5 February 2025

Maybank

Global Markets Daily

Trump Wants Gaza

Trump Wants Gaza

In a surprising declaration this morning, Trump said that the US should "takeover" Gaza and re-develop it. He proposed that all current occupants be moved to other Middle East countries and received Netanyahu's backing in a joint press conference held by the US and Israel. While there has not been a big market reaction to this specific news, it would be wise to be cautious of how this could affect geopolitical tensions. The USD softened (DXY: -0.7%) overnight as US yields fell (10Y: -4bps) and US equities rallied with markets continuing to digest tariff developments and corporate earnings. China's retaliation was considered measured and there could be some optimism that some kind of deal can be agreed before tariffs kick in. Trump however did say that he was in no rush to talk to Xi. While these set the tone for a softer USD, we are only at the beginning of the tariff saga and it would be wise to be a slightly more cautious as there is a likely limit to how much the USD can weaken. Conversely, should the tariff situation escalate further, for instance if Trump is hawkish on the EU, the USD could easily test recent highs again. That said, some bearish chart patterns are forming for the USD and if these playout, near-term weakness is to be expected. A resolution on the US-China tariff front would also support such a thesis.

Gold Hits Fresh All Time Highs as Cryptocurrency Pulls Back

The breakout of the 2800 level has heralded fresh highs for the precious metal. Earlier double top pattern has been refuted and this should be bullish. Central banks have continued to accumulate at a record pace and an increasingly uncertain and challenging external environment should continue to provide support for safe-havens. Reports suggest that there could also be a physical shortage of gold as tariff uncertainty is creating arbitrage opportunities with prices in NY being higher than elsewhere in the world. We retain our bullish view on gold given the combination of both technical and fundamental factors. Cryptocurrency on the other hand has seen a large pull back with Bitcoin (-5%) selling off. Cryptocurrency has seen massive liquidations to the tune of more than US$2b over the past three days and such moves tend to be amplified by the fact that most positions are leveraged and some are heavily leveraged. Watch out for near-term downside in this space.

Data/Events We Watch Today

We watch China Caixin and various other PMIs today.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0379	0.34	USD/SGD	1.353	-0.60
GBP/USD	1.248	0.24	EUR/SGD	1.4041	-0.28
AUD/USD	0.6254	0.43	JPY/SGD	0.8765	-0.31
NZD/USD	0.5651	0.37	GBP/SGD	1.6884	-0.31
USD/JPY	154.34	-0.25	AUD/SGD	0.8464	-0.09
EUR/JPY	160.2	0.09	NZD/SGD	0.7644	-0.14
USD/CHF	0.9052	-0.56	CHF/SGD	1.4939	0.01
USD/CAD	1.4323	-0.73	CAD/SGD	0.9444	0.18
USD/MYR	4.444	-0.66	SGD/MYR	3.2771	0.13
USD/THB	33.83	-0.59	SGD/IDR	12048.51	0.13
USD/IDR	16345	-0.55	SGD/PHP	42.9247	0.03
USD/PHP	58.345	-0.54	SGD/CNY	5.3574	1.03

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3377	1.3650	1.3923

Analysts

Saktiandi Supaat
(65) 6320 1379
saktiandi@maybank.com

Shaun Lim
(65) 6320 1371
shaunlim@maybank.com

Fiona Lim
(65) 6320 1374
fionalim@maybank.com

Alan Lau, CFA
(65) 6320 1378
alanlau@maybank.com

G10: Events & Market Closure

Date	Ctry	Event
6 Feb	UK	BOE Policy Decision
6 Feb	NZ	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
28 Jan - 4 Feb	CH	Market Closure
7 Feb	IN	RBI Policy Decision

