Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

CPI Cools Providing Relief

Core CPI Cools, Dollar Softens, Stay Wary

There was some relief for markets yesterday as US Dec core CPI came out lower at 0.2% MoM (est. 0.3% MoM, Nov. 0.3% MoM), which essentially marked the first decline since Jun 2024. A fall in hotel prices, weaker advances in car and medical care costs in addition to measured increase in rent were drivers for the move down. The numbers were encouraging in backing a disinflation trend but regardless risks remain on the possibility of potential Trump policies adding upward price pressures. One reading for Jan we believe is unlikely to just change the Fed's less dovish stance. Markets are now seeing an increased probability of a Jun cut as implied by the futures although expectations earlier this week had already been for the next cut to happen mid-year onwards, albeit with lower probability. UST yields did see a sharp pull back and the 10Y was last seen trading around 4.66% although it is still elevated. Equity markets were stronger. The DXY also soften but remains elevated at above the 109.00 mark. Overall, markets appear to have expressed some relief from the reading but do still show signs of cautiousness. Uncertainty regarding Trump policies (talk of 100 executive orders) after he takes office can keep markets edgy. The DXY therefore can stay supported in the coming days towards the inauguration. However, the DXY is vulnerable to pullbacks given the buildup in long dollar positions and that momentum indicators show it is stretched on the upside. Trump tariffs being less severe can guide further DXY declines.

Surprise BI Cut, BOK Hold and Ueda Words Point to BOJ Jan Hike

BI surprised with a cut of 25bps to 5.75% as they appear to be concern with growth whilst the Governor Warjiyo noted that the IDR would keep steady, citing attractive yields and the country's fundamentals. For now, we stay cautious on the IDR. The 1M USDIDR NDF in itself had spiked up with resistance at 16500. The BOK meanwhile surprised by holding at 3.00%. FX risks could be a concern for the BOK. Regardless, upside risks remain for USDKRW given US tariffs threats linger on the horizon. Meanwhile, Ueda's comments looked to have put hikes on the table in Jan as he said that they will discuss on a rate hike next week. USDJPY has pushed substantially lower on the news as it was last seen around 155.59. A move towards 150.00 support can't be ruled out if the hike is realized and Trump policy announcements are not too aggressive. Bloomberg also reported that BOJ is said to see a chance of a Jan hike although that depends on data and no negative Trump surprises.

Data/Events We Watch Today

US initial jobless claims, US Dec retail sales

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0289	-0.18	USD/SGD	1.3671	0.04
GBP/USD	1.2242	0.22	EUR/SGD	1.4066	-0.16
AUD/USD	0.6227	0.52	JPY/SGD	0.8736	0.98
NZD/USD	0.5616	0.21	GBP/SGD	1.6735	0.25
USD/JPY	156.47	-0.94	AUD/SGD	0.8513	0.56
EUR/JPY	160.99	-1.13	NZD/SGD	0.7677	0.24
USD/CHF	0.9126	0.02	CHF/SGD	1.4979	0.01
USD/CAD	1.4341	-0.06	CAD/SGD	0.9533	0.08
USD/MYR	4.4988	-0.20	SGD/MYR	3.2923	0.00
USD/THB	34.728	-0.10	SGD/IDR	11938.42	0.43
USD/IDR	16320	0.34	SGD/PHP	42.8913	0.20
USD/PHP	58.608	-0.03	SGD/CNY	5.3604	-0.04

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3490	1.3765	1.4041

Analysts

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

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

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

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

G10: Events & Market Closure

Date	Ctry	Event
13 Jan	JP	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
15 Jan	ID	Policy Decision
16 Jan	KR	Policy Decision
Anytime Between 10 - 31 Jan	SG	Policy Decision

