Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Supported Dollar

Overnight Developments Keep Dollar Supported

After some initial pullback in previous sessions, yesterday, we saw the greenback bounce back up again. Strong US data that included both ISM services and JOLTS beating the expectations, backed a more cautious approach by the Fed for rate easing. Futures are now only indicating a 34.1% chance of any move by the Fed by end 1H 2025. On top of the data, we also had treasuries declining too after a 10y auction actually drew the highest yield since 2007. Geopolitical concerns also continued to be an issue as Trump threatened Denmark with high tariffs to bring Greenland under US control and did not rule out military action over her or the Panama Canal. The incoming President also spoke of using "economic force" to compel Canada to become the 51st state. For now, there are still limited signs near term that can lead to strong pullback in the greenback and the DXY looks like it can stay supported. Trump's inauguration is only about two weeks away and the incoming President has not looked to tone down his rhetoric. However, we do note that momentum indicators imply that the DXY is stretch on the upside and that it is vulnerable to strong moves downwards if news becomes dollar negative such as tariffs not turning out to be as bad. On the chart, we see support for the DXY is at 108.00 and 107.20. Resistance is at 110.00.

PBOC Stays Firm, Johor Singapore SEZ Formalized

The PBOC looks to be staying firm on stabilizing the currency as they set the fixing at the strongest level vs estimates since Apr 2024. The reference rate was over 1500 pips stronger than the survey estimates. The CNH/CNY looks though like it will remain under pressure given the anxiety building up to Trump taking office. We stay cautious on the CNH/CNY although for the coming sessions, it could still trade sideways around current levels amid the PBOC firmness. Regardless, broad dollar strength could edge higher if US jobs data comes out stronger than expected, which in turn can keep up the pressure on CNH/CNY. Meanwhile, Malaysia and Singapore has signed an agreement to formalize the Johor Singapore Special Economic Zone (JS-SEZ). The agreement would be looking at cooperation in multiple areas including promoting investments in 11 economic sectors, facilitating expansion of 50 projects within five years and cumulatively 100 in the first 10 years, enhancing the movement of people and a collaboration funding mechanism to encapsulate infrastructure development and expansion of companies to JSSEZ among other items.

Data/Events We Watch Today

US Dec ADP employment change, EC Nov PPI, GE Nov Factory orders

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0340	-0.48	USD/SGD	1.3642	0.06
GBP/USD	1.2477	-0.34	EUR/SGD	1.4106	-0.42
AUD/USD	0.623	-0.26	JPY/SGD	0.8631	-0.20
NZD/USD	0.5635	-0.14	GBP/SGD	1.7022	-0.28
USD/JPY	158.05	0.27	AUD/SGD	0.8499	-0.20
EUR/JPY	163.42	-0.21	NZD/SGD	0.7687	-0.08
USD/CHF	0.9097	0.56	CHF/SGD	1.4995	-0.51
USD/CAD	1.437	0.27	CAD/SGD	0.9494	-0.20
USD/MYR	4.4873	-0.52	SGD/MYR	3.3006	0.00
USD/THB	34.478	-0.42	SGD/IDR	11868.52	0.15
USD/IDR	16131	-0.40	SGD/PHP	42.7206	0.33
USD/PHP	58.158	-0.22	SGD/CNY	5.3729	0.04

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3463	1.3738	1.4013

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G10: Events & Market Closure

Date	Ctry	Event
9 Jan	US	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
No Major Event this Week		

