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Global Markets Daily

Deportations, Deregulations *in Focus*, oh and Tariffs too!

Inaugural speech Focuses on immigration and deregulations

Trump's inaugural address was focused on immigration and deregulations to unleash domestic crude production. He will declare a national emergency at the border to crack down on a surge in undocumented migrants, end the policy by which migrants are released while they await an asylum hearing, send troops to the southern border and designate drug cartels as foreign terrorist organizations. He also vowed to declare a national energy emergency to tackle inflation by enabling new O&G development on federal lands and roll back Biden's climate regulations. Just when we thought tariffs could take a backseat as Trump held off immediate tariffs on China, he mentioned that he is "thinking in terms of 25% (tariffs) on Mexico and Canada" on Feb 1st.

USD Claws Back Overnight Losses

Upon his casual mention of tariffs on Mexico and Canada, USD rebounded, clocking the greatest gains against the CAD, AUD and NZD this morning. Asians were relatively stronger, taking relief from the delay on the immediate tariffs on China. MYR, TWD were up, catching up on overnight action. CNH gave up some of its overnight gains vs. the USD after Trump's latest mention of tariffs on Mexico and Canada. Thus far, Trump has been a tad friendlier to China and issued an executive order for the Department of Justice not to enforce Tiktok ban for 75 days, effectively extending the deadline for a joint venture. The ban was meant to take effect on 19 Jan. The executive order is an attempt to override a bipartisan law that enforces the ban.

Data/Events We Watch Today

UK ILO labour report for Nov is due today, followed by Germany ZEW survey for Jan. Canada CPI (Dec).

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0416	1.39	USD/SGD	1.3564	-0.88
GBP/USD	1.2328	1.31	EUR/SGD	1.4129	0.52
AUD/USD	0.6275	1.32	JPY/SGD	0.8715	-0.46
NZD/USD	0.5672	1.56	GBP/SGD	1.6719	0.41
USD/JPY	155.62	-0.44	AUD/SGD	0.8511	0.46
EUR/JPY	162.09	0.95	NZD/SGD	0.7693	0.65
USD/CHF	0.9067	-0.91	CHF/SGD	1.4959	0.05
USD/CAD	1.431	-1.15	CAD/SGD	0.948	0.29
USD/MYR	4.4935	-0.28	SGD/MYR	3.2908	-0.20
USD/THB	34.104	-1.04	SGD/IDR	11996.55	0.13
USD/IDR	16368	-0.07	SGD/PHP	42.8966	0.04
USD/PHP	58.522	-0.16	SGD/CNY	5.3603	0.10

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3412	1.3686	1.3960

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G10: Events & Market Closure

Date	Ctry	Event
20 Jan	World	Davos Day: World Economic Forum
20 Jan	NZ	Market Closure
20 Jan	US	US Market Closure
24 Jan	JN	BoJ Policy Decision

AXJ: Events & Market Closure

Date	Ctry	Event
22 Jan	MY	BNM Policy Decision
24 Jan	SG	MAS Policy Decision

G10 Currencies

- **DXY Index - *Break-Out of Rising Wedge*.** The DXY index softened and broke out of the rising wedge with a dip to a low of 107.92. This was a correction we had been waiting for as we have looked for *"a break of the support at 108.80 opens the way towards 107.40"*. Resistance at 110. Trump's inaugural address was focused on immigration and deregulations to unleash domestic crude production. He will declare a national emergency at the border to crack down on a surge in undocumented migrants, end the policy by which migrants are released while they await an asylum hearing, send troops to the southern border and designate drug cartels as foreign terrorist organizations. He also vowed to declare a national energy emergency to tackle inflation by enabling new O&G development on federal lands and roll back Biden's climate regulations. Trump held off immediate tariffs on China provided USD some relief overnight until he mentioned in early Asia morning that he is "thinking in terms of 25% (tariffs) on Mexico and Canada" on Feb 1st. That drove the DXY index back to mid-108 levels again. Next key support is seen around 107.50 (50-dma). Week ahead has Philly Fed Non-mfg for jan on Tue. Wed has MBA mortgage applications as of 17 Jan. As usual, the weekly jobless claims are due on Thu. Fri has prelim. Mfg, Services PMI for Jan along with the final Univ. of Mich. Sentiment survey on Fri.