G10 Currencies

- **DXY Index - *Double Top Plays Out*.** US President Trump has imposed 10% tariffs on imports from China as indicated in our Trump Tracker 2025 table and even halted the "de minimis" provision that allows packages worth under $800 to be exempted from levies. Almost immediately, China announced a probe into Google, added several US companies to a "blacklist" of entities, impose new export controls on critical materials. imposed 10% tariffs on US products, including coal, LNG and agricultural equipment, tungsten with effect from 10 Feb. The measured response from China was treated as a sign of goodwill and a constructive way for negotiations to begin. The DXY index fell in sympathy and was last seen around 108, testing the 50-dma at around 107.80. Resistance is seen around 110.06. Support at 108.60 (21-dma) before the next at 107.80 (50-dma) and then at 107.00. Stochastics have turned from oversold conditions and MACD is about to flip bullish. Given the recent choppy price action, the DXY remains at the whims of tariff headlines and two-way action may remain within 107-110 range. Datawise, factory orders fell -0.9%m/m vs. prev. -0.8%. Durable goods orders also fell -2.2%m/m in Dec, in line with expectations. The weaker-than-expected factory orders likely spurred the USD lower in NY session, threatening the US exceptionalism narrative. Regardless, the overhang of tariff threats could still keep the the DXy supported on dips. Double top is playing out, pushing the dxy towards key neckline around 106.90. For the rest of the week, Wed has ADP Employment (Jan), Trade Balance (Dec), S&P Svcs/Comp PMIs (Jan F), ISM Svcs (Jan). Thu has Challenger Job Cuts (Jan), Nonfarm Productivity (4Q P). Fri has Nonfarm Payrolls (Jan), Unemployment Rate (Jan), U Mich Indices (Feb P), Wholesale Inventories (Dec).

- **EURUSD - *Rebounds, but watch closely as EU could be next on Trump's agenda*.** EURUSD was last seen higher at 1.0378 levels as the USD softened further. However, EUR could continue to face pressures with the bloc likely to be next in Trump's crosshairs for action.ECB decision was quite balanced and did not deviate from earlier "data-dependent" guidance. 4Q German GDP dropping by more than expected however weighed on the EUR. Market narrative seems to be that the ECB will opt for growth support with odds of a Mar cut at 101.7%. ECB is facing a challenging task of balancing inflation control and growth support, with latest data suggesting prices in Europe are resurging. French PM Francois Bayrou forced his 2025 budget bill through without a vote – mirroring what his predecessor Barnier chose to do, but looks more likely to keep his job with the Socialists pledging support. France's bitterly divided parliament makes governing the country extremely difficult, but veteran centrist Bayrou appears certain to keep his job with the support from the Socialists, even if the far-right decides to back the no-confidence motion that the far-left said it will put forward on Wed. France is under pressure to rein in its deficit to be more in line with EU-standards. Looking at the bigger picture, political woes in France and Germany should in our view continue to weigh on the EUR amid a more challenging external environment and uncertainty over Trump tariff policy. Trump has made explicit mention that he plans to address what he views as trade imbalances between the US and the EU. Trump mentioned EU tariffs on US goods being unfair and had an overarching message that tariffs would be imposed on goods not produced in America. Still, the divergent monetary policy outlooks and the political uncertainties surrounding the French and the German should continue to weigh on the EURUSD. On the EURUSD chart, support is seen at 1.03 and 1.02 levels. Resistances at 1.0412 (50dma) and 1.0500 (50dma) levels. Notable data releases this week include Jan F Svcs/Comp PMIs, ECB Wage Tracker, Dec PPI Inflation (Wed) and Dec Retail Sales (Thu).

- **GBPUSD - *Rebounds, 1.25 resistance likely to cap*.** GBPUSD was last seen higher at 1.2477 levels with the USD softening further. Nevertheless, we maintain our view that the GBP could be somewhat sheltered from tariffs as it avoids specific trade action from the Trump administration. Eyes are on Chancellor of the Exchequer Rachel Reeves and how she will deal with the rising borrowing costs due to higher gilt yields. She had mentioned that her fiscal rules (self-imposed) were non-negotiable. There have been some concerns that the rise in the gilt yields have taken up the fiscal headroom and may force the labour-led government to reduce spending ahead of a fiscal update from the OBR on 26 Mar. The prospect for further cut in fiscal spending weigh on risk appetite and the GBP. Back on the cable chart, rebounds to meet resistance at 1.2500. Supports are at 1.2450 and 1.2400. Data this week includes Jan F Svcs/Comp PMI, Jan Official Reserves Change (Wed), Jan Construction PMI and BOE Policy Decision (Thu).

- **USDCHF - *Rising Wedge, Bearish risks*.** USDCHF was lower at 0.9051 levels, as the USD softened further. 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 0.91 and support is at 0.90. Data for the week includes Jan Unemployment Rate (Thu), Jan SECO Consumer Confidence and Jan FX Reserves (Fri).

