23 June 2025

Maybank

Global Markets Daily

The US Fires at Iran

Operation "Midnight Hammer"
The US attacked three Iranian nuclear sites - including Fordow, Natanz and Isfahan, claiming that they were part of a "horribly destructive enterprise" and announced that the Iran's nuclear facilities were "totally obliterated". This does give a strong hint that Trump expects this to be the end of the conflict. In a speech yesterday, Trump cautioned that "there will be peace or tragedy for Iran, far greater than we have witnessed over the last eight days". The Atomic Energy Organization of Iran confirmed the strikes and pledged not to "allow the development of this national industry to be halted".

Reactions to Middle East Conflict Diminish
Brent jumped as high as 5.7% this morning before reversing out initial gains. The DXY jumped as much as 0.4% this morning easing off as well. Market reactions to this latest development in the Middle-East conflict seem to be diminishing. Back when Israel attacked Iran on 13 Jun, the Brent rose as much as 11% thereafter. US' direct involvement is not a total shock to the world at this point. The bigger risk would be a direct involvement of other countries and whether Iran will close the Strait of Hormuz. The former could escalate the current conflict into a broader war that would have a more catastrophic impact. Thus far, no country has offered help - Russia and China had only offered rhetorical support while Pakistan is willing to be a mediator. Meanwhile, UK Minister Reynolds said that UK has no part in the attack on Iran. Other G7 countries urged Iran to exercise restraint. We suspect Iranian's parliamentary call to close the Strait of Hormuz may not come to fruition as it would hurt its economy even more and even its ties with trading partners. Eyes are on how Iran would retaliate - a potential withdrawal from its cooperation with the International Atomic Energy Agency and abandon the Nuclear Nonproliferation Treaty. **Risk sensitive (AUD, NZD, CAD) and net oil importers (KRW, JPY, TWD, PHP, INR) could continue to remain under pressure.**

Data/Events We Watch
Prelim. PMIs for Jun will be out for JP, UK, AU, US amongst others. SG CPI (May) will also be due, along with SK trade. Fed Bowman, Waller, Goolsbee, Williams, Kugler will all speak. ECB Lagarde will also speak in EU parliament.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1523	0.49	USD/SGD	1.287	-0.08
GBP/USD	1.3451	0.55	EUR/SGD	1.483	0.40
AUD/USD	0.6452	0.40	JPY/SGD	0.8809	0.76
NZD/USD	0.5968	0.69	GBP/SGD	1.7308	0.41
USD/JPY	146.09	-0.87	AUD/SGD	0.83	0.29
EUR/JPY	168.34	-0.39	NZD/SGD	0.7681	0.53
USD/CHF	0.8178	-0.02	CHF/SGD	1.5731	-0.11
USD/CAD	1.3735	-0.34	CAD/SGD	0.9369	0.19
USD/MYR	4.2535	0.74	SGD/MYR	3.3112	0.39
USD/THB	32.788	-1.22	SGD/IDR	12762.71	0.09
USD/IDR	16397	0.09	SGD/PHP	44.5019	-0.19
USD/PHP	57.17	-0.28	SGD/CNY	5.5812	-0.71

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2878	1.3141	1.3404

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G10: Events & Market Closure

Date	Ctry	Event
N/A	N/A	No Relevant Events this Week

AXJ: Events & Market Closure

Date	Ctry	Event
25 Jun	TH	BOT Policy Decision
27 Jun	ID	Market closure
27 Jun	MY	Market Closure

