the curve last Friday and the 10y yield declined 3bp to 2.86%. The overnight SORA was flat at 2.50% on 13 February – latest at the time of writing.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0551	153.62	0.6401	1.2669	7.3066	0.5784	160.6700	97.3527
R1	1.0522	152.96	0.6377	1.2628	7.2822	0.5754	160.2500	97.0463
Current	1.0497	151.85	0.6359	1.2589	7.2565	0.5739	159.3800	96.5640
S1	1.0455	151.84	0.6319	1.2547	7.2422	0.5679	159.4200	96.3803
S2	1.0417	151.38	0.6285	1.2507	7.2266	0.5634	159.0100	96.0207

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3478	4.4539	16339	58.0640	33.8447	1.4090	0.6126	3.3283
R1	1.3436	4.4448	16300	57.9510	33.7323	1.4071	0.6115	3.3188
Current	1.3395	4.4330	16254	57.8720	33.7440	1.4060	0.6109	3.3089
S1	1.3366	4.4297	16231	57.7790	33.5423	1.4034	0.6089	3.2976
S2	1.3338	4.4237	16201	57.7200	33.4647	1.4016	0.6075	3.2859

**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	Apr-25	Neutral
BNM O/N Policy Rate	3.00	6/3/2025	Neutral
BI 7-Day Reverse Repo Rate	5.75	19/2/2025	Easing
BOT 1-Day Repo	2.25	26/2/2025	Neutral
BSP O/N Reverse Repo	5.75	3/4/2025	Easing
CBC Discount Rate	2.00	20/3/2025	Neutral
HKMA Base Rate	4.75	-	Easing
PBOC 1Y Loan Prime Rate	3.10	-	Easing
RBI Repo Rate	6.25	A Field Not Applica	Easing
BOK Base Rate	3.00	25/2/2025	Easing
Fed Funds Target Rate	4.50	20/3/2025	Easing
ECB Deposit Facility Rate	2.75	6/3/2025	Easing
BOE Official Bank Rate	4.50	20/3/2025	Easing
RBA Cash Rate Target	4.35	18/2/2025	Neutral
RBNZ Official Cash Rate	4.25	19/2/2025	Easing
BOJ Rate (Lower bound)	0.00	19/3/2025	Tightening
BoC O/N Rate	3.00	12/3/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	44,711.43	0.77
Nasdaq	19,945.64	1.50
Nikkei 225	39,149.43	-0.79
FTSE	8,732.46	-0.37
Australia ASX 200	8,555.81	0.19
Singapore Straits Times	3,877.50	-0.13
Kuala Lumpur Composite	1,591.60	-0.04
Jakarta Composite	6,638.46	0.38
Philippines Composite	6,061.33	-0.85
Taiwan TAIEX	23,152.61	-1.05
Korea KOSPI	2,591.05	0.31
Shanghai Comp Index	3,346.72	0.43
Hong Kong Hang Seng	22,620.33	3.69
India Sensex	75,939.21	-0.26
Nymex Crude Oil WTI	70.74	-0.77
Comex Gold	2,900.70	-1.52
Reuters CRB Index	313.19	0.52
MBB KL	10.56	0.38

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