G10 Currencies

- **DXY Index - *Vulnerable to Pullbacks*.** The DXY index bounced a tad overnight, lifted by the stronger-than-expected ISM Services (at 54.1 for Dec vs. 52.1). JOLTS job openings surprised to the upside as well at 8.1mn vs. previous 7.8mn (also revised higher). That probably validates recent comments by Fed officials that labour market is “sturdy” and the Fed can afford to slow in its pace of easing. Prices paid was quite a strong print at 64.4 vs. previous 58.2. UST yields jumped with 10y now seen around 4.68% and 2Y10Y gap widened further to 39bps. In addition, Trump had threatened Denmark with high tariffs if the country does not cede Greenland to the US. He also did not rule out military action over the Arctic island territory or the Panama Canal. He also spoke of using “economic force” to force Canada to become the 51st state of the US. The bounce in the USD was rather restrained considering the dreams and ambitions of President-elect Trump for his second term. Regardless, Asian currencies trade on the backfoot. Back on the daily DXY index, stochastics suggest stretched conditions for the dollar index and that stochastics could be turning lower. There is also a rising wedge forming for the index which could suggest some retracement soon. That said, the apex is far at around 112. We will be cautious of chasing the USD higher from this level. Resistance is seen around 109.50 before the next at 110.10 and then at 111. Support is seen around 107.80.

- **EURUSD – *Falling Wedge Broken out?*.** EURUSD reversed lower due to stronger USD and higher UST yields. The greenback was boosted by the stronger-than-expected ISM services and prices paid was solid. CPI estimates for Dec rose 0.4%m/m (vs. prev. -0.3%) in line with expectations. Unemployment rate steadied at 6.3%. Divergent monetary policy outlooks and the political uncertainties surrounding the French and the German continue to weigh on the EUR against the greenback. However, this can look a tad stretched. Back-to-back rate cuts for Jan, Mar and Apr are well priced based on OIS. On the EURUSD chart, support at 1.0335 is being tested and the next is seen at 1.0200. Pair was arguably breaking out of the falling wedge but it is less certain now since it was unable to break above the 21-dma at 1.402, acting as a resistance. The next resistance is seen at and 1.0520 (50-dma). Data this week has Consumer confidence, industrial confidence and services confidence for Dec on Wed. ECB publishes Economic Bulletin and Nov retail sales on Thu.

- **GBPUSD – *Key Support at 1.23*.** GBPUSD edged lower in the past two sessions and was last seen around 1.2480 levels. Data has been underwhelming these include 3Q GDP, Mfg PMI and net consumer credit. Latest Construction PMI also slipped more than expected in Dec to 53.3 from previous 55.2. GBPUSD remains close to 2024 low of around 1.2300. Last seen around 1.2480. There could be some rebound risks given stretched conditions. Resistance at 1.2490. Week ahead has BRC Shop Price index for Dec on Thu. In news from home, home prices fell (for the first time in nine months) -0.2% on average in Dec as elevated mortgage rates weighed on demand.

- **USDCHF - *Rising Wedge, Bearish risks*.** USDCHF hovered around 0.9090, about to break out of the rising wedge (to the downside). At this point, there are signs that the bullish forces are weakening on the MACD, there is a bearish divergence and stochastics seem to be plateauing in overbought conditions. We expect SNB to cut rates by 50bps in 2025 to bring the policy rate to 0%. Recall that SNB Chief had flagged about negative rates (Reuters) in a bid to weaken the CHF. CHF had weakened as markets priced in the scenario of SNB cutting rates to near zero by Sep 2025. With that, one can arguably said that policy divergence between the Fed and SNB is at its widest at this point. The room for CHF to fall because of policy divergence might be less as well. With the USD in a corrective mode (lower), USDCHF may move lower from here. The next support is at 0.8820. Resistance is the 0.9000. Of the traditional safe-havens, it does seem that gold and CHF retain most of the safe-haven properties, with the JPY being pressured by yield differentials. Safe-havens could be better supported on heightened volatility and uncertainty in the lead up to key events like the US elections. Further rate cuts from SNB could pressure USDCHF higher and if a situation arises where it becomes the global funding currency of choice (like the JPY), then we could see more upside for USDCHF. Week ahead has Nov retail sales today, Dec CPI on Tue and labour report on Fri.