G10 Currencies

- **DXY Index - *US Strikes Iran*.** The DXY index rose this morning before easing off earlier highs, last printed 99.10. The US had attacked three Iranian nuclear sites – including Fordow, Natanz and Isfahan, claiming that they were part of a "horribly destructive enterprise" and announced that the Iran's nuclear facilities were "totally obliterated". In a speech, Trump cautioned that "there will be peace or tragedy for Iran, far greater than we have witnessed over the last eight days". The Atomic Energy Organization of Iran confirmed the strikes on the three sites and pledged not to "allow the development of this national industry to be halted". Brent jumped as high as 5.7% this morning before reversing out initial gains. The DXY jumped as much as 0.4% this morning easing off as well. Market reactions to this latest development in the Middle-East conflict seem to be diminishing. Back when Israel attacked Iran on 13 Jun, the Brent rose as much as 11% thereafter. US' direct involvement is not a total shock to the world at this point. The bigger risk would be a direct involvement of other countries and whether Iran will close the Strait of Hormuz. The former could escalate the current conflict into a broader war that would have a more catastrophic impact. Thus far, no country has offered help – Russia and China had only offered rhetorical support while Pakistan is willing to be a mediator. Meanwhile, UK Minister Reynolds said that UK has no part in the attack on Iran. Other G7 countries urged Iran to exercise restraint. Trump seems eager to keep this attack "limited" and "precise". Iranian's parliamentary call to close the Strait of Hormuz may not come to fruition as it would hurt its economy even more and even its ties with trading partners. Eyes are on how Iran would retaliate – a potential withdrawal from its cooperation with the International Atomic Energy Agency and abandon the Nuclear Nonproliferation Treaty. Risk sensitive (AUD, NZD, CAD) and net oil importers (KRW, JPY, TWD, PHP, INR) could continue to remain under pressure. Jitters and quarter end flow could continue to keep the DXY on a bullish retracement towards the 100-figure before the next at 102. Support remains around 97.70. Data-wise, we have prelim Jun PMI and existing home sales for May. Fed Daly, Waller and Bowman will speak. Tue has Fed Goolsbee, Williams, Kugler speaking before Philly Fed non-mfg activity (Jun) is due. Fed Powell will also deliver his semi-annual testimony. Wed has Richmond Fed business conditions, conf. board consumer confidence (Jun) fed Williams, fed Collins, fed Barr will also speak. New home sales (May) is due. Thu has May trade, core price index, weekly claims, Fed Barkin, Hammack will speak. Fri has more Fed speaks including Barr, Williams. Personal income, personal spending for May and core PCE price index for May are due. a

- **EURUSD - *Double Top*.** EURUSD was last seen lower at 1.1485 levels as the USD was broadly stronger after the US bombed Iran over the weekend. Further escalations are to be better for the USD and worse for the EUR. Note that the double top is still at play. 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 and 1.1573.

- **GBPUSD – *Watch ME Conflict*.** GBPUSD fell to 1.3417 levels this morning as the USD was broadly stronger after the US bombed Iran over the weekend. Further escalations are to be better for the USD and worse for the GBP. The BOE stood pat as expected yesterday, although the vote split at 6 (hold) - 3 (cut) was more divided than expected. An Aug cut is likely, with market pricing at 72.5%. We think BOE cuts by 25bps more to 4.00% as inflation remains sticky for the UK, although growth prospects could also be hurt by broader developments on the trade front. 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 0.8188 levels as the USD was broadly stronger after the US bombed Iran over the weekend. CHF is likely to do better in a risk off vis-à-vis other currencies e.g. EUR or GBP and that could prompt SNB intervention. A double bottom is still at play. SNB cut its policy rate by 25bps, in line with our expectations. CHF strengthened as some were looking for a larger 50bps cut. We see no further cuts from SNB this year unless inflation heads into negative territory, which is a possibility but not our base case. 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 146.70 -off its morning high of around 146.79. MOF had announced plans to reduce its issuance of superlong JGB based on the feedback form primary JGB dealers on Fri. Issuance of two-year and other shorter-dated debt will be as raised as a counterbalance. Meanwhile, the situation in the Mid-East remains uncertain and tense, which keeps the upwards pressure on oil prices and in turns weighs on the oil importing JPY. USDJPY has arrived near 147, capped by the 100-dma at 146.80. Next key level is seen around 148.50 before the next at 149.65. Support is at 144.40. While momentum is increasingly bullish, stochastics are rising into overbought conditions. We continue to sell this pair on rally. Data-wise, we have prelim. Jun PMI due today. May PPI services on Wed before BoJ summary of opinions for Jun. Tokyo CPI for Jun is due on Fri.

- **AUDUSD - *0.6550 Still the Key Resistance***. The AUDUSD remained under pressure due to broader risk aversion. The pair remains pressed against the 21-dma and was last seen around 0.6430. The latest involvement of the US in the Israel-Iran conflict had pressed the AUDUSD to test key support around 0.6430. 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.

- **NZDUSD - *Channel Violation***. NZDUSD last printed 0.5950, having violated the bullish trend channel. US had struck three Iranian nuclear facilities and that had soured risk sentiment in early Asia. Resistance remains at 0.6050 before the net at 0.6175. Support at 0.5995 (21-dma) has been broken and the next support is now eyed at 0.5850 (38.2% Fibonacci retracement of the Oct-Apr decline). We see two-way action within 0.5850-0.6030. NZDUSD has fallen in line with our expectations. However, further decline could continue to be slowed by the rising dairy auction that has boosted New Zealand's terms of trade. Week ahead has May trade on Wed before ANZ consumer confidence for Jun on Fri.

