Maybank

Macro | FX Research & Strategy

Global

# Global Markets Daily

# Treading a Difficult Line

### US CPI Softer than Expected, Trump Claims Upper Hand in Talks

Markets are mixed amid ongoing uncertainty. May CPI came in softer than expected, with core inflation at 0.1% MoM (vs. 0.3% est., 0.2% in April), suggesting limited impact from tariffs so far and boosting expectations for a potential rate cut as early as Sep 2025. However, this data doesn't guarantee future trends, as tariff effects may take time to materialize. Meanwhile, markets are digesting unclear trade comments from the Trump administration. The President stated China would supply rare earths upfront and U.S. tariffs on China would be at 55%. China tariffs on the US would in contrast be at 10% and Chinese student access into the US would be allowed. Lutnick echoed similar comments but added a written release on the latest China pact wouldn't be made public. Trump also mentioned unilateral tariffs would be set for countries in the next two weeks but Bessent said it is "highly likely" the July 9 deadline may be extended for partners who negotiate in good faith. Despite the comments pointing to the US having the upper hand, the administration's lack of transparency raises doubt about this. U.S. equities dipped slightly, possibly pulling back amid caution to push too much higher as we approach record levels. DXY and UST yields edged lower but remain ranged bound amid high uncertainty. DXY would likely stay ranged around 98.00 - 102.00 though it can move lower towards the 98.00 mark if US PPI today comes out softer than estimates. However, stay wary of an eventual rebound again, especially into next week if JPY climbs on a less hawkish BOJ and any adjustment MOF bond plans.

### Oil Price Climb Higher Amid Mid East Concerns

Oil prices rose after the U.S. ordered certain staff to leave Iraq due to Iranian threats against U.S. bases whilst the UK Navy warned of potential disruptions to shipping. Brent briefly surged past $70, and WTI neared that level. However, gains have since retraced as markets remain cautious amid trade war concerns. Prices are nearing key resistance levels, and momentum indicators are approaching overbought conditions whilst the economic back drop is uncertain. We remain wary of further oil price upside.

### Data/Events We Watch

US May PPI, UK Apr Mthly GDP, IP, Mfg prod, Index of services

**FX: Overnight Closing Levels % Change**

| Majors | Prev Close | % Chg | Asian FX | Prev Close | % Chg |
|---|---|---|---|---|---|
| EUR/USD | 1.1487 | 0.54 | USD/SGD | 1.2847 | -0.18 |
| GBP/USD | 1.3547 | 0.35 | EUR/SGD | 1.4758 | 0.37 |
| AUD/USD | 0.6501 | -0.32 | JPY/SGD | 0.8885 | 0.06 |
| NZD/USD | 0.603 | -0.36 | GBP/SGD | 1.7405 | 0.17 |
| USD/JPY | 144.56 | -0.21 | AUD/SGD | 0.8352 | -0.48 |
| EUR/JPY | 166.08 | 0.34 | NZD/SGD | 0.7744 | -0.55 |
| USD/CHF | 0.8203 | -0.30 | CHF/SGD | 1.5658 | 0.13 |
| USD/CAD | 1.3672 | 0.01 | CAD/SGD | 0.9397 | -0.17 |
| USD/MYR | 4.2368 | -0.05 | SGD/MYR | 3.2934 | -0.06 |
| USD/THB | 32.638 | -0.05 | SGD/IDR | 12641.47 | -0.08 |
| USD/IDR | 16260 | -0.08 | SGD/PHP | 43.4408 | 0.18 |
| USD/PHP | 55.882 | 0.09 | SGD/CNY | 5.599 | 0.27 |

**Implied USD/SGD Estimates at, 9.00am**

| Upper Band Limit | Mid-Point | Lower Band Limit |
|---|---|---|
| 1.2812 | 1.3074 | 1.3335 |


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### G10: Events & Market Closure

| Date | Ctry | Event |
|---|---|---|
| 9 Jun | SW, AU | Market Closure |

### AXJ: Events & Market Closure

| Date | Ctry | Event |
|---|---|---|
| 9 Jun | ID | Market Closure |


SEE PAGE 12 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

## The Trump Tracker 2025

| Date | Market-Moving Events Since Trump's Inauguration on 20th Jan 2025 | Impact on Markets |
|---|---|---|
| 20th Jan | Declares National Energy Emergency, roll back on Biden's climate regulations, enable new O&G development on federal lands | Negative for Oil, Better for Inflation Outlook if crude production expands |
| 27th Jan | Trump threatened to impose 25% tariff on Columbia but did not do so eventually after Columbia reportedly agreed "to all of President Trump's terms" including the "unrestricted acceptance" of immigrants who entered the US illegally within a few hours of the threat. | DXY clocked the low for Jan that day but headed higher thereafter in anticipation of tariffs on Canada and Mexico. |
| 30th Jan | Eases Regulations on Crypto-Currency Industry. SEC rescinded an accounting rule (SAB 121) which required banks and FIs to treat cryptocurrencies as a liability on their balance sheet. | Supportive of cryptocurrencies but arguably, great expectations may already be in the price. Last check, bitcoin has been gyrating around $100,000, within $90-110K, after rising around 60% since Trump won the elections. |
| 1st Feb - 3rd Feb | To impose tariffs on China, Canada and Mexico. Trump had issued executive order on 1st Feb (Sat) under the International Emergency Economic Powers Act to impose 25% tariffs on most goods from Canada and Mexico as well as 10% tariffs on goods from China that will take effect on Tue. Canada's energy and oil exports will be taxed at 10%.<br>On top of that, the US legislators have halted the de minimis provision that allows packages worth under $800 to be exempted from tariffs.<br>Trump said tariffs on EU goods could happen "pretty soon" while trade issues with the UK can be worked out. | USDCAD and USDMXN rose on 3rd Feb (Mon) before making a complete reversal by the end of the session when it was made known that tariffs on the two countries are to be delayed for a month.<br>USDCAD was up 2.5% from open to high, while USDMXN was up 4.6% during the session. |
| 4th Feb | Trump wants access to Ukraine's rare earths resources in return for aiding its defence against Russia. | An end to the war in Ukraine would be positive for EUR. However, recent tariff threats are likely to weigh. |
| 4th Feb | Tariffs on China take effect. Trump mentioned about talks with Xi but in the end, the 10% tariff on China came into effect on 4th Feb.<br>China's Retaliation. Almost immediately, China announced a probe into Google, added several US companies to a "blacklist" of entities, impose new export controls on critical minerals[1]. imposed 10% tariffs on US products, including coal, LNG and agricultural equipment with effect from 10 Feb. | USDCNH rose at first when US tariffs on China took effect. China's retaliatory moves were seen as mild and restrained, resulting in some retracements. We suspect that markets are confident that PBoC would continue to defend the yuan for now and this is a reflection of cautious optimism that there could be a quick deal.<br>In addition, China also pledged to take the case to the WTO. Its foreign ministry pointed out that "fentanyl is America's problem". |
| 7th Feb | Trump said "reciprocal tariffs" that could "affect everyone could be announced the following week. | USD started the week on 10th Feb stronger in anticipation of it. |
| 9th Feb | Trump told the press that he would impose 25% tariffs on all steel and aluminium. | |
| 10th Feb | Trump signed executive orders to order 25% tariffs on all steel and aluminium. | Pro-cyclical AUD, CAD, NZD fell more than G10 and Asian peers this morning. |
| 13th Feb | Trump announces that talks with Putin for a peace deal with Ukraine will begin. | EUR small rebound, within range. |

