Global Markets Daily

No Guarantee of a Dec Cut

Putting the Next Cut in Doubt
The Fed voted 10-2 to lower the FFTR by 25bps to 3.75-4.00%, in line with expectations. The balance sheet run-off will end on 1 Dec. The two dissenters were divergent - Fed Miran wanted a 50bps cut while Fed Schmid favored no rate change. Statement noted economic activity has been expanding at a moderate pace, inflation "has moved up since earlier in the year and remains somewhat elevated" while "downside risks to employment rose in recent months". Schmid's hawkish dissent was his first and a surprise to most. We recall that the Sep dot plot had 10 participants in favour of at least three cuts this year while 9 look for only two at most - a very divided committee due to the conflicts in Fed's dual mandates of full employment and price stability. In Powell's presser, he assured that public and private sector data suggest that the macro outlook has not changed much since Sep and added that the rate cut in Dec is "far from" forgone conclusion. He also described this move as a "risk-management" move to bring policy closer to neutral but the next cut "is a very different thing". This was the second hawkish surprise. UST yield spiked, bourses softened. The DXY rose, which failed to breach key levels, could be an invitation for bears to re-assert themselves.

BOC Cuts (Against Our Expectation), BoJ To Watch Next
BoC cut to 2.25%, noting the persistent damage from the US tariffs. However, Governor Tiff Macklem also signaled an extended pause as borrowing costs are roughly at the right place as long as its forecasts come to fruition. USDCAD fell towards the 1.39-figure as a result, (hitting our target at 1.3910) before making a move higher on the hawkish Fed cut. Next to watch is BoJ - highly anticipated to keep policy settings on hold. Ueda's presser is key to whether a rate hike would come in Dec/Jan. Notwithstanding the usual inflation concerns, Trump's warm meeting with PM Takaichi alongside other trade deals recently inked in Asia should ease fears of trade uncertainties and support the decision for further policy normalization.

Data/Events We Watch - Trump-Xi Meeting
Trump meets with Xi today and a deal for a trade truce is expected that could include lower fentanyl-related tariff for China, a deal on tiktok, easing up export restrictions. China purchased its first cargoes of US soybeans this season, another sign of goodwill. USDCNY fix has also been luring the CNY stronger of late.

FX: Overnight Closing Levels % Change

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1601	-0.43	USD/SGD	1.2973	0.26
GBP/USD	1.3194	-0.59	EUR/SGD	1.5052	-0.17
AUD/USD	0.6574	-0.17	JPY/SGD	0.8494	-0.14
NZD/USD	0.5764	-0.31	GBP/SGD	1.7119	-0.30
USD/JPY	152.73	0.41	AUD/SGD	0.8527	0.06
EUR/JPY	177.18	-0.03	NZD/SGD	0.7479	-0.03
USD/CHF	0.7999	0.82	CHF/SGD	1.6217	-0.56
USD/CAD	1.3943	-0.02	CAD/SGD	0.9305	0.29
USD/MYR	4.1875	-0.20	SGD/MYR	3.2344	-0.19
USD/THB	32.405	0.27	SGD/IDR	12822.27	0.02
USD/IDR	16617	0.05	SGD/PHP	45.3746	-0.60
USD/PHP	58.724	-0.70	SGD/CNY	5.4717	-0.30

Implied USD/SGD Estimates at, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.2847	1.3109	1.3372

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G10: Events & Market Closure

Date	Ctry	Event
29 Oct	Ca	BoC Policy Decision
29 Oct	US	FOMC Policy Decision
30 Oct	JN	BoJ Policy Decision
30 Oct	EZ	ECB Policy Decision
30 Oct	US-CH	Trump-Xi Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
31 Oct - 1 Nov	APEC	APEC Summit 2025