THIS REPORT HAS BEEN PREPARED BY MAYBANK
SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index - *Shallow Dips, Bearish Retracement Playing Out?*.** The DXY index softened on softer-than-expected core CPI which slowed to 3.2%y/y in Dec from previous 3.3%. Empire manufacturing also surprised to the downside at -12.6 for Jan vs. prev. 2.1. The DXY index slipped to a low of 108.60. Fed Williams also expressed confidence that inflation could slow more and that inflation expectations are well anchored. The DXY hovered around 109.10, just a tad softer than levels seen this time yesterday. Beige book was released overnight and economic activity in the US increased slightly to moderately in late 2024, driven by strong holiday sales. Employment had edged higher and wage growth picked up in most areas. That had likely supported the USD for the rest of NY session post CPI. The reversal of the USD was not seen in UST yields. 10y slipped and was last seen around 4.66%. The DXY index has looked overbought before and stochastics continued to look stretched to the upside. Bearish divergence still remains and stochastics are showing signs of turning lower from overbought conditions. There is also a rising wedge forming for the DXY index which could suggest some retracement soon. The greenback is overdue for correction and seems to be playing out. Resistance is seen at 110.10 and then at 111. Support is seen around 108.50 (21-dma). The index is about to break out of the rising wedge, paving the way for a meaningful retracement towards the 107.10. As we have suspected, the pullback in the USD is not likely to find traction ahead of Trump's inauguration. As such, there is also a chance that the 108.50-support would remain intact and sideway trades are likely for the rest of the week. Week ahead has Philly fed business outlook for Jan and Dec retail sales due on Thu. Dec housing starts and industrial production are due.

- **EURUSD - *Breaking out of Falling Wedge*.** EURUSD bounced to a high of 1.0354 before reversing back to levels around 1.0290 as we write. This was due to weaker-than-expected US PPI as well as news that Trump's economic team may want to go for a gradual step-up in tariffs. EURUSD and was last seen around 1.0246, not very different this time yesterday. Next key support is still seen around 1.0200. EU-US 10y yield gap remained rather wide at around -213bps. The divergent monetary policy outlooks and the political uncertainties surrounding the French and the German continue to weigh on the EURUSD. However, back-to-back rate cuts for Jan, Mar and Apr are well priced based on OIS. On the EURUSD chart, the next support is seen at 1.0200. The falling wedge is still in play and stochastics continue to rise from oversold conditions. EURUSD could be close to a bullish retracement. The next resistance is seen at 1.0368 (21-dma). Week ahead has Nov trade bal on Thu and Dec CPI and Nov current account on Fri.

- **GBPUSD - *Another Doji, Bullish Reversal Risks*.** GBPUSD remained in two-way swings and was last seen around 1.2244, forming another doji overnight. GBPUSD was swung higher by the broader USD sell-off post CPI release. However, that was quickly reversed ahead of Trump's inauguration. The beige book which indicated a pick-up in wage growth likely underpinned the greenback as well. Regardless of the volatility, price action continues to indicate reversal. That could bring cable back towards 1.2415. 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 over the weekend 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. In addition, data has been underwhelming these include 3Q GDP, Mfg PMI and net consumer credit. PM Starmer said he has "full confidence" in Reeves and he also emphasized that the government would stick to the fiscal rules. Back on the cable chart, rebounds to meet resistance at 1.2405. Week ahead has Nov industrial production, Mfg production and visible trade bal for Nov on Thu. Fri has Dec retail sales.

- **USDCHF – *Rising Wedge, Bearish risks*.** USDCHF slipped to levels around 0.9120 and a rising wedge continues to form and is nearing its apex. This pair could break out of the rising wedge (to the downside). At this point, there are still signs that the bullish forces are weakening on the MACD, there is a bearish divergence and stochastics seem to be plateauing in overbought conditions. With the USD in a corrective mode (lower), USDCHF may move lower from here towards 0.9070 (21-dma) before the next support is at 0.8940. Resistance is the 0.9220. Of the traditional safe-havens, it does seem that gold and CHF retain most of the safe-haven properties, with the JPY being pressured by yield differentials. Safe-havens could be better supported on heightened volatility and uncertainty in the lead up to key events like the US elections. Further rate cuts from SNB could pressure USDCHF higher and if a situation arises where it becomes the global funding currency of choice (like the JPY), then we could see more upside for USDCHF.