- **USDJPY - *Lower, Developments Support JPY.*** The pair was last seen lower at 153.34 as the pair declined substantially amid a few factors supporting the JPY. This first includes the Dec cash earnings coming out much stronger than expected at 4.8% YoY (est. 3.7% YoY, Nov. 3.9% YoY) with the real number also turning positive at 0.6% YoY (est. -0.1% YoY, Nov. 0.5% YoY). The numbers are now backing the possibility that the BOJ can move again soon. We have been saying that the BOJ would hike by 25bps again in Oct 2025 but an earlier move cannot be ruled out if data can be strongly supportive and the impact of Trump policies do not pan out to be too severely bad. For now, it looks like one criteria could end being fulfilled. However, there is still immense uncertainty regarding Trump policies. Meanwhile, favorable US data and ongoing geopolitical tensions could also be of some support for JPY. UST yields are trading lower amid a decline in the JOLTS jobs opening and as Trump has said the US will take over the gaza strip whilst it is still unclear if the US and China can get to any agreement with each other following the recent trade spat between the two. News has also just come out that the US Postal Service has suspended inbound parcels from Mainland China and Hong Kong. The formation of a bearish trend channel is starting to look more certain and we may not rule out more downside if conditions remain favorable. Back on the chart, we watch if the pair can continue to hold decisively below the support at 155.00 with the next at 150.00. Resistance is at 158.00 and 162.00. Remaining key data releases this week include Japan/foreign buying of stocks/bonds (Thurs), Jan Tokyo avg office vacancies (Thurs), Dec household spending (Fri), Dec P leading index (Fri) and Dec P coincident index (Fri).

- **AUDUSD - *Range Intact*.** AUDUSD hovers around 0.6260. Markets are taking a cautiously optimistic view now that White house trade adviser Peter Navarro said that Trump will hold a conversation with Xi today that could potentially pause tariffs (WSJ). Trump was almost nonchalant about the retaliatory moves and mentioned that there is no hurry to have a talk. Recall that China had looked eager to strike a deal with the US by pledging to invest more in the country, ensuring that the yuan would not be devalued to support exporters. AUD has been rising on these headlines and at this point, markets are likely optimistic about the Trump and Xi conversation that could see tariffs on China being deferred. AUDUSD is back to trade within the 0.6130-0.6315 range that has arguably held since Dec. We had been bearish on the currency for 1H 2025 as trade frictions between the US and China impact Australia's resource exports and RBA could risk cutting more than expected. Since the last trade war in 2018, non-commercial positions of the AUD has hardly been in net long. Further signs of de-coupling between Australia's traditional ally and biggest trading partner could hurt AUD sentiment this year. Data-wise, Wed has S&P Svcs/Comp PMIs (Jan F). Thu has Trade Balance (Dec). Fri has Foreign Reserves (Jan).

- **NZDUSD – *Rounding Bottom?*** NZDUSD edged higher, in tandem with the AUD and was last seen around 0.5650. Support remains at 0.5590 before 0.5540. Pro-cyclical NZD is swung by the sentiment that has seen turnaround since Trump agreed to delay tariffs on Canada and Mexico for a month. There is even a potential pause for China's tariff should the talk between Xi-Trump goes well today according to WSJ citing White House Trade advisor Peter Navarro. Range-trading within the 0.5540-0.5700 could continue. Aggressive rate cuts expected of RBNZ vs. the Fed's milder easing trajectory could continue to keep the NZDUSD from rising significantly in an environment of US exceptionalism. Given that swaps are already expecting 110-120bps cut this year, rate cuts are also likely sufficiently priced in the NZD and as such, we see little impetus for further NZD decline as well. We continue to look for NZD to outperform AUD as dovish trajectory of the RBNZ for 2025 is sufficiently priced while markets are only starting to price in more rate cuts by RBA. Even with soft inflation report from the NZD and strong AU labour report, still look for AUDNZD to head towards 1.0970 (200-dma) before the next at 1.0880. Data-wise, Wed has Unemployment Rate (4Q), Employment Change (4Q), ANZ Commodity Price (Jan).