G10 Currencies

- **DXY Index - *Rebounds***. The DXY index rose to levels around 99.07 at last sight. Perhaps our mini projection for DXY index should have been bullish for the event of the Fed policy decision given that a cut was already 100% priced and in the absence of key data, the Federal Reserve was likely to remain data-dependent with little forward guidance. Cautioning for USD to see a knee-jerk spike should have been a natural conclusion. Regardless, we are more keen on expressing our medium term view on the greenback and this view remains somewhat validated by the price action overnight. The rebound failed to break above key levels seems like an invitation for USD bears to re-assert. The Fed voted 10-2 to lower the FFTR by 25bps to 3.75-4.00%, in line with expectations. The balance sheet run-off will end on 1 Dec. The two dissenters were divergent - Fed Miran wanted a 50bps cut while Fed Schmid favored no rate change. Statement noted economic activity has been expanding at a moderate pace, inflation "has moved up since earlier in the year and remains somewhat elevated" while "downside risks to employment rose in recent months". Schmid's hawkish dissent was his first and a surprise to most. We recall that the Sep dot plot had 10 participants in favour of at least three cuts this year while 9 look for only two at most – a very divided committee due to the conflicts in Fed's dual mandates of full employment and price stability. In Powell's presser, he assured that public and private sector data suggest that the macro outlook has not changed much since Sep and added that the rate cut in Dec is "far from" forgone conclusion. He also described this move as a "risk-management" move to bring policy closer to neutral but the next cut "is a very different thing". This was the second hawkish surprise. UST yield spiked, bourses fell. The DXY rose and looking forward, a third rate cut (for 2025) was almost certain to happen based on Fed Fund Futures before the meeting but Powell had casted doubt on it. Now the probability of a rate cut in Dec is cut to 68% from 92%. That probably leaves room for two way movements in the DXY. Back on the DXY index, we watch if the 99.60-resistance can be broken. Beyond that, the 100.50 (200-dma) lies await. Support remains at 98.70 before the next at 98.20 and then at 97.40 and 96.40. Eyes are on the Trump-Xi meeting. Data-wise,we have the usual weekly claims that are likely to be delayed alongside GDP and core pce on Thu. Sep personal income, spending and core pce price index due Fri are also likely to be delayed due to the government shutdown. With regards to the shutdown, an extension of the US government shutdown beyond the last record of 35 days is USD negative.

- **EURUSD - *French Political Paralysis Could Continue***. EURUSD was seen lower at 1.1614 levels as the USD gained on the back of Fed Powell guidance that a Dec cut was "far from guaranteed". EUR is unlikely to head much higher, crimped by domestic concerns. France was downgraded by S&P on 17 Oct with Moody's maintaining the Aa3 rating while shifting the outlook to "negative" on 24 Oct. It remains to be seen if Lecornu can push through a budget for 2026 after surviving a no-confidence vote narrowly and there are still risks on this front for the EUR. Given the state of play in French parliament, Lecornu could still survive a no-confidence motion but be placed in a state where his government cannot meaningfully govern, thereby prolonging French political paralysis. He may well be forced to use article 49.3 to push through the budget even though he previously said that he would not. We continue to watch out for risks to the EUR on this front. We continue to believe that French political developments have bearish risks for the EUR, with no end to the current crisis in sight. We reiterate our view that risks to the EUR are bearish, although there could be limited downside to the EUR at this juncture. Calling legislative elections could be one of Macron's options with France essentially ungovernable in its current state. Moreover, Russia continues to provoke European countries with hybrid attacks. Lagarde said that the

ECB's interest stance was "not fixed", perhaps as an indication that the market should not be too sure of itself and data dependency will prevail. Wall Street banks are suggesting that the EUR could continue its bull run amid diversification away from the USD to 1.20, but we remain skeptical given the multiple risks (Ukraine War, French disarray, Pharma tariffs) that we see as underpriced. As such, we think the path to a higher EUR could be a tad more nuanced than Wall Street expects. We are looking for no further cuts from the ECB in 2025 and the Fed-ECB divergence could provide tailwinds to drive the pair higher, but French political risks do seem a tad underpriced at the moment. We stay cautious of potential whipsaws in the EUR. The ECB was cautious of potential upside risks to inflation (while recognizing that there are also downside risks) and as such are likely to adopt a wait and see approach, supporting our view for no further ECB cuts. Moreover, current rates are viewed to be broadly within the territory of neutral rates (R*) and the ECB viewed fiscal expansion in the euro area (defence spending) as having the potential to raise neutral rates. Lastly, ECB views recent EUR strength as structural and unlikely to change soon. Back on the charts, we see two-way risks for the EURUSD given overbought conditions and bullish momentum. Next resistance is seen at 1.1700 followed by 1.1750. Support at 1.1600 followed by 1.1500. Week ahead has consumer confidence, economic confidence, industrial confidence for Oct, 3Q adv. GPD due Thu. ECB policy decision is due this Thu and we expect no change to policy settings. Oct. prelim. CPI is due on Fri.