Note[1]: Critical minerals include tungsten, tellurium, bismuth, molybdenum and indium products.

| Date | Market-Moving Events Since Trump's Inauguration on 20th Jan 2025 | Impact on Markets |
|---|---|---|
| 13 Feb | Trump signs measure directing USTR and commerce secretary to propose new levies on a county-by-country basis.<br>Howard Lutnick said that studies should be completed by 1 Apr and Trump could act immediately after. | DXY declines on hopes that the tariff timeline can provide some leeway for country to country negotiations. |
| 18 Feb | Trump threatened 25% tariffs on semiconductor, pharmaceuticals and automobiles – "can go substantially higher over the course of a year". | The DXY index rose a tad in reaction. |
| 25 Feb | Trump orders investigation into national security risks of dependency on copper imports that could lead to tariffs on the product | US copper futures gain but li .mited reaction in currency markets |
| 27 Feb | Trump said tariffs on Canada, Mexico will take effect as scheduled, announced another 10% blanket tariff on China for its role in fentanyl flows into the US | USDCAD, USDMXN and USDCNH rose, taking the DXY broadly higher |
| 3 Mar | Trump mentioned levies on agriculture imports to take effect on 2 Apr. | |
| 3 Mar | Threatened to impose tariffs on Japan and China for keeping their currencies undervalued. | JPY strengthened and pressure on CNY (owed to upcoming tariffs) was mitigated by this recent threat. |
| 3 Mar | Trump stopped military aid to Ukraine. Europe and Uk plan to ramp up on military spending. | EUR and GBP surge. |
| 4 Mar | 25% tariffs on Canada, Mexico and additional 10% for China take effect.<br>Commerce Secretary Howard Lutnick hinted of a compromise | USDCAD, USDMXN were higher before coming off on Lutnick's comments. |
| 6 Mar | US gives a one-month delay to Mexico and Canada on auto tariffs whilst also considering tariff exemptions for some agricultural products for these two countries | USDCAD, USDMXN both pullback |
| 7 Mar | Trump signs an order pausing tariffs on Canadian and Mexican goods compliant with the USMCA deal until 2 Apr. About 62% of Canadian imports and 50% of Mexican products would remain subject to tariffs. | USDCAD, USDMXN falls further |
| 12 Mar | 25% tariffs on steel and aluminium take effect.<br>Canada will impose 25% tariff on C$30bn of American goods that will take effect on Thu (14 Mar)<br>EU also targeted EUR26bn of American imports with effect on 13 Apr.<br>Mexico said it will wait until 2 Apr before making further announcements. | EURUSD softened a tad. USDCAD is lower. |
| 14 Mar | Trump threatens 200% tariffs on wine, champagne and other alcoholic products | EURUSD softer. DXY rises marginally. |
| 21 Mar | Trump referred to 2nd Apr as "Liberation Day" | USD finds some support as DXY rises above 104 handle. |

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| **23 Mar** | US officials said that 2nd Apr reciprocal tariffs would be more focused than markets expected. | DXY comes off slightly, but remains above 104 level. |
| **25 Mar** | Trump vows a 25% tariff on any country importing Venezuelan oil. | DXY is better supported as oil prices rise round 1%. |
| **27 Mar** | Trump announces a 25% on all automobiles not made in the USA (effective 2 Apr). Separately hints that reciprocal tariffs on 2 Apr may not be as high as expected and suggests tariffs on China could be eased if TikTok sale happens. | DXY rose (+0.27%) but USD looks weaker going into Asian open on 27 Mar. |
| **2 Apr** | Trump imposes minimum 10% tariff on all exporters to the US, and higher rates on specific trading partners. | DM FX rose against AxJ FX as Asian countries were hit with a higher rate of reciprocal tariffs vs. DM peers.<br><br>USD gave up all gains vs. the AxJ by the end of 3rd Apr. |
| **2 Apr** | The US has also decided to end the de minimis tariff exemption. Low value packages would face a tax rate of 30% of their value or $25 per item wef 2 May. The dollar amount will be raised to $50 after 1 Jun. | |
| **4 Apr** | China gave its strongest retaliation yet for Trade war 2.0, imposing 34% tariff on all American imports wef 10 Apr, export controls on rare earths, launching an anti-dumping probe into medical CT X-ray tubes from the US and India, and halting imports of poultry products from two American firms. 11 US defense firms are added to an unreliable entity list and imposing export controls on 16 US firm. USDCNH rose a tad in response, pending further response from the US. | Onshore yuan was closed. USDCNH fell ahead of the retaliatory measures announced within the session.<br><br>AUD was the worst hit, down 4.60% amid the rippling risk aversion. |
| **8 Apr** | Trump threatens an additional 50% tariff on China unless they remove their 34% retaliatory tariff on US goods. | USDCNH and USDCNY trades higher with the USDCNY fixing set above 7.20, the weakest level since Sep 2024. |
| **9 Apr** | Trump announces that he would impose an additional 104% tariff on China | USDCNH broke above 7.40 before pulling back below it. |
| **10 Apr** | Trump announces a 90-day pause on the higher reciprocal tariffs although the 10% tariffs would be in place for all countries<br><br>However, US additional tariffs on China stay in place and would be even higher at 125% after China again announced an additional 50% tariff on US goods | EUR, JPY, CHF all pulled back from their highs and DXY climbed from its lows.<br><br>DXY though is still lower than its pre-liberation day levels and it has not fully pared back its losses.<br><br>USDCNH still remains close to the 7.40 mark even it has pulled back further.s |
| **11 Apr** | The White House announces that the tariffs on China would be 145% and not the previously thought of 125%. | USDCNH has come off from its recent highs but remain above the 7.30 level<br><br>DXY continues to soften and tests the 100.00 level |
| **11 Apr** | US provides tariff exemptions for computers, smartphones and various electronics products | |
| **14 Apr** | Commerce Secretary Lutnick though would later on said that the exemptions were temporary and that those items would be subjected to "semiconductor tariffs" that will likely come in "a month or two" and mentioned that a notice would be published in the federal registry this week. | CNY fixing was done at the weakest level since Sep 2023<br><br>DXY edges lower as JPY strengthens |