- **USDJPY – *Lower, Downside Risks*.** The pair was last seen at around 155.63 as it moved sharply lower over the last two sessions as Jan hikes are now looking more likely. Yesterday, Ueda had said that the branch managers meeting showed encouraging views on pay and that they would be discussing on a rate hike next week. Bloomberg has also reported this morning that the BOJ is said to see a good chance of a Jan hike although the decision would also depend partly on no negative Trump surprise and that they would check data to the last moment before deciding. OIS is now seeing a 82.1% chance of a Jan hike. We are also expecting a Jan hike of 25bps to occur barring no Trump announcement of immediate implementation of aggressive tariff or immigration policies. Domestic data has already been supportive with inflation above the 2.00% target and the wages data holding up well. USDJPY at this point is testing the 155.00 support and we do not rule out the possibility that it can break lower to test the 150.00 mark developments continue to stay favorable (increasing likelihood of severe Trump policies and news continuing to point to BOJ Jan hike). Back on the chart, resistance is at that 160.00 level with the next at 162.00 (around 2024 high). Support is at 155.00 and 150.00. Meanwhile, Dec PPI data held at 3.8% YoY (est. 3.8% YoY, Nov. 3.8% YoY), which continues to back BOJ tightening. Dec P machine tool orders was also strong at 11.2% YoY (Nov. 3.0% YoY). Remaining key data releases this week include 10 Jan buying bonds/stocks data (Fri).

- **AUDUSD – *Interim bottom*.** AUDUSD rose this morning, on the back of stronger-than-expected employment numbers – +56.3K vs. previous +28.2K. Part-time employment change rose +80.0K vs. previous -21K. Unemployment rate ticked higher to 4.0% but it was hardly a level to be worried about and still below RBA's forecast. This is not a report that could trigger a rate cut in Feb but we remain of the view that RBA can afford to start normalizing as inflation drifts lower. Key events to watch next include Trump's inauguration as well as 4Q CPI due on 29 Jan. We had looked for a retracement higher and this is coming to fruition (albeit a tad late). AUDUSD needs to break above the 0.6315-resistance before the next at 0.6355. We retain the view that we see conditions for a rebound in the near-term (0.6355), we remain bearish on the currency for 1H 2025 as we look for trade frictions between the US and China to 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 have hardly been in net long. Further signs of de-coupling between Australia's traditional ally and biggest trading partner would continue to hurt AUD sentiment this year. We continue to see RBA easing in Feb but most of markets have come joined our view with cash rate futures now implying 70% probability and this view is supported by the latest CPI release. For the rest of the week, Consumer inflation expectation for Jan is due on Thu along with Dec labor report.

- **NZDUSD – *Heavy.*** NZDUSD rose yesterday was last seen around 0.5630. Support is seen at 0.5540 before the next at 0.5510. Momentum is no longer bearish. We see some risks of reversal but NZDUSD needs to break above the 21-dma which acts as a resistance around 0.5630. Break there could bring this pair towards the next resistance around 0.5670. Markets have priced in 100bps cut for NZD, paring easing bets from 110bps cut seen last week. 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. AUDNZD fell this morning. Last see at 1.1038. This cross could head toward 1.0970 (200-dma) before the next at 1.0880. Dec food prices are due on Thu before BusinessNZ Mfg PMI is due on Fri.

- **USDCAD – *Rounding Top, Bearish*.** USDCAD edged higher and was last seen around 1.4350. Back on the USDCAD chart, pair slid towards the lower end of the 1.43-1.4450 range. The rounding top mentioned seems to be panning out and the pullback beyond current support around 1.4385 could bring the pair towards 1.43 and then at 1.4180 (50-dma). Resistance at 1.4450 is likely to remain intact. Data-wise, Dec housing starts are due on Thu.

- **Gold (XAU/USD) – *Supported by the Prospect of Conflicts*.** Gold rose overnight to levels around $2700/oz, still within the new 2600-2790 range. The bullion gained because of the fall in yields overnight triggered by the weaker-than-expected US CPI report for Dec. There seems to be an asymmetric relationship between gold and real yields where rise in yields do not have dampen the gold while the drop in real yields on the other hand, can play a part to boost gold prices. Fundamentally, Trump's ambitions to make Canada, Greenland, the Panama Canal as part of the US have likely been underpinning gold as well. In addition, there has been report that PBoC has also been buying gold on dips. As such, there is a slight Next resistance at 2711 before the next at 2750. Support around 2645.

Asia ex Japan Currencies

SGDNEER trades around +0.62% from the implied mid-point of 1.3765 with the top estimated at 1.3490 and the floor at 1.4041.

