Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Let the Negotiations Commence

Getting China, Canada and Mexico back to the Negotiating Table

Asia awoke to news that Trump could be considering a 10% tariff on China for the flow of fentanyl from the country to Mexico and Canada. In addition, the administration is reviewing China's compliance with the first trade deal. USDCNH rose a tad in reaction to the news. Meanwhile, Trump has already threatened to impose 25% of tariff on Canada and Mexico as a way to force them to renegotiate the USMCA. Brent and WTI continue to drift lower following Trump's declaration of a national energy emergency and withdrawal of the US from the Paris climate agreement. DXY remains pressured, down around 1.3% since the start of the week given that Trump had thus far declared little fresh policies and even seem to take a more benign approach on China. Meanwhile, China's Vice Premier Ding Xuexiang said China will import "more competitive, quality products and services to promote balanced trade" at the annual World Economic Forum in Davos. He added that China wants more foreign companies to enter its market, promising to remove hurdles. UST yields are a tad higher with 10y around 4.59%. Gold breeched the 2730-resistance and last printed $2748/oz.

Technical Pullback of the DXY

DXY index remained rather pressured, playing out the overdue correction. With Trump taking a more cautious approach on tariffs, that has given the DXY index a nudge lower. THB, KRW and MYR are in the lead while CNH and NZD are laggards. THB continues to remained propelled by the rise in gold as well as the fall in oil prices, unfettered by the decline of the CNH. Given that Trump is less focused on Asia thus far, most Asian-ex CNY, JPY currencies seem to be looking a tad more resilient at this point.

Data/Events We Watch Today

We have NZ CPI (non-tradeable CPI easing more than expected (0.7%q/q vs. prev. 1.3%, a sign of softening domestic demand pressures). MY CPI (Dec), BNM decision (likely to stand pat).

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0428	0.12	USD/SGD	1.3528	-0.27
GBP/USD	1.235	0.18	EUR/SGD	1.4108	-0.15
AUD/USD	0.6274	-0.02	JPY/SGD	0.87	-0.17
NZD/USD	0.5679	0.12	GBP/SGD	1.6711	-0.05
USD/JPY	155.52	-0.06	AUD/SGD	0.8487	-0.28
EUR/JPY	162.14	0.03	NZD/SGD	0.7681	-0.16
USD/CHF	0.906	-0.08	CHF/SGD	1.4932	-0.18
USD/CAD	1.4322	0.08	CAD/SGD	0.9444	-0.38
USD/MYR	4.4755	-0.40	SGD/MYR	3.2919	0.03
USD/THB	33.964	-0.41	SGD/IDR	12020.97	0.20
USD/IDR	16343	-0.15	SGD/PHP	43.0574	0.37
USD/PHP	58.482	-0.07	SGD/CNY	5.3701	0.18

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3399	1.3672	1.3946

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G10: Events & Market Closure

Date	Ctry	Event
20 - 24 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

SEE PAGE 14 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

G10 Currencies

- **DXY Index -**. The DXY index ended a session with a doji, underscoring uncertainties and two-way risks, last around 108.00. The move lower may be sharp in the days before but a rebound from here is a certainty. Resistance at 110. Asia awoke to news that Trump could be considering a 10% tariff on China for the flow of fentanyl from the country to Mexico and Canada. In addition, the administration is reviewing China's compliance with the first trade deal. USDCNH rose a tad in reaction to the news. Meanwhile, Trump has already threatened to impose 25% of tariff on Canada and Mexico as a way to force them to renegotiate the USMCA. Brent and WTI continue to drift lower following Trump's declaration of a national energy emergency and withdrawal of the US from the Paris climate agreement. DXY remains pressured, down around 1.3% since the start of the week given that Trump had thus far declared little fresh policies and even seem to take a more benign approach on China. Meanwhile, China's Vice Premier Ding Xuexiang said China will import "more competitive, quality products and services to promote balanced trade" at the annual World Economic Forum in Davos. He added that China wants more foreign companies to enter its market, promising to remove hurdles. UST yields are a tad higher with 10y around 4.59%. Gold breeched the 2730-resistance and last printed $2748/oz. DXY index remained rather pressured, playing out the overdue correction. With Trump taking a more cautious approach on tariffs, that has given the DXY index a nudge lower. THB, KRW and MYR are in the lead while CNH and NZD are laggards. THB continues to remained propelled by the rise in gold, unfettered by the decline of the CNH. Given that Trump is less focused on Asia thus far, most Asian-ex CNY, JPY currencies seem to be looking a tad more resilient at this point. Week ahead has MBA mortgage applications as of 17 Jan today. 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 - *1.0435 Caps***. EURUSD was last seen at 1.0410 levels, capped by the 50-dma (1.0435). Pair has rose amid broader USD weakness as Trump has appeared to be less focused on tariffs. In addition, Trump had said to add Russia sanctions if there were no talks on Ukraine. Still, 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 P Consumer Confidence (Thu) and Jan P PMIs (Fri).