- **EURUSD - *Rebounds post Trump inauguration, clears earlier resistance*.** EURUSD was last seen at 1.0372 levels after Trump's inauguration, clearing an earlier 1.0368 resistance level that is now a new support level to watch. The divergent monetary policy outlooks and the political uncertainties surrounding the French and the German should 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 1.03 figure. The falling wedge is still in play and stochastics continue to rise from oversold conditions. Rebounds to meet resistance at 1.0437 (50dma) and 1.05 figure. Data this week includes Jan ZEW Survey Expectations (Tue), Jan P Consumer Confidence (Thu) and Jan P PMIs (Fri).

- **GBPUSD - *Rebounds post Trump inauguration*.** GBPUSD was last seen higher at 1.23 levels following Trump's inauguration. 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 this week includes Nov Avg Weekly Earnings, Nov ILO Unemployment, Dec Claimant Count/Jobless Claims (Tue), Dec Public Finances (Wed), Jan CBI Trends (Thu) and Jan P PMIs (Fri).

- **USDCHF - *Rising Wedge, Bearish risks*.** USDCHF fell after Trump's inauguration and was last seen at 0.9078. This appears to be a reversal from 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.

- **USDJPY – *Whipsawing, Downside Risks*.** The pair was last seen at around 155.83 as it was volatile this morning. Initially, USDJPY had come down on the possibility that Trump could be taking a more measured approach to tariffs. Bloomberg had reported that in a fact sheet not yet public that the new administration would be holding off for immediate tariffs on China. Instead, he would be calling for a study or investigation on whether Beijing had complied with the deal signed in the first term and would be ordering his administration to address trade practices globally. However, he would later say that he is thinking about imposing 25% tariffs on Mexico and Canada on 1 Feb, which would again send the USDJPY higher. Volatility had been expected with the return of the Trump presidency but we continue to stick to our view that USDJPY would head lower in the near term. Trump tariffs though as a whole are subject to negotiations and implementation could be gradual. Therefore, investors may hold off from shorting treasuries too excessively and yields can still come off more from recent elevated levels we believe. This should support USDJPY moves lower. We also expect the BOJ to hike this Friday by 25bps to 0.50%. The OIS implies an about 93% probability of that happening already. However, we crucially note that US – JP yield differentials imply USDJPY should be lower below 150.00. Meanwhile, Chief Cabinet Secretary Hayashi has said that they will analyze the impact of US tariff policy on Japan. On domestic data, Nov F IP decline was slower at -2.7% YoY (previous. -2.8% YoY). Nov capacity utilization saw a decline at -1.9% MoM (Oct. 2.6% MoM) whilst tertiary industry index growth was below expectations at -0.3% MoM (est. 0.1% MoM, Oct. 0.1% MoM). Back on the chart, support is at 155.00 and 150.00. Resistance is at 160.00 and 162.00. Remaining key data releases this week include Dec trade data (Thurs), Jan 17 Japan/foreign buying bonds/stocks (Thurs), Dec Tokyo condominium for sale (Thurs), Dec CPI (Fri), Jan P Jibun Bank PMI composite/mfg/services (Fri), Dec nationwide/Tokyo dept sales (Fri) and BOJ policy decision (Fri).

- **AUDUSD – *Finding Support*.** AUDUSD bounced overnight on news that Trump will hold off immediate tariffs on China and has instead, ordered his administration to address unfair trade practices globally and to look into China's compliance with a previous deal. This was detailed in a fact sheet that is seen by Bloomberg News (but not yet public). Regardless, this was seen as a shift towards a less combative approach and a more negotiating stance. That still suggests potential for tariffs in the coming weeks but the delay is providing much overdue relief for the USD correction to play out (lower) and a boost to the AUD sentiment. AUDUSD surged overnight and was last seen around 0.6280, albeit still within the 0.6130-0.6315 range. The mention of tariffs on Canada and Mexico in early Asia morning soured sentiments again and drove the AUDUSD back to levels around 0.6230. We had looked for a rebound in the near-term towards the 50-dma (last at 0.6335) and the news of a tariff delay seems to be bringing this to fruition. Support is seen around 0.6210. If this holds, the rebound can extend towards 0.6335 (50-dma). Beyond this current retracement, we remain bearish on the currency for 1H 2025 as trade frictions between the US and China could still 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, Westpac leading index for is due on Wed. Fri has prelim. Manufacturing and services PMI for Jan.