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|---|---|---|
| | Trump himself has also warned that tariffs could be coming on them soon. | |
| **16 Apr** | US - Japan trade talks where Trump said there had been "big progress" although little details are known except that the Japanese had said FX was not discussed. | DXY soften as the JPY initially appreciated but later it pared back, resulting in DXY climbing when Akazawa said FX was not discussed. |
| **22 Apr** | Solar tariffs imposed on Vietnam, Cambodia, Malaysia and Thailand | Minimal impact on currencies as focus was on Trump's threats to fire Powell. |
| **5 May** | Trump concedes that tariffs on China could be lowered "at some point". China also shows signs of softening its stance against the US and urged the US to show "sincerity" by removing the unilaterally imposed tariffs. | Currencies continue to consolidate ahead of FOMC on 8 May. |
| **6 May** | India and Malaysia are negotiating on the basis of reducing tariffs to zero. Japan has its zero tariff proposal rebuffed by the US. | Currencies continue to consolidate. |
| **7 May** | Bessent and Greer reported to meet with He Lifeng for trade negotiations. Bessent said that the current tariff rates are not sustainable and are the equivalent of an embargo, | Consolidation continues although gold pares back from highs. The DXY hovers close to the 100.00 mark. |
| **8 May** | Trump said he planned to announce a "major trade deal" on Thu morning without naming the country (later reported to be the UK) or any further details about the deal. | GBP up by about +0.3% on reports that the trade deal is with the UK. |
| **9 May** | A deal with the UK was announced ahead of the meeting with China. 10% hbaseline tariff remains on the UK and UK cars will face lower tariffs. In exchange, US food and agriculture | USD is a tad higher with DXY at 100.72, but broad consolidation in currencies remains. |
| **12 May** | China and the US agree to a trade deal that reverses most of the earlier tit-for-tat in Apr. | The USD was broadly stronger as the DXY (+1.1%) popped higher and was last seen at 101.675 levels. Spot gold retreated (-2.68%) and the JPY, CHF and EUR were all weaker in a partial reversal of the post-tariff implementation move. |
| **16 May** | Trump announced that he would be setting tariffs for the trading partners "over the next two to three weeks" whilst noting that his administration lacks the capacity to negotiate with every party. | The USD was broadly stronger although it would reverse some of these gains later as Moody's downgraded the US from Aaa to Aa1. |
| **23 May** | Trump announced 50% tariff on the EU to take effect on 1 Jun and later delayed it to 9 Jul.<br>A 25% tariff was also declared on all foreign-made smartphones, including Apple and Samsung's. | USD fell against most currencies. |
| **29 May** | US Court of International Trade has ruled that the vast majority of Trump's tariffs are deemed illegal. This would be covering those that were invoked under the International Emergency Economic Powers Act so essentially his reciprocal tariffs (the 10% flat level plus the additional levels), the additional tariffs on China and the fentanyl related tariffs on China, Canada and Mexico would all be suspended. However, those under section 232 and 301, which cover tariffs are steel, aluminum and automobiles would still be in effect. The White House has said that they will appeal the ruling. | USD bounced up as other G10s fell |

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| **30 May** | The US Court of Appeals for the Federal Circuit has granted a temporary stay on the Trade Court's ruling. In essence, the Trump tariffs remain in place until 9 June of which it would depend if the Appeals Court grants a longer stay or if the appeal to the Supreme Court is granted. | USD retraces all previous gains and edges lower below levels before the trade court decision |
| **2 Jun** | Trump raises tariffs on steel and aluminum to 50% from 25% to support US workers and the merger of US Steel and Nippon Steel. | USD continues on its earlier path and is broadly lower. |
| **3 Jun** | US-China dialogue is anticipated this week according to the White House and there was confirmation that tariffs on some Chinese goods would be extended to 31 Aug. | USD continues to trade lower despite US yields rising. |
| **5 Jun** | Xi and Trump agreed to further dialogue on trade after Trump said that disputes over rare earth exports were resolved and that he had accepted China's invitation to visit. Beijing meanwhile said that it had complied with the terms of last month's trade truce and Trump had welcomed Chinese students to study in the US. | USD was slightly lower, although equities pared back after going higher from the initially more positive risk sentiment of the Xi-Trump call. |
| **9 Jun** | China and the US to speak in London whilst China has reportedly granted approval to some rare earth exports (though unclear which countries or industries) and Boeing has resumed shipment to China. | USD traded higher whilst UST yields also rose. |
| **11 Jun** | US – China talks in London as both sides reached some initial agreement. Lutnick has said that they have "reached a framework to implement the Geneva consensus" whilst China's chief trade negotiator Li Chenggang noted that they will take the proposals back to their respective leaders. Details as a whole though were actually scarce. | USD traded sideways |
| **12 Jun** | Trump mentioned unilateral tariffs would be set for countries in the next two weeks but Bessent said it is "highly likely" the July 9 deadline may be extended for partners who negotiate in good faith. | USD edges lower |

*Sources: Bloomberg, various news sources, Maybank FX Research & Strategy*

## G10 Currencies

- **DXY Index - *Softer CPI Raises Bets on Rate Cuts*.** The DXY softened overnight but price action still failed to make fresh headway out of the recently traded 98.50-99.60 range. The “done” trade deal with China that Trump said includes the shipment of rare earth was disappointing. In a Truth Social post, Trump said the framework “has been completed” and the US will allow Chinese students into its colleges and universities. However, details remain rather unclear. The reaction was broad USD slippages, except against the CNH which is markets’ way of saying that this was not good enough as a deal. Commerce Secretary Lutnick mentioned that the tariff rates are unlikely to change for China and also mentioned separately that a deal with the US will likely be at the “very end” of US trade deal. Earlier this morning, Trump also mentioned that the US will send letters informing trade partners of the unilateral tariff rates within the next two weeks – something that he has mentioned before. Bessent spoke to the House Ways and Means Committee on Wed and said that there are 18 important trading partners that they are working with to come to a deal and the date will be extended to continue good-faith negotiations. For those that have not been negotiating, they will not. Taken together, what we are seeing is a Trump administration realizing that the trade deals with so many countries are likely to take more time and resources than expected. From supposedly 200 trade deals that Trump touted in Apr, the administration now focuses on key 18 and the rest are likely to get their letters informing them of the “unilateral” tariff rate within a fortnight that would constitute as the final “trade deal”. Clearly, the administration wants to progress and possibly to move on from the current phase of negotiations. The dollar softened a tad more this morning after Trump’s declaration of unilateral tariff rates but overall, price action remains rather muted. Separately, US core CPI rose +0.1%m/m, much slower than the anticipated +0.3%. Headline CPI was also up +0.1%m/m vs. previous +0.2%. 2y yield fell in reaction to the data release. Breakdown suggests that there was little sign of tariffs feeding into prices – apparel inflation slipped -0.4%m/m. Services slow to +0.2%m/m from previous +0.3%. Food inflation rose +0.3%m/m but food away from home seems to have slowed to +0.3%m/m after keeping a steady pace of +0.4% since Feb. There are still expectations that subsequent inflation reports could show the impact of tariff feeding through more discernibly. All things considered, the bearish trend of the USD remains intact. Fed fund future now sees 69% of a rate cut in Sep vs. 50% earlier this week. Back on the DXY index, the index was last seen around 98.48. The recent dip to a low of 98.35 on 5 Jun could arguably form a double bottom. Two-way risks now with key support seen around 98-figure. We see signs of fatigue building for the USD bears and eyes are on any trigger that could give markets the excuse to unwind some short USD positions. For the rest of the week, May PPI is due today along with weekly claims. Fri has the Jun prelim. Univ. of Mich. Sentiment due.