- **GBPUSD - *Rebounds post Trump inauguration***. GBPUSD was last seen around 1.23 levels, not able to extend much higher. Data released yesterday did not help in the least with ILO unemployment rate a tad higher at 4.4% from previous 4.3%. Average weekly earnings, on the other hand, quickened to 5.6%y/y from previous 5.2%. 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 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 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 0.9070. This appears to be a reversal from overbought conditions and may extend towards the next support around 0.8970. 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 - *Steady, Cautious on Downside***. The pair was last seen at around 155.43 as it continued to just keep hovering at around 155.00 level. At this point, a BOJ hike this Friday by 25bps to 0.50% looks likely with Kyodo news even reporting that the BOJ is moving toward rate hike at this meeting. However, the OIS is already seeing a probability of 92.0% that a hike would occur this coming Friday. A move could actually already be heavily priced in and the hike itself may not necessarily be enough to move the USDJPY substantially lower. Instead, focus would be on Ueda's forward guidance on the future path of rate hikes and also on UST yields. The latter in itself would also be driven by how Trump's tariffs plans out to be. We are therefore, staying cautious on further downside for the USDJPY. Key support levels are 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 - *Rising***. AUDUSD remained a tad elevated given Trump's somewhat less hostile approach to China. AUDUSD was last seen around 0.6270, albeit still within the 0.6130-0.6315 range. 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 for China 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 - *Softens on Inflation Report***. NZDUSD softened and was last seen around 0.5656. CPI slowed to 0.5%q/q from previous 0.6%. Year-on-year, CPI was stable at 2.2%. Non-tradeable inflation eased more than expected to 0.7%q/q from previous 1.3% (exp 0.8%), underscoring softening demand pressures at home. Support is seen at 0.5540 before the next at 0.5510. Momentum is still bullish. We see some risks of further bullish extension towards next resistance at 0.5730. 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 1.1080. We still look for AUDNZD to head towards 1.0970 (200-dma) before the next at 1.0880.

- **USDCAD - *Whipsaw*.** USDCAD hovered around 1.4330, still within 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). Week ahead has industrial product price for Dec on Wed. Thu has Nov retail sales.

- **Gold (XAU/USD) - *Rising on Trump*.** Gold rose and was last seen around $2750. 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 +0.90% from the implied mid-point of 1.3672 with the top estimated at 1.3399 and the floor at 1.3946.

- **USDSGD - *Lower*.** USDSGD was last seen at 1.3549. 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. Support at 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 - *Lower*.** SGDMYR was last seen lower at 3.2807 levels this morning as SGD outperformed the MYR. Resistances at 3.32 followed by 3.35. Support at 3.28.

- **USDMYR - *Gap Down*.** Pair was last seen at 4.4625 as it edged down with the broad DXY lower compared to the MYR close yesterday. As it stands, 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. 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 4.4500 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 at 1433.02. Currency lifted by both AI optimism and recent decline in CNH. However, there remains plenty of concerns for the KRW. The political situation is highly uncertain and a Gallup Korea poll is now showing that the ruling People's Power Party support rating has risen to 39% from 34% and now surpasses that of the opposition Democratic Party. There also remains risks that the BOK could cut rates in the coming months given the economic concerns. We see markets are likely to stay cautious too and so are we too amid these concerns on the KRW. For near term, we are watching how both the political and Trump tariff developments pan out. Back on the chart, resistance is at 1440 with the next level after that at 1460. Support is at 1415. Remaining key data releases this week include 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. Even as Trump still weighs on imposing 10% tariff on China for the flow of fentanyl from China to Mexico and Canada, the reaction of the CNH was arguably, the reaction of the CNH is relatively muted. 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 was last seen around 7.2850. Daily central parity was fixed lower at 7.1696 vs. previous 7.1703. Gap between actual and estimate narrowed further to 963 pips from prev. 1231pips. 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. Meanwhile, China's Vice Premier Ding Xuexiang said China will import "more competitive, quality products and services to promote balanced trade" at the annual World Economic Forum in Davos (the annual World Economic Forum). He added that China wants more foreign companies to enter its market, promising to remove hurdles.

