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Global Markets Daily

Slight Hawkish Shift and Potential US Entanglement

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More FOMC participants See No Cuts This Year

The Fed left target rate unchanged at 4.25-4.50% as widely expected. GDP growth forecast was downgraded to 1.4% and 1.6% for 2025 and 2026 vs 1.7% and 1.8% seen respectively in Mar. Core PCE inflation was raised again to 3.1% and 2.4% for 2025 and 2026 vs.2.8% and 2.2% seen in Mar. The median forecast is for two cuts this year but we observed a slight hawkish shift in the dots plot with seven participants now no longer looking for a rate cut this year vs. four in Mar. In addition, Powell noted that policy is "moderately restrictive" and said officials expect impact of the tariffs to be felt later in summer this summer. The DXY index ended overnight session a tad higher. This bullish reversal could continue to play out should signs of inflation (that had been rather absent so far) become more apparent. Our economist now looks for two cuts from the Fed this year. Meanwhile, the US is said to be mulling an Iran strike, hammering AUD and NZD lower along with oil importing KRW, PHP and now THB.

BI Held Rate Unchanged; BoE to Hold too and BSP to Cut

BI has kept benchmark policy rate unchanged at 5.5% rate earlier on Tue in light of the global trade war and Middle East conflicts. The central bank continues to prioritize the stability of rupiah and Governor Warjiyo pledged to intervene in offshore NDF, domestic spot, NDF and bond markets. That said, an easing bias was retained as Warjiyo still sees a need for lending rates to fall further to support economic growth. In the medium term, USDIDR is expected to trend downwards as USD softening should still hold overall whilst resumption of rate cuts can support flows into the bonds. Earlier on Wed, PBoC Pan Gongsheng spoke at the Lujiazui Forum in Shanghai, sharing his view of a new global currency order, that shifts from a dollar-dominated system to one where "a few sovereign currencies co-exist, compete and check and balance each other". Looking forward, BSP will make its policy decision next. We look for a 25bps cut and that is in line with consensus. PHP may however, remained under pressure due to Middle-East-driven oil gains. BoE on the other hand, is not expected to act today.

Data/Events We Watch

We watch AU May labour report, BSP, BoE and CBC decision as well. The US is shut for Juneteenth Day.

G10: Events & Market Closure

Date	Ctry	Event
17 Jun	JP	BoJ Decision
18 Jun	US	Fed Decision
19 Jun	UK	BoE Decision
19 Jun	US	Market Closure
20 Jun	NZ	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
18 Jun	ID	BI decision
19 Jun	TW, PH	CBC Decision, BSP Decision
20 Jun	CH	Chinese banks set LPR

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1480	-0.70	USD/SGD	1.2864	0.49
GBP/USD	1.3429	-1.10	EUR/SGD	1.4768	-0.21
AUD/USD	0.6475	-0.75	JPY/SGD	0.8855	0.12
NZD/USD	0.6014	-0.78	GBP/SGD	1.7276	-0.61
USD/JPY	145.29	0.37	AUD/SGD	0.8331	-0.26
EUR/JPY	166.79	-0.33	NZD/SGD	0.7736	-0.30
USD/CHF	0.8163	0.29	CHF/SGD	1.5753	0.14
USD/CAD	1.3679	0.80	CAD/SGD	0.9407	-0.29
USD/MYR	4.2432	0.05	SGD/MYR	3.3102	-0.10
USD/THB	32.583	0.44	SGD/IDR	12703.7	0.01
USD/IDR	16290	0.15	SGD/PHP	44.2634	0.45
USD/PHP	56.692	0.50	SGD/CNY	5.5838	-0.48

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2848	1.3111	1.3373

G10 Currencies

- **DXY Index - *Slight Hawkish Shift, Potential US entanglement in Middle East Conflict*.** The Fed left target rate unchanged at 4.25-4.50% as widely expected. GDP growth forecast was downgraded to 1.4% and 1.6% for 2025 and 2026 vs 1.7% and 1.8% seen in Mar. Core PCE inflation was raised again to 3.1% and 2.4% for 2025 and 2026 vs.2.8% and 2.2% seen in Mar. The median forecast is for two cuts this year but we observed a slight hawkish shift in the dots plot with seven participants now no longer looking for a rate cut this year vs. four in Mar. In addition, Powell noted that policy is "moderately restrictive" and said officials expect impact of the tariffs to be felt later in summer this summer. The DXY index ended overnight session a tad higher. This bullish reversal could continue to play out should signs of inflation (that had been rather absent so far) become more apparent. Our economist now looks for two cuts from the Fed this year. We had pointed out signs of fatigue building for the USD bears and any trigger could give markets the excuse to unwind some short USD positions. Perhaps what is more relevant is the US plans for Iran. Senior officials are rumoured to be preparing for a potential on Iran and that is giving the USD another lift. Last seen at 98.90, we watch for a break of the 21-dma at 98.98 to open the way towards 99.20 before the next at 99.70. Support remains around 97.70. It is Juneteenth day and US markets are closed. Data-wise, Fri has Philly Fed business outlook for Jun.