- **USDSGD - *Sideways*.** USDSGD was last seen steady at 1.3679 levels. 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. Recall that MAS stood pat in Oct. Our economists' base case is for a Jan-25 easing, although easing could be delayed if inflation is sticky and/or growth remains robust. Robust 3Q GDP print could delay easing by MAS. The trade-weighted SGDNEER is at +0.98% above the mid-point this morning. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue. MAS appears to be in no hurry to ease, especially not when growth and inflation outcomes are essentially in line with their expectations. MAS Chief Economist seems to have hinted at MAS not being able to ease as easily as an interest rate regime in his speech on monetary policy. We think that the SGDNEER outperformance could taper as Fed cuts come in, although we do not expect SGDNEER to tank. 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 1.3490 and 1.3530. Supports are 1.3400 and 1.3340. Nov FX Reserves came in lower at US$377.23b (prev: US$383.72b). Waiting for MAS' balance sheet update (likely mid-month) to see if there is a corresponding drop in government deposits that could indicate transfer of reserves to GIC for longer term management. Unlikely that drop in reserves was MAS selling USD to slow pace of SGDNEER moderation given that SGDNEER still remains at a relatively strong level in the band. We watch out for any MAS decision between 10 – 31st Jan.

- **SGDMYR - *Hovering around the 3.30 level*.** SGDMYR was last seen at 3.2894 levels this morning with both SGD and MYR trading sideways. Resistances at 3.32 followed by 3.35. Support at 3.28.

- **USDMYR - *Sideways*.** Pair was last seen at 4.4955 as it traded sideways. External developments remain the main focus for 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 4.5300 and 4.6300. Support at 4.4400 before the next at 4.3600. Key data releases this week include 2024 A GDP and 4Q A GDP (Fri).

- **USDCNH - *Reined in*.** USDCNH traded around 7.3470, inching a tad lower along with broader USD pullback. We had thought that a RRR cut before LNY may not happen because 7-day reverse repo cash injections become increasingly utilized for liquidity provision. However, there is again some speculation of RRR cut before LNY. PBoC tends to cut RRR rate before the Spring festival due to tax requirements, cash demand by residents for the festival as well as the MLF expiration. There is a possibility that the OMOs may be used instead of RRR cuts as the room for further cuts reduce. With regards to the yuan, there has been jawboning (by PBoC and SAFE), capital tweaks, offshore yuan bills issuance utilized to prop up the yuan. The USDCNY which has reached the upper bound of the trading band at around 7.3320, is flat-lining. Daily fix has become a flat line around 7.1890, last at 7.1881. Another sub-7.20 fix sends a messaging that the PBoC still wants to slow the pace of depreciation of the CNY and cap the USDCNY around 7.3320 for now. Key resistance for USDCNH is seen at 7.3700.

- **1M USDKRW NDF - *Sideways, cautious*.** 1M USDKRW NDF initially declined but erased this and was last seen trading around 1454.77. The BOK against market expectations actually held rates at 3.00%. Currency weakness looked to have kept the BOJ from moving even amid the economic concers. The central bank did say, “downside risks to economic growth have intensified and the volatility of exchange rates has increased due to unexpected political risks that have recently escalated”. Despite the BOK move to hold rates, we remain cautious on KRW and still see upside risks on the 1M USDKRW NDF given the political uncertainty in addition to concerns related to Trump tariffs targeted on China and in turn impact Korea. Further easing of rates is also still a possibility. Back on the chart, resistance is at 1500 with the next level after that at 1550. Support is at 1440 and 1415.). There are no remaining key data releases this week.

- **1M USDINR NDF- *Currency Flexibility*.** USDINR 1M NDF was last seen lower at 86.65 levels this morning. RBI Chief has hinted at some willingness to allow more flexible currency moves. We see RBI potentially cutting rates at their next meeting (7 Feb) to align with their current neutral stance especially if disinflationary path progresses. Resistance at 89.00. Support at 84.50 before the next at 84.00.