- **USDVND - *Capped for now*.** USDVND was last seen around 25232. This pair seems to be rather stable recently with the 25500-resistance capping this pair. USDCNY stability recently might also have inspired the USDVND to fall as well. Support is seen around 25325 before the next at 25255. PM Pham Minh Chinh said that Vietnam is working "on solutions" to rebalance its trade surplus with the US.

- **1M USDIDR NDF - *Sideways, Limited Near Term Downside*.** 1M USDIDR NDF was last seen lower at 16335 as it was steady this morning. Both the broad dollar and the UST yields were around levels seen yesterday. Broad dollar can still come off a little bit further but it would likely be limited given the ongoing uncertainty regarding Trump's tariffs. Trump himself had just recently said he is considering a 10% tariff on China. Therefore, 1M USDIDR NDF is likely to see limited downside near term. Meanwhile, domestically, President Prabowo has approved a plan, with relevant rules to be issued soon on to require commodity exporters to keep their entire foreign currency-denominated earnings onshore for at least a year. The regulation can be seen as another move with the intention to back IDR stability, especially in a global challenging environment of US policy uncertainty. 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 58.54 as it continues to hold around levels seen in recent sessions. The broad dollar and UST yields remain supported at this point even as they have come off. This in turn has likely still kept the 1M USDPHP NDF within recent ranges. Domestically, Finance Secretary Ralph Recto has said that the country's central bank will continue to deliver interest rate cuts this year albeit they maybe fewer and farther apart than in 2024. Rate cuts are already expected by markets so this is of little surprise. Meanwhile, the BSP has moved its 20 Feb meeting to the 13 Feb as Governor Eli Remolona will be attending the Financial Action Task Force plenary and working group meetings in Paris from Feb. 17 to 20. We stay cautious on the 1M USDPHP NDF and expect limited near term downside as the broad dollar can come off a little more. However, uncertainty on Trump tariffs can keep markets edgy. Back on the cahrt, resistance is at 59.47 (around the recent Dec high) and 60.60. Support is at 57.88 (200-dma) and 57.00. Remaining key data releases this week include Dec trade data (Fri).

- **USDTHB - *Lower, Outperformer, Further Downside Possible Albeit Cautious*.** Pair was last seen at 33.93 and it was the top performer regionally just after the MYR. Trade exposed currencies have gotten such as both THB and MYR look to have gotten a lift post inauguration at the CNH also rallied on the possibility of the US and China relations looking warmer somewhat at the start and that the two sides can possibly resolve their issues. However, Trump did say he was weighing 10% tariff on China and that sap some of the optimism but it is still lower than levels of 60% that he had talked about during his campaign. Meanwhile, higher gold prices also provided a lift to the THB given the currency's sensitivity to it due to Thailand's position as gold trading hub. Ironically, gold prices could have been lifted by the concerns of Trump thinking of 25% tariffs on Mexico and Canada. Pullback on broad dollar and UST yields also helped support the THB. At the same time, there is some improved sentiment for the SET as it climbed during yesterday's session. We do see the possibility of further downside on the USDTHB as broad dollar can pullback a bit more although we are also cautious given the immense uncertainty regarding Trump's tariff plans. 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 86.77 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	3.45	3.44	-1
5YR MI 8/29	3.62	3.61	-1
7YR MO 7/32	3.79	3.79	Unchg
10YR MS 7/34	3.82	3.82	Unchg
15YR MS 4/39	3.97	3.97	Unchg
20YR MX 5/44	4.06	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	3.58	-1
3-year	3.53	3.52	-1
5-year	3.59	3.57	-2
7-year	3.66	3.65	-1
10-year	3.76	3.74	-2

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

- Unlike the Ringgit which tracked the post-Trump inauguration movements, MGS market reaction was lacklustre. Yields eased 1bp at the front-end while other parts of the curve saw resistance with profit takers emerging on price uptick. Trading activity was moderate with higher volumes from the prior session. BNM announced the reopening of GII 7/28 for MYR5.5b auction size, which will replace GII 9/26 as the new benchmark for 3y tenor. WI was traded at 3.545% and last quoted 3.548/545%. We expect BNM to keep rate unchanged at 3.00% at the MPC meeting today.

