20 February 2025

Maybank

Global Markets Daily

Staying on the Edge

Multiple Risks Remain
Overnight, market movements were limited. The dollar edged up but stayed around 107.00, while UST 10y yields remained in the 4.40 - 4.60 range. US equities rose slightly. There was not a lack of major development but rather not enough significant catalysts. Whilst Trump tariffs still loom, it is unclear whether they would actually be enacted or remain negotiating tools. A peace deal for Ukraine is uncertain, especially with Trump calling Zelenskyy a "dictator without elections" and also mentioned that Zelenskyy better move fast otherwise he is “not going to have a country left”. Fed minutes implied readiness to keep rates steady until inflation progresses although there was mention of pausing/slowing the balance-sheet runoff, which supported treasuries. Markets are likely waiting for developments on Ukraine, Trump tariffs, and the German elections this weekend. Ukraine and German elections can risk having quite some effect on the Euro. DXY is likely to stay around 107.00, with possible downward moves on hopes that developments be become more positive. Watch for jobless claims and Jan EC consumer confidence today. Alibaba earnings is also closely watched later for any signs of support for the China tech rally.

BI Holds, JPY Outperformance, CH 1Y/5Y LPR Unchanged
Bank Indonesia (BI) held rates in line with the consensus as it appeared that the central bank this time around could be prioritizing IDR stability. However, it does not mean that the central bank is deviating from a dovish tone as they still see room for further cuts (that would depend on the global situation) whilst the Governor also said that the central bank would support the government’s priority programs. Our economist sees another 50bps cut in 2025. USDIDR looks to remain ranged around 16200 - 16400. Meanwhile, the JPY outperformed in line with our call as BOJ board member Takata expressed hawkish comments whilst markets await a CPI print tomorrow, where expectations are for a further pick-up. We see further downside with support at 150.00. Meanwhile, China 1Y/5Y LPY was left unchanged.

Data/Events We Watch Today
Initial jobless claims (15 Feb), Jan EC Consumer confidence and ECB 2024 Financial statements

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0423	-0.22	USD/SGD	1.3429	0.04
GBP/USD	1.2586	-0.21	EUR/SGD	1.3997	-0.19
AUD/USD	0.6344	-0.14	JPY/SGD	0.8865	0.43
NZD/USD	0.5705	0.04	GBP/SGD	1.6901	-0.18
USD/JPY	151.47	-0.39	AUD/SGD	0.8519	-0.09
EUR/JPY	157.88	-0.60	NZD/SGD	0.7661	0.05
USD/CHF	0.9046	0.14	CHF/SGD	1.4845	-0.09
USD/CAD	1.4234	0.27	CAD/SGD	0.9433	-0.24
USD/MYR	4.4433	-0.05	SGD/MYR	3.3091	-0.10
USD/THB	33.693	0.00	SGD/IDR	12168.23	0.35
USD/IDR	16330	0.34	SGD/PHP	43.3051	-0.13
USD/PHP	58.09	-0.12	SGD/CNY	5.4223	0.03

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3330	1.3602	1.3874

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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
18 Feb	SG	2025 Budget
19 Feb	ID	BI Policy Decision
20 Feb	CH	1Y MLF 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 - *Buoyed*.** DXY edged higher and last printed 107.17. The greenback was propped up by the falling EUR amid concerns over a potential deal struck between Trump and Putin to end the war in Ukraine - without the involvement of Europe and Ukraine itself. Senior officials from the US and Russia had their first round of talks in Saudi Arabia on Wed. Trump then lashed out at Ukrainian President Zelenskiy, calling him a dictator and urged him to get a deal with Russia "or he is not going to have a country left". Separately, faced with rising criticism on DOGE's mass firing, Trump floated the idea that 20% of the savings from his federal cost-cutting effort could be passed to taxpayers while another 20% can be used to pay down debt. UST yields drifted lower overnight, in light of the discussion on pausing/slowing the pace of the balance-sheet run-off found in the FOMC Minutes until the government's debt-ceiling drama is resolved. The other key takeaways were not very different from recent Fed speaks - that rates can come off if inflation cools further. Fed Jefferson echoed his colleagues on monetary policy being "still restrictive" and he expects a "bumpy" path for inflation. Meanwhile, Trump has floated 25% tariff on semiconductors, automobile and pharmaceutical imports and that has continued to weigh on sentiments into Asia and lend the USD some buoyancy. Details are to be out on 2 Apr. Key support for the DXY index is still seen at 106.27. Week ahead has. Philly Fed for Feb and weekly jobless claims are due Thu before prelim. PMIs for Feb and final Univ. of Mich. Sentiment are released on Fri. The initial jobless claims would probably be the first to capture the impact of the DOGE firing spree.