- **1M USDIDR NDF – *Higher, Cautious*.** 1M USDIDR NDF was last seen at 16413 as it moved up higher after a surprise BI rate cut of 25bps to 5.75%. Growth concerns look to have driven the decision as Governor Perry Warjiyo stated that “monitor for space to further support economic growth”. The move surprised markets given that the IDR has been under pressure and in prior meetings, the central bank had prioritize stabilizing the currency. However, it does look like BI may be trying to adopt a more balanced approach to its rate decisions. Our economist sees another 50bps cuts this year with the possibility that BI may prefer to frontload rate reductions to support growth. A decline in US core CPI and the UST yields and broad dollar coming off may have tempered some of the 1M USDIDR NDF increase. Given yields and the broad dollar nonetheless are still elevated and there is uncertainty building up to Trump policy announcements, we are cautious on the 1M USDIDR NDF. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800. Meanwhile, Dec trade balance out yesterday was narrower at $2.3bn (est. $3.7bn, Nov. $4.4bn) but still in surplus nonetheless. Nov external debt was roughly stable at $424.1bn. There are no remaining key data releases this week.

- **1M USDPHP NDF – *Lower, cautious*.** The 1M USDPHP NDF was last seen lower at 58.57 as UST yields decline and broad dollar was lower after a decline in US core CPI. Regardless, the latter two are still elevated and with uncertainty regarding Trump’s first policy announcements after inauguration (less than a week away), we stay cautious no the 1M USDPHP NDF. However, the JPY appreciating may be helping to provide some support for Asian FX and further JPY appreciation amid possible BOJ hikes next week can provide some relief for Asian FX. PBOC firmness to stabilize the CNY/CNH is also helping to give some support too to Asian FX. Domestically, Governor Eli Remolona has said there is room to ease policy as it is still restrictive even as he also commented that tariff threats pose challenges to the Philippine economy. He also noted that the BSP does not decide monetary policy based only on the Fed even as he sees the Fed has become more cautious than before. BSP rate easing is already expected by the market though and the impact on the currency can therefore be limited. Meanwhile, higher oil prices amid US sanctions on Russia are a negative risk for the PHP given the country is a net oil importer although for now, prices are still hovering around 70 – 80 as it was for much of last year. Resistance is at 59.47 (around the recent Dec high) and 60.60. Support is at 57.79 (200-dma) and 57.00. Meanwhile, Nov OFWR released yesterday was a positive for the currency as it saw stronger than expected gains at 3.3% YoY (est. 3.0% YoY, Oct. 2.7% YoY). There are no remaining key data releases this week.

- **USDTHB -** ***Lower*****,** ***Cautious*****.** Pair was last seen at 34.54 as decline in US core CPI helped guide the broad dollar and the UST yields lower. Gold prices also climbed which was supportive for the THB. Regardless, the broad dollar and the UST yields are still elevated. We stay cautious on the USDTHB given Trump policy uncertainty (on tariffs, immigration, regulation and tax cuts) with the inauguration less than a week away. JPY appreciating may be helping to provide some support for Asian FX and further JPY appreciation amid possible BOJ hikes next week can provide some relief for Asian FX. PBOC firmness to stabilize the CNY/CNH is also helping to give some support too to Asian FX. Back on the chart, resistance is at 34.80 with the next level at 35.10 (high on Nov 2024 post Trump election before a retracement). Support is at 33.50 and 33.00. Remaining key data releases this week include 10 Jan gross international reserves/forward contracts (Fri).

- **USDVND -** ***Capped for now.*** USDVND was last seen around 25385. This pair seems to be rather stable recently with the 25500-resistance capping this pair. USDCNY pullback this morning might also have inspired the USDVND to fall as well. Support is seen around 25325 before the next at 25255. At home, Makara Capital signed a cooperation agreement with Vietnam's Newtechco Group and plans to invest in a roughly 300hectare biopharmaceutical industrial park in Thai Binh province (BBG).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.48	3.47	-1
5YR MI 8/29	3.63	3.62	-1
7YR MO 7/32	3.80	3.79	-1
10YR MS 7/34	3.83	3.82	-1
15YR MS 4/39	3.96	3.96	Unchg
20YR MX 5/44	4.06	4.05	-1
30YR MZ 3/53	4.18	4.18	Unchg
IRS			
6-months	3.64	3.64	Unchg
9-months	3.60	3.60	Unchg
1-year	3.59	3.58	-1
3-year	3.55	3.53	-2
5-year	3.60	3.59	-1
7-year	3.67	3.66	-1
10-year	3.78	3.76	-2

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

- Ringgit bonds saw slightly stronger trading with healthy price action on the short- to medium- maturities. Sentiment was also supported by firmer global bond prices as Euromarkets opens after UK inflation came out lower than expected. In addition, Bank of Indonesia surprised the market with a quarter point cut to 5.75%, though MGS had minimal reaction to the news. Meanwhile, the back-end of the curve remained stable with light trading activity. MGS yields generally eased 1bp across the tenors except 15y and 30y MGS.