- **EURUSD - *Double Top*.** EURUSD was last seen higher at 1.1520 after a so-called US-China “done deal/trade framework” failed to convince markets that there was meaningful resolution. Bessent had mentioned that the expiry date for the tariff pause could be extended for countries negotiating in good faith and not for others. Trump’s mention of a “unilateral tariff rate” that would be sent in a letter to trading partners may not be seen as constructive for trade relations and could continue to undermine the USD in the favour of the EUR. That could keep the EURUSD on a slow grind towards the Apr high of 1.1573. A failure to break above this level would form an arguable double top pattern for the EUR though and that would be tentatively negative for the EURUSD. Support at 1.1260 before 1.1080. Resistance level at 1.1500 before the next at 1.1573 (Apr high). Data releases this week include May Svcs/Comp PMI (Wed), Apr PPI, ECB Policy Decision (Thu), Apr Retail Sales and 1Q GDP (Fri).

- **GBPUSD - *Buoyant in Range*.** GBPUSD printed 1.3588 this morning, still in sideway action within the 1.34-1.36 range. Data releases thus far this week suggest that the labour market conditions could be softening a tad and likely kept the cable from rising. Unemployment rate for 3m to Apr slightly higher at 4.6%, in line with expectations. Weekly earnings ex bonus for Apr slowed more than expected to 5.2%. Jobless claims swung to 33.1k in May vs. -21.2K in the month prior. Meanwhile, the external backdrop had been positive for the GBP (but mostly negative for the USD) - the UK had won a reprieve on the increased metal tariffs with their levies remaining at 25% to allow it to work on new terms by 9 Jul. EU-UK deal should also continue to provide some tailwinds for cable. PM Starmer hailed the "landmark deal" with the EU and should continue to work to improving post-Brexit relations. UK 1Q GDP beat expectations and that should provide the GBP with some support. Highlights of the deal included fishing rights, removal of border checks on food and agricultural goods and a military collaboration pact. Deal is politically risky as domestic opposition politicians have criticized it, although it also represents a meaningful reset of the post-Brexit relationship with the EU. This deal is expected to add £9b to GDP by 2040 and is expected to be used as a starting point for more meaningful deals with the EU. We view the earlier trade deal between the US and UK as a manifestation of the fact that the US and UK are close allies, which we earlier suggested could shelter the UK from the brunt of Trump's trade hawkishness. Our suggestion that GBP could be better sheltered from tariff jitters seems to be playing out. GBP earlier rallied after the "Liberation Day" tariff announcement in line with other G10 FX. We maintain our view that the GBP could be somewhat sheltered from tariffs as it avoids specific trade action from the Trump administration as a close ally and as a services based economy. On the GBP daily chart, we see a probable rising wedge forming which typically precedes a bearish reversal. Resistance remains at 1.3600 followed by 1.3650. Pullbacks to bring cable towards interim support at 1.3430 followed by 1.3320 (76.4% Fibonacci retracement of the 2021-2022 decline). UK data this week includes May Svcs/Comp PMIs, May Official Reserves Changes (Wed), May Construction PMI and DMP 3M Output Price/1Y CPI Expectations (Thu).

- **USDCHF - *Sideways*.** USDCHF slipped within the 0.8100-0.8260 range, last printed 0.8177. Into Asia this morning, JPY, CHF and EUR were the outperformer, likely due to the weaker risk sentiment. Still watching EURCHF going below 0.92 as potential intervention trigger. Data showed that SNB bought about CHF1.2b last year to weaken the CHF. We expect safe-havens to remain well supported through tariff turmoil. SNB cut rates to 0.25% as expected to continue to deter inflows to the CHF. Even with the latest rally in EUR and GBP, CHF NEER & REER have remained elevated. The strong CHF has downside implications for Swiss inflation, and while SNB did not rule out negative rates, the risk of them moving there has now been reduced (with rally in EUR and GBP). We look for CHF to remain stable against a backdrop of heightened global uncertainty. Continue to look for CHF to be supported as a safe-haven in uncertain times. SNB President Schlegel said that rates would only go negative if necessary to keep inflation within the 0 to 2% target band. CHF as a safe-haven should continue to stay resilient as long as tariff fears and threats are still at play. We expect the traditional safe-havens to be better supported on heightened volatility and uncertainty. It could however take some time to catch up with the USD. On the USDCHF chart, resistance is at 0.82 followed by 0.83 (21-dma, 23.6% Fibonacci retracement of the Feb-Apr slide) before the next at 0.8480. Support is at 0.81. Bias is slightly to the upside with stochastics already in oversold conditions. Data releases for the week include May Unemployment Rate (Thu) and May FX Reserves (Fri)

- **USDJPY - Lower, Ranged.** The pair was choppy as it went pass 145.00 yesterday but then moved back down and was last seen trading around

144.09. A softer than expected US CPI reading and ongoing trade tensions gave the JPY support. However, we also suspect markets are wary of pushing the pair too much especially amid the risks going into next week. There is a BOJ meeting next week and there is a possibility that the central bank may slowdown the pace of is bond purchase tapering whilst Ueda could also sound less hawkish amid global uncertainties. MOF would also be meeting investors on 20 Jun and 23 Jun regarding the bond markets and there is a possibility of bond plans being adjusted to give the market more support. We do take into account that the UST yields have edged lower recently but there is little comfort we think the Japanese govt can take from this given the global uncertainty. Yesterday, the Japanese MOF did come out to address speculation of July bond buyback by saying that it was unrealistic. USDJPY can edge lower end near term before bouncing up again although it would likely stay within a range of 142.00 - 145.00. Support is at 142.00 and 140.00. Resistance at 145.00 and 150.00. Remaining key data releases this week include Apr F IP (Fri), Apr capacity utilization index (Fri) and Apr tertiary industry index (Fri).

- **AUDUSD - *0.6550 Still the Key Resistance*.** The AUDUSD touched a high of 0.6546 overnight before reversing rather sharply lower and was last seen around 0.6505. Key resistance remains at 0.6550. Eyes are on whether the AUDUSD can break above the 0.6550-resistance and head towards the next key resistance at around 0.6700 (76.4% Fibonacci retracement of the Oct- Apr decline). Week ahead has Jun consumer inflation expectation on Thu. Thus far, AUD has been benefitting from the rather sanguine market sentiment as markets continue to await bilateral trade deals between the US and its trade partners. Overnight, the risk sentiment has turned cautious given the lack of a strong and concrete deal with China and Trump's declaration of a take-it-or-leave it unilateral tariff rates to be set in the next two weeks.