- **EURUSD - *Pares back on gains*.** EURUSD was last seen around 1.0425 levels, lower as the pair pared back on gains. Possible frictions on a potential peace deal as Trump labelled Zelensky a "dictator". Exercise 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. Divergent monetary policy outlooks and the political uncertainties surrounding the French and the German should 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. Dec ECB Current Account expanded to €38.4b (prev: €25.1b). Week ahead has Jan EC Consumer Confidence, 2024 ECB Financial Statements, ECB Makhlouf (Thu), Feb P HCOB EC Mfg/Svcs/Comp PMIs and ECB Lane (Fri)

- **GBPUSD - *Lower, 1.25 resistance broken*.** GBPUSD was last seen lower at 1.2583 levels with USD better supported after Fed minutes. Recall that the BOE cut rates by 25bps to 4.50%. 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 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 with the policy rate ending at 3.75%. This is broadly in line with current market pricing although slightly more dovish 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. Jan CPI came in higher than expected at 3.0% YoY (exp: 2.8%; prev: 2.5%), while core inflation remained sticky. Week ahead has Feb CBI Trends (Thu),Feb Consumer Confidence, Jan Public Finances, Jan Retail Sales and Feb P Mfg/Svcs/Comp PMIs (Fri).

- **USDCHF - *Steady*.** USDCHF was last seen around 0.9038 levels. 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. 4QP GDP (sporting event adjusted) came in at 0.4% QoQ (exp: 0.3%; prev: 0.2%). Data for the week includes Jan Exports/Imports (Thu) and Jan Money Supply (Fri).

- **USDJPY – *Lower, Downside Trend*.** The pair was last seen lower at 150.64 as it continued to drive lower amid hawkish remarks from BOJ board member Hakata. He had said that it is important for authorities to continue considering gradual interest hikes to contain upside. We do note that Takata though is among the most hawkish board members but data has continued to back the BOJ staying on a tightening trend. Markets are also keeping a close eye on Jan CPI where a further pick-up is expected and this could continue to support a USDJPY drive lower. We continue to expect a downside trend for the USDJPY as Japanese data likely can stay favorable whilst UST yields in the near term can at the least stay ranged. Risks we do note to the JPY include potential Trump's tariffs on Japan or higher inflationary pressures in the US. 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 Feb P Mfg/Svcs/Comp PMIs and Jan National CPI Inflation (Fri)

- **AUDUSD - *Good Jobs!*** AUDUSD was last seen around 0.6350, lifted this morning by its strong labour report for Jan – Unemployment rate rose to 4.1% from previous 4.0% due to the rise in participation rate (from 67.2% to 67.3%). A net 54.1K full-time employment was added while Australia lost -10.1K part-time hires last month. Labour market conditions are still reasonably robust. That brings to mind RBA Bullock's main underpinning for remaining cautious on further easing- the strong labour market that still poses risks to inflation. Bullock also added that the Feb cut does not foreshadow further rate cuts. Next rate cuts will require soft data. The rebound of the AUDUSD has brought the pair back to recent tight swivels and was last seen between 0.6320-0.6380 range. Perhaps the recently released wage price index for 4Q that slowed to 3.2%y/y from previous 3.6% had already ease concerns on inflation to a certain extent. Next level of support is seen at 0.6260 (50-dma). We remain cautious for 1H 2025. Markets could be too complacent on the possibility of further trade frictions between the US and China that could impact Australia's resource exports. 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, Mfg/Svcs/Comp PMIs are due on Fri.

- **NZDUSD - *Sideways*.** NZDUSD hovered within the 0.5650-0.5800 range. RBNZ had cut OCR by 50bps yesterday, taking the it to 3.75%, in line with estimates as well as our own. RBNZ forecasts for the average OCR was adjusted lower from 3.43% seen in Nov to 3.10% for 1Q 2026. The statement even indicated that there is room for further rate cuts this year, a contrast to RBA Bullock's view that "further easing is uncertain" and that markets are too confident that there would be further rate cuts. With regards to tariff situation, impact on inflation for NZ is seen "highly uncertain". Based on the macroeconomic projections, while GDP for 2025 was revised higher to 2.4%y/y vs. previously seen 2.3%, output gap is projected to be -0.7% vs.-0.6% seen at the Nov meeting. Headline inflation is seen a tad higher at 2.5% for this year vs. 2.4%. Orr's signal that there is a pivot in the pace of easing lifted the NZD later into the session. As indicated in our notes, his rate guidance and market reaction validated our view that policy easing of the RBNZ is well priced in the NZDUSD. Last printed 0.5712, NZDUSD may remain within the 0.5650-0.5800 range. The week ahead has Jan trade on Fri. AUDNZD has formed a double top. With RBA and RBNZ likely in peak policy divergence, we see downside in this pair, further supported by the bearish technical patterns towards 1.1067, 1.1051 and then at 1.0987 with final target at 1.0940.