- **GBPUSD – *Lingering Fiscal Risks***. GBPUSD was lower at 1.3200 levels as the USD gained on the back of Fed Powell guidance that a Dec cut was "far from guaranteed". GBP went sharply lower after the OBR downgraded official UK productivity forecasts by more than expected, leaving Chancellor Reeves with a hole that will need to be filled for the budget. Probability of a cut in Nov/Dec has risen to 31%/37% (prev: 13%/29%) on last week's softer UK Sep inflation print, although it has pulled back from recent highs. For now, we maintain our view for no further cuts from the BOE and that the Fed-BOE divergence should hold. Chancellor Reeves could blame Brexit for the black hole in UK finances with the OBR budget analysis admitting that they could have been too optimistic about growth. She advocated for fiscal rigour to win votes and said that the UK did not need a standalone wealth tax in a Labour party congress. The GBP and gilts advanced in tandem on the back of Reeves' speech. Meanwhile BOE Ramsden said there was scope to cut interest rates further and predicted that pressures from services and wages would continue to ease. Pharma tariffs could weigh on the GBP with a few pharmaceutical giants such as GSK, AstraZeneca and Hikma based in the UK. BOE held rates at 4% in line with expectations with policymakers echoing growing concerns over the state on inflation. Vote split was 7-2 in favour of the stand pat vs a cut, with doves Dhingra and Taylor backing a quarter point cut. There is a view that UK fiscal risks could be overstated (given relatively stable public net debt and expectations of improving fiscal deficit) and as such the GBP could make advances. We believe that the fiscal risk for the UK remain fairly priced and remain cautiously optimistic for the GBP. BOE unveiled proposals to improve the resilience of the gilts market in times of stress amid concerns over the UK's fiscal position ahead of the Autumn budget. BOE Bailey played down the importance of the rise in long-dated gilt yields and cautioned of overstating the importance of such a move. Nevertheless, there could be further volatility ahead of the much anticipated Autumn budget as concerns over the UK's fiscal position linger. The Treasury is considering a new tax on the sale of homes worth more than GBP500K as a step towards a radical overhaul of stamp duty and council tax. Rising yields add pressure on Chancellor Rachel Reeves ahead of her autumn budget (normally due late Oct/early Nov). Back on the GBPUSD chart, this pair trades with a downside bias with support at 1.3200 and 1.3140. Rebounds to meet resistance at 1.3300 and 1.3460. Week ahead has Sep mortgage approvals due on Wed, Lloyds business barometer for Oct on Thu as well as nationwide house price for Oct.

- **USDCHF - *Intervention Risks*.** USDCHF was last seen higher at 0.7995 levels as the USD gained on the back of Fed Powell guidance that a Dec cut was "far from guaranteed". Pair stays below the 0.8020 to 0.8160 range. SNB released first ever minutes of its meeting which showed that it was not keen to take rates below zero. CHF could be better supported than peers on safe-haven demand. Market rumors suggest that SNB has been intervening with the latest bout of EUR weakness a likely trigger. Reports suggest that Switzerland has offered to invest in US gold refining as part of a proposal to reduce the 39% tariff levied on Swiss goods. Pharma tariffs could weigh on the CHF with Switzerland the 2nd largest exporter of pharmaceuticals sto the US in 2024. We flag possible SNB intervention risks if CHF strength is too one-sided. SNB will now provide more transparency and give a summary of their meeting a month after the fact. CHF has likely been supported by higher gold prices as a possible proxy for gold. Earlier released sport event-adjusted GDP expanded +0.1% q/q from previous +0.8%, above the expected -0.1% contraction expected for 2Q. However, the outlook is less certain. Thus far, the Swiss government had failed to get a trade deal with the US government. We see no further cuts from SNB this year unless inflation heads into negative territory, which is a possibility but not our base case. On the USDCHF chart, support at 0.7870 while resistance is at 0.8000. Pairing is pressured to the downside. Data-wise, we have retail sales for Sep on Thu.