- **USDCAD - *Rising in Line with Our Expectations***. USDCAD was last seen around 1.3760. Risk aversion has taken hold more strongly across markets and lifted the USDCAD from its low of 1.3540. Pair has risen in line with our call based on the falling wedge. Resistance at 1.3740 is broken before the next at 1.3980. Bias remains to the upside for now. A rising wedge has formed from the recent string of bullish session since 17 Jun. The rise in USDCAD could see some retracement towards the 1.37-figure (interim support marked by the 21-dma).

- **Gold (XAU/USD) - *Toppish Looking***. Gold gained in reaction to the weekend events - US' latest forays into the Middle-East conflict. Gold is showing signs of fatigue, not making further gains in spite of the escalation in the Israel-Iran-US conflict. We do not rule out an eventual break of the 3350 support to open the way towards 3292 before 3230. Resistance at 3435 and then at 3500. Break of the 21-dma at 3350 is key for more meaningful pullback.

Asia ex Japan Currencies

SGDNEER trades around +1.80% from the implied mid-point of 1.3141 with the top estimated at 1.2878 and the floor at 1.3404.

- **USDSGD – *Higher*.** USDSGD rose to 1.2905 levels while the SGDNEER was lower at 1.80% above the mid-point of the policy band. The USD was broadly stronger after the US bombed Iran over the weekend. SGD and the SGDNEER could be resilient as tensions escalate, akin to the CHF. Expect that the USD could remain supported as tensions in the Middle East develop, although SGD could be one of the more resilient currencies and SGDNEER could head higher as a result. 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 1.3000. Support at 1.2900 followed by 1.2800.

- **SGDMYR – *Higher*.** SGDMYR was higher at 3.3156 levels. SGD and MYR have been the more resilient currencies (thanks to solid fundamentals and increased cooperation between the neighbours e.g. JS-SEZ) in the ASEAN space against the uncertain backdrop and that resilience is expected to continue. Resistance at 3.33 followed by 3.35. Support at 3.30 then at 3.27 followed by 3.25.

- **USDMYR – *Higher*.** Pair was last seen at 4.2800 as the USD was better bid after the US bombed Iran. 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. Meanwhile, on the trade front, PM Anwar has said that the ongoing trade talks have been going "excellently". Both Tengku Zafrul and Amir Hamzah have been in the US to discuss with US officials on the tariffs. The PM has also said that the RON95 price will not be raised if there is a sharp increase in global crude oil prices due to geopolitical tensions involving Israel and Iran. Back on the chart, resistance at 4.3000 and 4.3600. Support at 4.2500, 4.2000 and 4.1000.

- **USDCNH – *Rounding Bottom*.** USDCNH was last seen at 7.1880. Pair seems to have formed a rounding bottom, potentially rising on the back of broad USD gains. The Israel-Iran-US conflict are keeping investors nervous but upmove of the USDCNH seems to be limited still. China has thus far condemned the attacks on Iran but did not indicate any sign of direct support or involvement. This allows time for negotiations over a nuclear agreement. The USDCNY reference rate is set at 7.1710 vs 7.1695 previously. 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. Despite the lower fixes, USDCNH is still forming a rounding bottom. 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 look for May industrial profits due on Fri along with 1Q final current account balance.

- **1M USDKRW NDF - *Higher*.** 1M USDKRW NDF was higher at 1381.36 levels as the USD struck Iran and oil prices rose. KRW could be one of the worst hit given that it is a net oil importer. As of this morning, KRW is the underperformer in Asia. 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 - *Higher*.** 1M USDIDR NDF was last seen at 16476 as the USD made broad gain as the US struck Iran. Central bank has mentioned that they are intervening in the market via spot, DNDF and offshore NDF. Focus is on the external environment, specifically on developments related to the Mid – East tensions and the impact it can have on supporting a dollar rebound. We are wary though of the latter materializing further in the short term given the immense ongoing uncertainty. This can in turn guide more upside risks for the 1M USDIDR NDF. Back on the chart, resistance at 16400 and 16500. Support is at 16200 and 16000.

