21 February 2025

Maybank

Global Markets Daily

US Exceptionalism Fading & China Deal?

US Yields Edge Lower Over Multiple Factors

Overnight, several events appeared to have contributed to a slight decline in yields and also pushed the DXY lower, testing a key support level at 106.36. Walmart's forecast of lower-than-expected profits for the full year raised concerns about the health of the US consumer, having just come after retail sales had fallen substantially last week. At the same time, US Treasury Secretary Scott Bessent stated that the US is "a long way off" from increasing long-term debt sales, which appears to have provided some support to longer-dated treasuries. However, we note that Fed officials such as Musalem and Kugler expressed concerns about inflation risks, maintaining a somewhat more hawkish tone. On the other hand, Bostic leaned somewhat dovish, reiterating his expectation for two rate cuts, even as he acknowledged the uncertainty. Overall, further declines in the broad dollar index cannot be ruled out, especially if US economic indicators show more signs of weakness. However, any downward moves may be more limited, as the index could remain supported by the significant uncertainty surrounding global developments. We'll be watching closely to see if the DXY can decisively break below the 106.36 support level, with the next potential support at 105.20. For today, attention will be on US, EC, and UK PMIs. Additionally, this weekend, we watch the German elections and its potential impact on the Euro.

Trade Deal with China? JP Inflation Meanwhile Picks-Up

Earlier yesterday, sentiment looked to have gotten some lift when Trump said "it's possible" that they form a new trade deal with China. USDCNH fell and this move lower was later supported by the developments (talked about above) that guided broad dollar lower. Bessent will be having a call with his Chinese counterpart today and we watch if that can be any catalyst. There remains immense uncertainty on global developments but the possibility of broad dollar falling further can still help guide USDAsian pairs lower. Meanwhile, JP Jan CPI picked up more strongly towards 4.0% YoY (est. 4.0% YoY, Dec. 3.6% YoY), which supports the tightening cycle for the BOJ. USDJPY is testing the 150.00 mark and we see the possibility of a decisive break below as JP data stays supportive and UST yields can decline.

Data/Events We Watch Today

PMIs from US/EC/FR/GE/UK

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0501	0.75	USD/SGD	1.3335	-0.70
GBP/USD	1.2669	0.66	EUR/SGD	1.4004	0.05
AUD/USD	0.64	0.88	JPY/SGD	0.8911	0.52
NZD/USD	0.5763	1.02	GBP/SGD	1.6894	-0.04
USD/JPY	149.64	-1.21	AUD/SGD	0.8535	0.19
EUR/JPY	157.16	-0.46	NZD/SGD	0.7685	0.31
USD/CHF	0.8979	-0.74	CHF/SGD	1.4849	0.03
USD/CAD	1.4175	-0.41	CAD/SGD	0.9408	-0.27
USD/MYR	4.4295	-0.31	SGD/MYR	3.3082	-0.03
USD/THB	33.658	-0.10	SGD/IDR	12195.51	0.22
USD/IDR	16330	0.00	SGD/PHP	43.2487	-0.13
USD/PHP	57.925	-0.28	SGD/CNY	5.4397	0.32

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3285	1.3556	1.3828

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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
23 Feb	EC	German Elections

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 - *Potential Deal Weighs*.** DXY slumped towards the 100-dma (106.40) and last printed 106.37. Early on Thu, Trump had mentioned that a fresh trade deal with China is possible and reiterated that Trump and Xi have a "great relationship". USDCNH dropped, taking most USDAsians along with it. AUD and NZD surged in response as well. In another sign that a deal could be in the making came when Treasury Secretary Scott Bessent said he will make his first call with his Chinese counterpart today (Friday) to discuss how China can "rebalance its economy toward domestic consumption" in addition to concerns on the inflow of precursor ingredients for fentanyl from China. He also mentioned that the yuan is hard to value due to China's capital controls. Also, China objected that the Trump administration is using the fight against fentanyl as a "pretext" for hiking tariffs. At home, there are signs that the American consumers are increasingly cautious. Right after a weaker-than-expected retail sales Walmart also forecasting a lower-than-expected profit for the full year, citing "uncertainties related to consumer behavior and global economic and geopolitical conditions". The US exceptionalism seems to be fading with the American consumers crimped by elevated rates, high prices, dragging equities lower. Key support for the DXY index is still seen at 106.27. Eyes are on the prelim. PMIs for Feb and final Univ. of Mich. Sentiment due today.