- **USDJPY - Awaiting the BOJ, Lean Downside.** Pair was last seen at 152.58 as it moved back up as the FOMC turned out the be less dovish than expected. Powell looked to have reined in expectations on any Dec cut being an assurance and instead in our view seemed to imply that any decision then would still be live. For today, the more crucial development would be the outcome of the BOJ meeting. A hold is likely in our view and that has essentially already been priced. However, focus instead would be on whether Ueda would continue to point to a tightening cycle staying intact. Spreads between the 1Y1Y USD and JPY swaps are indicating that the USDJPY should be trading much lower. Given this, if there are signs that the BOJ would be staying on a hiking cycle (even if they hold today) with the potential still for rate hikes in the coming months, there is a chance for USDJPY to actually pullback lower. On the technicals, there is the potential for a mini double top being played out and if it does, the USDJPY would be on course to hit the 150.00 support. Beyond that level, the next support levels are at 149.40 and 148.00. Resistance at 153.00, 154.40 and 155.00. Remaining key events/data releases this week include BOJ decision (Thurs), Sep jobless rate and job-to-applicant ratio (Fri), Oct Tokyo CPI (Fri), Sep retail sales (Fri), Sep P IP (Fri), Sep dept store/supermarket sales (Fri) and Sep housing starts (Fri).

- **AUDUSD - *Sharp bearish reversal*, *Back to Range-Trades*.** AUDUSD was last seen around 0.6580 after rising to a high of 0.6618 yesterday. The antipode was up on a multitude of factors including optimism over US-China trade truce today, stronger AU CPI. AU CPI came in stronger than expected at 3.2%y/y for 3Q from previous 2.1%, reinforcing our view that the next RBA cut should be in Dec and not in Nov. However, the hawkish Fed cut overnight sapped risk appetite as well as the bullish momentum of the AUD. Support remains at 0.6540/50 before the next at 0.6490. Our base case for the US-China trade tussle is that a trade truce may be extended beyond 1 Nov. Overnight action resulted in a gravestone doji which is a bearish reversal signal. We see two-way trades continuing around here within 0.6490-0.6630. Data-wise, Thu has export, import price index for 3Q before 3Q PPI on Fri.

- **NZDUSD - *Resilience, Bullish Divergence*.** NZDUSD was last seen around 0.5770. The pair also had a whippy session overnight due to Fed's hawkish cut. Nonetheless, we see some recovery this morning. This antipode continues to be underpinned by hopes for a US-China deal this Thu. In addition to external forces, we hold a constructive outlook for NZD from here as we look for recovery to take hold. This view is also validated by RBNZ Economist Conway's expectations for a modest pickup in growth over 3Q-4Q and into next year. More recent comments by RBNZ Director of Financial Markets noted that mortgage holders have repriced onto lower rates suggest that the the cumulative policy cuts have finally eased financial conditions. RBNZ's dovish cut in Oct was a main drag on the NZD but that seem to have largely played out. Back on the NZDUSD chart, spot was last seen around 0.5750, still within the bearish trend channel. This pair is now within the middle of the channel and is likely to see two-way risks. 0.5790 would be a key resistance to clear, upper bound of the falling trend channel. 0.5700 a support. Bullish divergence is spotted with the MACD forest which could mean further bullish reversal. A violation of the trend channel to open the way for NZDUSD to head towards 0.5860. Week ahead has ANZ activity outlook for Oct on Thu before consumer confidence on Fri.

- **USDCAD - *Target Reached*.** USDCAD slumped overnight and was last seen around 1.3940, after touching the target at 1.3910. BoC cut to 2.25% (against our expectation for a hold), noting the persistent damage from the US tariffs. However, Governor Tiff Macklem also signaled an extended pause as borrowing costs are roughly at the right place as long as its forecasts come to fruition. USDCAD fell towards the 1.39-figure, (hitting our target at 1.3910) before making a move higher on the hawkish Fed cut. This rate cut could be a final move before an extended pause because of the recent rise in inflation and some signs of recovery in its household consumption. We have also noted that the decline in small business optimism likely swung markets towards a bet on a rate cut but even that is arguably priced in and that skews the odds in the favour of the CAD bulls from here. O**n the USDCAD chart, the pair hovered around 1.3940, hovering around this level since last week. Resistance at 1.4030 before 1.4170. Support at 1.3925 before 1.3840.** We see two-way trades from here with key support at 1.39 seen before the next at 1.3860. Resistance at 1.4080. Data-wise, we **have** Aug GDP this Fri.

- **Gold (XAU/USD) - *Correction For Now*.** Gold remained depressed around 3940. A US-China trade deal for trade truce to continue softened support for the safe haven gold and further undermine the bullish momentum trade for the bullion. There is a possibility that the "debasement trade" which is a lump-all reason for all the dark factors such as geopolitical concerns, fiscal fears and stagflation woes that made gold shone a little brighter before could be seeing some corrective unwinding. A next support is seen around 3800 (50-dma) before the bullion resume its uptrend.

