14 March 2025

Macro | FX Research & Strategy

Global

Global Markets Daily

Additional Tariffs

Ongoing Trade Tensions

Trump threatened to hit back at the EU with a 200% tariff on wine, champagne and other alcoholic products after the economic bloc had proposed a 50% levy on American whisky. The uncertainty of Trump's tariffs looks to be hitting risk sentiment as his policy moves are coming at a time when there are increasing concerns of a US recession. The S&P500 hit a technical correction as it fell 10% from its recent peak. UST yields were also lower as the 10Y declined by about 4bps yesterday. The broad dollar was sideways at around the 103.80 mark. Whilst there was a softer risk sentiment regarding the US related assets, we do note that actually Chinese stocks in the US rose. Our analysis has found that a rotation in into HK and Euro stocks could be weighing on the USD. Interest in HK and Euro stocks has been on the rise recently amid improved sentiment on their economic prospects as their valuations have lagged the US for years. Short positioning on the EUR had also been very high so an unwind amid any shift was in some sense going to be aggressive. Overall, for now, it is difficult for us to immediately expect any major rebound in the broad dollar just yet. We stay cautious on the USD and remain wary of any downside. In Asia, trade exposed currencies such as CNH, THB, MYR were weaker this morning amid the tariff concerns. For today, keep an eye on USMich sentiment index and Japan spring wage negotiation results (more below).

Preliminary Results of Shunto Wage Negotiations

For today, we await the release of the preliminary results of the Shunto wage negotiation. Any reading close or above the 6.00% mark could lift the JPY as it may raise the stakes of the BOJ hiking sooner. Earlier, Rengo had said that the unions are seeking an average wage hike of 6.09%, which is the first time in more than three decades that the request has exceeded 6.00%. Reports have emerged that a number of Japanese firms have agreed to big increases. USDJPY trades a bit higher this morning, last seen around 148.36 ahead of the results. We see downside trend intact with the key support level at 145.00.

Data/Events We Watch Today

US UMich. Sentiment (Mar P)

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0852	-0.33	USD/SGD	1.3359	0.23
GBP/USD	1.2952	-0.08	EUR/SGD	1.4498	-0.10
AUD/USD	0.6285	-0.57	JPY/SGD	0.9038	0.50
NZD/USD	0.5698	-0.56	GBP/SGD	1.7302	0.12
USD/JPY	147.81	-0.30	AUD/SGD	0.8395	-0.36
EUR/JPY	160.42	-0.61	NZD/SGD	0.7611	-0.34
USD/CHF	0.8825	0.07	CHF/SGD	1.5145	0.18
USD/CAD	1.4439	0.48	CAD/SGD	0.9253	-0.26
USD/MYR	4.4365	0.19	SGD/MYR	3.3241	0.13
USD/THB	33.768	-0.26	SGD/IDR	12309.83	-0.26
USD/IDR	16425	-0.12	SGD/PHP	43.0128	-0.01
USD/PHP	57.363	-0.02	SGD/CNY	5.423	-0.15

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3225	1.3494	1.3764

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G10: Events & Market Closure

Date	Ctry	Event
10 Mar	AU	Market Closure
12 Mar	CA	BoC Policy Decision
14 Mar	JP	Outcome of Shunto wage negotiations

AXJ: Events & Market Closure

Date	Ctry	Event
No Significant Event This Week.		

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%. On top of that, the US legislators have halted the de minimis provision that allows packages worth under \$800 to be exempted from tariffs. 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. 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. 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. 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.

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

Date	Market-Moving Events Since Trump's Inauguration on 20th Jan 2025	Impact on Markets
13th Feb	Trump signs measure directing USTR and commerce secretary to propose new levies on a county-by-country basis. 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.
18th 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.
25th 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 limited reaction in currency markets
27th 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
3rd Mar	Trump mentioned levies on agriculture imports to take effect on 2 Apr.	
3rd 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.
3rd Mar	Trump stopped military aid to Ukraine. Europe and Uk plan to ramp up on military spending.	EUR and GBP surge.
4th Mar	25% tariffs on Canada, Mexico and additional 10% for China take effect. Commerce Secretary Howard Lutnick hinted of a compromise	USDCAD, USDMXN were higher before coming off on Lutnick's comments.
6th 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
7th 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
12th Mar	25% tariffs on steel and aluminium take effect. Canada will impose 25% tariff on C$30bn of American goods that will take effect on Thu (14 Mar) EU also targeted EUR26bn of American imports with effect on 13 Apr. Mexico said it will wait until 2 Apr before making further announcements.	EURUSD softened a tad. USDCAD is lower.
14th Mar	Trump threatens 200% tariffs on wine, champagne and other alcoholic products	EURUSD softer. DXY rises marignally.

