17 January 2025

Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Staying on the Edge

Caution Ahead of Trump's Inauguration

Overnight, markets seem to be expressing some sense of caution, building up to Trump's inauguration on Monday. The DXY had come off slightly more on some pullback supported by two factors. The first look to have been due to some closing off of positions after a strong run that was built up by high anxiety regarding Trump policies and US data. UST yields also had fallen further and the 10y yield was last seen around 4.61%. US core CPI saw a decline two sessions back whilst Waller yesterday had mentioned that the reading was very good and that if there is continued good data, it is reasonable to think of rate cuts in 1H 2025. Also, Scott Bessent's nomination hearing yesterday looked to have also provided some assurance of more measured policy making as the Treasury Secretary nominee mentioned that Fed decisions should stay independent. He also seemed to show strong command of key policy topics whilst avoiding the drama that engulf other nomination hearings. He did stress the importance of extending the US tax cuts and warning on an economic crisis if they expire. These developments likely supported markets to possibly pare back heavy long dollar positioning in case Trump's policy announcements post taking office do not come out too severe or if the Fed again leans more dovish. Meanwhile, the second factor revolved around the JPY appreciating amid increasing expectations that the BOJ would hike rates next week. We see a BOJ Jan hike of 25bps occurring and markets are likely to price this in more, supporting further JPY strengthening. Overall, nonetheless, the greenback and UST yields are still elevated although vulnerability for the dollar to come off further is there but such declines can be limited in nature. Key support level is at 108.50.

Better than Expected China Activity Data, Malaysia GDP Release

China activity data surprised on the upside with the 4Q GDP data coming out at 5.4% (est. 5.0%) whilst the 2024 overall level met the target at 5.0% YoY. Dec IP was also stronger whilst Dec retail sales picked up. Home sale price declines did slow although fixed investment growth also slowed. CNH was stronger on this and looks to have given Asian FX some support. Meanwhile, Malaysia 4Q A GDP would be out later and our economist sees that it may have moderated from the 3Q level of 5.3% YoY whilst the overall 2024 growth is likely to be strong at 5.2% YoY. Such strong economic fundamentals looks to be backing an element of MYR resiliency in the face of global challenges that include the Trump tariffs.

Data/Events We Watch Today

MY 4Q A GDP, US Dec IP, UK Dec retail sales, EC Dec F CPI

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0301	0.12	USD/SGD	1.367	-0.01
GBP/USD	1.2239	-0.02	EUR/SGD	1.4076	0.07
AUD/USD	0.6213	-0.22	JPY/SGD	0.8806	0.80
NZD/USD	0.5607	-0.16	GBP/SGD	1.6723	-0.07
USD/JPY	155.16	-0.84	AUD/SGD	0.849	-0.27
EUR/JPY	159.85	-0.71	NZD/SGD	0.766	-0.22
USD/CHF	0.9109	-0.19	CHF/SGD	1.5002	0.15
USD/CAD	1.4395	0.38	CAD/SGD	0.9494	-0.41
USD/MYR	4.503	0.09	SGD/MYR	3.2932	0.03
USD/THB	34.6	-0.37	SGD/IDR	11979.96	0.35
USD/IDR	16360	0.25	SGD/PHP	42.8712	-0.05
USD/PHP	58.599	-0.02	SGD/CNY	5.365	0.09

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3473	1.3749	1.4024

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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

G10 Currencies

- **DXY Index - *Shallow Dips, Bearish Retracement Playing Out?*** The DXY index softened a tad more on Waller's comment that there could be fresh cuts by Jun as long as inflation remains as positive as December's. He even added that there could a rate cut in Mar. Official's median estimate of the so-called neutral rate, may translate to three or four cuts this year but the Fed remains data dependent. The fall in the USD was in tandem with the pullback of the UST yields. Perhaps the biggest decline was against the JPY as recent BOJ comments revived expectations on a hike next week. The DXY index is now testing the lower around 108.90. The DXY index has looked overbought before and stochastics continued to look stretched to the upside. Bearish divergence still remains and could be playing out. There is also a rising wedge forming for the DXY index which could suggest some retracement soon. The greenback is overdue for correction and the DXY index is at the brink of breaking out of the rising wedge. Resistance is seen at 110.10 and then at 111. Support is seen around 108.69 (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 today.