Asia ex Japan Currencies

SGDNEER trades around +1.09% from the implied mid-point of 1.3109 with the top estimated at 1.2847 and the floor at 1.3372.

- **USDSGD - *Barely Changed*.** USDSGD was last seen higher at 1.2966 levels as the USD gained on the back of Fed Powell guidance that a Dec cut was “far from guaranteed”. SGDNEER was at 1.09% above the implied mid-point, remaining well supported. MAS maintained its slope, width and level of their exchange-rate based SGDNEER policy parameters this morning, broadly in line with most market expectations and in line with our view. Some were suggesting that MAS could flatten the slope of appreciation, but this was unlikely in our view given the strong growth and relatively stable (albeit below preferred 2% level) of inflation. MAS said that it remained in an appropriate position to respond effectively to any risk to medium-term price stability, suggesting that core CPI should average 0.5% in 2025 as a whole, but gradually rise into 2026 as temporary factors that dampen inflation fade. Growth was said to be stronger than expected with MAS expecting positive output gaps in 2025 which should narrow to 0% in 2026. Our economists and us do not see any further MAS easing at this juncture, with the next MAS meeting likely in Jan 2026. Pharma tariffs could weigh on SGD, although DPM Gan Kim Yong clarified that many pharmaceutical companies already have plans to build and invest in the US (and as such could be relatively unharmed by tariffs), but the government’s concern remains a longer term impact on the overall investment climate. MAS should be in a relatively comfortable position (in contrast to the Fed) to maintain current policy stance of slight (0.5% p.a.) appreciation which should provide support for the SGD. SORA has found some supported and bounced up from lows although we take the outperformance of SGD rates and firmness in the SGDNEER as evidence of Singapore’s safe-haven appeal. Back on the USDSGD chart, support is at 1.2900 followed by 1.2800. Resistance at 1.3000.

- **SGDMYR - *Downside Bias*.** SGDMYR was lower at 3.2362 levels. Pair retains a slight downside bias amid relative recent MYR outperformance. 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. We expect the mutual resilience to continue. Resistance at 3.25 and 3.27. Support at 3.23 followed by 3.20.

- **USDMYR - *Testing 4.2000 Support*.** Pair was last seen at 4.1962 as it remained below the 4.2000. We continue to watch if the pair can decisively hold below that level as the strong CNY fixing is giving the MYR support even as the broad USD inched up overnight. The latter having been driven by a Powell and FOMC that appeared to be less dovish than expected. For the near term, external events related to both the broader macro situation would remain as key influencers on the pair. Market attention for today would be on the BOJ decision and the full outcome of the Xi – Trump meeting. Back on the chart, the next support after the 4.2000 level would be at 4.1000. Resistance at about 4.2270 (around 100-dma) with the next after that at 4.2500. Meanwhile, BNM has come out to say that its commitment to share foreign-exchange intervention data with the US treasury reflects an “existing practice” and would not impact its ability to curb excessive volatility. Their comments come after the release of a statement of the US Treasury Department and BNM. The statement specifies that the two sides agreed that Malaysia would essentially not target the exchange rate for competitive purposes and intervention would be limiting to combatting volatility. Also, BNM would share data only bilaterally with the treasury on the net purchase/sale of foreign exchange in the foreign exchange market, on an aggregated basis over a period of 6 months, with a 3-month lag. Publicly, BNM would be required to disclose net purchase/sale of foreign exchange in the foreign exchange market, on an aggregated basis over a period of 12 months, published in end-March and end-September every year whilst foreign exchange reserves data and forward positions would be disclosed as per the IMF template. The full statement can be found on - Statement of the U.S. Department of the Treasury and Bank Negara Malaysia | U.S. Department of the Treasury. There are no key data releases this week.