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

G10 Currencies

- **DXY Index – *Higher*.** Trump threatened to hit back at the EU with a 200% tariff on wine, champagne and other alcoholic products after the economic bloc had proposed a 50% levy on American whisky. The uncertainty of Trump's tariffs looks to be hitting risk sentiment as his policy moves are coming at a time when there are increasing concerns of a US recession. The S&P500 hit a technical correction as it fell 10% from its recent peak. UST yields were also lower as the 10Y declined by about 4bps yesterday. The broad dollar was sideways at around the 103.80 mark. Whilst there was a softer risk sentiment regarding the US related assets, we do note that actually Chinese stocks in the US rose. Our analysis has found that a rotation in into HK and Euro stocks could be weighing on the USD although. Interest in HK and Euro stocks has been on the rise recently amid improved sentiment on their economic prospects as their valuations have lagged the US for years. Short positioning on the EUR had also been very high so an unwind amid any shift was in some sense going to be aggressive. A correction in the DXY after big climbs in the prior months could have been due too. Overall, for now, it is difficult for us to immediately expect any major rebound in the broad dollar just yet. We stay cautious on the USD and remain wary of any downside. The DXY index was last seen around 103.96. 103.40 (recent Mar low) remains a tentative support. Resistance at 105.00 (200-dma). Beyond 103.40, next support is seen around 102.50. Data-wise, Mar prelim. Unv. Of Mich. Sentiment on Fri.

- **EURUSD – *Bullish Bias*.** EURUSD slipped further to 1.0854 levels as Trup threatened a 200% tariff on EU alcohol if the bloc were to follow through on a tax on American whiskey. Some suggest that market could be overly confident that the German spending legislation with pass the Bundestag. Note that Chancellor-elect Merz is looking to pass legislation before the new Bundestag sits on 25 Mar. If there are any hiccups, the AfD and the left could block changes to spending legislation given that they have a third of the seats in the new Bundestag. Pair retains bullish bias on the prospect of a 30-day truce that the US is brokering for Ukraine and Russia as well as fiscal spending optimism. Odds of a ceasefire this year on prediction markets dipped slightly to 73% (prev: 77%) still higher than recent lows of around 70%. The US will take the proposal to Putin to seek his agreement. Thus far, Russia demands that Ukraine remains neutral, limits on its military and to give up its bid to join NATO. Russia also did not want the presence of European troops in Ukraine. There are some cautions by Western security officers that Russia is making "maximalist demands", knowing that they are unacceptable to Ukraine and Europe. As such, the support for the EUR may not sustain for too long. **Focus this week is also on Germany's outgoing parliament debate on the EUR500bn infrastructure fund and radical change to state borrowing rules to fund defence from 13 Mar before the new parliament takes over on 25 Mar. The vote takes place on 18 Mar.** EUR has broken out of earlier range and there could be further near-term upside. For now, we retain a bearish view on the EUR given possible US trade policy, divergent monetary policy and political uncertainty. Following the breakout of the EUR, we see support at 1.0720 (200-dma) followed by the 1.0680 (50% retracement of the Oct-Feb move lower). Resistance level at 1.0960. Jan EC Industrial Production beat expectations at 0.0% WDA YoY (exp: -0.8%; prev: -1.5%) and 0.8% SA MoM (exp: 0.6%; prev: -0.4%).

- **GBPUSD – *Bullish Bias*.** GBPUSD outperformed the EURUSD and was last at 1.2953 levels. Both the EUR and GBP have gained on the prospect of increased defence spending leading to rising yields. The US had earlier called on its NATO allies to increase defence spending to 5% of GDP. Following a public disagreement between the US and Ukraine, the EU and UK have rallied with Macron calling on Europe to increase defence spending to between 3 to 3.5% of GDP. UK currently spends about 2.3% of GDP on defence, just meeting the 2% NATO target. We maintain that the GBP could be better sheltered from any potential Trump action, given the services-oriented nature of the UK economy, a goods trade deficit with the US (4Q 2024) and the close relationship between the US and UK. Recall that the BOE cut rates by 25bps to 4.50%. The MPC voted 7-2 in favour of a 25bps easing, with the 2 dissenting members, Dhingra and Mann preferring a 50bps cut. Mann had been urging for larger rate cuts due to falling consumer demand and job markets. This was a contrast to Chief Economist Huw Pill who sees the need to keep policy restrictive. Expectations for the next BOE meeting are for a stand pat. We see three more cuts for the BOE this year with the policy rate ending at 3.75%. This is broadly in line with current market pricing although slightly more dovish than the 4.00% that the BOE signalled. Nevertheless, we maintain our view that the GBP could be somewhat sheltered from tariffs as it avoids specific trade action from the Trump administration. On the GBP daily chart, resistance is at 1.3030 and 1.3120 with support at 1.2790. We see bearish divergence on this pair and cable is at risk of pulling back towards 1.2890. Week ahead has Jan IP, mfg production and trade (Fri).