- **USDCAD – *Testing Key Support*.** USDCAD remain pressured and was last seen testing the support around 1.43-figure (50-dma). CAD had rallied in relief due to the tariff delay. On 3rd Feb, PM Trudeau announced that the tariffs imposed by Trump would be delayed for a month amid pledges to be more resolute on border controls for migration and drug trafficking. Canada is appointing a new fentanyl czar, list cartels as terrorists and launch a joint "strike force" with the US to fight organized crime, drug trafficking and money laundering according to Trudeau's text on X. This came after Trump issued an executive order under the International Emergency Economic Powers Act to impose 25% tariffs on most goods from Canada that was supposed to take effect on Tue (4 Feb). Canada's energy and oil exports will be taxed at a lower rate of 10%. BoC was rumoured to provide an emergency rate cut at first and BoC Macklem's participation at the Chapultepec conference in Mexico City was even cancelled "in light of the rapidly evolving economic circumstances". We do not think there is a need for a rate cut at this point given the delay in tariffs. Back on the USDCAD chart, break of the 1.43-support to open the way towards 1.4170. There is little directional cue on the momentum indicators and it is hard to see a lot more gains for the CAD as politicians at home and business leaders cautioned about high-stakes negotiations ahead and potential retaliatory plans. Ontario Doug Ford was caught saying that Trump "pulled out the knife" and "yanked it into us". He pledged to cancel a contract the province signed with Elon Musk's Starlink, albeit still on hold given that there is a "trade truce" now. He accused Trump of taking Ontario's auto jobs and send them to Michigan and North Carolina. There has also been a "buy Canadian" movement. Week ahead has International Trade (Dec), S&P Svcs/Comp PMIs (Jan) on Wed. Thu has Ivey Purchasing Managers Index (Jan). Fri has Net Change in Employment (Jan), Unemployment Rate (Jan).

- **Gold (XAU/USD) - *2800 Broken*.** Gold continued to rise above 2800 and was last seen around 2840. We continue to remain bullish on the bullion in times of heightened uncertainties. There was reportedly a shortage the bullion due to rush of gold shipment in anticipation of tariffs. The gold stockpiling has allegedly resulted in a shortage of gold in London. In spite of the tentative deal between US and Mexico/Canada that allowed for a delay in tariffs, the pullback in the USD has likely given gold a boost. We continue to hold the view that the demand for gold in times of heightened volatility will be strong and sticky. $2840 is the next resistance before 2910.70. Support at 2780 before 2730 (21-dma).

Asia ex Japan Currencies

SGDNEER trades around +0.90% from the implied mid-point of 1.3650 with the top estimated at 1.3377 and the floor at 1.3923.

- **USDSGD - *Lower*.** USDSGD was last seen lower at 1.3527 levels, as the USD softened. 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 +0.90% 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 1.3600 and 1.3700. Support at 1.3500 and 1.3450. Notable data releases this week Dec Retail Sales (Wed) and Jan FX Reserves (Fri).

- **SGDMYR - *Steady*.** SGDMYR was last seen relatively unchanged at 3.2750 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 3.28. Support at 3.25.

- **USDMYR - *Lower*.** Pair was last seen at 4.4300 as it pulled back in line with the broad dollar. 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 4.5068 (200-dma) and 4.6300. Support at 4.3600. Key data releases this week include Dec IP (Fri), Dec mfg sales (Fri) and 31 Jan foreign reserves (Fri).

- **1M USDKRW NDF - *Higher*.** 1M USDKRW NDF was last seen lower at 1447.31 as USD softened. KRW losses were also trimmed as Korean equities rose today. President Yoon has been indicted, and elections will need to be held within 60 days should he be removed from office. Yoon's second impeachment hearing beings today. However, there remains plenty of concerns for the KRW. The political situation is highly uncertain and a Gallup Korea poll is now showing that the ruling People's Power Party support rating has risen to 39% from 34% and now surpasses that of the opposition Democratic Party. 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 1450. Support is at 1440. Jan FX reserves were lower at US$411.01b (prev: $415.60b). CPI was slightly higher at 2.2% YoY (exp: 2.1%; prev: 1.9%), while core CPI inflation was also higher at 1.9% (exp: 1.8%; prev: 1.8%). Sequentially prices saw a uptick at 0.7% MoM (exp: 0.5%; prev: 0.4%. Notable data releases this week include Jan Dec BoP Goods/CA Balance (Thu).