- **EURUSD – *Double Top*.** EURUSD was last seen lower at 1.1467 levels as the USD was broadly stronger with the Fed holding and continued geopolitical uncertainty. Note that the double top is playing out. Lagarde called for policymakers to increase the profile of the Euro as Trump's policies undermine confidence in the greenback. Trump slammed the EU trade proposal as unfair. The EU was reportedly prepared to accept a flat US tariff of 10% as part of the trade talks and is hopeful that the flat rate will help the bloc avoid higher tariffs on cars, pharmaceuticals and electronics. Iran-Israel tensions have escalated and a war could be more supportive of the USD and could weigh on the EUR. With regards to the pair's recent gains, ECB speakers continued to hint that the ECB could be done with cuts, in line with our own view. Stournaras referred to an equilibrium where real rates are zero being reached and Villeroy said that the ECB should consider the oil price abd EUR in setting rates. Schnabel pointed out that medium-term inflation is stabilizing around the target and growth outlook is "broadly stable, despite the trade conflict" with private consumption, manufacturing, and construction improving. A key reason for the hurdle to be higher for its next cut could also be due to the fact that fiscal spending is expected to expand on defence and infrastructure. Support at 1.1400 before 1.1300. Resistance level at 1.1500 followed by 1.1573 and 1.1600.

- **GBPUSD – *Watch ME Conflict*.** GBPUSD fell to 1.3405 levels this morning with the USD broadly stronger with the Fed holding and continued geopolitical uncertainty. News out of the G7 meeting was positive with Trump and Starmer inking the previously agreed trade deal. Watch for potential further downside in pair as the Iran-Israel conflict escalates. While data releases thus far this week suggest some softening in labour market conditions and activity, Chancellor Reeves had announced more spending on infrastructure, houses and energy projects to renew Britain's infrastructure and public services. That may be growth-boosting and constructive for the GBP. 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).

- **USDCHF – *Double Bottom, Rebound Risks, Support at 0.8040 eyed*.** USDCHF rose to 0.8194 levels with a double bottom still at play. USD is also stronger with the Fed holding and continued geopolitical uncertainty. 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 and now with the new geopolitical conflicts. 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. A double bottom has formed for 0.8040 and we watch if this key level is broken to open the way for 0.7840. Price action is bearish still but stochastics is oversold.

- **USDJPY – Testing Key Resistance**. The pair was last seen at 144.90 as it continues to trade sideways and test the 145.00 resistance. UST yields were steady despite the Fed's comments on inflation risks and that looks to have kept USDJPY moving as such. Breach above the 145.00 level is not ruled out at this point given concerns about a worsening Mid-East situation that impacts oil prices and in turn weigh on JPY sentiment. Japan is a net oil importer and the JPY had during the previous outbreak of the Ukraine conflict in 2022 taken a hit when oil prices spiked then. Meanwhile on the bonds sides, we keep an eye on the 5Y auction to occur today. Back on the chart, resistance as mentioned is seen at 145.00 with the next level after that at 148.00. Support is at 142.00 and 140.00. Remaining key data releases this week include May CPI (Fri).

- **AUDUSD – *0.6550 Still the Key Resistance*.** The AUDUSD slipped on risk-off and the pair remains pressed against the 21-dma and was last seen around 0.6480. The back and forth bombardments between Israel and Iran had hurt risk appetite and that is reflected in the AUD. Trump's request for Iran's "unconditional surrender" only exacerbated the risk aversion and the recent rumours of US planning a strike of its own on Iran continue to weigh on the AUDUSD. Key resistance remains at 0.6550. Support at 0.6430 before the next at 0.6350 (100-dma). Resistance remains at 0.6550 before the next at 0.6700. Week ahead has Westpac leading index and May labour report.