- **USDCAD – *Two-way Action*.** Range-trading for the USDCAD has shifted lower and this pair may settle within the 50 and 100-dma between 1.4120-1.4350. This pair last printed 1.4255, stretched to the downside and bearish momentum is fading. Recall that recent inflation reports did not provide a lot of cue given that it was likely distorted by the tax breaks. Core CPI has accelerated to 2.7%y/y in the month vs. prev. 2.6% (also revised higher). Headline inflation ticked higher to 1.9%y/y from previous 1.8%, in line with expectations due to higher energy prices. The tax break seems to have induced some discretionary spending. Looking forward, we 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%. It is thus, 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. Ex BoE and Ex BoC Govenor Mark Carney had promised to limit the size of Canadian public service and undertake a spending review if he becomes a prime minister (BBG). The race to replace Trudeau as the leader of the Liberal party and Prime Minister would end on 9 Mar. Canadian Data-wise, Thu has Jan Industrial Product Price and Fri has Dec Retail Sales.

- **Gold (XAU/USD) – *Taking a Pause*.** The rally for gold continued to slow and hit a resistance around 2945, within striking distance of the $3000. The gold metal continues to be lifted by current geopolitical conflicts (uncertainty of the trajectory that the war in Ukraine would take) as well as the possibility of more tariffs from Trump on semiconductor, automobile and pharmaceutical products. Next resistance at 3110. Support at 2780 before 2730 (21-dma).

Asia ex Japan Currencies

SGDNEER trades around +1.34% from the implied mid-point of 1.3602 with the top estimated at 1.3330 and the floor at 1.3874.

- **USDSGD - *Slightly Lower*.** USDSGD was slightly lower at 1.3420 levels this morning with the USD mixed against peers. SG Budget 2025 was released earlier with a projected S$6.8b fiscal surplus (or 0.9% of GDP). Budget is expansionary even with the healthy surplus. Our economists maintain their growth forecasts at +2.6% (2025) and +2.3% (2026). Vouchers are expected to cushion consumption amid an uncertain global environment. 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 +1.34% 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 1.3450. Support at 1.3400 and 1.3350. No further data releases of note this week.

- **SGDMYR - *Ranged*.** SGDMYR was last seen at 3.3163 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.kwn Resistance at 3.32. Support at 3.30.

- **USDMYR - *Lower*.** Pair was last seen lower at 4.4375 as broad dollar is slightly lower compared to yesterday’s close whilst UST yields are lower too. 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. 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 1438.83 levels. 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 by 1450. Support is at 1440 followed by 1430.

- **USDCNH - *LPRs unchanged*.** USDCNH was drifting higher for the past three sessions and was relatively unchanged this morning, last at 7.2820. The pair follows the softer UST yields that were nudged lower by talks of slower QT in the FOMC Minutes released overnight. Fix is at 7.1712, 1162pips below estimate of 7.2874. With the USDCNH still within the 7.22-7.38 range, markets arguably optimistic that a US-China deal could come into fruition. 1Y LPR is seen at 3.10% and 5Y at 3.60%. Yuan share of SWIFT global payments rose to 3.79% from previous 3.75%. We 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 7.2735. Should a deal be struck, we cannot rule out a move lower towards 7.2420 (100-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. Eyes on Alibaba's earnings, especially on its cloud revenue and how well its AI have done.

- **USDVND - *Elevated*.** USDVND was last seen around 25525. SBV had been fixing the reference rate 0.10-0.14% higher for quite a number of days since Tet but that move higher in reference rates have slowed, albeit still rising. 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 25475 before 25600. Support around 25255. At home, the parliament had raised the economic growth target to at least 8% for 2025 and aim for double-digit growth from 2026-2030 according to the readout at the National Assembly meeting. Previously, growth target had been set at 6.5-7% for 2025.

- **1M USDIDR NDF - *Sideways, Ranged*.** 1M USDIDR NDF was last seen at 16363 as it continued to remain within a range of 16200 - 16400. Yesterday, Bank Indonesia (BI) held rates in line with the consensus as it appeared that the central bank this time around could be prioritizing IDR stability. However, it does not mean that the central bank is deviating from a dovish tone as they still see room for further cuts (that would depend on the global situation) whilst the Governor also said that the central bank would support the government's priority programs. Our economist sees another 50bps cut in 2025. We expect the 1M USDIDR NDF to remain ranged around the 16200 - 16400 levels. Downside is possible if the broad dollar can come off more. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800. Remaining data releases include 4Q BOP CA Balance (Thu).