- **USDJPY - *Little Changed*, *Cautious*.** The pair was last seen at around 158.01 as it was little changed from yesterday, remaining around the 157.00 – 158.00 levels. Upward pressure remains on the USDJPY due to possible JPY outflows from higher foreign securities buying via NISA and Ueda’s and the BOJ leaning more dovish recently. Strong US data, weak treasury auctions are also all keeping UST yields higher and weighing on the JPY. There was jawboning yesterday as Finance Minister Katsunobu Kato said that they are “deeply concerned” about the recent moves. This has at least somewhat helped to slow the rate of JPY depreciation for the near term and kept markets on the edge. The USDJPY overall is still gradually edging upwards and moving towards testing the 160.00 mark, which is roughly around levels where it has been suspected that the BOJ had directly intervened in 2024 previously. Resistance is at this key 160.00 level with the next at 162.00 (around 2024 high). Support is at 156.00 and 150.00. Remaining key data releases this week include Dec consumer confidence (Wed), Nov cash earnings (Thurs), Nov household spending (Fri), Nov P leading index (Fri) and Nov P coincident index (Fri).

- **AUDUSD - *Interim bottom*.** AUDUSD was last seen at levels around 0.6220, pressed lower because of the broad USD strength as well as the slowdown in trimmed mean CPI to 3.2%y/y in Nov from previous 3.5%. Still, this pair remains well within the 0.6170-0.6410 range. While we see conditions for a rebound in the near-term, we remain bearish on the currency as we look for trade frictions between the US and China to impact Australia’s resource exports and RBA could risk cutting more than expected. Since the last trade war in 2018, non-commercial positions of the AUD have hardly been in net long. Further signs of de-coupling between Australia’s traditional ally and biggest trading partner would continue to hurt AUD sentiment this year. We continue to see RBA easing in Feb but most of markets have come joined our view with cash rate futures now implying 70% probability and this view is supported by the latest CPI release. AUDUSD might find some support around the 0.6170-figure for now. We see rebound towards 0.64 as opportunities to sell into. Week ahead has Nov retail sales, trade on Thu, Fri has household spending for Nov.

- **NZDUSD - *Heavy*.** NZDUSD hovered around 0.5640. Support is seen at 0.5588 before the next at 0.5510. Momentum is no longer bearish. We see two-way trades. Resistance is last seen around 0.5660 before 0.5680. at home, home prices are expected to show mild recovery this year according to CoreLogic New Zealand. Prices had fallen 3.9% in 2024 and the agency expects home values to rise around 5% for 2025.

- **USDCAD - *Rounding Top*.** USDCAD was last seen around 1.4350. This pair was not able to head beyond key resistance at 1.4450 and Trudeau’s resignation has brought about some relief but Canada still has to face Trump who spoke about putting “substantial” tariffs on goods from Canada and Mexico. He wants to get rid of that “artificially drawn line” and Trudeau has responded that “there isn’t a snowball’s chance in hell that Canada would become part of the United States”. Mark Carney, former Governor of BoC and BoE had said he is considering to enter the race to become the next leader of the Liberal Party and Prime Minister. Other potential candidates include former FinMin Chrystia Freeland; Dominic LeBlanc who is current FinMin, Foreign affairs Minister Melanie Joly, Natural Resources Minister Jonathan Wilkinson, Transportation and internal trade Minister Anita Anand and Christy Clark, former premier of British Columbia. The Conservatives now lead polls by more than20 points and election is due by 20 Oct 2025. Back on the USDCAD chart, momentum is now bearish and resistance at 1.4450 could remain intact. Tentative pullbacks could bring the pair towards support 1.43 first before 1.4220. Data-wise, we have Dec labour report on Fri.

- **Gold (XAU/USD) –** ***Rising a Tad on Specter of Conflicts***. Gold hovered around $2646/oz, within the 2600-2720 range. The bullion had inched higher and we allude the rise to the specter of conflicts conjured by Trump's ambition to make Canada, Greenland, the Panama Canal a part of the US. That said, the rise in UST yields continue to weigh on gold and the prospect of a ceasefire or deal of peacemaking for the war in Ukraine. Range of 2600-2720 could remain intact. Interim resistance at 2680.