- **1M USDPHP NDF - *Lower, Cautious*.** Pair was last seen at 57.28 as it decline this morning on some "relief" regarding the Mid – East situation. The White House had said that President Trump would decide in the next two weeks on whether to strike Iran. The PHP though yesterday was under pressure given the talks then of plans that the US would strike Iran in addition to the BSP's intervention ambivalence and rate cut. On the latter, the BSP did cut rates by 25bps as expected though they stay dovish with Governor Remolona pointing to another possible cut by 25bps. The central bank mentioned that US trade policy uncertainty and the Mid – East tensions "would lead to slower growth in the Philippines". Also, they expressed a benign inflation outlook as they lowered their forecast to 1.6% YoY – below the 2 – 4 % target range. Our economist expects another 25bps cuts for this year. On FX, Governor Remolona again repeated that it was "futile" to intervene amid a strong dollar story. This gave the impression the central bank is not concern of a weakening in the PHP but we think that they may only choose to act if there is a sharp move or too much depreciation. We are staying cautious on the PHP, wary of more upside risks as Mid-East tensions remain uncertain whilst the BSP hands off FX approach and dovishness in combination do no favor for the PHP. Resistance at 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- *Steady*.** USDINR 1M NDF was last seen steady at 86.75. 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. 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. RBI Chief has hinted at some willingness to allow more flexible currency moves. 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 87.00. Support at 86.00.

- **USDTHB** – ***Sideways*, *Cautious***. Pair jumped this morning, last seen at 32.96 underpinned by higher oil prices, a lack of upmove in the gold prices and some concerns over the political situation at home. The US had struck Iranian nuclear facilities and some concerns on oil supply continues to keep brent near to the $80-handle. Next resistance is seen around 33.33 should the interim resistance at 32.94 be broken decisively. Support at 32.65 (21-dma). On the domestic situation, Paetongtarn had visted the troops along the border, pledging support for the army. Thus far, she had defied calls for her resignation. Her Pheu Thai Party said she will neither resign nor dissolve parliament. Over the weekend, the Thai army had also closed a key border crossing with Cambodia. The situation remains volatile and the scenarios that can play out are uncertain. Domestic political situation does somewhat weigh on THB but any semblance of a government being maintained can provide reassurance. Data or event-wise, we have BoT decision on Wed- widely expected to be unchanged.

- **USDVND - *Edging Higher*.** USDVND was last seen around 26153, edging higher on the back of broad USD gains. Risk aversion could continue to weigh on the VND. 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 seems to have happened. Next resistance is seen at 26200.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 4/28	3.22	3.20	-2
5YR MI 5/30	*3.26/25	3.25	-1
7YR M0 7/32	3.49	3.49	Unchanged
10YR MS 7/34	3.59	3.59	Unchanged
15YR MS 4/39	3.71	3.73	+2
20YR MX 5/44	*3.81/80	3.80	+1
30YR MZ 3/53	4.01	4.01	Unchanged
IRS			
6-months	3.36	3.36	-
9-months	3.31	3.31	-
1-year	3.28	3.28	-
3-year	3.18	3.18	-
5-year	3.27	3.27	-
7-year	3.38	3.37	-1
10-year	3.49	3.49	-

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

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- Ringgit government bonds saw late buying interest, which pushed yields slightly lower at the front end and belly. Foreign buying interest was seen, while local real money continued to nibble on the long-end. This coming week, we expect MYR5b auction size for the 10y MGS new issue with no private placement.

- Another uneventful session for MYR IRS with most participants adopting wait-and-see approach as geopolitical uncertainty continue to weigh on broad sentiment. MYR IRS ended almost flat from previous close amid tight 2-way stalemate. 3M KLIBOR was unchanged at 3.50%.

- The PDS market was active. Within the GG space, Danainfra 2029-2031 and Prasarana 2027 traded at MTM. In AAA, Westports 2027 spread widened by 4bp. AA1 SDProperty 2040 traded at MTM.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.84	1.84	-
5YR	1.93	1.93	-
10YR	2.30	2.29	-1
15YR	2.42	2.39	-3
20YR	2.45	2.42	-3
30YR	2.46	2.42	-4

Source: MAS (Bid Yields)

- The SGS curve bull-flattened amid strong demand but limited supply. Auction size for the upcoming 15y SGS new issue – scheduled for this coming Thursday – was announced at SGD1.6b, slightly below our estimate of SGD1.8b. Local supply-demand profiles still appear favourable.