- **EURUSD - *Higher*.** EURUSD was last seen higher at1.0491 levels ahead of German elections this weekend as the USD broadly lost ground. 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. Week ahead has Feb P HCOB EC Mfg/Svcs/Comp PMIs and ECB Lane (Fri)

- **GBPUSD - *Higher, earlier 1.25 cap broken*.** GBPUSD was last seen lower at 1.2656 levels with USD broadly losing ground. 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. Week ahead has Feb Consumer Confidence, Jan Public Finances, Jan Retail Sales and Feb P Mfg/Svcs/Comp PMIs (Fri).

- **USDCHF - *Lower.*** USDCHF was last seen lower at around 0.8992 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%). Jan Exports fell by -3.9% (prev: 5.4%) and imports fell by -1.9% (prev: 4.7%) in real terms. Data for the week includes Jan Money Supply (Fri).

- **USDJPY - *Lower, Downside Trend*.** The pair was last seen at 150.56 as it tests the 150.00 mark with the Japan Jan CPI picking up. Regarding the latter, the headline number picked up to 4.0% YoY (est. 4.0% YoY, Dec. 3.6% YoY) whilst core core number was higher to at 2.5% YoY (est. 2.5% YoY, Dec. 2.4% YoY), which continues to back a BOJ tightening cycle and raising the possibility of another hike in the coming months. The pair had broken below 150.00 earlier in the morning but it bounced up again later on possible profit taking. 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. Meanwhile, Feb P PMI services remained in expansion territory, which was another good sign for the economy although the mfg number stayed in contraction. There are no remaining key data releases this week.

- **AUDUSD - *Optimism Buoys*.** AUDUSD was last seen around 0.6390. Focus on Governor Bullock's testimony today and she had been rather hawkish. She reiterated that board aims for inflation to land around 2.5% (mid-point of the 2-3% target), still on the narrow path but thus far, "looks good". RBA is being committed to being guided by the incoming data and "remains cautious about prospects for further policy easing". That was little different from what was mentioned at the last meeting. In addition, Trump's mention of a trade deal with China also lifted AUD sentiment. The rebound of the AUDUSD has brought the pair back to recent tight swivels and was last seen between 0.6320-0.6380 range. We remain cautious for the rest of 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. Orr's signal that there is a pivot in the pace of easing lifted the NZD. 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 0.5760, 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 1.4185, stretched to the downside and bearish momentum is fading. Signs of US exceptionalism fading seem to be weighing on the USD broadly. 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, Fri has Dec Retail Sales.

- **Gold (XAU/USD) -** ***Taking a Pause*****.** The rally for gold continued to slow and remained resisted 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 +1.48% from the implied mid-point of 1.3556 with the top estimated at 1.3285 and the floor at 1.3828.

- **USDSGD -** ***Lower***. USDSGD was lower at 1.3355 levels this morning with the USD broadly weaker. 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 +1.48% 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 1.3350 and 1.3400. Support at 1.3300 and 1.3250. No further data releases of note this week.

- **SGDMYR -** ***Ranged***. SGDMYR was last seen at 3.3123 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 4.4215 as broad dollar, UST and USDCNH all moved 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. Remaining key data releases this week include Jan CPI Inflation and 14 Feb FX Reserves (Fri).

- **1M USDKRW NDF -** ***Lower.*** 1M USDKRW NDF was last seen lower at 1432.53 levels as the USD broadly weakened. BOK is next week and statement is coming into focus. Our expectations are for a 25bps cut, broadly in line with the market. 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 -** ***A Fresh Deal Is Possible***. USDCNH slumped when Trump mentioned the possibility of a fresh deal and touched a low of 7.2315 before rebounding to levels around 7.2540 thereafter. 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 7.1696, 764 pips below estimate of 7.2460. As we have mentioned, the fix and the spot could narrow. Markets are arguably optimistic that a US-China deal could come into fruition. We keep an eye on the Scott Bessent's phone call with his Chinese counterpart today. He aims to discuss how China can "rebalance its economy toward domestic consumption" in addition to concerns on the inflow of precursor ingredients for fentanyl from China. He also mentioned that the yuan is hard to value due to China's capital controls. Also, China objected that the Trump administration is using the fight against fentanyl as a "pretext" for hiking tariffs. 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 7.2540, above the support at 7.22. 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.