Asia ex Japan Currencies

SGDNEER trades around +0.68% from the implied mid-point of 1.3738 with the top estimated at 1.3463 and the floor at 1.4013.

- **USDSGD - *Sideways*.** USDSGD was last seen higher at 1.3645 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.

- **SGDMYR - *Hovering around the 3.30 level*.** SGDMYR was last seen at 3.29 levels this morning with both SGD and MYR higher. Resistances at 3.32 followed by 3.35. Support at 3.28.

- **USDMYR - *Sideways, Cautious*.** Pair was last seen at 4.4993 as it remained around levels seen in recent sessions. This was even as the broad dollar had staged a rebound on stronger US data and strong Trump rhetoric on geopolitical matters and tariffs. CNY/CNH also remained under pressure, which is a matter of concern given the strong trade links between Malaysia and China. Building up to the Trump inauguration, markets are likely to stay anxious on the first Trump policy announcements, keeping the pressure on Asian FX including the MYR. Even so, with sentiments prone to swivel, any release of good news such as signs of better US – China relations can give quite some relief to Asian FX. Domestically, there was some good news though as both Singapore and Malaysia formalized an agreement to establish the Johor Singapore Special Economic Zone. The potential investment that the zone can attract may work favorably in the long term for both the economy and the currency. The agreement would be looking at cooperation in multiple areas including promoting investments in 11 economic sectors, facilitating expansion of 50 projects within five years and cumulatively 100 in the first 10 years, enhancing the movement of people and a collaboration funding mechanism to encapsulate infrastructure development and expansion of companies to JSSEZ among other items. 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 31 Dec foreign reserves (Wed), Nov IP (Fri) and Nov Mfg sales (Fri).

- **USDCNH - *FIX Remains Below 7.20*.** USDCNH traded around 7.3450. This pair is reined in by the daily fix this morning, still below 7.20 at 7.1887 (1528pips from estimate). 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 7.33 for now. Recall that the PboC has ample tools at their disposal to support the yuan indeed and they have used them before. PBoC will be issuing extra yuan bills in HK in Jan. according to Yicai. These are meant to soak up CNH liquidity in and support the offshore yuan. Those tools including the bill issuance in HK make the fixing a credible policy guidance. The pullback in USDCNY post fix shows that players are taking heed of this warning. PBoC's Financial News highlighted that the PBoC 4Q statement had omitted the call to "increase exchange rate flexibility" in the 3Q statement and there was an emphasis on crackdown on market disruption and one-sided market expectation. There was also a highlight on how the central bank has had tools and experience in handling depreciation of yuan exchange rate. For the rest of the week, foreign reserves for Dec are due on Tue before Dec inflation on Thu. Credit data are due between 9-15 Jan. At home, a press briefing is underway with pledges from PBoC to support banks to expand loans for trade-in program, to deliver CNY81bn for trade-in program in 1st batch 2025 and to increase its subsidies under the consumer goods trade in program to cover up to 20% of the products' price, NDRC Vice-Chairman. This is raised from 15%.

- **1M USDKRW NDF - *Lower, cautious*.** 1M USDKRW NDF was last seen trading lower around 1451.14. A better performing KOSPI together with National Pensions Service potential currency National Pensions Service potential currency hedging and offloading some dollar holdings could be giving support to the KRW. Domestically, it remains uncertain if there could be some resolution to the political situation as the anti-corruption watchdog has secured a warrant extension to arrest impeached President Yoon Suk Yeol. There is a possibility that another attempt at arresting Yoon could occur today. Overall, we stay wary of the KRW given the country's political situation. There also remains immense uncertainty and anxiety building up to Trump's inauguration and his first policy announcements after taking office. Back on the chart, resistance at 1480 with the next level after that at 1500. Support is at 1440 and 1415. Nov BoP CA balance out this morning was narrower at $9229.4m (Oct. $9783.6m). There are no remaining key data releases this week.