- **1M USDPHP NDF - Lower, Downside Not Ruled Out.** The 1M USDPHP NDF was last seen at 58.04 although still around the recent range of 58.00 - 58.50. We do not rule out further downward moves in the 1M USDPHP NDF eventually on the condition of DXY coming off further. DXY coming off would be subjected on the global situation, US data and the Ukraine peace talks situation. Meanwhile, on domestic data, Jan BoP overall deficit widened to -$4078m. 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. Remaining key data releases include Jan BoP (Wed).

- **USDTHB - *Sideways, Downside Not Ruled Out*.** Pair was last seen at 33.69 as it trades sideways and remains around a range of 33.60 - 34.00. Broad dollar was also sideways. UST yields had come off but stayed ranged. Gold prices continued to hover near record highs. We do not rule out further downward moves in the USDTHB on the condition of DXY coming off though would be subjected on the global situation, US data and the Ukraine peace talks situation. External events that are related to tariffs and those that drive broad dollar, UST yields and gold as a whole remain big factors for the THB. Domestically, we do note that the central bank is continuing to face pressure from the government to ease building into next week's meeting. PM Paetongtarn Shinawatra has directly called for the BOT to consider cutting interest rate to help reduce people's expenses. Whilst rate easing is somewhat unfavorable for the THB, the country's rates are already low on nominal terms. 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. Remaining key data releases this week include 14 Feb FX Reserves and Forward Book (Fri) and Jan Customs Exports/Imports/Trade Balance (21 – 26 Feb).

- **1M USDINR NDF- *Intervention continues*.** USDINR 1M NDF was last seen at 87.10 levels. 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 88.00. Support at 87.00. Data this week includes 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	3.45	3.45	Unchg
5YR MI 8/29	3.61	3.61	Unchg
7YR MO 7/32	3.77	3.77	Unchg
10YR MS 7/34	3.79	3.80	+1
15YR MS 4/39	3.97	3.97	Unchg
20YR MX 5/44	4.07	4.07	Unchg
30YR MZ 3/53	4.19	*4.20/18	Not Traded
IRS			
6-months	3.63	3.63	-
9-months	3.61	3.61	-
1-year	3.59	3.59	-
3-year	3.53	3.54	+1
5-year	3.57	3.58	+1
7-year	3.64	3.65	+1
10-year	3.73	3.73	-

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

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- Ringgit bonds continued to trade sideways without any clear direction as tariffs threat continue to dominate news headlines. US President Trump plans to impose tariffs on automobile, semiconductor, and pharmaceutical imports at around 25%, with an announcement expected as soon as April 2. Meanwhile, top officials from the US and Russia met for a first round of talks over the war in Ukraine and raised the possibility of broader cooperation. Regionally, Bank of Indonesia kept rates unchanged at 5.75%. Attention will shift to today's 20y MGS auction with WI last quoted 4.09/4.07. MGS/GII yields were relatively unchanged at close.

- MYR IRS edged 1bp higher on sustained paying interest as US rates continued to drift upward while local bonds pulled back as well on mild profit-taking. 3M KLIBOR was unchanged at 3.66%. 2y IRS traded at 3.54% and 3.545%. 5y IRS traded at 3.59%.

- In the PDS market, GG space continued to see better buying causing Prasarana and Danainfra spreads 1-3bp narrower. AAA-rated TNB 11/31 traded 2bp lower for MYR40m. In AA1/AA+, GENM Capital 5/34 spread tightened 2bp though only for MYR10m. Notable trades were Maybank 1/31 and Public Bk 7/32, each saw MYR60m exchanged, dealt 3bp and 6bp lower in yield, respectively. In A3/A-space, MBSB 12/31 traded 1bp lower for MYR30m.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.75	2.77	+2
5YR	2.77	2.81	+4
10YR	2.87	2.90	+3
15YR	2.88	2.92	+4
20YR	2.87	2.90	+3
30YR	2.83	2.86	+3

Source: MAS (Bid Yields)

- Selloffs in SGS continued for a second straight day. Yields repriced 2-4bp higher yesterday amid UST weakness. 10y SGS rose 3bp to 2.90% ahead of the announcement of auction size for which we estimate a SGD3.1b size. The overnight SORA rose 22bp to 2.53% on 18 February – latest at the time of writing.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.47	6.44	(0.02)
2YR	6.50	6.48	(0.02)
5YR	6.53	6.58	0.05
10YR	6.77	6.82	0.06
15YR	6.87	6.91	0.04
20YR	6.94	6.97	0.03
30YR	7.03	7.05	0.02