- **EURUSD - *Heavy*.** EURUSD waffled sideways and was last seen around the 1.03-figure. Waller's comments probably softened the USD a tad and kept the EURUSD from falling further. Key support remains around 1.0200. EU-US 10y yield gap has been narrowing steadily and was last seen around -206bps vs. a low of around 227 in Dec. 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 although the 21-dma at 1.0368 still acts as a formidable resistance and keeping the pair heavy within a trend channel.

- **GBPUSD - *Bullish Reversal Risks*.** GBPUSD traded sideways and was last seen around 1.2230, forming another doji overnight. This pair has been trapped in sideway trades. The UK GDP for Nov had surprised to the downside at +0.1%m/m vs. previous -0.1%, missing median estimate of +0.2%. On a rolling three-month basis, GDP was flat and output growth for the prior three months was also revised down to flat. GBPUSD inched lower but the cable was swung higher by the broader USD weakness due to Waller's dovish comments. Arguably, GBPUSD is still at risk of two-way trades given markets' doubts on the UK growth prospects. 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. Back on the cable chart, rebounds to meet resistance at 1.2405. Support at 1.2100. Data-wise, Fri has Dec retail sales.

- **USDCHF - *Rising Wedge, Bearish risks*.** USDCHF slipped to levels around 0.9100 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.

- **USDJPY - *Lower, Downside Risks*.** The pair was last seen at around 155.31 as it continued its move downwards amid rising expectations of a BOJ hike next week as a Bloomberg survey shows that three quarters of economist see that happening. We are expecting that there could be a 25bps hike by the BOJ at that meeting. OIS is also implying an 88.4% probability of a move. Just recently, 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. Market is likely to keep continuing to keep pricing this scenario into next week and we see that there could still be further downward moves in the USDJPY. At this point the USDJPY is testing the 155.00 support and a decisive break below it can guide the pair to move lower towards the 150.00 level. Resistance is at that 160.00 level with the next at 162.00 (around 2024 high). There are no remaining key data releases this week.

- **AUDUSD - *Interim bottom*.** AUDUSD ticked higher to levels around 0.6220 on the back of stronger-than-expected activity data out of China. GDP for the full year 2024 came in at 5.0%. 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 ha e 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 - *Building a Bottom*.** NZDUSD rose yesterday was last seen around 0.5610. 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.

- **USDCAD - *Rounding Top*, *Bearish*.** USDCAD was last seen around 1.4400. 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.

- **Gold (XAU/USD) –** ***Supported by the Prospect of Conflicts***. Gold rose overnight to levels around $2715/oz, still within the new 2600-2790 range. The bullion gained because of the fall in yields overnight triggered by Fed Waller's dovish comments. 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. Next resistance at 2711 before the next at 2750. Support around 2645.

Asia ex Japan Currencies

SGDNEER trades around +0.70% from the implied mid-point of 1.3749 with the top estimated at 1.3473 and the floor at 1.4024.

- **USDSGD - *Sideways*.** USDSGD was last seen steady at 1.3656sgdmyr 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 3.2956 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 4.50002 as it traded sideways. External developments remain the main focus for the MYR especially those related to the US and China. Better China economic data looks to have given some support to Asian FX including the MYR. 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 inched lower and was last seen around 7.34. Dec data is just out with GDP picking pace to 5.4%y/y from previous 4.6%. Full year GDP meets target at 5.0%. Industrial production quickens in pace to 6.2%y/y from previous 5.4%. Retail sales accelerated to 3.7%y/y from previous 3.0%. Fixed assets ex rural slowed to 3.2%y/y (ytd) from previous 3.3%. Full year FDI rose 5.1%. New home prices posted a smaller decline of -0.1%m/m from previous -0.2%. Property investment for the full year still clocked a fall of 10.6%. Residential property sales also shrunk by 17.6%. Yuan finally finds a fundamental reason to strengthen a bit. There was a bit of upside surprise on most activity data and that is translating to yuan gains. Arguably growth momentum is still weak, outlook is still fraught with uncertainty. With USDCNY and USDCNH capped on the upside, markets have some reason to play for some interim CNY retracement. The latest data is reason enough, especially with USD and UST yields looking a tad softer. The anticipation for Trump's inauguration on Mon could keep the USDCNY supported on dips. But with quite a bit of fear and expectations priced in the USD, any signs of scaling back in terms of policies (deregulation, deportation, tariffs) at his inaugural speech or executive orders could also provide some reason for USD to pullback in the interim.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 7.1889. 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 was last seen at 1453.43 as it traded sideways. Better China activity data out this morning helped guide the USDCNH lower and gave some support to Asian FX. Regardless, there remains plenty of concerns for the 1M USDKRW NDF. 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. Trump tariffs and the US – China tensions also do not bode well for Korea. We see markets are likely to stay cautious too and so are we too amid these concerns. Upside risks remain for 1M USDKRW NDF. For near term, we are watching how both the political situation developments and also how Trump's first policy announcements after inauguration next Monday would pan out to be. 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 86.79 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 - *Sideways, Cautious*.** 1M USDIDR NDF was last seen at 16403 as it traded sideways around yesterday's levels. The better China economic data this morning did though help guide USDCNH lower and provided support to other Asian FX. BI had surprised with a move to cut rates by 25bp to 5.75% on Wed as the central bank looked to become more balanced in its decision. Previously, BI prioritized IDR stability. However, it seems now they are looking to also have a focus on supporting growth with the central bank having revised down their growth forecasts. They also appear to be looking to align the IDR policies with other economic parameters such as the inflation levels. We note that authorities continue to be in the market to ensure IDR stability as they had mentioned yesterday. For the near term, just like other Asian pairs, we remain cautious on the 1M USDIDR NDF as we build up to Trump's inauguration on Monday. There is immense uncertainty on the severity of his first policy announcements after taking office. We do note that if Trump's policies do not turn out so severe, this can guide the dollar and provide some relief to Asian FX. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800. There are no remaining key data releases this week.