- **NZDUSD – *Rebound on Trump's Inauguration*.** NZDUSD rose yesterday and last seen around 0.5650. Support is seen at 0.5540 before the next at 0.5510. Momentum is increasingly bullish. We see some risks of further bullish extension but NZDUSD needs to break above the 21-dma which acts as a resistance around 0.5614. Break there could bring this pair towards the next resistance around 0.5670. Markets have priced in 110bps cut for

NZD. Aggressive rate cuts vs. the Fed's expected trajectory continue to weigh on the NZDUSD. 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. That said, the recent labour report from Australia has casted doubts on a Feb cut, allowing AUDNZD to rise to levels around 1.1090. We still look for AUDND to head towards 1.0970 (200-dma) before the next at 1.0880.

- **USDCAD – *Whipsaw.*** USDCAD slipped to a low of 1.4261 before reversing sharply higher on Trump's comments that he may impose 25% tariff on Mexico and Canada on 1 Feb. Last hovering around 1.4430, this pair is still testing the upper bound of the 1.43-1.4450 range that has held since early Dec. The rounding top is intact for now but the pair seems to be regaining bullish bias, possibly due to the anticipation of more trade frictions with the US with Trump in charge. Support around 1.4385 could bring the pair towards 1.43 and then at 1.4180 (50-dma). Resistance at 1.4450 before 1.4668 (2020-high). Speaking of pandemic year, the BoC did a review of its response to the pandemic and concluded that the exceptional monetary policy tools like QE and extraordinary forward guidance should only be used in periods of extreme economic stress. Week ahead has BoC business outlook futures sales for 4Q today along with BoC overall business outlook survey. Tue has Dec CPI due. Wed has industrial product price for Dec. Thu has Nov retail sales.

- **Gold (XAU/USD) – *Rising on Trump*.** Gold softened and was last seen around $2720. The bullion rose. 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. Next resistance at 2750 before 2790. Support around 2645.

Asia ex Japan Currencies

SGDNEER trades around +0.71% from the implied mid-point of 1.3686 with the top estimated at 1.3412 and the floor at 1.3960.

- **USDSGD – *Lower after Trump's inauguration*.** USDSGD was last seen lower at 1.3590 levels after Trump's inauguration. No first-day China tariffs from Trump could spur a reversal in Asian currencies. 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 +0.71% 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 1.3600 and 1.3650. Supports are 1.3560 and 1.3500. MAS decision is scheduled for 24 Jan (Fri) later this week while Dec CPI inflation data is out a day earlier (Thu).

- **SGDMYR – *Hovering around the 3.30 level*.** SGDMYR was last seen lower at 3.2915 levels this morning with both SGD and MYR gaining ground against the USD with the latter a slight outperformer. Resistances at 3.32 followed by 3.35. Support at 3.28.

- **USDMYR – *Gap Down*.** Pair was last seen at 4.4760 as it gap down lower at open today with the pullback in the broad dollar and USDCNH as it appeared possible that Trump would not be immediately increasing tariff rates or imposing additional ones on China. Instead, Bloomberg had reported, citing a fact sheet not yet made public that the President has instead called for his administration to address unfair trade practices globally and investigate whether Beijing had complied with a deal signed during his first term. However, the President did still talk about imposing 25% tariffs on Mexico and Canada effective from 1 Feb. As it stands, 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. There is a BNM policy decision this coming Wed, where we expect them to stay on hold at 3.00%. Back on the chart, resistance at around 4.5300 and 4.6300. Support at 4.4400 before the next at 4.3600. Meanwhile, on domestic data, Dec trade surplus was wider at RM19.18bn (est. RM16.60bn, Nov. RM15.05bn), which continues to reflect the country's strong external position. Remaining key data releases this week include Dec CPI (Wed) and 15 Jan foreign reserves (Wed).