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds, especially medium-long tenors series, weakened as the global pressures heightened due to latest new tariff policy statement by the U.S. President Donald Trump yesterday. On the domestic side, Bank Indonesia's latest measures to keep maintaining its BI Rate also didn't give instant impacts for lowering the yields of Indonesian government bonds, especially medium-long tenors series. For today, we see a market pressures to keep lingering on Indonesian government bond market after seeing a less hawkish on the latest results of Fed's meeting minutes and also the latest statements by the Fed's policy member. The global geopolitical condition isn't also conducive enough after President Donald Trump enforces Ukrainian side to halt the war against Russian. Then, on the domestic side, the market players kept seeing the latest progress of Indonesian economic activities, especially the government's running fiscal programs.

- Bank Indonesia kept maintaining BI Rate at 5.75% on its latest monetary policy meeting. The Indonesian Central Bank also stayed placing its both deposit and lending facilities rates at 5.00% and 6.50%, respectively. We see Bank Indonesia has a strong concern to maintain the stability of domestic macroeconomic conditions, through the rapid transmission of the Rupiah exchange rate movement, from the global economic pressures that are currently increasing after the new U.S. President Donald Trump released several decisions related to the determination of import tariffs and other policies that could increase global geopolitical tensions.

- With the BI Rate maintained at 5.75%, we see that Bank Indonesia's move can be a practical step to firmly grip the stability of the Rupiah for a well-maintained domestic economic climate amidst the flow of foreign funds that are seen to be aggressively entering both Indonesian government bonds and SRBI markets. The position of foreign exchange reserves is also still safe and on an increasing trend.

- We see Bank Indonesia remaining supportive in driving the domestic economy, through macroprudential liquidity policies and the provision of payment system facilities with a QRIS price scheme of 0% since 14 Mar-25. However, we view the steps taken by Bank Indonesia to encourage domestic economic growth as still not strong enough and convincing, if it has not implemented a more aggressive BI Rate reduction policy. Moreover, the prospect of further inflation development will still be low, even though next month there is a peak season for the Moslem Fasting Month and Eid al-Fitr period. A more aggressive BI Rate reduction in the future can make the cost of facilities and credit instalment payments cheaper, so that it can provide space for stronger expansion and consumption needs. Moreover, we see that currently credit distribution for the MSME segment is still low at 2.88% YoY until Jan-25.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0488	152.74	0.6383	1.2673	7.3036	0.5759	159.6533	97.0563
R1	1.0456	152.10	0.6364	1.2630	7.2939	0.5732	158.7667	96.5797
Current	1.0433	150.61	0.6348	1.2592	7.2741	0.5705	157.1300	95.6060
S1	1.0396	151.04	0.6331	1.2553	7.2737	0.5678	157.3567	95.8137
S2	1.0368	150.62	0.6317	1.2519	7.2632	0.5651	156.8333	95.5243

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3456	4.4572	16403	58.2373	33.8410	1.4056	0.6126	3.3214
R1	1.3443	4.4502	16367	58.1637	33.7670	1.4026	0.6115	3.3152
Current	1.3404	4.4380	16355	58.0440	33.6430	1.3984	0.6102	3.3112
S1	1.3412	4.4384	16301	58.0437	33.6300	1.3972	0.6094	3.3057
S2	1.3394	4.4336	16271	57.9973	33.5670	1.3948	0.6085	3.3024

**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	19/3/2025	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	9/4/2025	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	4.10	1/4/2025	Neutral
RBNZ Official Cash Rate	3.75	9/4/2025	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	44,627.59	0.16
Nasdaq	20,056.25	0.07
Nikkei 225	39,164.61	-0.27
FTSE	8,712.53	-0.62
Australia ASX 200	8,419.19	-0.73
Singapore Straits Times	3,934.04	0.22
Kuala Lumpur Composite	1,580.88	-0.25
Jakarta Composite	6,794.87	-1.14
Philippines Composite	6,119.88	0.41
Taiwan TAIEX	23,604.08	-0.26
Korea KOSPI	2,671.52	1.70
Shanghai Comp Index	3,351.54	0.81
Hong Kong Hang Seng	22,944.24	-0.14
India Sensex	75,939.18	-0.04
Nymex Crude Oil WTI	72.25	0.56
Comex Gold	2,936.10	-0.44
Reuters CRB Index	316.63	0.35
MBB KL	10.50	-0.38

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