- **1M USDPHP NDF - *Sideways, cautious*.** The 1M USDPHP NDF was last seen lower at 58.57 with DXY still holding elevated at around the 109.00 level. UST yields had come off but the 10y too was elevated at 4.61%. The better China economic data this morning did though help guide USDCNH lower and provided support to other Asian FX. Markets as a whole are likely staying cautious ahead of Trump's inauguration next week and the incoming President's first policy announcements. Similarly, we are also staying cautious of USDAsian pairs including the 1M USDPHP NDF given the uncertainties surrounding how Trump's early policies would pan out to be like. We do note that if Trump's policies do not turn out so severe, this can guide the dollar and provide some relief 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 can pose 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. There are no remaining key data releases this week.

- **USDTHB - *Lower, Cautious*.** Pair was last seen at 34.47 as it declined this morning as the better China economic data helped guide the USDCNH lower and provide a lift to Asian FX. Regardless, markets are looking as a whole still stay cautious ahead of the Trump inauguration on Monday given the uncertainty regarding his first policy announcements and how it could impact China. Gold prices have also climbed providing some support to the THB. For now, we are similarly staying cautious on the USDTHB given the risks associated with Trump early policy announcements. 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 25352. 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.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.47	3.45	-2
5YR MI 8/29	3.62	3.61	-1
7YR MO 7/32	3.79	3.78	-1
10YR MS 7/34	3.82	3.82	Unchg
15YR MS 4/39	3.96	3.98	+2
20YR MX 5/44	4.05	4.06	+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	3.58	3.58	Unchg
3-year	3.53	3.53	Unchg
5-year	3.59	3.60	+1
7-year	3.66	3.67	+1
10-year	3.76	3.77	+1

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

- The strong UST rally overnight had had little impact on Ringgit bonds. Local market opened calm as investors held their nerves despite the persistent volatility in US rates. The MGS curve steepened with some selling pressures at the long end where the 15y and 20y yields increased 1-2bp, while the short end and belly yields fell slightly.

- MYR IRS opened lower which attracted strong paying interest. At the close MYR rates rose about 1bp from the belly to the long end of the curve. 3M KLIBOR was unchanged at 3.68%. 5y IRS traded at 3.56% and 3.57%.

- In the PDS market, activities were muted. In GG, Danainfra spread tightened 1-2bp with total MYR80m volumes. In AAA segment, Infracap 4/28 and MAHB 11/31 traded 2bp lower in yield, while PLUS 1/30 and SEB mid tenor bonds dealt at MTM levels. In AA2, Sunway Healthcare 4/29 traded 1bp lower, while PONSB Cap 6/29 traded rangebound. In A1/A+, MNRB 3/34 saw MYR20m dealt at MTM.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.97	2.90	-7
5YR	3.02	2.96	-6
10YR	3.09	3.01	-8
15YR	3.07	3.00	-7
20YR	3.02	2.96	-6
30YR	2.97	2.91	-6

Source: MAS (Bid Yields)

- SGS yields fell 6-8bp across all tenors tracking the UST strength in the prior trading session post-US CPI. 10y SGS yield eased 8bp to 3.01%. The overnight SORA declined 12bp to 2.81% on 15 Jan 2025.