- **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 with the fix lower at 24638 vs. prev. 24643. 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, MoF seeks comments to extend the payment deadline for various taxes and land rent payments.

- **1M USDIDR NDF - *Lower, Ranged*.** 1M USDIDR NDF was last seen at 16298 as it continued to remain within a range of 16200 – 16400. Decline in the DXY and UST yields looks to have guided the 1M NDF lower. 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. Meanwhile, the government has announced that it plans to sell more government bonds to finance a low-income housing projects. On the political front, Megawati has stopped her party PDI-P from participating in a retreated organized by Prabowo's administration givent hat the secretary general of PDI-P Hasto Kristiyanto has been detained. There has also been student protests in Jakarta and other Indonesian cities against Prabowo's budget changes. Data wise, 4Q BoP CA balance remained in deficit at -$1145m (est. -$1937m, 3Q. -$2008m). There are no remaining key data releases this week.

- **1M USDPHP NDF - Sideways, Downside Not Ruled Out.** The 1M USDPHP NDF was last seen at 57.98 and 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. Back on the chart, We watch if it can decisively break below the support at 58.00 (around 200-dma) with the next level after that at 57.00. Resistance is at 59.50 (around the recent Dec high) and 60.00. There are no remaining key data releases this week.

- **USDTHB - *Lower, Downside Potential*.** Pair was last seen at 33.58 as it edged lower with the broad dollar, UST yields and USDCNH all declining. Gold also hold near record highs, which gives the THB support. We do not rule out further downward moves in the USDTHB on the condition of DXY coming off further though that 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. Back on the chart, we watch if the pair can hold decisively below the 33.60 level with the next after that at 33.30. Resistance at 34.00 with the next level after that at 34.40. 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 86.75 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	3.60	-1
7YR MO 7/32	3.77	3.76	-1
10YR MS 7/34	3.80	3.80	Unchg
15YR MS 4/39	3.97	3.97	Unchg
20YR MX 5/44	4.07	4.07	Unchg
30YR MZ 3/53	*4.20/18	4.18	-2
IRS			
6-months	3.63	3.63	-
9-months	3.61	3.61	-
1-year	3.59	3.60	+1
3-year	3.54	3.53	-1
5-year	3.58	3.58	-
7-year	3.65	3.65	-
10-year	3.73	3.74	+1

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

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- Ringgit bonds continued to trade range bound, with focus on auction. Overall, we saw healthy two ways on 3y and 10y, while 5y and 7y received better buying which pushed yields down 1bp in the belly of the curve. Notably, the 30y MGS was bid 2bp lower in yields despite new supply of long duration on the day. The auction of 20y MGS 5/44 garnered strong demand with 2.987 BTC and successful yields came in tight range 4.071/060, though not surprising given the moderate size. Post auction the stock was traded at 4.066% in the secondary market.

- MYR IRS mostly slipped 1bp lower in 2-7y IRS after US rates came off post-FOMC minutes and during Asia hours but there was still paying interest especially at the 5y IRS point. 3M KLIBOR was unchanged at 3.66%. 2y IRS traded at 3.53% and 3.5325%. 5y IRS traded at 3.57%, 3.575%, and 3.58%.