- MYR IRS closed 1-2bp lower across the curve after initially opening a tad higher. 3M KLIBOR was unchanged at 3.68%. 2y IRS traded at 3.535%. 5y IRS traded at 3.59% and 3.60%.

- In the PDS market, activities were muted. In GG, there was some buying interest and spread tightened 1-2bp, specifically Danainfra and Prasarana. In AAA segment, Pengurusan Air Selangor 10/36 saw MYR50m dealt 1bp lower. In AA1/AA+, RHB 11/28 and UOB traded 2-3bp higher, though only for small amount. In AA2, Imtiaz Sukuk II 10/31 traded 1bp lower.

Analysts

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

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.97	2.97	Unchg
5YR	3.02	3.02	Unchg
10YR	3.09	3.09	Unchg
15YR	3.08	3.07	-1
20YR	3.04	3.02	-2
30YR	2.99	2.97	-2

Source: MAS (Bid Yields)

- Sentiment in the SGS market stabilised with better bids in the long end. Yields in the 15-30y sector fell 1-2bp on the day while other parts of the curve were unchanged, resulting in a flatter curve. 10y SGS was unchanged at 3.09%. The overnight SORA was flat at 2.93% on 14 Jan 2025.

Indonesia Fixed Income

Rates Indicators

RPGov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	7.13	7.17	0.04
2YR	7.07	7.06	(0.01)
5YR	7.16	7.07	(0.09)
10YR	7.28	7.27	(0.01)
15YR	7.34	7.35	0.01
20YR	7.38	7.39	0.01
30YR	7.29	7.30	0.00

** Source: Bloomberg, Maybank Indonesia*

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

- Most Indonesian government bonds revived after receiving various positive news from the domestic side, in the form of consistent hefty trade surplus until Dec-24 and a surprise of policy rate cut by Bank Indonesia. Bank Indonesia's latest policy rate cut is expected to give positive impact for the local bond market further amidst persistent external pressures.

- Unexpectedly, Bank Indonesia lowered the BI Rate by 25 bps to 5.75% at its last monetary meeting on 15 Jan-25, amidst the global strengthening trend of the US$. This is a signal that Bank Indonesia is changing the main stance of its monetary policy from focusing on maintaining economic stability to focusing on encouraging the economy to grow more aggressively. Moreover, after the election of Donald Trump as the new President of the United States, stronger pressures have emerged threatening the global economic outlook. Indonesia's economic activity, which is estimated to be less strong than Bank Indonesia's initial projection, appears to be the main driver for the BI Rate reduction.

- Bank Indonesia estimates that Indonesia's economic growth will be slightly lower than 5.1% in 2024. Then, Bank Indonesia lowered its projection for Indonesia's economic growth for 2025 from 4.8%-5.6% to 4.7%-5.1%. The decision to lower the BI Rate seems to give a strong sign that Bank Indonesia is very confident in facing imported inflation pressures amidst the global strengthening of the US$ and the increase in the yields of U.S. government bonds. Bank Indonesia will face this condition with the capital of Indonesia's current condition which has abundant foreign exchange reserves, a consistent trade surplus position, and the portion of foreign investors in Indonesia's investment asset ownership which is already thinning. Moreover, both Bank Indonesia and the government are preparing technical efforts to maintain the supply of foreign currency domestically, through a policy of extending the holding period with a larger portion for Export Proceeds from Resource Commodities, especially Minerals and Coal and Palm Oil. The movement of the Rupiah exchange rate is expected not to be drastically volatile in the future. The highest resistant level for USDIDR is currently at 16455.