- **NZDUSD – *Risk of Reversal in the Backdrop of Risk-ff*.** NZDUSD last printed 0.6010, still within the bullish trend channel. Resistance remains at 0.6050 before the net at 0.6175. Support at 0.5995 (21-dma) before 0.5850 (38.2% Fibonacci retracement of the Oct-Apr decline). We see two-way action within 0.5850-0.6030. There are some signs of bearish reversal -namely the bearish divergence between price action and MACD forest. Stochastics are showing signs of turning lower from overbought conditions. Data-wise, Westpac consumer confidence for 2Q is due on Wed. 1Q GDP is just out, slowing in its contraction to -0.7%y/y in 1Q from previous -1.3%. This was a better print that expected but NZDUSD remains more driven by external events.

- **USDCAD – *Falling Wedge*.** USDCAD rose on 1.3704 levels. CAD had given up all gains as risk aversion took hold more strongly across markets. Pair has risen in line with our call based on the falling wedge. A falling wedge typically is followed by a bullish rebound and immediate resistance is seen around 1.3740 before the next at 1.3980. Data this week includes CFIB business barometer for Jun on Thu before retail sales for Apr is out on Fri.

- **Gold (XAU/USD) – *Rising Wedge*, *Double or Triple Top*, *Bearish Risks*.** Gold was lower at 3377 levels. Gold is showing signs of fatigue, not making further gains in spite of the escalation in the Israel-Iran conflict. This pair would be back to test the 21-dma at 3290 (also the 38.2% Fibonacci retracement of the Apr low to high) a few sessions ago. 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 3290, 3230 before 3160. Resistance at 3435 and then at 3500.

Asia ex Japan Currencies

SGDNEER trades around +1.85% from the implied mid-point of 1.3111 with the top estimated at 1.2848 and the floor at 1.3373.

- **USDSGD - *Higher*.** USDSGD was higher at 1.2868 levels this morning while the SGDNEER was at 1.85% above the mid-point of the policy band. Expect USDSGD to head higher as Middle East conflict escalates although the SGDNEER could remain firm. 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.

- **SGDMYR - *Steady*.** SGDMYR was steady at 3.3056 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 4.2550 as remained sideways in line with the DXY movements. External developments remain the main driver for the pair and markets continue to keep a close eye on the Mid-East developments – the impact it can have a broad dollar rebound and oil prices. Fed yesterday held as expected and highlighted inflation risks but yields were nonetheless quite steady. Back on the chart, support at 4.2000 and 4.1000. Resistance at 4.2500, 4.3000 and 4.3600. Key data releases this week include May trade data (Fri) and 13 Jun foreign reserves (Fri).

- **USDCNH - *Rounding Bottom*.** USDCNH was last seen at 7.1930. Pair seems to have formed a rounding bottom, potentially rising on the back of broad USD gains. The Israel and Iran conflict are keeping investors nervous and even more so with the US potentially joining the fray. The USDCNY reference rate is set at 7.1729 vs 7.1761 previously. Actual fixes have been set more or less in line with estimates possibly due to the fact that the USD has not been showing much momentum notwithstanding recent gains. There is 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. Taking advantage of this benign environment, PBoC and SAFE had just announced a bigger QDII quota. 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.

- **1M USDKRW NDF – *Higher*.** 1M USDKRW NDF was last seen higher at 1380.20 levels as the USD was broadly stronger. 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.

- **1M USDIDR NDF – *Sideways*.** 1M USDIDR NDF was last seen at 16367 as it continued to trade sideways. Bank Indonesia (BI) held rates yesterday at 5.50%, which was in line with the consensus according to the Bloomberg survey. Concerns about the Mid-East tensions and IDR stability looks to have held back the central bank from a cut this time. However, they still sounded dovish as they painted a cautious picture of the economy and noted the need to further support the economy. This implies the central bank remains on an easing cycle with further cuts occurring when the next window of opportunity arises. BI again repeated its usual caveat, that the timing of further rate cuts would depend on global conditions and rupiah stability. Our economist still expects that there would be 50bps of rate cuts in 2025. We are though more cautious on the currency being wary that the 1M USDR NDF could move up on risks of further USD rebound. The latter could be driven by continuing Mid-East tensions brewing up further. Back on the chart, resistance at 16400 and 16500. Support is at 16200 and 16000. There are no remaining key data releases this week.

