25 February 2025

Maybank

Global Markets Daily

Tariff Jitters Returning?

Canada, Mexico and China Tariff Concerns Weigh In

Tariff uncertainty is again causing market jitteriness after a period of calm. Chinese stocks dropped in the US, and both the CAD and MXN faced pressure. Following a call between Scott Bessent and He Lifeng that saw little progress, Trump signed a memorandum directing the Committee on Foreign Investment to review foreign purchases of US companies or properties. It also orders for a review of a 1984 China tax deal, ensure compliance for rules on China ADR listings, and calls for expanded limits on US pension and endowment funds investing in Chinese tech. Additionally, the USTR reviewed plans fir fees on Chinese-built ships and mandates for more US goods to be transported on American vessels. Reports also suggest the US is asking Mexico to impose tariffs on Chinese imports. For now, it looks like these moves are aimed to increase US leverage in trade talks, which is also only looking to make it harder for a US - China trade deal. Meanwhile, Trump indicated that Canada and Mexico tariffs, delayed until March 4, will proceed, though another US official pointed to uncertainty on this. As trade deadlines approach, markets are looking to be more cautious, though after a recent decline in DXY, investors could also simply be taking a break. DXY is currently stronger at 106.77, having bounced off 106.30 support. Whilst interim near-term upside could happen, we still expect the DXY to eventually move lower again. For today watch out for US CB consumer confidence index.

BOK Cuts Rates by 25bps to 2.75%

BOK cut rates by 25bps today to bring its policy rate to 2.75%, largely in line with both the market and our expectations. Decision was unanimous and heralds potentially the start of rate cuts to be more growth supportive, in line with most other central banks globally. BOK maintains a cautious outlook given the highly volatile FX outlook and the potential for upside risks to inflation. However, if the current disinflationary trajectory were to continue, it would not be a surprise for us to see more cuts in the future. 1M USDKRW NDF was steady this morning given the policy move was not a surprise.

Data/Events We Watch Today

US Fed Activity Indices, Conf. Board Consumer Confidence (Feb)

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0468	0.10	USD/SGD	1.3387	0.16
GBP/USD	1.2625	-0.06	EUR/SGD	1.4015	0.24
AUD/USD	0.635	-0.11	JPY/SGD	0.8943	-0.10
NZD/USD	0.5733	-0.16	GBP/SGD	1.6904	0.11
USD/JPY	149.72	0.30	AUD/SGD	0.8501	0.06
EUR/JPY	156.72	0.37	NZD/SGD	0.7675	0.03
USD/CHF	0.8971	-0.13	CHF/SGD	1.4924	0.26
USD/CAD	1.426	0.25	CAD/SGD	0.939	-0.04
USD/MYR	4.4113	-0.16	SGD/MYR	3.2976	-0.18
USD/THB	33.507	-0.31	SGD/IDR	12175.4	-0.21
USD/IDR	16275	-0.18	SGD/PHP	43.2643	-0.27
USD/PHP	57.82	-0.22	SGD/CNY	5.4156	-0.17

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3286	1.3557	1.3828

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G10: Events & Market Closure

Date	Ctry	Event
26 Feb - 27 Feb	Global	G20 Finance Ministers and Central Bank Governors Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
24 Feb	JP	Market Closure
25 Feb	KR	BOK Policy Decision
26 Feb	TH	BOT Policy Decision

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 -** ***Bounced off the 106.30 Support*****.** DXY bounced off the 106.30 support with tariff anxiety weighing in again with deadline approaching and uncertainty on progress on trade negotiations. Chinese stocks dropped in the US, and both the CAD and MXN faced pressure. Following a call between Scott Bessent and He Lifeng that saw little progress, Trump signed a memorandum directing the Committee on Foreign Investment to review foreign purchases of US companies or properties. It also orders for a review of a 1984 China tax deal, ensure compliance for rules on China ADR listings, and calls for expanded limits on US pension and endowment funds investing in Chinese tech. Additionally, the USTR reviewed plans fir fees on Chinese-built ships and mandates for more US goods to be transported on American vessels. Reports also suggest the US is asking Mexico to impose tariffs on Chinese imports. For now, it looks like these moves are aimed to increase US leverage in trade talks, which is also only looking to make it harder for a US - China trade deal. Meanwhile, Trump indicated that Canada and Mexico tariffs, delayed until March 4, will proceed, though another US official pointed to uncertainty on this. As trade deadlines approach, markets are looking to be more cautious, though after a recent decline in DXY, investors could also simply be taking a break. DXY is currently stronger at 106.77, having bounced off 106.30 support. Whilst interim near-term upside could happen, we still expect the DXY to eventually move lower again. Resistance at 107.00. For today, place close attention to CB consumer confidence (Feb). There is also Philly Fed non-mfg (Feb) and Dallas Fed services activity (Feb) due today. For the rest of this week, Wed has building permits (Jan), new home sales (Jan). Thu has GDP (4Q S) as well as durable goods orders (Jan P). Jan personal income, personal spending and core PCE price index for Jan are due on Fri.