- Furthermore, we see that the BI Rate's room to go down again is still wide open, especially after the peak season period (Ramadan & Lebaran) or after the latest policy from Donald Trump has been priced in anticipated by economic actors and market players, and then there is a decision again from The Fed to lower its monetary interest rate. Although, on the other hand, we also see that it is possible that the BI Rate will fall again next month amidst the still wide gap between the BI Rate level and Indonesian inflation as well as an effort to create stronger synergy between Bank

Indonesia and the government to boost Indonesia's economic performance from the internal side. The Indonesian government seems to be very all out in its efforts to boost the domestic economy, through the provision of various fiscal stimulus packages and the implementation of an increase in Value Added Tax rates which are only limited to Luxury Goods. Bank Indonesia still estimates that Indonesian inflation will still be within the target range of 2.5% +/- 1% in 2025 and 2026.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0395	158.96	0.6284	1.2380	7.3610	0.5675	163.6500	98.2403
R1	1.0342	157.72	0.6256	1.2311	7.3549	0.5646	162.3200	97.8367
Current	1.0286	155.79	0.6215	1.2225	7.3492	0.5612	160.2500	96.8250
S1	1.0248	155.59	0.6190	1.2168	7.3392	0.5592	160.2300	97.1297
S2	1.0207	154.70	0.6152	1.2094	7.3296	0.5567	159.4700	96.8263

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3726	4.5106	16382	58.7187	34.9707	1.4177	0.6153	3.3006
R1	1.3699	4.5047	16351	58.6633	34.8493	1.4122	0.6145	3.2964
Current	1.3677	4.5025	16380	58.5080	34.5790	1.4068	0.6141	3.2923
S1	1.3638	4.4957	16290	58.5813	34.5683	1.4030	0.6132	3.2895
S2	1.3604	4.4926	16260	58.5547	34.4087	1.3993	0.6127	3.2868

**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	Jan-25	Neutral
BNM O/N Policy Rate	3.00	22/1/2025	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	20/2/2025	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	16/1/2025	Easing
Fed Funds Target Rate	4.50	30/1/2025	Easing
ECB Deposit Facility Rate	3.00	30/1/2025	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	24/1/2025	Tightening
BoC O/N Rate	3.25	29/1/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	43,221.55	1.65
Nasdaq	19,511.23	2.45
Nikkei 225	38,444.58	-0.08
FTSE	8,301.13	1.21
Australia ASX 200	8,213.27	-0.22
Singapore Straits Times	3,772.58	-0.43
Kuala Lumpur Composite	1,562.12	-0.91
Jakarta Composite	7,079.56	1.77
Philippines Composite	6,330.46	0.49
Taiwan TAIEX	22,514.57	-1.24
Korea KOSPI	2,496.81	-0.02
Shanghai Comp Index	3,227.12	-0.43
Hong Kong Hang Seng	19,286.07	0.34
India Sensex	76,724.08	0.29
Nymex Crude Oil WTI	80.04	3.28
Comex Gold	2,717.80	1.32
Reuters CRB Index	312.17	1.58
MBB KL	10.14	-0.59

DISCLAIMER

This report is for information purposes only and under no circumstances is it to be considered or intended as an offer to sell or a solicitation of an offer to buy the securities or financial instruments referred to herein, or an offer or solicitation to any person to enter into any transaction or adopt any investment strategy. Investors should note that income from such securities or financial instruments, if any, may fluctuate and that each security's or financial instrument's price or value may rise or fall. Accordingly, investors may receive back less than originally 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 and/or financial instruments 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 Malayan Banking Berhad and/or its affiliates and related corporations (collectively, “Maybank”) and consequently no representation is made as to the accuracy or completeness of this report by Maybank and it should not be relied upon as such. Accordingly, no liability can be accepted for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Maybank and its officers, directors, associates, connected parties and/or employees may from time to time have positions or be materially interested in the securities and/or financial instruments referred to herein and may further act as market maker or have assumed an underwriting commitment or deal with such securities and/or financial instruments and may also perform or seek to perform investment banking, advisory and other services for or relating to those companies whose securities are mentioned in this report. Any information or 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 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.

This report is prepared for the use of Maybank'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. Maybank 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.

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.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail 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 16 January 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 16 January 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 16 January 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.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

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