- **1M USDPHP NDF – *Higher, Upside Pressure*.** Pair was last seen higher at 57.38 as it continued the move up amid concerns about the Mid-East tensions and ahead of the BSP decision due later. The PHP has been a strong performer this year, making it vulnerable reversals on signs of major negative developments. The Israel – Iran conflict is placing upward pressure on oil prices, weighing on the PHP sentiment given the country's position as a net oil importer. The development also risks guiding a broad dollar rebound, which does no favor for the PHP too. Consensus according to a Bloomberg survey also calls for the BSP to cut rates by 25bps later, which adds to the negative pressure for the PHP. BSP Governor Eli Remolona has called it "futile" to intervene in the currency when a strog dollar story is driving safe haven flows. This implies the central bank is comfortable with PHP weakening further. We see the risk of further upside for the pair and it has already broken above the 57.00 resistance level. The next key levels are 57.50 and 58.00. Support is at 56.00 and 55.50. There are no remaining key data releases this week.

- **1M USDINR NDF- *Higher*.** USDINR 1M NDF was last seen higher at 86.72 on broad USD strength with the Fed holding and continued geopolitical uncertainty. 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** – ***Higher, Upside Risks***. Pair was last seen at 32.78 as it climbed on less favorable external and domestic developments. Regarding the former, brewing Mid-East tensions is both placing upward pressure on oil prices and guiding a dollar rebound, which are negative for the THB. On the latter, the political woes are doing no favor for the currency with the Bhumjaithai Party pulling out of the coalition amid a dispute with PM Paetongtarn on cabinet positions. Paetongtarn had asked for Bhumjaithai to swap its Interior Minister position with the two roles of Public Health Minister and Minister to the Prime Minister's office. Bhumjaithai had threatened to sit out in the opposition if they were to be stripped of the Interior Minister position whilst Paetongtarn had threatened to remove the Bhumjaithai Party from their coalition if they refuse to relinquish their control of the Interior Ministry by 19 Jun. Nonetheless, Bhumjaithai eventually did quit the coalition although upon doing so, they had made references to Paetongtarn's call with Hun Sen, where she had criticized the Thai military. The current coalition still has 260 seats, which allows them to stay in government but it does raise concern about the credibility of policy announcements given the implementation risks. Back on the chart, resistance at 32.80 and 33.50. Support is at 32.00 and 31.00. Remaining key data releases this week include May car sales (19 – 24 Jun) and 13 Jun gross international reserves/forward contracts (Fri).

- **USDVND – *Edging Higher*.** USDVND was last seen around 26110, edging higher on the back of broad USD gains. This pair may continue to take the cue from the broader USD trends. 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. Vietnam has said that it was “narrowing the gap” in trade talks with the US. Support is seen at 25875 before 25720. However, a further move higher for the USDVND as Vietnam continues to cope with a new tariff regime cannot be ruled out. A break of the 26125 high may be inevitable. At home, the Deputy FinMin Ho Sy hung pledged that the government reforms (eradication of many local administrative roles) will not affect business environment and the implementation of FDI projects in the country.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 4/28	3.22	3.21	-1
5YR MI 5/30	3.27	3.26	-1
7YR M0 7/32	3.50	3.49	-1
10YR MS 7/34	3.59	3.59	Unchanged
15YR MS 4/39	3.73	3.73	Unchanged
20YR MX 5/44	3.80	3.80	Unchanged
30YR MZ 3/53	4.02	4.02	Unchanged
IRS			
6-months	3.36	3.36	-
9-months	3.31	3.31	-
1-year	3.28	3.27	-1
3-year	3.20	3.19	-1
5-year	3.28	3.27	-1
7-year	3.38	3.37	-1
10-year	3.50	3.49	-1

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

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- Ringgit government bonds saw healthy two-way flows. There was light buying interest but price gains were generally capped as market participants stayed defensive amid the tensions in the Middle East and ahead of the FOMC meeting where the Fed Funds Rate are expected to stay unchanged but market will assess the new dotplot and Powell's tone at the press conference for clues on policy direction. Yields ended the day little changed.

- MYR IRS slipped about 1bp on the day with active quoting but little volume as the market adopted a cautious approach ahead of US FOMC decision. 3M KLIBOR was flat at 3.50%. The 4y IRS traded at 3.225%.