Indonesia Fixed Income

Rates Indicators

RPGov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	7.17	7.12	(0.05)
2YR	7.06	7.02	(0.04)
5YR	7.07	6.99	(0.08)
10YR	7.27	7.17	(0.09)
15YR	7.35	7.29	(0.07)
20YR	7.33	7.34	0.02
30YR	7.30	7.30	(0.00)

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds appreciated yesterday. We thought that it's driven by a subdued pressures on the global sentiment and Bank Indonesia's latest policy rate cut by 25 bps. We keep seeing a broader room for Bank Indonesia to loosen its policy rate during current era of low inflation with solid external position, in the form of abundant of foreign reserves and lower exposures by foreign investors on domestic financial assets. Moreover, Indonesian real sector still needs a lower costs for both expansion and financing activities. The latest condition showed that the sales on Indonesian durable goods, such as new car sales, were less impressive during 2024.

- Meanwhile, a subdued pressures on the global financial market appeared after receiving updates of 1.) no new controversial issues by Donald Trump, 2.) a lower tension with potential immediate ceasefire on the Middle East between Israel and Hamas, 3.) latest modest U.S. CPI inflation result by 2.9% YoY on the peak season in Dec-24, and 4.) a dovish statements by various Fed's policy members after seeing the latest result of U.S. inflation.

- Both the positions of the yields of U.S. 10Y government bonds and DXY Dollar index dropped from 4.79% and 109.27 on 14 Jan-24 to be 4.61% and 108.96, respectively, on 16 Jan-24. For short term, those aforementioned conditions are a good sign for taking positive momentum on Indonesian bond market. Indonesian government bonds are still looking attractive with recently offering yields. However, we keep seeing several potential risks for positioning on the Indonesian bond markets, such as 1.) high fears on incoming U.S. leadership era by Donald Trump with his strict trade protectionism and swelling fiscal deficit by loosening of corporate tax, 2.) a side effects of swelling inflation and fiscal burden for the net oil importers country, such as Indonesia during era of high oil prices. We thought that Indonesia will receive higher fiscal pressures if the oil prices is consistent staying above US$84/barrel with weak position of Rupiah against US$ for more than 3 months during 1 year. Currently, the Brent oil prices stays at US$81.48/barrel.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0346	157.01	0.6271	1.2310	7.3567	0.5658	161.5700	98.1787
R1	1.0324	156.09	0.6242	1.2274	7.3518	0.5633	160.7100	97.2813
Current	1.0307	155.28	0.6215	1.2241	7.3398	0.5613	160.0300	96.5060
S1	1.0270	154.67	0.6188	1.2189	7.3421	0.5582	159.3700	95.9063
S2	1.0238	154.17	0.6163	1.2140	7.3373	0.5556	158.8900	95.4287

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3720	4.5133	16434	58.7063	34.7553	1.4110	0.6156	3.3017
R1	1.3695	4.5082	16397	58.6527	34.6777	1.4093	0.6149	3.2975
Current	1.3658	4.5025	16366	58.5180	34.4610	1.4076	0.6145	3.2964
S1	1.3647	4.4952	16338	58.4867	34.5037	1.4053	0.6131	3.2873
S2	1.3624	4.4873	16316	58.3743	34.4073	1.4030	0.6121	3.2813

**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	25/2/2025	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	43,153.13	0.16
Nasdaq	19,338.29	0.89
Nikkei 225	38,572.60	0.33
FTSE	8,391.90	1.09
Australia ASX 200	8,326.96	1.38
Singapore Straits Times	3,801.13	0.76
Kuala Lumpur Composite	1,555.54	0.42
Jakarta Composite	7,107.52	0.39
Philippines Composite	6,265.52	1.03
Taiwan TAIEX	23,025.10	2.27
Korea KOSPI	2,527.49	1.23
Shanghai Comp Index	3,236.03	0.28
Hong Kong Hang Seng	19,522.89	1.23
India Sensex	77,042.82	0.42
Nymex Crude Oil WTI	78.68	1.70
Comex Gold	2,750.90	1.22
Reuters CRB Index	311.35	0.26
MBB KL	10.14	0.00

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