- **1M USDINR NDF- *Pivoting to Neutral*.** USDINR 1M NDF is steady at 86.07 levels this morning. Governor Das will be replaced by a career bureaucrat Sanjay Malhotra who will start a three-year term tomorrow (11 Dec). Last Friday, RBI held its rate steady on Fri in line with consensus although it also cut the cash reserve ratio that banks are required to hold, making conditions easier as growth slows. 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 85.00. Support at 84.50 before the next at 84.00. Data releases this week include Nov CPI, Oct Industrial Production, Nov trade Balance and Nov Exports/Imports.

- **1M USDIDR NDF - *Little Changed, Cautious*.** 1M USDIDR NDF was last seen at 16204 as it continued to trade at levels seen yesterday. This was even as UST yields climbed higher on the strong US data overnight and broad dollar rebound whilst CNH/CNY and JPY stayed under pressure. Asian FX can be quite affected by the weakness in the latter two currencies given the strong trade links between China and Japan and other regional countries. Overall, the 1M USDIDR NDF remains within recent ranges 16100 – 16400. There is plenty of anxiety building up to Trump's inauguration that can look to weigh on the IDR in the near term. So far, the incoming president is showing no signs of toning down his rhetoric. However, we do take note that authorities could be trying to stabilize the currency. We expect sideway trading for the 1M USDIDR NDF near term. That said, the broad dollar is stretched and sentiment is prone to shifts. Any sign of goods news such as an easing in US – China relations can provide quite some relief for USDAsian pairs. Back on the chart, break out of the recent range of 16100 – 16400 would be key. Resistance is seen at 16400, 16519 (2024 high) and 16750. Support at 16100 and 15800. Key data releases this week include Dec foreign reserves (Wed) and Dec local auto sales (11 – 15 Jan).

- **1M USDPHP NDF - *Higher, cautious***. The 1M NDF was last seen at 58.43 as it edged higher with both the broad dollar and UST yields moving up amid strong US data. For now, the 1M USDPHP NDF appears to be bounded between the 200-dma (57.80) and 50-dma (58.59) and it may continue to trade within that range. However, we stay cautious of upside risks and any breakout higher given the uncertainty associated with any Trump policy related announcements as we build up to his inauguration. We do take note that the broad dollar is stretched and sentiment is prone to shifts and therefore, any sign of goods news such as an easing in US – China relations can provide quite some relief for USDAsian pairs. Meanwhile, domestically, BSP can continue with easing this year although that in some ways is already expected by markets. Back on the chart, a breakout of the range is key with resistance at 58.59 (50-dma) and 59.13 (YTD high). Support is at 57.80 (200-dma) and 57.00. Remaining key data releases this week include Nov unemployment rate (Wed), Nov trade data (Thurs), Nov bank lending (Fri) and Nov money supply (Fri).

- **USDTHB - *Sideways, Cautious***. Pair was last seen at 34.57 as it was marginally higher and held around levels seen in last few sessions. Higher UST yields, stronger dollar and CNH/CNY and JPY weakness had weighed on the THB. However, at the same time, gold prices were higher too helping to offset some of these negative factors. We cautious on the USDTHB and for now, it is still testing the upper end of the 34.00 – 34.80 range that it has been trading in. Any decisive break above the 34.80 resistance level can open the way for it to move higher with the next resistance level at 35.10 (high on Nov 2024 post Trump election before a retracement). For now, immense uncertainty and anxiety on building up to Trump's inauguration and his first policy announcements after taking office looks to be weighing on sentiment. However, we do take note that the broad dollar is stretched and sentiment is prone to shifts and therefore, any sign of goods news such as an easing in US – China relations can provide quite some relief for USDAsian pairs. Meanwhile, support is at 33.50 and 33.00. Domestically, on other news, the cabinet has approved the 3.78tn budget framework for the fiscal year starting 1 Oct. The deficit is set at 860bn baht, compared to 870bn baht in the current fiscal year. Remaining key data releases this week include 3 Jan gross international reserves/forward contracts (Fri).