- **1M USDKRW NDF – *Lower*.** 1M USDKRW NDF was last seen lower at 1437.73 following Trump's inauguration. No first-day China tariffs from Trump could spur a reversal in Asian currencies. 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. 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 1440 with the next level after that at 1460. Support is at 1435 and 1415. Data releases this week include Dec PPI, Jan 20-days Exports/Imports (Tue), Jan Consumer Confidence, 4QA and 2024 A GDP (Thu).

- **USDCNH - *Relief on Tariff Delay.*** There seems to be increasing optimism that Trump may go easy on China. We have had a delay on immediate tariffs on China and also a potential deal for tiktok that have been positive for yuan sentiment. Trump has instead ordered his administration to address unfair trade practices globally and investigate China's compliance with a previous deal. For Tiktok, he issued an executive order for the Department of Justice not to enforce Tiktok ban for 75 days, effectively extending the deadline for a joint venture. The ban was meant to take effect on 19 Jan. The executive order is an attempt to override a bipartisan law that enforces the ban. USDCNH broke below the 50-dma and was last seen around 7.2840. Daily central parity was fixed lower at 7.1703 vs. previous 7.1886. Gap between actual and estimate narrowed a tad to 1231 pips from prev. 1475pips. This fix suggests that PBoC wants to engineer a bullish momentum for the yuan for now. Key resistance for USDCNH is now at 7.2950 (50-dma) before 7.3300 (21-dma) and then at 7.3700. President Xi seem WIFT global payments for Dec is due on Thu.

- **USDVND - *Capped for now.*** USDVND was last seen around 25280. 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.

- **1M USDIDR NDF - *Lower, Limited Near Term Downside*.** 1M USDIDR NDF was last seen lower at 16343 as the broad dollar, USDCNH and UST yields fell when it appeared Trump would not be immediately be either increasing tariff levels or imposing additional ones on China. Instead, Bloomberg had reported, citing a fact sheet not yet made public that the President has instead called for his administration to address unfair trade practices globally and investigate whether Beijing had complied with a deal signed during his first term. However, the President did still talk about imposing 25% tariffs on Mexico and Canada on 1 Feb and that looked to have pared back some of the broad dollar, USDCNH and UST yields decline. As a whole, some further near term pullbacks on 1M USDIDR NDF is likely still possible although it would be limited we believe given that the global environment remains volatile. Meanwhile, on domestic matter, a survey from 4 Jan to 10 Jan by Litbang Kompas reports that Prabowo's approval rating was at 80.9%. Back on the chart, resistance is at 16500 (around 2024 high) and 16750. Support at 16200 and 15800. There are no key data releases this week.

- **1M USDPHP NDF - *Sideways, Limited Near Term Downside*.** The 1M USDPHP NDF was last seen at 58.50 as it is currently trading around yesterday's levels. 1M USDPHP NDF had initially fallen quite a bit lower as the broad dollar, USDCNH and UST yields fell when it appeared Trump would not be immediately be either increasing tariff levels or imposing additional ones on China. Instead, Bloomberg had reported, citing a fact sheet not yet made public that the President has instead called for his administration to address unfair trade practices globally and investigate whether Beijing had complied with a deal signed during his first term. However, the President did still talk about imposing 25% tariffs on Mexico and Canada on 1 Feb and that looked to have pared back some of the broad dollar, USDCNH and UST yields decline. We can see the 1M USDPHP NDF coming off further as markets for now may breath some relief with no immediate China tariffs just yet but it is likely to be limited as the global environment has still quite a degree of uncertainty. Domestically, BSP is expected to continue easing this year although that has likely been increasingly priced in more by markets. Resistance is at 59.47 (around the recent Dec high) and 60.60. Support is at 57.88 (200-dma) and 57.00. Meanwhile, on domestic data, Dec BoP overall was still in deficit at -$1508m, which is unfavorable for the currency. Remaining key data releases this week include Dec trade data (Fri).