- **EURUSD -** ***Steady, two-way risks*****.** EURUSD was last seen steady at 1.0462 levels as the USD broadly gained on possible renewed tensions. Also of note, Macron was seen publicly rebuffing Trump in an interview, a sign that Europe (or at least France) may not be fully amenable to Trump's demands. Conclusion of the German elections brought a short-lived rally for the pair with the CDU winning the elections but a coalition still necessary. Far-right (AfD) and far-left parties have gained shares, although CDU had earlier ruled out a coalition involving either extreme of the political spectrum. Specifically, CDU leader Merz ruling out a coalition with the far-right (Eurosceptic) AfD could provide some relief. The CDU has about two months to form a government (by Easter) and coalition negotiations will be closely watched. Risks could still be two-way given a coalition has yet to be formed. Watching to see if a break of the 1.0500 to 1.0530 range which has capped the EUR thus far this year is possible. 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". Jan EC Inflation came in line with expectations at 0.3% (exp: 0.3%; prev: 0.3%) and 2.7% YoY for core (exp: 2.7%; prev: 2.7%). EUR continues to face pressures with the bloc likely to be next in Trump's crosshairs for action. Looking at the bigger picture, political uncertainty 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 within 1.0180-1.0530 range. Week ahead has Euro Area

Negotiated Wage Rates Indicator (Tue), EC Feb Consumer/Services/Industrial/Economic Confidence Indices (Thu) and ECB 1Y/3Y CPI Expectations (Fri).

- **GBPUSD - *Higher, earlier 1.25 cap broken*.** GBPUSD was seen lower at 1.2620 levels this morning after the USD broadly gained on potential renewed trade tensions. We maintain that the GBP could be better sheltered from any potential Trump action, given the services-oriented nature of the UK economy, a goods trade deficit with the US (4Q 2024) and the close relationship between the US and UK. 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 CBI Reported/Retail Sales (Tue), Feb Llyods Business Barometer/Own Price Expectations and Feb Nationwide House Px Indices (Fri).

- **USDCHF - *Steady*.** USDCHF was last seen relatively steady at around 0.8974 levels as risk sentiment took was worse on potentially renewed trade tensions. 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 0.90 and support is at 0.89. 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 Feb UBS Survey Expectations (Wed), 4Q GDP (Thur), Jan Retail Sales and Feb KOF Leading Indicator (Fri).

- **USDJPY - *Testing the 150.00 mark, Downside Trend*.** The pair bounced up a little to move just back above the 150.00 mark. For now, it looks to be testing the 150.00 mark but we do believe a downtrend is intact amid the possibility that UST yields can come down further on softening US data whilst Japanese data continues to stay supportive of a BOJ tightening. We do not believe that overnight developments has greatly derailed that narrative. Jan PPI services data this morning was also stronger and in line with expectations at 3.1% YoY (est. 3.1% YoY, Dec. 3.0% YoY). For today, we are keeping a close eye on US CB consumer confidence on the extent to which it can continue to support UST yields to move lower and especially back the 10y to decisively break below the 4.40% level, which is the bottom of its recent range of 4.40 - 4.60%. Back on the chart, support is at 145.00, 142.00 and 140.00. Resistance is at 155.00 and 158.00. Key data releases this week include Jan nationwide/Tokyo dept sales (Tues), Jan F machine tool orders (Tues), Dec F leading index/coincident index (Wed), Feb Tokyo CPI (Fri), Jan retail sales (Fri), Jan P IP (Fri), Jan dept store, supermarket sales (Fri), 21 Feb Japan/Foreign buying Foreign/Japan Bond/Stocks (Fri) and Jan housing starts (Fri).