- **USDVND - *Capped for now***. USDVND was last seen around 25380. 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. Vietnam Head of Price Statistics department for the General Statistics Office Nguyen Thu Oanh said that officials are bracing for a possible new era of tariffs during Trump's second term. The SBV had said that the central bank is monitoring the currency after it fell to its record low last week with Deputy Governor Dao Minh Tu promising to stabilize the currency.

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	3.61	3.60	-1
7YR MO 7/32	3.79	3.79	Unchg
10YR MS 7/34	3.82	3.82	Unchg
15YR MS 4/39	3.95	3.94	-1
20YR MX 5/44	4.05	4.04	-1
30YR MZ 3/53	4.17	4.18	+1
IRS			
6-months	3.64	3.64	-
9-months	3.59	3.59	-
1-year	3.56	3.56	-
3-year	3.49	3.49	-
5-year	3.54	3.54	-
7-year	3.62	3.62	-
10-year	3.71	3.71	-

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

- Ringgit bonds traded slightly firmer following a strong 7y MGS auction, with yields generally easing 1bp across tenors, except for the 30y MGS which rose 1bp to 4.18% due to small odd-lot transactions. The auction posted a strong BTC of 2.808x over the MYR5b issuance size. Post-auction, the 7y MGS yield traded 3bp lower before settling at 3.788%.

- MYR IRS levels were relatively unchanged, but activity picked up with above average volumes seen mainly in 5y point. 3M KLIBOR declined another 1bp to 3.71%, in-line with our expectation of a further drop 10-15bp over 2-3 months to 3.60% or lower. 1y IRS traded at 3.555% and 3.56%. 4y IRS traded at 3.51%. 5y IRS traded at 3.53% and 3.535%.

- In the PDS market, GG space was fairly active, with spreads tightening 1bp for PTPTN, Danainfra, and Prasarana. In AAA segment, performance was mixed, as Danum Capital 5/30 and BPMB 6/31 spreads tightened 2-3bp, while TNB spread widened 3-5bp with nearly MYR60m traded. In AA1/AA+, Kapar Energy 7/26 was sold 2bp higher with MYR30m exchanged, while KLK 9/24 traded at MTM. In AA3/AA-, Edra Energy traded 2-3bp lower. In A1/A+, DRB-Hicom 8/25 spread narrowed 2bp with MYR20m exchanged.

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Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.84	2.85	+1
5YR	2.87	2.87	Unchg
10YR	2.99	2.99	Unchg
15YR	3.01	2.99	-2
20YR	2.92	2.91	-1
30YR	2.87	2.87	Unchg

Source: MAS (Bid Yields)

- SGS took a breather from the selloffs in prior session. The curve ended the day mixed with the front-end 2y SGS edging 1bp higher to 2.85%, while the longer-tenor 15-20y yields declined 1-2bp. Other parts of the curve was flat including the 10y SGS unchanged at 2.99%. The overnight SORA rose 8bp to 2.84%.

Indonesia Fixed Income

Rates Indicators

RPGov't Bonds	Previous Bus. Day	Latest Day's Close	Change
2YR	7.02	7.01	(0.01)
3YR	7.01	7.02	0.01
5YR	6.99	7.04	0.05
10YR	7.06	7.14	0.07
15YR	7.11	7.17	0.05
18YR	7.15	7.17	0.02
30YR	7.08	7.10	0.03

** Source: Bloomberg, Maybank Indonesia*

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- Most Indonesian government bonds weakened, following unfavourable condition on the global financial markets yesterday. The yields on most Indonesian government bonds are above 7.00% currently. The market players kept being defensive by avoiding risk for anticipating incoming Donald Trump's implementation various policies and smaller rooms for the Fed to be more accommodative on its monetary policies. We also saw a relative weak of investors' enthusiasm for participating the first of conventional government bond auction for this year. On the other side, Indonesian economy runs on a good progress on early period of this year. It can be an indication that the fundamental background for investment in Indonesia is still solid. The government has implemented various fiscal stimulus for maintaining domestic demand, such as Free Nutritious Foods, discount power tariff for the customers' maximum 2200 KV, higher regional minimum wages by 6.5%, and increasing teacher's salary. Hence, the market players, especially foreigners, seem still waiting momentum for aggressively entering to Indonesian bond market until the global condition being conducive again.