- In the PDS market, GG names gave back earlier gains this week as spreads widened 1-2bp e.g. PTPTN and Danainfra. In AAA space, energy names were most active with Pengurusan Air SPV, Petroleum Sarawak and Sarawak Energy spreads 2bp narrower, while Toyota Capital 2/30 and TNB power Gen 6/37, each dealt MYR10m dealt 2bp lower in yields. AA2-rated AmIsl Bk 3/25 spread widened significantly with MYR20m changing hands. In AA3/AA-, Ambank and Gamuda traded 2-3bp lower.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.77	2.74	-3
5YR	2.81	2.79	-2
10YR	2.90	2.88	-2
15YR	2.92	2.90	-2
20YR	2.90	2.89	-1
30YR	2.86	2.84	-2

Source: MAS (Bid Yields)

- SGS reversed the selloffs in the last two days as dip-buying interest stepped in to prop up the market. Overall, SGS yields fell 1-3bp across the tenors yesterday. 10y SGS declined 2bp to 2.88%. The overnight SORA declined 7bp to 2.46% on 19 February – latest at the time of writing.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.46	6.42	(0.04)
2YR	6.46	6.47	0.01
5YR	6.54	6.52	(0.02)
10YR	6.79	6.78	(0.01)
15YR	6.91	6.91	0.00
20YR	6.98	6.97	(0.00)
30YR	7.05	7.04	(0.00)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds tried reviving yesterday. Indonesian bond market is quite positive responding the latest Bank Indonesia's decision for retaining its policy rate at 5.75%. However, we saw a limited movements by investors for investing on Indonesian government bonds by aggressively. Foreign investors reduced their ownership on the government bonds from Rp888.23 trillion on 11 Feb-25 to be Rp884.95 trillion on 18 Feb-25. Foreign investors booked net selling position by US$396.53 million during 01-19 Jan-25. Several latest unfavourable global sentiments are the news of 1.) higher geopolitical tension after U.S. President Donald Trump labeled the Ukrainian president a "dictator" and ratcheted up pressure on Kyiv to accept a deal to end the war, 2.) less dovish on the Fed's policy direction due to a hint from the latest Fed's meeting minutes for a rate pause, 3.) Howard Lutnick told Fox Trump wants to abolish the IRS and instead raise revenue by charging other countries.

- Bank Indonesia also announced that the latest national current account deficit was low at US$1.1 billion (-0.30% of GDP) in 4Q24. Surplus of Indonesian Balance of Payment was robust by US$7.9 billion in 4Q24, thanks to strong performances on national trade balances and financial accounts, included FDI and other investment. It can be an indication that the international trade activities ran conducive in Indonesia during 4Q24. A strong performance on other investment can be an indication of strong contributions of direct borrowing from overseas to domestic business players' side.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0560	152.25	0.6453	1.2732	7.3049	0.5814	158.6933	96.5707
R1	1.0530	150.95	0.6427	1.2700	7.2700	0.5789	157.9267	96.1743
Current	1.0503	150.49	0.6405	1.2674	7.2377	0.5770	158.0600	96.3830
S1	1.0445	148.87	0.6351	1.2608	7.2159	0.5716	156.3567	95.3553
S2	1.0390	148.09	0.6301	1.2548	7.1967	0.5668	155.5533	94.9327

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3470	4.4541	16387	58.1363	33.8853	1.4035	0.6133	3.3256
R1	1.3402	4.4418	16358	58.0307	33.7717	1.4020	0.6124	3.3169
Current	1.3336	4.4220	16289	57.9520	33.5750	1.4007	0.6110	3.3161
S1	1.3296	4.4216	16309	57.8727	33.5367	1.3975	0.6096	3.2995
S2	1.3258	4.4137	16289	57.8203	33.4153	1.3945	0.6078	3.2908

**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	44,176.65	-1.01
Nasdaq	19,962.36	-0.47
Nikkei 225	38,678.04	-1.24
FTSE	8,662.97	-0.57
Australia ASX 200	8,322.82	-1.14
Singapore Straits Times	3,927.51	-0.17
Kuala Lumpur Composite	1,577.67	-0.20
Jakarta Composite	6,788.04	-0.10
Philippines Composite	6,066.63	-0.87
Taiwan TAIEX	23,487.46	-0.49
Korea KOSPI	2,654.06	-0.65
Shanghai Comp Index	3,350.78	-0.02
Hong Kong Hang Seng	22,576.98	-1.60
India Sensex	75,735.96	-0.27
Nymex Crude Oil WTI	72.57	0.44
Comex Gold	2,956.10	0.68
Reuters CRB Index	316.58	-0.02
MBB KL	10.44	-0.57

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