- **USDTHB -** ***Lower*****,** ***Downside Possible*****.** Pair was last seen at 34.08 as it fell back with the broad dollar, USDCNH and UST yields. The trio had declined initially when it appeared Trump would not be immediately be either increasing tariff levels or imposing additional ones on China. Instead, Bloomberg had reported, citing a fact sheet not yet made public that the President has instead called for his administration to address unfair trade practices globally and investigate whether Beijing had complied with a deal signed during his first term. However, the President did still talk about imposing 25% tariffs on Mexico and Canada on 1 Feb and that looked to have pared back some of the broad dollar, USDCNH and UST yields decline. Higher gold prices also gave the THB support. Domestically, we remain wary of the rates situation as the government has mentioned they are hunting for a central bank governor with “modern ideas”. This can raise the risks for the potential of more rate cuts from the BOT. We also do take note for risks of weaker tourism flows weighing on the THB given Chinese visitors’ fears of kidnapping by scam syndicates. We do however see the possibility of USDTHB further coming off near term as the broad dollar and UST yields may pullback some more. 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. Key data releases this week include Dec car sales (21 – 24 Jan) and 17 Jan gross international reserves/forward contracts.

- **1M USDINR NDF-** ***Currency Flexibility*****.** USDINR 1M NDF was last seen lower at 86.63 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. Data releases this week include Jan P PMIs.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.46	3.45	-1
5YR MI 8/29	3.62	3.62	Unchg
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	4.06	4.06	Unchg
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	3.59	Unchg
3-year	3.53	3.53	Unchg
5-year	3.59	3.59	Unchg
7-year	3.67	3.66	-1
10-year	3.76	3.76	Unchg

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

- Ringgit bonds saw rather modest trading session ahead of Trump's inauguration, while US markets were closed in observation of Martin Luther King Jr. Day. MGS/GII prices were mostly quoted narrow within previous close amid thin liquidity and minimal trading activity. We expect BNM to keep rate unchanged at 3.00% at the MPC meeting on Wednesday.

- MYR IRS curve ended largely unchanged without anything traded as most participants preferred to stay on the sidelines as uncertainties loom over the execution orders to be signed upon Trump inauguration. 3M KLIBOR was unchanged at 3.68%.

- In the PDS market, activities remained subdued with only a few names traded. No GG names were dealt. In AAA segment, PLUS bonds traded mixed, while TNB Power Gen 3/33 dealt at MTM. Notable trade was AA1/AA+ rated UEM Olive Capital 10/34 which tightened 3bp in spread with MYR75m exchanged in a single ticket. In AA3/AA-, Edra Energy 1/31 spread tightened 2bp for MYR10m. In A1/A+, Hong Leong Perp dealt in small amount.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.87	2.89	+2
5YR	2.91	2.93	+2
10YR	2.97	2.99	+2
15YR	2.96	2.98	+2
20YR	2.93	2.95	+2
30YR	2.87	2.89	+2

Source: MAS (Bid Yields)

- The SGS market continued to trade rangy with yields roughly near the mid points of their YTD ranges. Yields went back up by 2bp across the curve. 10y SGS yield rose 2bp to 2.99%. For the monetary policy decision this Friday, we expect a lowering in S$NEER slope by the MAS. The overnight SORA declined 21bp to 2.25% on 17 Jan 2025 – latest at time of writing.

Indonesia Fixed Income

Rates Indicators

RPGov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.91	6.94	0.03
2YR	6.95	6.94	(0.01)
5YR	6.95	6.95	0.00
10YR	7.14	7.16	0.02
15YR	7.25	7.25	0.01
20YR	7.28	7.31	0.02
30YR	7.27	7.27	0.00

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds, especially 1Y and long tenor series, weakened yesterday. We thought that a weakening on Indonesian government bonds is mostly driven by investors' anticipation measures for incoming various controversial statements by Donald Trump on the new U.S. Presidential inauguration.

- Finally, Donald Trump officially becomes the 47th of the U.S. President on 20 Jan-25. Fortunately, President Trump didn't give detail statements on how much the new tariff will be burdened for the U.S. companies and international goods traders, especially from China, Canada, and Mexico. It seemed President Trump to give further negotiations regarding to the new tariff on international trade activities, especially with China, Canada, and Mexico. We saw positive reactions by the global market players, especially on both equity and bond markets. The positions of both DXY Dollar Index and the yields of U.S. government bonds dropped last night. According to those conditions, we expect Indonesian bond market to get a positive short term momentum amidst persistent uncertainty on incoming implementation on the U.S. economic policies by President Trump. Moreoever, we believe Indonesian bond staying attractive enough, driven by solid fundamental background and high investment return. The yield of 10Y Indonesian government bond has fair level around 6.86%-7.20%.