- Yesterday, the government absorbed Rp26.2 trillion from its conventional bond auction. It's below the government's indicative target by Rp28 trillion for this year. Investors' incoming bids for this auction only reached Rp31.66 trillion. Investors' interest seemed low for grabbing the new series of FR0106 (15Y) and FR0107 (20Y), although offering attractive coupons by each 7.125%. From this auction, we thought that a weak investors' participation for this auction reflected a risk averse measures on investment strategy. Moreover, the government also stayed being efficient for absorbing investors' funds for financing their fiscal budget during current condition. Previously, the government has succeeded collecting Rp80.7 trillion from prefunding to finance the 2025 State Budget. The prefunding acquisition is at least 10.4% of the total 2025 net financing plan of Rp775.9 trillion. Prefunding to finance the 2025 State Budget was realized through the issuance of global bonds and auction of government securities in Dec-24.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0465	158.99	0.6309	1.2609	7.3597	0.5714	165.0667	99.5447
R1	1.0403	158.52	0.6269	1.2543	7.3499	0.5674	164.2433	99.0123
Current	1.0355	158.12	0.6230	1.2487	7.3448	0.5633	163.7300	98.5000
S1	1.0309	157.48	0.6209	1.2444	7.3305	0.5614	162.9033	98.1053
S2	1.0277	156.91	0.6189	1.2411	7.3209	0.5594	162.3867	97.7307

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3706	4.5214	16214	58.2300	34.7840	1.4217	0.6172	3.3121
R1	1.3674	4.5044	16173	58.1940	34.6310	1.4161	0.6148	3.3064
Current	1.3646	4.5000	16193	58.3500	34.5700	1.4130	0.6138	3.2979
S1	1.3599	4.4789	16110	58.0730	34.3680	1.4078	0.6112	3.2968
S2	1.3556	4.4704	16088	57.9880	34.2580	1.4051	0.6099	3.2929

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	6.00	15/1/2025	Easing
BOT 1-Day Repo	2.25	26/2/2025	Neutral
BSP O/N Reverse Repo	5.75	20/2/2025	Easing
CBC Discount Rate	2.00	20/3/2025	Neutral
HKMA Base Rate	4.75	-	Easing
PBOC 1Y Loan Prime Rate	3.10	-	Easing
RBI Repo Rate	6.50	7/2/2025	Easing
BOK Base Rate	3.00	16/1/2025	Easing
Fed Funds Target Rate	4.50	30/1/2025	Easing
ECB Deposit Facility Rate	3.00	30/1/2025	Easing
BOE Official Bank Rate	4.75	6/2/2025	Easing
RBA Cash Rate Target	4.35	18/2/2025	Neutral
RBNZ Official Cash Rate	4.25	19/2/2025	Easing
BOJ Rate (Lower bound)	0.00	24/1/2025	Tightening
BoC O/N Rate	3.25	29/1/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	42,528.36	-0.42
Nasdaq	19,489.68	-1.89
Nikkei 225	40,083.30	1.97
FTSE	8,245.28	-0.05
Australia ASX 200	8,285.10	0.33
Singapore Straits Times	3,828.17	0.17
Kuala Lumpur Composite	1,629.79	0.27
Jakarta Composite	7,083.28	0.04
Philippines Composite	6,545.38	-1.20
Taiwan TAIEX	23,651.27	0.44
Korea KOSPI	2,492.10	0.14
Shanghai Comp Index	3,229.64	0.71
Hong Kong Hang Seng	19,447.58	-1.22
India Sensex	78,199.11	0.30
Nymex Crude Oil WTI	74.25	0.94
Comex Gold	2,665.40	0.68
Reuters CRB Index	299.28	0.12
MBB KL	10.16	0.59

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