1M USDKRW NDF – *Upside Bias, Potential Reversal*. 1M USDKRW NDF was last seen lower at 1422.07 levels this morning reversing earlier losses even as Fed's Powell was perceived to be more hawkish. KOSPI continues to make fresh highs amid headlines that South Korea could be one of the biggest winners from the AI-narrative and this should be positive for the KRW. BoK kept its base rate unchanged at 2.50% amid lingering concerns on its financial stability tied to the housing market. In addition, Governor Rhee had recently tried to dispel rumors that the recent won depreciation is a sign of a financial crisis at home. He assured that won volatility is a reflection of global economic trends but acknowledged its impact on inflation and economic conditions. We suggest that KRW volatility is another reason for the stand pat. BoK had also mentioned that the economy had rebounded in 2Q but still faces headwinds from US trade talks with major economies. Financial stability risks were also highlighted in light of rising delinquency rates amongst small businesses and regional developers. Elsewhere, there was chatter that the US and South Korea still had a couple of sticking points to work out to formalize a trade deal. Lingering jitters on trade should be worse for the KRW. Pharma tariffs could be a negative for the KRW. Longer-term, the KRW could find support as stock and bond inflows continue and as the cost of FX hedging eases. South Korea has reportedly asked the US for an unlimited USD swap line to mitigate the impact on the KRW from a pledge to invest US$350b as part of the earlier agreed trade deal. The form of the US$350b could continue to be a sticking point for the formalization of the deal, with Trump expecting the investment to be in cash and Korea saying that cash would not be realistic. Korean President Lee remarked that there was still a lot more negotiation left for a final tariff agreement with the US, and he would not sign something that did not benefit South Korea. Korea had in the recent trade deal pledged to increase investment in the US. US-Korea relationship looks a tad complicated at the moment, despite President Lee's charm offensive, the US has deported Hyundai workers and could institute chip controls that could have implications on Korean champions such as Samsung and Hynix.

- **1M USDINR NDF- *Slightly Lower*.** 1M USDINR NDF was last seen barely changed at 88.52 levels as the USD gained on the back of Fed Powell guidance that a Dec cut was "far from guaranteed". There could be some positivity on the INR as rumours that the US and India were closer to a trade deal abound. India was said to be agreeable to gradually reduce reliance on Russian oil and in exchange would get reduced tariffs from the earlier mooted 50%. RBI was said to be concerned about USDINR spot heading to the 89 figure and the pair was sharply lower as a result. RBI held at 5.50% earlier, although two members (of six) preferred a more accommodative setting (independent of rate decision). We suggest that the hold was likely driven by the RBI's longstanding preference for currency stability. Pharma tariffs could continue to weigh on the INR with India among the largest exporters of pharmaceuticals to the US in 2024. The H1B visa fee hike could be weighing on the INR over fears of potentially lower remittances and likely outflows from India's IT sector. There were reports that RBI had stepped in last week to stabilize the INR. Global funds buying of Indian bonds hit a 1-month high last Fri (12 Sep) after four straight days of buying. Indian bonds steadied as the expected loss from GST-related reforms was lower than expected. Modi, Xi and Putin have met and that could be a sign of intent that BRICS will be here to stay. Navarro took aim at India “cozying up to Xi Jinping”. China’s ambassador Xu Feihong has said that China will firmly stand with India in opposing the 50% tariff on the country. They also firmly stand with India to uphold the multilateral trading system, with the WTO at its core. The uncertainty with the tariff situation is creating upside risks for the USDINR. Back on the chart, resistance at 89.00. Support stands at 88.00 and 87.00.

- **USDCNH - *Bearish Risks*.** USDCNH was last seen around 7.0940, breaking out of the 7.11-7.15 range but it is at risk of forming a bullish reversal double bottom pattern around 7.0916. Trump and Xi meets as we write. Trump had said he expects to lower tariffs the US imposed on China over the fentanyl crisis and will speak with Xi on Nvidia’s Blackwell AI chips, touting it as a trade concession. These will be in his discussion with Xi on Thu. A tiktok deal is said to be included and for a measure of goodwill, China purchased two cargoes of soybean for the first time this season PBoC fix the USDCNY central parity higher at 7.0864 vs. prev. 7.0843. The recent yuan strength adds to the positive buzz for the Xi-Trump meeting Thu. A framework of a trade deal was said to be done up by Bessent/Greer/He Lifeng/Li Chenggang. The US will not impose the additional 100% tariff on China’s imports after all as delegations from Beijing agreed to defer restrictions on rare earth minerals for a year according to Bessent. Details on the latter were notably lacking in the announcement made by the Chinese (BBG). Xinhua noted that a “basic consensus” was reached and topics such as tariffs, export controls, fentanyl and agricultural trade were touched on during the negotiations. USDCNH is pressured to the downside. Our base case is for the 100% tariff not to come into effect on 1 Nov and the outcome of the Bessent-He Lifeng’s talk seem to be in line with our assumptions. We continue to look for USDCNH to head lower towards our forecast at 7.07 at the end of the year.