- **NZDUSD - *Bullish Trend Channel*.** NZDUSD last printed 0.6039, rising within the bullish trend channel amid a general sense of optimism as markets await trade deals before the 9 Jul expiration date for tariff pause. As for the NZDUSD, spot last printed 0.6035. Resistance remains at 0.6050. Support at 0.5980 (21-dma) before 0.5850 (38.2% Fibonacci retracement of the Oct-Apr decline). We see two-way action within 0.5850-0.6030, albeit with an upside bias within the bullish trend channel. At home, Finance Minister Willis criticized RBNZ for not being more transparent on the resignation of its former Governor Adrian Orr.

- **USDCAD - *Lower*.** USDCAD was last seen lower at 1.3660 levels on broad USD softness. A falling wedge has formed for the USDCAD and key support around 1.3605, coinciding with the apex of this falling wedge. A falling wedge typically is followed by a bullish rebound and immediate resistnace is seen around 1.3740 before the next at 1.3980. At home, Industry Minister Melanie Joly announced that the government will announce measures to prevent steel dumping from foreign countries and support domestic manufacturers affected by US tariffs. Already, Canada has implemented 25% tariff on Chinese steel and aluminum product last year, somewhat aligning with the US and there could be a further alignment of tariff rate after Trump had recently hiked rates on steel and aluminum to 50%. In separate news, the local press reported that Canada and the US have exchanged a document that contains potential trade deal terms, citing anonymous sources. There was a mention of Canada's willingness to participate in Trump's Golden Dome missile defense projects, Canada's commitments on border security, fresh pledge to meet its NATO defense spending obligations and its plans to invest in more infrastructure in the Arctic (BBG). Back on the USDCAD, its falling wedge could pave the way for a tentative rebound towards 1.38-figure before the next at 1.4040. Data this week includes building permits for Apr (Wed). Fri has Apr mfg sales, 1Q capacity utilization rate.

- **Gold (XAU/USD) – *Room for Bearish Correction*.** Gold was last seen a tad higher at 3370 levels, finding support at the 21-dma at 3290 (also the 38.2% Fibonacci retracement of the Apr low to high). Any sign of trade deals and Trump focusing on the fiscal bill and less on protectionist measures and geopolitical conflicts could leave room for gold to correct lower towards 3100. However, the recent declaration by Trump on issuing unilateral tariff rates over the next two weeks is another sign of bulldozing and negative for the USD. Resistance at 3372 before the next at 3435 and then at 3500. Interim support levels seen at 3228 beyond the interim one at 3290.

## Asia ex Japan Currencies

**SGDNEER trades around +1.86% from the implied mid-point of 1.3074 with the top estimated at 1.2831 and the floor at 1.3335.**

- **USDSGD – *Barely Higher*.** USDSGD was barely higher at 1.2829 levels this morning while the SGDNEER edged lower to 1.65% above the mid-point of the policy band amid a broad USD sell off. SGD has been a beneficiary of a potential flight to quality and yet there could still be some positivity for the SGD on this trade truce as growth could come in stronger than expected. Of late SGD liquidity has been flush and that could be due to MAS intervening (buy USD, sell SGD) which increases liquidity in the market. More broadly however, SGS have been outperforming USTs and this could be reflective of interest to invest in Singapore. Of note in the latest US treasury report, Singapore remained on the monitoring list for having material current account surpluses and engaging in persistent one-sided FX intervention. Earlier, MAS eased its slope of the policy band "slightly" in line with our economists' view. Nevertheless, we expect support for the SGD to remain and note that Singapore has other levers apart from monetary policy to respond to a more challenging external environment. House view is now for MAS to hold for 2025, although a shift to a flat slope cannot be ruled out in a deep technical recession or trade war intensification. SG Budget 2025 was released earlier with a projected S$6.8b fiscal surplus (or about 0.9% of GDP). Budget is expansionary even with the healthy surplus. Vouchers are expected to cushion consumption amid an uncertain global environment. 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. MAS policy continues to be supportive of SGD strength and we look for the resilience to continue even with this easing. Resistance at 1.2900 followed by 1.3000. Support at 1.2800. Data releases this week include May Purchasing Managers Index, May Electronics Sector Index (Mon), May Singapore PMI (Wed), Apr Retail Sales (Thu) and possibly Max FX Reserves (Thu onwards).

- **SGDMYR – *Slightly Lower*.** SGDMYR was last seen slightly lower at 3.2968 levels. SGD and MYR have been the more resilient currencies in the ASEAN space against the uncertain backdrop and that resilience is expected to continue. Resistance at 3.30 followed by 3.33. Support at 3.27 followed by 3.25.

- **USDMYR – *Sideways*.** Pair was last seen at 4.2297 as it edged lower with the greenback moving down following a softer than expected US CPI reading. Tariff concerns also weighed in given Trump administration comments that could have hurt the broad dollar. External developments related to tariffs and the US economy remain the major driver for the MYR and we are watching the US PPI releases today. Back on the chart, support at 4.2000 and 4.1000. Resistance at 4.3000 and 4.4000. Meanwhile, Apr IP came out softer than expected at 2.7% YoY (est. 4.0% YoY, Mar. 3.2% YoY) although Apr mfg sales picked up to 4.8% YoY (Mar. 3.7% YoY). There are no remaining key data releases this week.

- **USDCNH – *Falling Wedge*.** USDCNH was last seen at 7.1920. Pair has risen in reaction to the "trade deal/framework" that is touted by Trump. Reference rate is set at 7.1803 vs 7.1815 previously. Actual fixes have been set in line with estimates possibly due to the fact that the USD has been trading sideways anyway and technically, there is also less room for deviation and less need for policy guidance at this point. On a trade weighted basis, yuan has been underperforming, allowing Chinese exports to maintain relative price competitiveness – a sweet spot for the authorities – no fear of capital outflows, export competitiveness maintained and the best position for negotiation with the US. Trump's social media post suggest that exports of critical earth minerals/magnets could be reinstated to the US in exchange for Chinese students to continue their tertiary education in the US, little much on the technology curbs. There is still little detail revealed as the proposals are to be brought to the leaders for approval and implementation. Regardless, this was a conversation that enabled more conversations and prolong the trade truce. However, there was little seen in terms of resolving core differences and issues such as national security, tariffs and technology race. There was little to suggest what can turn this trade truce a tad more permanent. Key support for the USDCNH is now seen at 7.1470. Resistance at 7.2000 before 7.2290. We see bullish divergence in the USDCNH and would refrain from chasing this pair lower from here. We also see a falling wedge which typically precedes a rebound. Week ahead has May credit data due within this week. In other news, Vice Premier Ding Xuexiang urged for stronger unity and cooperation to implement international science and technology initiatives at the Belt and Road Conference in Chengdu.