- **USDCNH - *Turning Lower on Optimism*.** US President Trump has imposed 10% tariffs on imports from China as indicated in our Trump Tracker 2025 table and even halted the "de minimis" provision that allows packages worth under $800 to be exempted from levies. Almost immediately, China announced a probe into Google, added several US companies to a "blacklist" of entities, impose new export controls on critical materials. imposed 10% tariffs on US products, including coal, LNG and agricultural equipment, tungsten with effect from 10 Feb. The measured response from China was treated as a sign of goodwill and a constructive way for negotiations to begin. Markets are taking a cautiously optimistic view now that White house trade adviser Peter Navarro said that Trump will hold a conversation with Xi today that could potentially pause tariffs (WSJ). Trump was almost nonchalant about the retaliatory moves by China and mentioned that there is no hurry to have a talk. Recall that China had looked eager to strike a deal with the US by pledging to invest more in the country, ensuring that the yuan would not be devalued to support exporters. USDCNH edged lower as we await Trump's verdict on China's tariff. We also keep an eye on the next key date – 1 Apr. While Trump's comments on tariffs post inauguration turned out to be a little less combative than expected, we note that he issued a Memorandum on America's First Trade Policy (AFTP) memo that directed executive departments and agencies to issue reports to him by 1 Apr on action the new administration could take to address specific international trade problems. Section 3 of the memo was dedicated to the economic and trade relations with China and the United States Trade Representative (USTR) is tasked to review the Economic and Trade agreement, assess China's compliance to the agreement and to recommend appropriate actions based on the findings including the imposition of tariffs or other measures as needed. The USTR is also tasked to assess the 14 May 2024 report "Four-Year review of actions taken in the Section 301 investigation" to consider additional tariff modifications as needed under section 2411 of title 19 United States Code. Secretary of Commerce and the USTR also tasked to assess the legislative proposals regarding Permanent Normal Trade Relations with the PRC and make recommendations regarding any proposed changes to such legislative proposals. Reports on section 3 along with most others in the Memo shall be delivered as a unified report coordinated by the Secretary of Commerce by 1 Apr 2025.

Back on the USDCNH, pair had slipped to levels around 7.2925, forming a potential double top (bearish) formation. Should a deal be struck, we cannot rule out a move lower towards 7.2180 (200-dma). If not, expect this pair to remain buoyed. Keeping the yuan from depreciating would be a sign of goodwill but PBoC may allow the fix to rise above the 7.20 at one point should tensions escalate or talks come to an impasse. With a multi-front trade war, the USD is actually strengthening against most currencies, and not just against CNY. There is little reason for PBoC to hold the line against such broad market forces.

- **USDVND – *Coming off Alongside Peers*.** USDVND slipped and was last seen around 25175. The pullback in USDCNH has provided an anchor for the VND due to tentative optimisms. The fluidity of the situation could mean there could be more two way trades for the yuan as well as for the dong. Resistance at 25350. Recall that PM Pham Minh Chinh said that Vietnam is working "on solutions" to rebalance its trade surplus with the US by buying Boeing planes and other American high-tech items. Trump remains rather silent on Vietnam and with Vietnam pro-actively trying to re-balance their trade surplus, there is a good chance for VND to outperform this year, given its lower beta nature.

- **1M USDIDR NDF – *Lower, Cautious*.** 1M USDIDR NDF was last seen at 16329 as it pulled back in line with the decline in the broad dollar and the UST yields. US JOLTS job openings had come out lower, which guiding the decline in the yields. USDCNH and USDJPY, which the USDIDR has sensitivity too have also both recently decline. Even so, we are cautious on the 1M USDIDR NDF given the uncertain trade situation between the US and China. External events are likely to a major factor affecting the IDR for the coming near term but we are aware authorities have been in the market to stabilize the currency. Meanwhile, on the domestic front, Indonesia has amended the law to lay the legal foundation for a new $61bn agency or sovereign wealth fund called Danantara. The new body will report directly to the president and be overseen by ministers. It will consolidate Indonesia's state firms, supervise their operations, investments and dividends and help the administration achieve its goal of boosting economic growth. For today, we have 4Q GDP data due on Wed where it is expected to be roughly stable around 4.96% YoY (3Q. 4.95% YoY), which means 2024 growth may hold steady too around 5.02% YoY (2023. 5.05% YoY). The GDP reading in addition to CPI released earlier are crucial to inform us on BI's rate trajectory. Other data releases due this week include Jan foreign reserves (Fri). Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800.