- **USDCHF - *Higher*.** USDCHF was last seen around 0.8831 levels. 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. Recent rally in EUR and GBP could help SNB with keeping inflation within the 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 0.90 and support is at 0.8690. No further data releases for the week ahead.

- **USDJPY - *Sideways, Downside Trend Intact*.** USDJPY was last seen at 148.27 as it trades sideways building up to the releases of preliminary results of the Shunto wage negotiations. Any reading close or above the 6.00% mark could lift the JPY as it may raise the stakes of the BOJ hiking sooner. Earlier, Rengo had said that the unions are seeking an average wage hike of 6.09%, which is the first time in more than three decades that the request has exceeded 6.00%. Reports have emerged that a number of Japanese firms have agreed to big increases. We see downside trend intact with the key support level at 145.00. The next after that would be the crucial 140.00. Resistance meanwhile is at 150.00 and 155.00. There are no remaining key data releases this week.

- **AUDUSD – *Rounding Bottom*.** AUDUSD was last seen at 0.6284 levels this morning, slipping from yesterday's highs above the 0.63 handle. Pair remains bid with support coming from rising copper prices in spite of rising growth concerns due to tight supply conditions amid stockpiling activities. Support remains around 0.6274 (50-dma). As long as China does not engage in strong tit-for-tat actions, there is a possibility that pressure on the AUD could be delayed until the start of Apr. We remain cautious for the rest of 1H 2025. AUD is still susceptible to more confrontation between the US and China. Further signs of de-coupling between Australia's traditional ally and biggest trading partner could hurt AUD sentiment in the medium term. Next support around 0.6274 before 0.6220. Resistance at 0.6350 (100-dma). Data-wise, Thu has consumer inflation expectation for Mar.

- **NZDUSD - *Bearish*.** NZDUSD slipped slightly was last seen around 0.5703 levels, still within a 0.56 to 0.58 range. Risk-sensitive NZD has been caught in opposing forces – weighed on one hand by tariff threats made on its biggest trading partner - China as well as falling UST yields that widens the carry advantage of the NZD. Broader USD softness had been supporting this pair on dips. With RBNZ's policy already well anticipated, drivers into Mar are likely to be related to Trump's trade policies. AUDNZD has formed a double top. With RBA and RBNZ likely in peak policy divergence, we see downside in the AUDNZD cross, further supported by the bearish technical patterns towards 1.1067, 1.1051 and then at 1.0987 with final target at 1.0940. Last at 1.1086.

- **USDCAD - *Stuck in Range*.** USDCAD was last seen at 1.4429 levels, remaining within recent trading ranges. Trump's 25% tariffs on steel and aluminum took effect with no exceptions. Canada and the EU struck back with Canada imposing 25% tariffs on C$30bn of US -made products starting Thu while the EU also targeted EUR26bn of American imports. Trump pledged to respond to EU's retaliations. BoC took its policy rate lower by another 25bps to 2.75% in line with consensus (including our own) but Macklem was considerably hawkish, commenting that "BoC will proceed carefully with any further changes" whilst noting that the trade battle with the US a "new crisis". In the statement, the central bank noted that inflation expectations have risen as consumers expect tariffs to increase prices. That could mean that further rate cuts are data-dependent and would face a higher hurdle than cuts thus far. CAD strengthened after the decision, albeit still stuck within the range of 1.4170—1.4600. Interim support is seen at 1.4350 (50-dma). Data-wise, Thu has building permits for Jan. Fri has mfg sales for Jan.