- **AUDUSD - *Trapped in Range*.** AUDUSD was last seen around 0.6345, till within the 0.6320-0.6380 range. USD gained some ground on the potential of renewed trade tensions. A lack of positive sentiment could be crimping bullish momentum of the AUDUSD. 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, Jan CPI is due on Wed, 4Q CAPEX on Thu, private sector credit (Jan).

- **NZDUSD – *Sideways***. NZDUSD hovered within the 0.5650-0.5800 range. USD gained some ground on the potential of renewed trade tensions. 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 0.5751, NZDUSD may remain within the 0.5650-0.5800 range. We see bullish risks to the NZDUSD given extreme levels of short NZD positions. Break-out to open the way towards 0.5960. 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. Last at 1.1077. Week ahead has Feb ANZ activity outlook on Thu before ANZ consumer confidence for Feb on Fri.

- **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, as the USD gained on the potential of renewed trade tensions. Bear in mind that pair was earlier stretched to the downside and bearish momentum is fading. Signs of US exceptionalism fading seem to be weighing on the USD broadly, spurred further by weaker US mfg prelim. PMI for Feb. 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 Governor 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. Week ahead has CFIB business barometer for Feb on Thu, Dec GDP on Fri.

- **Gold (XAU/USD) – *Taking a Pause***. The rally for gold continued to slow and remained resisted around 2949.88 after hitting yet another all-time high yesterday and remains 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 +1.28% from the implied mid-point of 1.3557 with the top estimated at 1.3286 and the floor at 1.3828.

- **USDSGD - *Higher*.** USDSGD was higher at 1.3384 levels this morning with the USD broadly stronger on the back of potentially renewed trade tensions. In addition, Jan SG CPI inflation showed core inflation at 0.8% YoY the lowest level since 2021 which also weighed on the SGD. Our economists suggest opens the door for MAS to ease further in Apr. 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 +1.28% 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. Data releases this week include Jan Industrial Production (Wed) and Jan Money Supply (Fri).

- **SGDMYR - *Ranged*.** SGDMYR was last seen at 3.2977 levels this morning with MYR outperforming SGD on the latest bout of USD weakness. 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 3.30. Support at 3.28.

- **USDMYR - *Sideways*.** Pair was last seen lower at 4.4165 as it continued to hover around the 4.40 levels. 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. There are no key data releases this week.

- **1M USDKRW NDF - *Lower*.** 1M USDKRW NDF was last seen slightly higher at 1428.53 levels as the USD gained some ground on the back of potentially renewed trade tensions. BOK cut rates by 25bps today to bring its policy rate to 2.75%, largely in line with both the market and our expectations. Decision was unanimous and heralds potentially the start of rate cuts to be more growth supportive, in line with most other central banks globally. BOK maintains a cautious outlook given the highly volatile FX outlook and the potential for upside risks to inflation. However, if the current disinflationary trajectory were to continue, it would not be a surprise for us to see more cuts in the future. 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 1430. Support is at 1420 followed by 1410. Data releases this week include Jan Retail Sales, BOK Policy Decision (Tue) and 4Q Short-Term External Debt (Thu).

- **USDCNH - *Higher*.** USDCNH hovered around 7.2535, potentially forming a base around 7.2220 (200-dma). The pair follows the softer UST yields. Fix is at 7.1726, 804 pips below estimate of 7.2530. As we have mentioned, the fix and the spot could narrow. Markets are arguably optimistic that a US-China deal could come into fruition. The widely anticipated phone-call between Scott Bessent and China Vice Premier He Lifeng turned out to be a video call and there was little that really came out of it. As Bessent had mentioned, it was an introductory call. 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 is 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 25480. 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 unchanged at 24646. 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 Finance Ministry propose to keep personal income tax exemption on interest earned from savings deposits.