- **1M USDKRW NDF - *Stabilizing*.** 1M USDKRW NDF was last seen at 1362.87 levels, stabilizing after the KRW post-election outperformance. Lee Jae Myung has officially won the race for President in South Korea and that could mean better stability for the KRW as the political risk premium eases. The KOSPI rose by almost 2% and the KRW was some 0.3% stronger after Lee's win, which should herald a turning point for the country that was plunged into chaos from Yoon's declaration of martial law. Nevertheless, we cannot rule out the risk of Trump's planned semiconductor and pharmaceutical tariffs weighing on the KRW. BOK cut rates by 25bps to 2.50% as expected to support the economy amid uncertainty. We see 50bps more of cuts in 2025 for the BOK. There remains speculation that currency policies may be discussed at the G7 meeting and further weaken the USD. There were reports (14 May) that the US and South Korea had discussed currencies during a meeting on 5 May, a date that coincided with a surge in KRW strength. Suggestions arose that the US could be tying currencies to trade deal negotiation and that the Trump administration could prefer a weaker USD, purportedly to realize their agenda on trade. The KRW strengthened by almost 2% as the USD sold off as the DXY hit a low of 100.27 then. Since then, there were reports that the US was not seeking to include currency pledges as part of trade deals. FT reported that real money (life insurers) could be hedging their USD exposure. Market talk suggested that Taiwan lifers were selling KRW NDF on Tue. BOK cuts should resume with central banks generally pivoting towards growth support given the downside risks to both growth and inflation from tariffs. Back on the chart, resistance is at 1370. Support is at 1350. Data releases this week include May Mfg PMI (Mon), May CPI (Wed), May FX Reserves, Apr BoP and 1Q GDP (Thu).

- **1M USDIDR NDF - *Sideways*.** 1M USDIDR NDF was last seen at 16270 as it traded sideways even as the broad dollar fell. External events related to remain the key driver for the currency. Near term, the pair can remain ranged amid the immense global tariff uncertainty and the lack of tariff impact clarity seen in US data. Back on the chart, support is at 16000 and 15850. Resistance at 16500 and 16800. Remaining key data releases this week include May consumer confidence (Thurs).

- **1M USDPHP NDF – Sideways.** Pair was last seen at 55.91 as it traded slightly lower amid the decline in the greenback. 1M USDPHP NDF though remains in the range of 55.50 – 56.00. External events remain the crucial driver for the pair. Near term, we do not expect the pair to trade too differently as it like keeps within those levels amid the immense global tariff uncertainty and the lack of tariff impact clarity seen in US data. Domestically, the senators yesterday set themselves as an impeachment

Back on the chart, support at 55.50 with the next after that at 55.00. Resistance is at 56.00 and 57.00. There are no key data releases this week.

- **1M USDINR NDF- *Steady*.** USDINR 1M NDF was last seen steady at 85.56, even with the USD weaker overnight. PM Modi has not been given an invite to the G7 summit in Canada as relations between the two countries remained frosty since the diplomatic incident in 2023. RBI was reportedly considering to act as a lender of last resort for non-banking finance companies, mutual funds and microfinance firms in periods of stress. RBI also sought government approval for Indian banks to make overseas INR loans. Trade deal with the US is being negotiated as a three -tranche deal with an expected interim agreement before Jul according to people familiar with the matter. Trump earlier downplayed the urgency after I FTA signed with UK should be positive, but could be weighed down by potential escalation of tensions with Pakistan. India have reportedly proposed a zero-tariff framework for steel, car parts and drugs to the US, with some thresholds. It remains to be seen if the US will accept a zero-tariff proposal, having already rebuffed Japan's. RBI's short positions in USD in their forward book surged to US$88.75b as at end Feb 2025 (prev: -US$77.5b). This suggests that some forward intervention could have occurred in Feb. Feb CPI Inflation in India eased to a seven-month low at 3.61% YoY (exp: 3.98%; prev: 4.30%). This should provide RBI with the space to cut rates further. RBI Chief has hinted at some willingness to allow more flexible currency moves. There was likely some RBI intervention earlier as INR rallied by about 1.2%. Some have suggested that the RBI has been less interventionist under new governor Sanjay Malhotra, but this episode is evidence to the contrary. RBI could be trying to draw a line in the sand, with INR weakness pretty much a one-way street since Trump's election win. RBI's latest bout of intervention could necessitate a further injection of liquidity into INR money markets. Modi has already sought to directly engage Trump as India also warms ties with China with the resumption of direct flights between the two countries resuming in late Jan. Both countries could be aware of the potential mutual benefit from close collaboration amid a more challenging and uncertain external environment. Growth support is likely to be a major concern for the RBI, as more generally central banks have shown a preference to opt to be more growth supportive and are generally less worried about inflation. INR could face some near-term pressures as expectations of easing build, although it remains one of the more sheltered against the impact of US tariffs. Also contrary to what some might suggest, we think RBI maintains a relatively tight grip on the INR. Resistance at 86.00. Support at 84.00. Data releases this week include May Mfg PMI (Mon), May Svcs/Comp PMIs (Wed) and RBI Policy Decision (Fri).

- **USDTHB** – **Lower**. Pair was last seen at 32.44 as it fell given the decline in the greenback and the rise in gold prices. Softer US readings and tariff uncertainty weighed on the greenback. Both tariff and Mid East concerns likely gave gold support. The pair is just slightly below the bottom edge of its recent range of 32.50 – 33.00. Whilst interim breaches lower can occur, we expect the pair to remain within 32.50 – 33.00 amid the ongoing lack of clarity on tariffs and the impact they can have. Idiosyncratically, we are keeping a close eye on the appointment of the next BOT governor and the implications it has on the pace of rate easing. Back on the chart, support is at 32.50 and 32.00. Resistance at 33.00 and 33.50. Key data releases this week include May consumer confidence (Thurs) and 6 Jun gross international reserves/forward contracts (Fri).

- **USDVND - *Will the Double Top Pan Out?*** USDVND was last seen around 26020, edging higher after finding support at the 21-dma at 25995. While Vietnam may see some rewards for its efforts to get its tariffs reduced substantially, the possibility of a full reduction to zero tariff or even 10% tariff could be slim and that is why VND may continue to remain on the backfoot. We could however see a kneejerk reaction (lower) should Vietnam manage to be the first few to seal a trade deal with the US. Support is seen at 25875 before 25720.

## Malaysia Fixed Income

### Rates Indicators

| MGS | Previous Bus. Day | Yesterday's Close | Change (bps) |
|---|---|---|---|
| 3YR MI 4/28 | 3.15 | *3.16/15 | Not Traded |
| 5YR MI 5/30 | 3.20 | 3.27 | +7 |
| 7YR M0 7/32 | 3.44 | 3.48 | +4 |
| 10YR MS 7/34 | 3.51 | 3.56 | +5 |
| 15YR MS 4/39 | *3.72/70 | 3.71 | Unchanged |
| 20YR MX 5/44 | 3.77 | 3.79 | +2 |
| 30YR MZ 3/53 | 4.01 | 4.02 | +1 |
| IRS | | | |
| 6-months | 3.37 | 3.37 | - |
| 9-months | 3.33 | 3.32 | -1 |
| 1-year | 3.28 | 3.28 | - |
| 3-year | 3.16 | 3.19 | +3 |
| 5-year | 3.25 | 3.27 | +2 |
| 7-year | 3.35 | 3.38 | +3 |
| 10-year | 3.48 | 3.50 | +2 |

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

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- Profit takings continued to build in Ringgit government bonds with selling pressure concentrating in the belly sector as investors shied away from an already dovishly priced curve. The below-consensus print in Malaysia's Industrial Production for April did little to improve sentiment. The re-opening of the 30y GII was announced with MYR3b auction size and MYR2b private placement, as expected. The WI was last seen at 4.03/00% yesterday while cash bond was not traded.