- **Gold (XAU/USD) - *Another Record High*.** Gold was last seen at 2986.61/oz just slightly off the record 2989.98/oz level reached yesterday. The correction in the gold has been small (2.6% from peak) compared to bitcoin (-30%) and we continue to expect buying on dips interest. Eyes are on the psychological $3000, which it is currently just shy of. The gold metal continues to be supported by concerns on geopolitical conflicts (uncertainty of the trajectory that the war in Ukraine would take and now that Europe is ramping up on defence, there could be greater probability of a conflict). The possibility of more tariffs from Trump on various nations could also be supportive of gold. 3000 is still a psychological resistance before the next at resistance at 3110. We cannot rule out a technical pullback. Support at 2780 before 2730 (21-dma).

Asia ex Japan Currencies

SGDNEER trades around +0.99% from the implied mid-point of 1.3494 with the top estimated at 1.3225 and the floor at 1.3764.

- **USDSGD - *Sideways*.** USDSGD was last seen at 1.3360 levels this morning. Our economists suggest recent CPI print opens the door for MAS to ease further in Apr. 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. Our economists maintain their growth forecasts at +2.6% (2025) and +2.3% (2026). Vouchers are expected to cushion consumption amid an uncertain global environment. MAS eased for the first time since 2020 (24 Jan 2025) and the market reaction has been rather muted - a possible indication that this move was expected. The move looks to be one that is calculated to be a tad more growth supportive while continuing to hold the reins on inflation. The trade-weighted SGDNEER is at +0.99% above the mid-point this morning and looks to remain supported in line with our expectations. 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. We do not expect SGDNEER to weaken too much further even with MAS easing (slight slope reduction). In the medium-term, we remain positive on the SGD given robust macro fundamentals and a monetary policy that has an appreciating currency as a default stance. Resistance at 1.3400. Support at 1.3350. Data releases this week include Feb FX Reserves (Fri).

- **SGDMYR - *Higher*.** SGDMYR was last at 3.3269 as it traded at the higher end of its recent range. The MYR is consolidating amid global uncertainty whilst the SGD has been more resilient, pushing the cross higher. Resistance at 3.35 and 3.40. Support at 3.29 and 3.27.

- **USDMYR - *Higher*.** Pair was last seen higher at 4.4467 in line with the climb in the USD and remains within the recent range of 4.40 - 4.50. External developments including those related to the US and China look like it would continue to be the main driver for the MYR. For the coming week, we continue to closely watch the developments related to recession concerns, US tariffs, Europe, US data (Feb CPI) and China. Back on the chart, resistance at around 4.5000 (around 200-dma) and 4.6300. Support at 4.3600. Jan IP data was slower but still fairly robust at 2.1% YoY (est. 2.7% YoY, Dec. 4.6% YoY) whilst the same can be said too of Jan mfg sales at 3.5% YoY (Dec. 5.7% YoY). There are no remaining key data releases this week.

- **1M USDKRW NDF - *Sideways, Watching Yoon's saga*.** 1M USDKRW NDF was last at around 1452.58 levels this morning. BOK recently cut rates by 25bps to bring its policy rate to 2.75%, largely in line with both the market and our expectations. Decision was unanimous and heralds potentially the start of rate cuts to be more growth supportive, in line with most other central banks globally. BOK maintains a cautious outlook given the highly volatile FX outlook and the potential for upside risks to inflation. However, if the current disinflationary trajectory were to continue, it would not be a surprise for us to see more cuts in the future. President Yoon has been indicted, and elections will need to be held within 60 days should he be removed from office. Yoon's impeachment hearings are ongoing. However, there remains plenty of concerns for the KRW. The political situation is highly uncertain with a snap election likely. Opposition leader Lee Jae-myung had proposed compiling an extra budget worth at least KRW30trn to prop up the economy in the face of headwinds posed by political uncertainties and tariff threats. There also remains risks that the BOK could cut rates in the coming months given the economic concerns. We see markets are likely to stay cautious too and so are we too amid these concerns on the KRW. For near term, we are watching how both the political and Trump tariff developments pan out. Back on the chart, resistance is at by 1460. Support is at 1440 followed by 1420. No remaining data for this week.