- **1M USDPHP NDF – Lower, *Within Range*, *Cautious*.** The 1M USDPHP NDF was last seen at 58.19 as it declined in line with the broad dollar and UST yields. US JOLTS job openings had come out lower, which guiding the decline in the yields. USDCNH and USDJPY, which the USDPHP has sensitivity too have also both recently decline. Regardless, it is still within the range of 58.00 – 59.00. Overall, we stay cautious on the PHP and see risks for the 1M USDPHP NDF to be two ways for now given the highly uncertain external environment. It remains unclear still how Trump tariffs would pan out to be. On the domestic economic data, Jan CPI was stable at 2.9% YoY (est. 2.8% YoY, Dec. 2.9% YoY) although still within BSP target range of 2 – 4% although not exactly derailing any future rate cuts. Governor Eli Remolona though has already said that the BSP may cut at a slower pace this year of 50bps (last year, they slashed by 75bps). 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 this week include Dec unemployment rate (Thurs) and Jan foreign reserve (Fri).

- **1M USDINR NDF- *Currency Flexibility?*** USDINR 1M NDF was last seen higher at 87.37 levels this morning, bucking the trend as the USD broadly softened. RBI Chief has hinted at some willingness to allow more flexible currency moves. The central bank announced plans to inject about US$18b of liquidity to ease a crunch in their banking system that arose largely from aggressive FX intervention. Liquidity shortfall is estimated to be about 3 trillion rupees and the planned liquidity injection will take place via OMO purchases of bonds (US$6.9b), FX swaps (US$5b) and repos (US$5.8b). This large shortfall due largely to intervention shows that Governor Sanjay is perhaps not letting go of the reins on the INR as much as some might suggest. India's budget was released on Sat and tax cuts of up to 1 trillion rupees for the middle class were announced. Individuals with annual income of up to 1.2m INR (~14k USD) will effectively be exempt from paying taxes. The shortfall in government revenue is expected to be offset by transfers from the RBI and government-owned banks. Eyes will now turn to the RBI decision this Fri (7 Feb 2025) where expectations of a 25bps cut to align with their neutral stance are now more likely. 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 89.00. Support at 84.50 before the next at 84.00. Data releases this week include Jan F Svcs/Comp PMIs (Wed), RBI Policy Decision and 31 Jan FX Reserves (Fri).

- **USDTHB -** ***Lower*****,** ***Cautious***. Pair was last seen at 33.68 as it pulled back in line with the broad dollar and UST yields. US JOLTS job openings had come out lower, which guiding the decline in the yields. USDCNH and USDJPY, which the USDTHB has sensitivity too have also both recently decline. Gold prices hitting another record also gave the THB support. Regardless, it still within recent ranges of 33.50 – 34.00. We stay cautious on the THB and see risks for USDTHB to be two ways for now given the highly uncertain external environment. It remains unclear still how Trump tariffs would pan out to be. The THB is among the most trade exposed currencies regionally and any news on tariffs can risk substantially weighing on it. Meanwhile, Thai PM adviser Supavud Saicheua has said that monetary policy is way too tight. We continue to stay wary of pressure on the BOT to ease rates although our economist sees they would stay on hold this year. On other domestic data, Thailand saw foreign tourist arrivals jump 21% since the start of the year as of 2 Feb with Chinese visitors topping the list. However, it would remain to be seen if this can sustain given concerns about the kidnapping of Chinese tourists. 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 Jan CPI (Thurs), 31 Jan gross international reserves/forward contracts (Fri) and Jan consumer confidence (7 – 13 Feb).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.49	3.46	-3
5YR MI 8/29	3.63	3.62	-1
7YR MO 7/32	3.79	3.79	Unchg
10YR MS 7/34	3.82	3.82	Unchg
15YR MS 4/39	3.97	3.97	Unchg
20YR MX 5/44	4.05	4.06	+1
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.62	3.62	-
9-months	3.57	3.58	+1
1-year	3.56	3.56	-
3-year	3.48	3.49	+1
5-year	3.54	3.54	-
7-year	3.60	3.62	+2
10-year	3.71	3.71	-

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

Analysts

Winson Phoon
(65) 6231 5831
winsonphoon@maybank.com

- Ringgit government bonds saw limited movement and subdued foreign flows. Attention shifts to today's 30y MGS auction, with the WI last quoted at 4.20/4.19 without trades. However, the stock was traded cash at 4.18% earlier yesterday. MGS/GII parred some of previous losses as the curve bull steepened, while the long-end yields shifted marginally higher by 1bp.