- Based on last night's inaugural speech, the new Trump administration will focus on 1.) combating illegal immigration by declaring a national emergency at the southern border against illegal immigrants, 2.) reducing inflation caused by soaring energy prices by declaring a national energy emergency. President Trump will aggressively increase national oil production to lower domestic energy prices and then fill the strategic energy reserve to capacity and then export American energy to the world, 3.) end the Green New Deal and repeal the electric vehicle mandate to save the great American auto industry, 4.) overhaul the trade system by imposing tariffs and taxes on foreign countries by establishing the External Revenue Service to collect all tariffs, duties, and revenues, 5.) create a new department, the Department of Government Efficiency, to immediately end all government-related censorship and restore free speech in America, 6.) end the government's policies of racial and gender social engineering in every aspect of public and private life, 7.) reinstate all service members unjustly discharged from the military for refusing the COVID vaccine mandate with full pay, 8.) the United States armed forces will be focused on the mission of defeating America's enemies, 9.) become a global peacemaker, 10.) rename the Gulf of Mexico the Gulf of America, 11.) take over the operation of the Panama Canal to lower shipping costs for the United States, 12.) end the chronic disease epidemic and keep children safe, healthy, and disease-free.

- Today, Indonesian government will hold its conventional bond auction with Rp26 trillion of indicative target. The government is ready to offer eight series of bonds, such as SPN03250423 (New Issuance), SPN12260108 (Reopening), FR0104 (Reopening), FR0103 (Reopening), FR0106 (Reopening), FR0107 (Reopening), FR0102 (Reopening), FR0105 (Reopening). We expect this auction to receive better investors' responses than previous edition after seeing current conducive condition on the global market. We expect investors' total incoming bids to reach at least Rp36 trillion. FR0103 is expected to be most attractive series for this auction with around 7.06823% of our expectation for investors' receiving weighted average yields by the governmenment.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0540	157.03	0.6348	1.2461	7.3658	0.5750	163.5633	98.4740
R1	1.0478	156.33	0.6311	1.2394	7.3144	0.5711	162.8267	98.0640
Current	1.0427	155.07	0.6284	1.2337	7.2590	0.5684	161.6900	97.4420
S1	1.0310	155.17	0.6214	1.2211	7.2358	0.5606	160.8367	96.9570
S2	1.0204	154.71	0.6154	1.2095	7.2086	0.5540	159.5833	96.2600

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3760	4.5129	16393	58.6413	34.6820	1.4217	0.6217	3.3023
R1	1.3662	4.5032	16381	58.5817	34.3930	1.4173	0.6198	3.2965
Current	1.3545	4.4825	16372	58.5410	34.1340	1.4124	0.6187	3.3096
S1	1.3499	4.4884	16355	58.4637	33.9350	1.4066	0.6151	3.2874
S2	1.3434	4.4833	16341	58.4053	33.7660	1.4003	0.6122	3.2841

**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	43,487.83	0.78
Nasdaq	19,630.20	1.51
Nikkei 225	38,902.50	1.17
FTSE	8,520.54	0.18
Australia ASX 200	8,347.39	0.45
Singapore Straits Times	3,807.97	-0.07
Kuala Lumpur Composite	1,572.34	0.36
Jakarta Composite	7,170.74	0.22
Philippines Composite	6,349.89	-0.04
Taiwan TAIEX	23,266.82	0.51
Korea KOSPI	2,520.05	-0.14
Shanghai Comp Index	3,244.38	0.08
Hong Kong Hang Seng	19,925.81	1.75
India Sensex	77,073.44	0.59
Nymex Crude Oil WTI	77.88	-1.02
Comex Gold	2,748.70	-0.08
Reuters CRB Index	311.08	-0.09
MBB KL	10.28	1.38

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