- MYR IRS gapped 3bp lower at open on the back of "no Day 1 tariff" euphoria but the excitement did not last long following Trump's comments of planned tariffs on Mexico and Canada early next month. Market liquidity remained thin in the absence of strong narrative at this stage and the onshore IRS curve ended 1-2bp lower at close. 3M KLIBOR was unchanged at 3.68%, and no IRS trade was recorded.

- In the PDS market, GG bonds traded mixed as SME 3/26 spread widened 2bp, Prasarana 34s spread narrowed 2bp, while Danainfra dealt at MTM. In AAA segment, TNB Power Gen 6/27, BPMB 12/25 and PLUS 1/28 spread tightened 1-2bp. In AA1/AA+, Johor Plant long tenor bonds saw a total of MYR50m traded 1-2bp lower in yield. In AA3/AA-, UEM Sunrise 6/27 was the largest ticket of the trading session, with MYR180m traded at MTM.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.89	2.85	-4
5YR	2.93	2.88	-5
10YR	2.99	2.94	-5
15YR	2.98	2.94	-4
20YR	2.95	2.91	-4
30YR	2.89	2.85	-4

Source: MAS (Bid Yields)

- Tracking the UST strength, SGS yields declined 4-5bp across the curve. 10y SGS yield eased 5bp to 2.94%. MAS announced a SGD2.7b issuance size for the 2y SGS 3/27 auction, lower than our estimate of SGD3b. The overnight SORA was flat at 2.25% on 20 Jan 2025 – latest available 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	1.0495	156.96	0.6337	1.2444	7.3162	0.5734	163.0467	98.2313
R1	1.0461	156.24	0.6306	1.2397	7.2918	0.5706	162.5933	97.9017
Current	1.0420	155.51	0.6275	1.2348	7.2751	0.5667	162.0400	97.5820
S1	1.0368	154.79	0.6226	1.2266	7.2477	0.5634	161.3233	97.0097
S2	1.0309	154.06	0.6177	1.2182	7.2280	0.5590	160.5067	96.4473

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3655	4.5139	16396	58.6167	34.3760	1.4219	0.6173	3.3351
R1	1.3591	4.4947	16370	58.5493	34.1700	1.4163	0.6162	3.3135
Current	1.3530	4.4620	16348	58.5000	33.9500	1.4099	0.6155	3.2981
S1	1.3490	4.4544	16305	58.3523	33.8420	1.4058	0.6140	3.2730
S2	1.3453	4.4333	16266	58.2227	33.7200	1.4009	0.6128	3.2541

**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	13/2/2025	Easing
CBC Discount Rate	2.00	20/3/2025	Neutral
HKMA Base Rate	4.75	-	Easing
PBOC 1Y Loan Prime Rate	3.10	-	Easing
RBI Repo Rate	6.50	7/2/2025	Easing
BOK Base Rate	3.00	25/2/2025	Easing
Fed Funds Target Rate	4.50	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	44,025.81	1.24
Nasdaq	19,756.78	0.64
Nikkei 225	39,027.98	0.32
FTSE	8,548.29	0.33
Australia ASX 200	8,402.39	0.66
Singapore Straits Times	3,795.37	-0.33
Kuala Lumpur Composite	1,580.46	0.52
Jakarta Composite	7,181.82	0.15
Philippines Composite	6,340.21	-0.15
Taiwan TAIEX	23,300.01	0.14
Korea KOSPI	2,518.03	-0.08
Shanghai Comp Index	3,242.62	-0.05
Hong Kong Hang Seng	20,106.55	0.91
India Sensex	75,838.36	-1.60
Nymex Crude Oil WTI	75.89	-2.56
Comex Gold	2,759.20	0.38
Reuters CRB Index	308.87	-0.71
MBB KL	10.28	0.00

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