- **1M USDIDR NDF - *Ranged*.** 1M USDIDR NDF was last seen at 16310 as it continued to remain within a range of 16200 – 16400. We expect the 1M USDIDR NDF to remain around that range of 16200 – 16400 levels. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Meanwhile, domestically, the new Danantara fund has taken off and Investment Minister Rosan Perkasa Roeslani has been appointed to lead the organization. Roeslani had led Prabowo's Presidential campaign and he is also a prominent businessman in the country. Pandu Sjahrir, a tech investors and prominent coal industry executive, another person who had been major figure in the Prabowo election campaign, would service as the CIO whilst Dony Oskaria, the current Deputy SOE Minister would be the COO. The SOE Minister Erick Thohir would serve as Chairman of the supervisory board whilst Muliaman D.Hadad, a former BI official would be the Deputy Chairman. Back on the chart, support at 16200 and 16000. Resistance at 16400 and 16500. There are no key data releases this week.

- **1M USDPHP NDF - Sideways, Downside Not Ruled Out.** The 1M USDPHP NDF was last seen at 57.94 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 possibility that DXY could come off further even if there is some interim bounce up. 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. Key data releases this week include Jan trade data (Fri), Dec budget balance (Fri), Jan M3 (Fri) and Jan bank lending (Fri).

- **USDTHB – *Sideways, Downside Potential*.** Pair was last seen at 33.55 as it continues to trade sideways as markets stay cautious on trade related developments. Recently, the Trump administration looks to being firing more salvos at China as it is unclear of any signs of progress on a US-China deal. Given the THB's sensitivity to the CNH and Thailand's trade exposure to China, trade developments related to China can have quite an impact on the THB. However, higher gold prices, where it continues to hover near record levels do somewhat help to offset pressure on the THB. However, tariff developments are still uncertain and we cannot rule out the possibility that the President can still reach a deal with the various countries. USDTHB given the pair can also be sensitive to declines in the DXY and UST yields. The latter could be driven by the possibility of softer US data and Euro area developments (German elections and the Ukraine peace talks situation). Safe haven demand that can support gold prices can also help lift the THB. Therefore, we do not rule out further downside still for the USDTHB. There is a BOT decision due this week on Wed where we expect a hold at 2.25% although we watch out for any dovish signals from them on a future cut. A dovish signal could have some marginal impact on the THB given that US data has also been softening recently. Back on the chart, support at 33.30 and 32.80. Resistance at 34.00 with the next level after that at 34.40. Key data releases this week include Jan customs trade (Tues), Jan ISIC mfg prod index/capacity utilization (Fri), Jan BoP CA balance (Fri), 21 Feb gross international reserves/forward contracts (Fri), Jan trade data (Fri) and BoP overall balance (Fri).

- **1M USDINR NDF- *Steady*.** USDINR 1M NDF was last seen at 86.97 levels. RBI Chief has hinted at some willingness to allow more flexible currency moves. There was likely some RBI intervention earlier 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 4Q GDP, Jan Fiscal Deficit, 2025 GDP Estimate and 21 Feb FX Reserves (Fri).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.45	3.44	-1
5YR MI 8/29	3.59	3.59	Unchg
7YR MO 7/32	3.76	3.75	-1
10YR MS 7/34	3.79	3.79	Unchg
15YR MS 4/39	3.96	3.96	Unchg
20YR MX 5/44	4.07	4.07	Unchg
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.63	3.63	-
9-months	3.61	3.61	-
1-year	3.60	3.60	-
3-year	3.54	3.53	-1
5-year	3.58	3.57	-1
7-year	3.66	3.65	-1
10-year	3.74	3.74	-

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

- Ringgit government bonds opened firmer tracking slightly global bond movements. As the day progressed, sellers emerged pushing yields back up to Friday's closing levels. Liquidity remained moderate as market participants await the announcement of the new 5y GII auction, likely to be released today and we estimate an issuance size of MYR5b.

- MYR IRS shed roughly 1bp across the tenors from previous close on mild offerish tone along front-end to belly segment. However, there wasn't any trade done despite paying interest remained firm as the bid and offer stuck in a tight two-way stalemate in the absence of new catalyst. 3M KLIBOR was unchanged at 3.66%.