- MYR IRS moved 1-3bp higher, rising for another session and driven by hedging interest again as local bonds traded cheaper. 3M KLIBOR was flat at 3.50%. The 4y IRS traded at 3.24%, and the 5y at 3.27-28%.

- The PDS was reasonably active with credit spreads generally tighter. In GG, Danainfra 2037 and Prasarana 2036 were dealt at MTM . In AAA, ALR 2031 spread tightened by 4bp and Air Selangor 2036 spread tightened by 3bp. AA1 KLK 2034 traded 2bp tighter while AA2 Point Zone 2032 traded at MTM.

## Singapore Fixed Income

### Rates Indicators

| SGS | Previous Bus. Day | Yesterday's Close | Change (bps) |
|---|---|---|---|
| **2YR** | 1.84 | 1.86 | +2 |
| **5YR** | 1.94 | 1.95 | +1 |
| **10YR** | 2.30 | 2.32 | +2 |
| **15YR** | 2.42 | 2.43 | +1 |
| **20YR** | 2.46 | 2.47 | +1 |
| **30YR** | 2.49 | 2.50 | +1 |

*Source: MAS (Bid Yields)*

- Mild correction continued in the SGS market with yields rising by another 1-2bp on the day. SGD implied levels rebounded from recent lows, driving the overnight SORA higher to 1.78% on 10 June. The SORA OIS curve saw a steeper rise 3bp in the belly, narrowing swap spreads.

# Indonesia Fixed Income

## Rates Indicators

| Gov't Bonds | Previous Bus. Day | Latest Day's Close | Change |
|---|---|---|---|
| 1YR | 6.24 | 6.24 | 0.00 |
| 2YR | 6.21 | 6.25 | 0.04 |
| 5YR | 6.35 | 6.33 | (0.01) |
| 10YR | 6.77 | 6.75 | (0.03) |
| 15YR | 6.98 | 6.97 | (0.00) |
| 20YR | 7.03 | 7.02 | (0.00) |
| 30YR | 7.01 | 7.00 | (0.01) |

** Source: Bloomberg, Maybank Indonesia*

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Indonesian medium-long tenor series of government bonds slightly strengthened although several local economic indicators posed unfavourable results yesterday. We thought a slightly rally on medium long tenor series of Indonesian government bonds are driven by positive sentiment that coming from the global side, especially a positive indication on the tariff wars between the U.S. against both China and the European Union. We suspected that the global investors grabbed momentum for collecting the liquid series of Indonesian government bond. Indonesian 10Y government bond seemed being most favourable series during yesterday's trading session on the secondary market. The yield of 10Y government bond dropped by 2 bps from 6.77% on 10 Jun-25 to be 6.75% yesterday.

On the other side, we saw an investors' selling pressures for the short tenor series of Indonesian government bonds. The yield of 2Y series of government bond increased by 4 bps from 6.21% on 10 Jun-25 to be 6.25% yesterday. It seemed that the market players gave negative reactions after seeing the latest results of weak sales on the new car sales by only 60,613 units during May-25 (still less than 80,000 units of monthly sales since 2024) and the revised down on Indonesian economic growth 2025 projection by the World Bank. Then, Indonesian foreign reserves also kept being stable by US$152.5 billion in May-25, although foreigners' ownership on the government bonds increased from Rp899.66 trillion on 30 Apr-25 to be Rp926 trillion on 30 May-25. We also saw the foreign investors' net buying position on both local equity market and SRBI. It can be an indication of high payments for dividend payment from the domestic companies to overseas, the external debt, and the imported goods.

Going forward, we expect Indonesian government bond market, especially medium-long tenors, to continue their rally trends today. Several factors that will be positive factors for Indonesian medium long tenors of government bonds during today are 1.) a positive development on the latest trade negotiations between the U.S. with China and the EU, 2.) a modest U.S. CPI inflation result from 2.3% YoY in Apr-25 to be 2.4% YoY in May-25. The U.S. CPI stayed moderating amidst recently tariffs escalation on the U.S. imported goods, 3.) still conducive on Indonesian investment environment with "risk on" indication for investing, as shown by low levels on global VIX Index, DXY Dollar Index, and Indonesian 5Y CDS.

Domestic Economic Update: The World Bank slashed Indonesian economic outlook projections from 5.1% and 5.1% for 2025 and 2026, subsequently, to be 4.7% and 4.8% for 2025 and 2026, respectively. It can be an indication that Indonesian economy can't avoid from the global dynamic on the high tension of trade war. The direct impact for Indonesian economy during the trade war era are 1.) lower exports receipts due to a drop on both mainstay commodities prices and trade demand volumes, 2.) slowing economic activities, especially consumption, on the regions that have high dependency to export activities, 3.) cautious stances by the global investors for doing investment on the emerging countries, such as Indonesia, 4.) shortage fiscal collection by the government to finance the main economic programs.

*For preventing Indonesian economy from the global trade war, we suggest the government to apply several fiscal measures, such as* 1.) More intensive negotiations with the United States government so that Indonesia experiences minimal risk from the latest import tariff policy, 2.) a loosening tax/fiscal policy to most sensitive sectors due to recent impacts of U.S. reciprocal tariff policy for maintaining a conduciveness on domestic social economic condition, 3.) Affirmation of the implementation of the realization of PP No. 8 of 2025 to secure foreign exchange supply for domestic needs, 4.) Implementation of a more intensive, extensive tax collection policy, as well as improvements to the taxation system (coretax) so that fiscal spending ammunition is well available, 5.) Acceleration of state spending for priority development programs so that the Indonesian economy becomes stronger and more resilient to pressure, 6.) seeking new export destinations that can reduce the negative impacts caused by the latest trade policy by the United States, 7.) strengthening export-oriented industries with higher added value from production (downstream), 8.) Strengthening import substitution-based industries.

*Then, on the monetary side, we have several suggestions to prevent a drop on Indonesian economic growth from the side effects of global trade war, such as* 1.) strengthening domestic-based economic activities amidst less conducive global conditions by implementing a policy of lowering the BI Rate which will have implications for lower lending rates, while the gap between the BI Rate and the domestic inflation level is still wide, 2.) Implementation of macroprudential liquidity incentive policies for prospective sectors and those less sensitive to developments in the US trade tariff policy, 3.) Rupiah stabilization policy against the US$ so that it moves smoothly and not drastically through market intervention (both FX, SUN in the secondary market, and DNDF), 4.) Provide more intensive appeals for importers to carry out currency hedging actions, 5.) BI should not hesitate to use abundant foreign exchange reserves so that the movement of the Rupiah exchange rate remains stable and provides comfort for business actors in the real sector and in the financial market, 6.) National banking is also expected to be careful in monitoring sectors affected by the US tariff policy in order to prevent swelling of the NPL ratio.