- **USDCNH - *Higher*.** USDCNH hovered around 7.25 remaining around the 7.22-7.30 range. The USDCNY reference rate was fixed higher this morning at 7.1738, albeit in the same direction as the consensus at 7.2449. Gap between the fix and estimate at 711pips, wider than levels seen in recent times at over 500pips. There have been opposing forces but generally, the surge in GBP, and EUR had helped to bring the USD lower against most currencies. Yuan is, ironically, in a more benign environment at this point, boosted also by a rather encouraging NPC. The benign USD and US rates environment are thus allowing yuan to be reined in well by the fix. As long as China does not engage in strong tit-for-tat actions, yuan seems to be relatively stable. This cannot be said for CAD. EUR has started to soften as markets take profit on recent rally. EUR sentiment has turned cautious due to retaliations from the EU on tariffs. We suspect the USD would become more supported from here. Trump had already said he would have countermeasures for EU's retaliation. We continue to hold the view that the worst of US-China trade conflict is not here. The US is due to make a decision on China's PNTR status and there could be more tariff adjustments from here. However, it seems that China is not willing to engage in strong tit-for-tat retaliations thus far and that has been keeping the yuan stable. There could come a time when yuan would be allowed to weaken in order to help cushion the impact of excessive tariffs from the US.

- **1M USDIDR NDF - *Lower*.** 1M USDIDR NDF was last seen at 16424 as it decline slightly overnight. External developments especially those in relation to the US are likely to remain key drivers for the currency and the wider Asian FX space. We continue to keep an eye on US data (in relation to Fed easing and recession likelihoods), Euro asset movements, trade developments and any China announcements. Meanwhile, on the domestic front, Indonesia posted a rare early year budget deficit for Feb at -0.13% of GDP. The deficit looks to have been due to a double-digit drop in state revenues and that in itself could have resulted from problems with a newly implemented tax administration system, known as Coretax. Back on the chart, support at 16200 and 16000. Resistance is at 16600 and 16750. There are no remaining data releases this week.

- **1M USDPHP NDF - Sideways, Cautious.** The 1M USDPHP NDF was last seen at 57.34 as it continued to trade at levels similar to prior sessions. External developments especially those in relation to the US are likely to remain key drivers for the currency and the wider Asian FX space. We continue to keep an eye on US data (in relation to Fed easing and recession likelihoods), Euro asset movements, trade developments and any China announcements. Back on the chart, support at 57.00 and 56.00. Resistance is at 58.50 and 59.50 around the recent Dec high). We are staying cautious on the 1M NDF given the uncertain macro situation. There are no key data releases this week.

- **USDTHB - *Lower*, *Cautious*.** Pair was last seen at 33.68 as gold prices climb on safe haven demand. However, it remained within a range of about 33.50 - 34.50. We are staying cautious on the USDTHB, and see that it could remain within that range for now given the global uncertainties. Ongoing trade tensions between Trump and various countries does not help for the THB given Thailand's large trade exposure. Thailand is also vulnerable to US reciprocal tariffs whilst the THB has quite a high sensitivity to the CNH. US recessions risks can also weigh on appetite towards the EM space. The possibility of higher gold prices though can help offset some of the negative effects from these factors. Back on the chart, resistance is at 34.50 and 35.00. Support at 33.50 and 33.00. Feb consumer confidence meanwhile declined slightly to 57.8 (Jan. 59.0). Remaining key data releases this week include 7 Mar gross international reserves/forward contracts (Fri).

- **1M USDINR NDF- *Steady*.** USDINR 1M NDF was last seen at 87.21 levels. 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 88.00. Support at 87.00. Data this week includes Feb trade data (13 – 17 Mar) and 7 Mar foreign exchange reserves (13 – 14 Mar).

- **USDVND - *Supported on Dips*.** USDVND was last seen around 25513. Pair has been trading within 25430-25600 range. The reference rate was fixed at 24758, unchanged from previous. EUR, GBP, JPY and to some extent CNH gains have been able to bring the USD lower. A range seems to be established recently within 25430-25600. Resistance at 25600 before the next at 25800. Support around 25370.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR ML 5/27	3.40	3.39	-1
5YR MI 8/29	3.57	3.56	-1
7YR MO 7/32	3.71	3.71	Unchg
10YR MS 7/34	3.77	3.76	-1
15YR MS 4/39	3.94	3.93	-1
20YR MX 5/44	4.05	4.05	Unchg
30YR MZ 3/53	4.17	4.17	Unchg
IRS			
6-months	3.62	3.62	-
9-months	3.59	3.59	-
1-year	3.57	3.57	-
3-year	3.47	3.47	-
5-year	3.51	3.50	-1
7-year	3.58	3.57	-1
10-year	3.68	3.65	-3

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

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- Ringgit government bond market was steady in the first half of the session as market participants were gearing up for the GII 3/54 re-opening tender. Some offers were taken in mid-tenor MGS. For the second half of the day, a stronger GII buying emerged post-tender. The 30yr GII auction saw a strong demand, despite a slightly larger-than-expected auction size. The bid/cover ratio came in at 3.08x and successful yields averaged 4.169%. Overall, MGS yields were flat to 1bp on the day.