Indonesia Fixed Income

Rates Indicators

Gov't Bonds	Previous Bus. Day	Latest Day's Close	Change
1YR	6.03	6.04	0.00
2YR	6.16	6.17	0.01
5YR	6.40	6.41	0.02
10YR	6.75	6.76	0.02
15YR	7.01	7.02	0.01
20YR	7.04	7.05	0.01
30YR	7.03	7.04	0.01

** Source: Bloomberg, Maybank Indonesia*

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- Indonesian short tenor series of government bonds maintained their rally trend during last week. The yield of 1Y series of Indonesian government bonds dropped from 6.17% on 13 Jun-25 to be 6.04% on 20 Jun-25. It seemed that most investors preferred collecting short tenor series of government bonds after Bank Indonesia is being defensive by retaining BI Rate at 5.50% for stabilizing domestic macroeconomic stability. For the medium-long tenor series of government bonds, we thought that most investors realized their "sell on rally" strategy for avoiding risks on the emerging markets from the negative impacts of geopolitical uncertainty, mainly due to possibility of the U.S. direct support for Israel by participating to strike Iran.

- However, we saw there is little room for Indonesian government bonds to strengthen after seeing the latest hesitant attitude of the United States government to help Israel to attack Iran. Moreover, the US intelligence is still vague about the condition of Iran developing nuclear weapons. According to Bloomberg, Donald Trump will decide within two weeks whether to strike Iran, the White House said. Israel hit more of Iran's nuclear sites and warned its attacks could bring down Tehran's leadership. Satellite images show Iran is racing to get its oil out and filling storage tanks. American intelligence officials believe Iran is undecided about building a nuclear weapon, but may be compelled to do so if the US attacked a major enrichment site or if Israel killed its supreme leader, the NYT reported.

- Thus, we see the strengthening room for Indonesian government bonds is very open for the benchmark series, mainly 1Y, 2Y, 5Y, and 10Y series. This condition is also strengthened by the investment indicator signal reflecting the daily decline of the Dollar Index DXY and world oil prices (Brent). Moreover, Indonesia's investment assets also maintain their attractiveness, along with Bank Indonesia's decision to maintain the BI Rate at 5.50%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1572	146.90	0.6513	1.3538	7.1937	0.6025	169.2267	94.8357
R1	1.1547	146.50	0.6483	1.3494	7.1864	0.5997	168.7833	94.5273
Current	1.1490	146.35	0.6439	1.3423	7.1847	0.5961	168.1600	94.2220
S1	1.1495	145.41	0.6435	1.3424	7.1730	0.5952	167.5133	93.9403
S2	1.1468	144.72	0.6417	1.3398	7.1669	0.5935	166.6867	93.6617

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.2900	4.2698	16468	57.3500	33.0000	1.4885	0.5946	3.3239
R1	1.2885	4.2617	16432	57.2600	32.8940	1.4857	0.5935	3.3175
Current	1.2888	4.2875	16401	57.1900	32.8810	1.4809	0.5928	3.3258
S1	1.2846	4.2467	16364	57.1250	32.6880	1.4788	0.5912	3.3051
S2	1.2822	4.2398	16332	57.0800	32.5880	1.4747	0.5900	3.2991

**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	16/7/2025	Easing
BOT 1-Day Repo	1.75	25/6/2025	Neutral
BSP O/N Reverse Repo	5.25	28/8/2025	Easing
CBC Discount Rate	2.00	18/9/2025	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	31/7/2025	Easing
ECB Deposit Facility Rate	2.00	24/7/2025	Easing
BOE Official Bank Rate	4.25	7/8/2025	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

Equity Indices and Key Commodities

	Value	% Change
Dow	42,206.82	0.08
Nasdaq	19,447.41	-0.51
Nikkei 225	38,403.23	-0.22
FTSE	8,774.65	-0.20
Australia ASX 200	8,505.48	-0.21
Singapore Straits Times	3,883.43	-0.28
Kuala Lumpur Composite	1,502.74	0.09
Jakarta Composite	6,907.14	n/a
Philippines Composite	6,339.77	-0.27
Taiwan TAIEX	22,045.74	0.19
Korea KOSPI	3,021.84	1.48
Shanghai Comp Index	3,359.90	-0.07
Hong Kong Hang Seng	23,530.48	1.26
India Sensex	82,408.17	1.29
Nymex Crude Oil WTI	74.93	-0.28
Comex Gold	3,385.70	-0.66
Reuters CRB Index	312.53	-0.59
MBB KL	9.66	0.63

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