On the other side, we still haven't received the latest update regarding the new trade deal between Indonesia and the U.S. although the import tariff negotiation period between the U.S. and Indonesia has entered its 63rd day since the postponement on 09 Apr-25. Actually, the Indonesian government set a target of 60 days of negotiations. Until entering the last 30 days of the 90-day reciprocal tariff postponement, the Indonesian government still hasn't given any definite news about the agreement with the U.S. For your information, the government has signed a non-disclosure agreement (NDA) which is the initial sign of the negotiation. This means that the two countries do not provide details to the public regarding the results or developments of the ongoing negotiation process. There are seven offers from Indonesia to reduce the 32% reciprocal tariff from the U.S. President Donald Trump.

Here are seven offers by Indonesian government to the U.S. in Trump's tariff negotiations: 1.) Reduce import tariffs and import duties for all goods to 0%, including alcoholic beverages, information and communication technology, steel, mobile phones, electronics, medical devices, etc., 2.) Increase imports from the US to balance the trade balance (increase to US$18 billion), primarily by purchasing crude oil and other energy sources, aircraft and defense equipment, and agricultural products, 3.) Eliminate the Domestic Component Level (TKDN) requirements for telecommunications and electronics products, as well as certain other products, especially information and communication technology, medical devices, pharmaceuticals, renewable energy, and aviation. 4.) Initiate discussions on the supply chain of critical raw materials, including production, processing, and other strategic investments. 5.) Provide incentives and investment facilities for US companies in Special Economic Zones and free trade zones in Indonesia, including Batam and Bintan. 6.) Eliminate quantitative restrictions, particularly on agricultural products (wheat, soybeans, corn, cotton, sugar, etc.) as well as pre-border inspection mechanisms for US agricultural exports to Indonesia, 7.) Enhance the US-Indonesia Trade and Investment Framework Agreement, including the above priorities as well as in the financial area, to accelerate and expand mutually beneficial bilateral trade and investment opportunities (Trade, Investment, and Finance Agreement).

## Foreign Exchange: Daily Levels

| | EUR/USD | USD/JPY | AUD/USD | GBP/USD | USD/CNH | NZD/USD | EUR/JPY | AUD/JPY |
|---|---|---|---|---|---|---|---|---|
| R2 | 1.1559 | 145.91 | 0.6564 | 1.3628 | 7.2116 | 0.6082 | 166.9933 | 95.0813 |
| R1 | 1.1523 | 145.24 | 0.6533 | 1.3588 | 7.2051 | 0.6056 | 166.5367 | 94.5397 |
| **Current** | 1.1513 | 144.08 | 0.6486 | 1.3572 | 7.1913 | 0.6019 | 165.8700 | 93.4410 |
| S1 | 1.1428 | 144.11 | 0.6483 | 1.3486 | 7.1872 | 0.6014 | 165.5067 | 93.6697 |
| S2 | 1.1369 | 143.65 | 0.6464 | 1.3424 | 7.1758 | 0.5998 | 164.9333 | 93.3413 |

| | USD/SGD | USD/MYR | USD/IDR | USD/PHP | USD/THB | EUR/SGD | CNY/MYR | SGD/MYR |
|---|---|---|---|---|---|---|---|---|
| R2 | 1.2902 | 4.2469 | 16287 | 55.9413 | 32.7707 | 1.4821 | 0.5907 | 3.3010 |
| R1 | 1.2875 | 4.2418 | 16274 | 55.9117 | 32.7043 | 1.4789 | 0.5901 | 3.2972 |
| **Current** | 1.2832 | 4.2325 | 16253 | 55.8890 | 32.4590 | 1.4773 | 0.5888 | 3.2981 |
| S1 | 1.2826 | 4.2316 | 16250 | 55.8257 | 32.5573 | 1.4702 | 0.5891 | 3.2897 |
| S2 | 1.2804 | 4.2265 | 16239 | 55.7693 | 32.4767 | 1.4647 | 0.5887 | 3.2860 |

**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 | Jul-25 | Neutral |
| **BNM** O/N Policy Rate | 3.00 | 9/7/2025 | Neutral |
| **BI** 7-Day Reverse Repo Rate | 5.50 | 18/6/2025 | Easing |
| **BOT** 1-Day Repo | 1.75 | 25/6/2025 | Neutral |
| **BSP** O/N Reverse Repo | 5.50 | 19/6/2025 | Easing |
| **CBC** Discount Rate | 2.00 | 19/6/2025 | Neutral |
| **HKMA** Base Rate | 4.75 | - | Easing |
| **PBOC** 1Y Loan Prime Rate | 3.00 | - | Easing |
| **RBI** Repo Rate | 5.50 | 6/8/2025 | Easing |
| **BOK** Base Rate | 2.50 | 10/7/2025 | Easing |
| **Fed** Funds Target Rate | 4.50 | 19/6/2025 | Easing |
| **ECB** Deposit Facility Rate | 2.00 | 24/7/2025 | Easing |
| **BOE** Official Bank Rate | 4.25 | 19/6/2025 | Easing |
| **RBA** Cash Rate Target | 3.85 | 8/7/2025 | Neutral |
| **RBNZ** Official Cash Rate | 3.25 | 9/7/2025 | Easing |
| **BOJ** Rate (Lower bound) | 0.00 | 17/6/2025 | Tightening |
| **BoC** O/N Rate | 2.75 | 30/7/2025 | Easing |

## Equity Indices and Key Commodities

| | Value | % Change |
|---|---|---|
| Dow | 42,865.77 | 0.00 |
| Nasdaq | 19,615.88 | -0.50 |
| Nikkei 225 | 38,421.19 | 0.55 |
| FTSE | 8,864.35 | 0.13 |
| Australia ASX 200 | 8,592.10 | 0.06 |
| Singapore Straits Times | 3,919.05 | -0.37 |
| Kuala Lumpur Composite | 1,523.84 | 0.45 |
| Jakarta Composite | 7,222.46 | n/a |
| Philippines Composite | 6,347.67 | -0.91 |
| Taiwan TAIEX | 22,470.10 | 1.02 |
| Korea KOSPI | 2,907.04 | 1.23 |
| Shanghai Comp Index | 3,402.32 | 0.52 |
| Hong Kong Hang Seng | 24,366.94 | 0.84 |
| India Sensex | 82,515.14 | 0.15 |
| Nymex Crude Oil WTI | 68.15 | 4.88 |
| Comex Gold | 3,343.70 | 0.01 |
| Reuters CRB Index | 303.09 | 1.25 |
| MBB KL | 9.70 | 0.41 |

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