- **1M USDIDR NDF - *Likely to Remain Sideways*.** 1M USDIDR NDF was last seen at 16619 as it continues to trade sideways. Investors are likely still assessing the developments related to the domestic local situation. Given that our expectations for the dollar to soften in the near term, we expect that the IDR should be able to stabilize around the 16500 – 16700 levels. Resistance at 16715, 16864 and 17000. Support at 16500, 16325 and 1600. There are no other remaining key data releases this week.

- **1M USDPHP NDF - *Pullback, Lean Downside*.** Pair was last seen at 58.66 as it pulled back given the 59.00 level mark could have marked a selling opportunity for market players. This was in line with our call for the pair to actually move lower near term. We still see there can be further downside on the pair especially if the USDJPY can pullback (if the BOJ communication can still imply hikes into next year) and the CNH sees further strength. Back on the chart, support at 58.50 and 58.00. Resistance at 59.00 and 60.00. Meanwhile, Sep trade balance came out wider at -$4352m (est. -$4300m, Aug. -$3450m) as imports grew positively even as exports growth was much stronger. There are no remaining key data releases this week.

USDTHB - *Sideways, Lean Downside*. Pair was last seen at 32.39 as it traded sideways. Whilst the broad dollar rebound overnight, the CNH was stronger especially given the so far positive vibes coming out from the Xi – Trump meeting. The pair is currently testing the 50-dma support at around 32.30 and we see the possibility that it can edge lower in the near term towards the 32.00 support. We believe that the CNH can strengthen further whilst the JPY can also retrace recent weakness – both of which can give support for Asian FX. Both the BOJ decision and the full outcome of the Xi – Trump meeting are being closely watched today. Support is the 50-dma at around 32.30 and 32.00. Resistance at 33.00 (around 200-dma and FI retracement of 38.2% from Sep low to Apr high) and 33.50. On other key developments, The BOT and US Treasury Department did release a statement. The statement specifies that the two sides agreed that Thailand would essentially not target the exchange rate for competitive purposes and intervention would be limiting to combatting volatility. The BOT has agreed on a semiannual disclosure with a quarterly lag of any foreign exchange intervention operations (no specific date mentioned) whilst foreign exchange reserves data and forward positions would also be based on the IMF template. However, unlike neighboring Malaysia, the statement does not mention if the BOT would be sharing data on net purchase/sale of foreign exchange data bilaterally with the US Treasury Department. The full statement can be found on - Statement of the U.S. Department of the Treasury and the Bank of Thailand | U.S. Department of the Treasury. Meanwhile, the relationship between gold prices and the THB is less than clear recently. Even though gold prices have edged lower, the THB has generally been strengthening. Take note that the Thai govt has expressed discomfort previously about the currency strength when the gold price – THB positive correlation was stronger. Key data releases this week include Sep ISIC mfg prod/capacity utilization (Thurs), Sep BoP CA/overall balance (Fri), Sep trade data (Fri) and 24 Oct gross international reserves/forward contracts (Fri).

- **USDVND – *Stabilizing*.** USDVND was last seen around 26320, edging a tad higher within the 26300-26440 range. There is a tentative breather to this bearish move. SGDVND was last seen around 20320, steady within the recent range of 20230-20380. A break out of this could open the way to either 20680 which remains a key resistance and support at 20120 (23.6% Fibonacci retracement of the Feb-Sep rally). MYRVND was last seen around 6288, making a strong rebound. Resistance around 6300. News-wise, Vietnam and the UK had agreed to upgrade diplomatic relations to a comprehensive strategic partnership that could see greater cooperation in defense, environment and climate response, green energy and culture. Party Chief To Lam was on a trip in Uk when the statement was issued on the government website (BBG).

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 4/28	3.12	3.11	-1
5YR MI 5/30	3.23	3.23	Unchanged
7YR MO 7/32	3.41	*3.42/40	Not Traded
10YR MS 7/35	3.49	3.48	-1
15YR MS 4/39	3.73	3.73	Unchanged
20YR MX 5/44	3.92	3.92	Unchanged
30YR MZ 7/55	4.04	4.02	-2
IRS			
6-months	3.24	3.24	Unchanged
9-months	3.24	3.23	-1
1-year	3.23	3.23	Unchanged
3-year	3.21	3.21	Unchanged
5-year	3.27	3.28	+1
7-year	3.34	3.33	-1
10-year	3.47	3.47	Unchanged

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

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- A stronger Ringgit against the USD pushed the MGS 7/26 bond yield lower by 5bp. Buying interest emerged in the long end of the GII curve, with local investors lifting offers and driving yields richer by 3bp.