- The PD market was reasonably active although bulk of the trades was in GG. Danainfra, Prasarana and PTPTN saw better buying causing the spreads 1bp tighter. AAA-rated Pengurusan Air SPV and Sarawak Energy dealt at MTM, while TNB 3/43 traded 3bp lower. In AA1/AA+, KLK 3/37 traded 1bp lower in yield. In AA3/AA-, Gamuda 6/33 traded 3bp lower for MYR10m.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.74	2.71	-3
5YR	2.78	2.74	-4
10YR	2.88	2.86	-2
15YR	2.90	2.88	-2
20YR	2.88	2.90	+2
30YR	2.84	2.86	+2

Source: MAS (Bid Yields)

- SGS traded mostly stronger with yields 2-4bp lower across the 2y15y, except the ultra-long 20-30y sector where yields increased 2bp on the day. Overall the SGS curve steepened. 10y SGS yield fell 2bp to 2.86% ahead of the new issue auction on Wednesday. The overnight SORA eased 11bp to 2.35% on 21 February – latest at the time of writing.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.35	6.31	(0.04)
2YR	6.46	6.44	(0.03)
5YR	6.54	6.55	0.02
10YR	6.78	6.79	0.00
15YR	6.94	6.94	(0.00)
20YR	6.98	6.96	(0.01)
30YR	7.04	7.03	(0.01)

** Source: Bloomberg, Maybank Indonesia*

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- Most short tenor series (1Y & 2Y) of Indonesian government bonds appreciated yesterday. We didn't see a significant news that giving strong influences for Indonesian bond market yesterday. The global market condition also seemed less pressures yesterday after key market indicators, such as DXY Dollar Index and the yields of U.S. of government bonds gradually dropped yesterday.

- However, for today, we keep seeing a high volatility on the global market conditions by investors' preferences for applying "sell on rally" strategy, especially due to recently various new statements by the U.S. government through its President Donald. The position of VIX index increased from 15.66 on 20 Feb-25 to be 18.98 on 25 Feb-25. According to Bloomberg, Donald Trump said tariffs due to hit Canada and Mexico next month were on time and "moving along very rapidly." One US official cautioned the schedule was still to be determined while reciprocal levies that may hit all countries will go forward in April. Then, U.S. President Trump said he's in "serious" talks with Vladimir Putin about ending the war in Ukraine. Putin said he has not discussed resolving the conflict in detail with Trump, and Moscow hasn't ruled out Europe participating in a peace settlement, the AP reported. Today, Indonesian government is scheduled to hold its Sukuk auction with Rp10 trillion of indicative target.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0558	150.50	0.6410	1.2722	7.2739	0.5785	157.8600	95.8310
R1	1.0513	150.11	0.6380	1.2673	7.2636	0.5759	157.2900	95.4460
Current	1.0473	149.94	0.6351	1.2632	7.2553	0.5732	157.0200	95.2230
S1	1.0438	149.09	0.6332	1.2594	7.2344	0.5718	156.1200	94.6850
S2	1.0408	148.46	0.6314	1.2564	7.2155	0.5703	155.5200	94.3090

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3449	4.4332	16346	57.9953	33.7537	1.4080	0.6106	3.3197
R1	1.3418	4.4222	16310	57.9077	33.6303	1.4047	0.6096	3.3087
Current	1.3385	4.4155	16299	57.9000	33.5500	1.4017	0.6087	3.2991
S1	1.3334	4.3964	16251	57.7577	33.3773	1.3978	0.6069	3.2874
S2	1.3281	4.3816	16228	57.6953	33.2477	1.3942	0.6052	3.2771

**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	2.75	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	43,461.21	0.08
Nasdaq	19,286.93	-1.21
Nikkei 225	38,776.94	0.26
FTSE	8,658.98	0.00
Australia ASX 200	8,308.24	0.15
Singapore Straits Times	3,927.75	-0.06
Kuala Lumpur Composite	1,584.25	-0.43
Jakarta Composite	6,749.60	-0.78
Philippines Composite	6,095.97	-0.03
Taiwan TAIEX	23,565.31	-0.70
Korea KOSPI	2,645.27	-0.35
Shanghai Comp Index	3,373.03	-0.18
Hong Kong Hang Seng	23,341.61	-0.58
India Sensex	74,454.41	-1.14
Nymex Crude Oil WTI	70.70	0.43
Comex Gold	2,963.20	0.34
Reuters CRB Index	308.45	-0.89
MBB KL	10.48	-0.19

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