- The PDS market was active. Within the GG space, TPSB 2032 spread widened 14bp, PTPTN 2028 traded at MTM and Dana 2030 spread narrowed by 4bp. In AAA, Tenaga 2037 spread widened by 4bp, ALR 2029 at MTM and PLUS 2031 spread widened by 4bp. AA1 PKNS 2030s traded at MTM together with YTL 2028. AA2 space saw Benih Restu 2037 traded with its spread widening by 2bp and PTP 2030 spread narrowing by 2bp.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.82	1.81	-1
5YR	1.91	1.90	-1
10YR	2.30	2.28	-2
15YR	2.43	2.40	-3
20YR	2.47	2.45	-2
30YR	2.48	2.46	-2

Source: MAS (Bid Yields)

- Lower US rates and still suppressed SGD funding rates brought out more bids in the SGS market. Yields ended 1-3bp lower on the day led by the long end, flattening the curve slightly. The overnight SORA broke below the 1.70-1.90% range, last at 1.66% on 17 June. For the upcoming 6-month T-bill auction on Thursday, the cut-off yield could test a new low for the year – potentially below 2.00% - as auction size is trimmed to SGD7.5b from SGD7.6b in prior auction, despite strong demand.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.13	6.08	(0.05)
2YR	6.19	6.17	(0.01)
5YR	6.35	6.36	0.01
10YR	6.73	6.73	(0.00)
15YR	7.01	7.01	0.00
20YR	7.03	7.04	0.00
30YR	7.00	7.01	0.01

** Source: Bloomberg, Maybank Indonesia*

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Indonesian short tenor series of government bonds strengthened yesterday. The yield of 1Y series of Indonesian government bonds dropped from 6.13% on 17 Jun-25 to be 6.08% on 18 Jun-25. It seemed that most investors collected short tenor series of government bonds during recently limited impacts of Iran versus Israel War to the world. For other tenor series, we thought that the investors were on “wait & see” mode for incoming results of monetary policy rate decisions by both the Fed and Bank Indonesia. The yield of 10Y Indonesian government bond kept being stable at 6.73% yesterday.

Both Bank Indonesia and The Fed kept maintaining their monetary policy rates at 5.50% and 4.25%-4.50%, respectively. Those decisions are line with the market players’ expectations. Both Bank Indonesia and also The Fed also kept waiting patiently incoming economic developments before applying the new decisions on the policy rates. Going forward, we expect a movement on Indonesian government bond market to keep on limited movements, although some investors seemed attracting to the medium long tenor “liquid” series, such as FR0103 and FR0104.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1559	146.07	0.6574	1.3508	7.2026	0.6079	167.4000	94.8463
R1	1.1520	145.60	0.6542	1.3465	7.1986	0.6054	167.0100	94.6537
Current	1.1481	144.92	0.6499	1.3415	7.1953	0.6020	166.3700	94.1750
S1	1.1451	144.50	0.6473	1.3390	7.1879	0.6007	166.2800	94.1077
S2	1.1421	143.87	0.6436	1.3358	7.1812	0.5985	165.9400	93.7543

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2892	4.2687	16369	57.1113	32.7840	1.4825	0.5922	3.3218
R1	1.2871	4.2606	16341	57.0307	32.7250	1.4790	0.5918	3.3156
Current	1.2856	4.2545	16316	56.9800	32.7500	1.4759	0.5919	3.3096
S1	1.2829	4.2438	16291	56.7937	32.5720	1.4728	0.5910	3.3000
S2	1.2808	4.2351	16269	56.6373	32.4780	1.4701	0.5905	3.2906

**Values calculated based on pivots, a formula that projects support/resistance for the day.*

Equity Indices and Key Commodities

	Value	% Change
Dow	42,215.80	-0.70
Nasdaq	19,521.09	-0.91
Nikkei 225	38,885.15	0.90
FTSE	8,843.47	0.11
Australia ASX 200	8,531.17	-0.12
Singapore Straits Times	3,920.81	-0.25
Kuala Lumpur Composite	1,511.95	0.02
Jakarta Composite	7,107.79	n/a
Philippines Composite	6,337.43	-0.50
Taiwan TAIEX	22,356.73	0.65
Korea KOSPI	2,972.19	0.74
Shanghai Comp Index	3,388.81	0.04
Hong Kong Hang Seng	23,710.69	-1.12
India Sensex	81,444.66	-0.17
Nymex Crude Oil WTI	75.14	0.40
Comex Gold	3,408.10	0.04
Reuters CRB Index	314.01	1.24
MBB KL	9.62	0.73

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	16/7/2025	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	31/7/2025	Tightening
BoC O/N Rate	2.75	30/7/2025	Easing

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