- Market participation was subdued ahead of US Fed FOMC meeting. MYR IRS levels ended mixed within a tight range of 1bp, in a quiet session where only the 5y tenor saw trades at 3.27%. The 3m KLIBOR remained flat at 3.22%.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.42	1.41	-1
5YR	1.63	1.61	-2
10YR	1.83	1.96	+13
15YR	1.94	1.97	+3
20YR	1.92	1.94	+2
30YR	2.00	2.01	+1

Source: MAS (Bid Yields)

- SGS yields ended mixed, led by a sharp 13bp rise in the 10y while short-dated tenors eased modestly. The 10y SGS auction had a weak turnout, with 1.69x BTC and a cut-off yield of 1.99% while the 5y SGS mini auction did well with 3x BTC and cut-off yield of 1.54%. The overnight SORA continues to decline to 0.94% on 28 October, from 1.15% on 27 October.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1703	153.96	0.6644	1.3345	7.1081	0.5825	178.0867	101.3227
R1	1.1652	153.35	0.6609	1.3270	7.1027	0.5794	177.6333	100.8673
Current	1.1617	152.42	0.6591	1.3205	7.0933	0.5778	177.0800	100.4630
S1	1.1564	151.83	0.6548	1.3130	7.0903	0.5741	176.6833	99.8463
S2	1.1527	150.92	0.6522	1.3065	7.0833	0.5719	176.1867	99.2807

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3020	4.2019	16645	59.4287	32.5690	1.5107	0.5910	3.2507
R1	1.2997	4.1947	16631	59.0763	32.4870	1.5080	0.5904	3.2425
Current	1.2962	4.1906	16636	58.7870	32.3850	1.5058	0.5919	3.2405
S1	1.2939	4.1834	16606	58.5253	32.2760	1.5029	0.5895	3.2301
S2	1.2904	4.1793	16595	58.3267	32.1470	1.5005	0.5892	3.2259

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

Equity Indices and Key Commodities

	Value	% Change
Dow	47,632.00	-0.16
Nasdaq	23,958.47	0.55
Nikkei 225	51,307.65	2.17
FTSE	9,756.14	0.61
Australia ASX 200	8,926.16	-0.96
Singapore Straits Times	4,440.21	-0.23
Kuala Lumpur Composite	1,611.54	-0.13
Jakarta Composite	8,166.22	0.91
Philippines Composite	5,963.77	0.18
Taiwan TAIEX	28,294.74	1.24
Korea KOSPI	4,081.15	1.76
Shanghai Comp Index	4,016.33	0.70
Hong Kong Hang Seng	26,346.14	-0.33
India Sensex	84,997.13	0.44
Nymex Crude Oil WTI	60.48	0.55
Comex Gold	4,000.70	0.44
Reuters CRB Index	300.86	0.64
MBB KL	9.87	-0.10

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SORA	1.3371	Jan-26	Neutral
BNM O/N Policy Rate	2.75	6/11/2025	Neutral
BI 7-Day Reverse Repo Rate	4.75	19/11/2025	Easing
BOT 1-Day Repo	1.50	17/12/2025	Easing
BSP O/N Reverse Repo	4.75	11/12/2025	Easing
CBC Discount Rate	2.00	18/12/2025	Neutral
HKMA Base Rate	4.25	-	Easing
PBOC 1Y Loan Prime Rate	3.00	-	Easing
RBI Repo Rate	5.50	5/12/2025	Easing
BOK Base Rate	2.50	27/11/2025	Easing
Fed Funds Target Rate	4.00	30/10/2025	Easing
ECB Deposit Facility Rate	2.00	30/10/2025	Neutral
BOE Official Bank Rate	4.00	6/11/2025	Easing
RBA Cash Rate Target	3.60	4/11/2025	Easing
RBNZ Official Cash Rate	2.50	26/11/2025	Easing
BOJ Rate (Lower bound)	0.00	30/10/2025	Tightening
BoC O/N Rate	2.25	29/10/2025	Easing

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