- In MYR IRS, receivers pulled the curve lower by as much as 2-3bps on the back of persistent buying momentum into MGS/GII before late payers regained some ground as MYR IRS eventually closed flat to 2bp tighter. Decent receiving interest was spotted in 2-5y bucket. 3M KLIBOR was flat at 3.66%. 2y IRS traded at 2.47-2.485%, 3y IRS traded at 3.465% and 5y IRS traded at 3.49% and 3.50%.

- The PDS market saw lower market activity with most names traded rangebound. AAA F&N Capital 10/27 traded at MTM for MYR100m. Similarly, BPMB ALR and Infracap traded in a tight range. AA1/AA+ RHB 11/28 saw MYR30 traded 1bp lower.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	2.40	2.41	+1
5YR	2.48	2.49	+1
10YR	2.64	2.63	-1
15YR	2.71	2.71	-
20YR	2.73	2.72	-1
30YR	2.71	2.69	-2

Source: MAS (Bid Yields)

- Like the UST market, SGS had a relatively calm day with no major swing in yields. Overall, the curve flattened as yields in the front-end and belly increased 1bp while long-tenor yields declined 1-2bp. The 10y SGS yield eased 1bp to 2.63%. Auction demand for the 6-month T-bill remained strong, with a 2.64x bid/cover. SGD liquidity still looked flushed, suppressing the overnight SORA further to 2.08% on 12 March.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.0931	148.83	0.6361	1.3001	7.2670	0.5767	162.1267	94.5317
R1	1.0892	148.32	0.6323	1.2976	7.2575	0.5732	161.2733	93.7113
Current	1.0848	148.22	0.6292	1.2949	7.2499	0.5712	160.7800	93.2660
S1	1.0818	147.36	0.6258	1.2924	7.2344	0.5673	159.8133	92.3033
S2	1.0783	146.91	0.6231	1.2897	7.2208	0.5649	159.2067	91.7157

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3411	4.4448	16490	57.4723	33.9487	1.4545	0.6132	3.3344
R1	1.3385	4.4406	16457	57.4177	33.8583	1.4521	0.6127	3.3293
Current	1.3364	4.4485	16432	57.3350	33.6770	1.4496	0.6138	3.3294
S1	1.3325	4.4269	16397	57.2867	33.6833	1.4475	0.6117	3.3186
S2	1.3291	4.4174	16370	57.2103	33.5987	1.4453	0.6112	3.3130

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	Apr-25	Neutral
BNM O/N Policy Rate	3.00	8/5/2025	Neutral
BI 7-Day Reverse Repo Rate	5.75	19/3/2025	Easing
BOT 1-Day Repo	2.00	30/4/2025	Neutral
BSP O/N Reverse Repo	5.75	10/4/2025	Easing
CBC Discount Rate	2.00	20/3/2025	Neutral
HKMA Base Rate	4.75	-	Easing
PBOC 1Y Loan Prime Rate	3.10	-	Easing
RBI Repo Rate	6.25	9/4/2025	Easing
BOK Base Rate	2.75	17/4/2025	Easing
Fed Funds Target Rate	4.50	20/3/2025	Easing
ECB Deposit Facility Rate	2.50	17/4/2025	Easing
BOE Official Bank Rate	4.50	20/3/2025	Easing
RBA Cash Rate Target	4.10	1/4/2025	Neutral
RBNZ Official Cash Rate	3.75	9/4/2025	Easing
BOJ Rate (Lower bound)	0.00	19/3/2025	Tightening
BoC O/N Rate	2.75	16/4/2025	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	40,813.57	-1.30
Nasdaq	17,303.01	-1.96
Nikkei 225	36,790.03	-0.08
FTSE	8,542.56	0.02
Australia ASX 200	7,749.07	-0.48
Singapore Straits Times	3,837.52	0.12
Kuala Lumpur Composite	1,510.03	1.70
Jakarta Composite	6,647.42	-0.26
Philippines Composite	6,242.07	0.76
Taiwan TAIEX	21,961.68	-1.42
Korea KOSPI	2,573.64	-0.05
Shanghai Comp Index	3,358.73	-0.39
Hong Kong Hang Seng	23,462.65	-0.58
India Sensex	74,029.76	-0.10
Nymex Crude Oil WTI	66.55	-1.67
Comex Gold	2,991.30	1.51
Reuters CRB Index	303.01	-0.25
MBB KL	10.30	1.18

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