- MYR IRS had not reacted much to headline news on tariffs as local rates curve has remained stable with light trading around the 2y and 5y points. 3M KLIBOR was unchanged at 3.67%. 2y IRS traded at 3.49%. 5y IRS traded at 3.535%.

- PDS market saw better liquidity. GG names received better buying causing the spreads 1-2bp narrower with good volumes on Danainfra and Prasarana. In AAA, PLUS and DIGI spreads tightened 1-2bp, while Cagamas 12/28 dealt 4bp lower in yield though only for MYR10m. In AA1/AA+, SCC 9/26 saw MYR10m exchanged 1bp lower. AA2-rated RHB 1/33 dealt at MTM. Overall, PDS saw better buying, mainly in mid tenor bonds.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.81	2.81	-
5YR	2.84	2.85	+1
10YR	2.90	2.90	-
15YR	2.92	2.92	-
20YR	2.90	2.90	-
30YR	2.85	2.85	-

Source: MAS (Bid Yields)

- SGS saw relatively muted response to the modest uptick in UST yields. Overall, the curve was largely flat on the day except for 5y SGS which rose 1bp to 2.85% while 10y SGS yield was unchanged at 2.90%. The SORA curve underperformed, narrowing the swap spreads by 1-2bp i.e. less negative. The overnight SORA rose 2bp to 2.65% on 3 February.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.86	6.81	(0.05)
2YR	6.86	6.84	(0.02)
5YR	6.91	6.82	(0.09)
10YR	7.06	7.02	(0.05)
15YR	7.17	7.13	(0.04)
20YR	7.15	7.12	(0.03)
30YR	7.17	7.12	(0.05)

** Source: Bloomberg, Maybank Indonesia*

Analyst
Myrdal Gunarto
(62) 21 2922 8888 ext 29695
MGunarto@maybank.co.id

- Most Indonesian government bonds strengthened yesterday. Indonesian government also successfully absorbed Rp28 trillion with strong investors' enthusiasm for participating its conventional bond auction yesterday. Initially, the government has indicative target by Rp26 trillion on this auction. Investors' total incoming bids for this auction reached Rp77.08 trillion. It seemed that an investment risk to emerging markets comes back to be "on" after U.S. President Donald Trump delays implementation of higher tariff of imported goods from Canada and Mexico by each 25% for a month. We saw that Indonesian government bonds are looking attractive as long as their yields above 7.00% with solid fundamental background.

- Today, Badan Pusat Statistik is scheduled to announce the result of Indonesian economic growth during 4Q24. We expect Indonesian economy to grow stronger from 4.95% YoY in 3Q24 to be 5.08% YoY in 4Q24. Stronger growth on Indonesian economy during 4Q24 is driven by 1.) higher consumption activities by both private sector and government side during the end of year period and the Regional Head election, 2.) solid performances by on investment activities by the private side, the government, and foreign investors, 3.) hefty trade balance surplus that coming from Asian countries, India, and the United States. Indonesian consumption activities is seasonally stronger by private consumers during the end of year, especially for spending activities for foods, beverages, transportation, and accommodation. On the government side, the consumption activities increased for fulfilling the needs spending of annual routine program and infrastructure program. According to Indonesian Investment Board (BKPM), the country booked Rp452.8 trillion of investment realization during 4Q24. The national investment, according to BKPM, grew by 23.8% YoY (4.9% QoQ) in 4Q24. Both domestic direct investment and foreign direct investment grew by 14.1% YoY and 33.3% YoY to Rp207.0 trillion and Rp245.8 trillion, respectively, in 4Q24.

- For overall 2024, we expect Indonesian economy booking a growth by 5.05%. It's mostly driven by 1.) solid consumption activities due to national and regional election event, an 8.5% increase in civil servant salaries, national infrastructure development, including the New Capital City (IKN), and also social assistance. There was also a contribution of direct investment to the mining sector (especially smelters), food and beverage manufacturing, and automotive. Well, for exports, we are also helped by the trade surplus.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0462	156.03	0.6320	1.2564	7.3612	0.5702	161.5400	97.4737
R1	1.0421	155.18	0.6287	1.2522	7.3241	0.5677	160.8700	97.0123
Current	1.0378	154.00	0.6256	1.2481	7.2862	0.5657	159.8100	96.3360
S1	1.0305	153.83	0.6196	1.2409	7.2622	0.5604	159.3600	95.8323
S2	1.0230	153.33	0.6138	1.2338	7.2374	0.5556	158.5200	95.1137

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3678	4.4767	16402	58.6597	34.1753	1.4126	0.6180	3.2988
R1	1.3604	4.4604	16374	58.5023	34.0027	1.4083	0.6158	3.2880
Current	1.3521	4.4400	16355	58.3600	33.6410	1.4031	0.6142	3.2843
S1	1.3482	4.4351	16331	58.2543	33.6387	1.3998	0.6123	3.2690
S2	1.3434	4.4261	16316	58.1637	33.4473	1.3956	0.6110	3.2608

**Values calculated based on pivots, a formula that projects support/resistance for the day.*

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	3.3000	Apr-25	Neutral
BNM O/N Policy Rate	3.00	6/3/2025	Neutral
BI 7-Day Reverse Repo Rate	5.75	19/2/2025	Easing
BOT 1-Day Repo	2.25	26/2/2025	Neutral
BSP O/N Reverse Repo	5.75	13/2/2025	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	6.50	7/2/2025	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	4.75	6/2/2025	Easing
RBA Cash Rate Target	4.35	18/2/2025	Neutral
RBNZ Official Cash Rate	4.25	19/2/2025	Easing
BOJ Rate (Lower bound)	0.00	19/3/2025	Tightening
BoC O/N Rate	3.00	12/3/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	44,556.04	0.30
Nasdaq	19,654.02	1.35
Nikkei 225	38,798.37	0.72
FTSE	8,570.77	-0.15
Australia ASX 200	8,373.98	-0.06
Singapore Straits Times	3,823.01	-0.09
Kuala Lumpur Composite	1,564.56	0.70
Jakarta Composite	7,073.46	0.62
Philippines Composite	6,089.06	3.50
Taiwan TAIEX	22,793.96	0.44
Korea KOSPI	2,481.69	1.13
Shanghai Comp Index	3,250.60	#DIV/0!
Hong Kong Hang Seng	20,789.96	2.83
India Sensex	78,583.81	1.81
Nymex Crude Oil WTI	72.70	-0.63
Comex Gold	2,875.80	0.65
Reuters CRB Index	309.30	0.13
MBB KL	10.38	0.78

DISCLAIMER

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act 2001), MRPL shall be legally liable for the contents of this report.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 5 February 2025, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 5 February 2025, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 5 February 2025, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

Published by:

Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange
Singapore
Saktiandi Supaat
Head, FX Research
saktiandi@maybank.com
(+65) 6320 1379

Fiona Lim
Senior FX Strategist
Fionalim@maybank.com
(+65) 6320 1374

Alan Lau
FX Strategist
alanlau@maybank.com
(+65) 6320 1378

Shaun Lim
FX Strategist
shaunlim@maybank.com
(+65) 6320 1371

Indonesia
Juniman
Chief Economist, Indonesia
juniman@maybank.co.id
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto
Industry Analyst
MGunarto@maybank.co.id
(+62) 21 2922 8888 ext 29695

Sales
Malaysia
Zarina Zainal Abidin
Head, Sales-Malaysia, Global Markets
zarina.za@maybank.com
(+60) 03- 2786 9188

Tan Yew Yan
Head, Sales Corporates & CFS
yewyan.tan@maybank.com

Singapore
Sheetal Dev Kaur
Head, Corporates Sales (MBS)
skaur@maybank.com
(+65) 63201335

Tan Huilin
Head, Sales FI
TanHuilin@maybank.com
(+65) 63201511

Janice Loh Ai Lin
Head, Sales (MSL)
jloh@maybank.com.sg
(+65) 6536 1336

Shanghai
Joyce Ha
Treasury Sales Manager
Joyce.ha@maybank.com
(+86) 21 28932588

Indonesia
Endang Yulianti Rahayu
Head of Sales, Indonesia
EYRahayu@maybank.co.id
(+62) 21 29936318 or
(+62) 2922 8888 ext 29611

Philippines
Angela R. Ofrecio
Head, Global Markets Sales
Arofrecio@maybank.com
(+632 7739 1739)

Fixed Income
Malaysia
Winson Phoon
Head, Fixed Income
winsonphoon@maybank.com
(+65) 6231 5831

Soh Jing Ying
Fixed Income Analyst
jingying.soh@maybank.com
(+60) 3 2074 7606