

Global Markets Daily

Risk is Still Positive, Negative for the USD

USD Softens on Better Risk

USD softened overnight on better risk appetite. Some stronger earnings reports, smaller prospect of a hard-Brexit and more positive US-China headlines including the tariff exclusion that was granted last Dec (and due for expiry on 28 Dec 2019) on \$34bn of Chinese imports that can be extended for another 12 months continue to keep investors assured that the US-China relation is warm and that the phase 1 of the US-China trade deal is in the making. More comments from Trump that “we are ahead of schedule on signing China deal”. USDCNH slipped to a low of 7.0448 at one point before has reversed higher yesterday. USDCNH was lifted by the deeper contraction in industrial profits (-5.3%.y for Sep).

Thailand is taken off GSP

The US announced on 25 Oct that trade preference for Thailand under the Generalized System of Preference would be suspended with effect from 25 Apr 2020 due to longstanding worker rights issues in the seafood and shipping industries. Our economist sees risk of inclusion into the “currency manipulator” watch list along with Singapore, Malaysia and Vietnam. Vietnam, in our view, has met the three thresholds and is at risk of being labelled a “currency manipulator”. The twice-a-year FX report would be released by the US Treasury anytime. The report is typically released in Apr and Oct every year.

US FX Report, FOMC, BoC, PMIs, USNFP

This week has quite a number of data release including US and EU consumer confidence; RBA's Lowe to speak on Tue. For Wed, US 3Q GDP, ADP employment; AU CPI; JP retail sales; BoC meeting. For Thu, FoMC, BoJ MPCs; US core PCE, Chicago PMI; EU 3Q GDP; EU, German CPI; Australia building approvals; NZ building permits, business confidence; China NBS PMIs - mfg and non-mfg. For Fri, US NFP, average hourly earnings, unemployment rate; ISM mfg; AU PPI; PMI Mfg from UK, Malaysia, Indonesia; China's Caixin PMI Mfg; NZ consumer confidence; Indonesia CPI. Fed's Clarida, Quarles and Williams to speak on Fri.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1100	↑ 0.18	USD/SGD	1.3622	↓ -0.07
GBP/USD	1.2863	↑ 0.28	EUR/SGD	1.5119	↑ 0.09
AUD/USD	0.6838	↑ 0.22	JPY/SGD	1.2501	↓ -0.35
NZD/USD	0.635	↑ 0.02	GBP/SGD	1.7518	↑ 0.19
USD/JPY	108.95	↑ 0.26	AUD/SGD	0.9315	↑ 0.15
EUR/JPY	120.93	↑ 0.43	NZD/SGD	0.8649	↓ -0.09
USD/CHF	0.9946	↓ -0.01	CHF/SGD	1.3696	↓ -0.11
USD/CAD	1.3055	↓ -0.02	CAD/SGD	1.0434	↓ -0.09
USD/MYR	4.1845	→ 0.00	SGD/MYR	3.0715	→ 0.00
USD/THB	30.223	↑ 0.20	SGD/IDR	10293.47	↓ -0.04
USD/IDR	14028	↓ -0.07	SGD/PHP	37.5351	↓ -0.14
USD/PHP	51.128	↓ -0.19	SGD/CNY	5.1885	↑ 0.08

Implied USD/SGD Estimates at 29-Oct-19, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3586	1.3863	1.4140

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G7: Events & Market Closure

Date	Ctry	Event
30 Oct	CA	BoC Meeting
29-30 Oct	US	FOMC Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
28- 31st Oct	CH	China's 4 th Plenum

G7 Currencies

- **DXY Index - Supported but bias to Fade.** Top focus this week on FoMC (2am SG/KL time on Thu morning). A 25bps rate cut is about 95% priced in implied via OIS futures. Question remains on its forward guidance. Fed is likely to maintain some degree of optionality with regards to future policy guidance, without over-committing. It could possibly go a step further to signal that the mid-cycle adjustment has ended, akin to hawkish cut. In this scenario, USD may well stay supported for a while. But any sustained USD strength would still require a strengthening of US data - plenty of tier-1 data including 3Q GDP, ADP employment on Wed; PCE core on Thu; NFP, ISM Mfg on Fri. However, the beauty of maintaining optionality means that the Fed could also signal its intent to do more easing, if economic conditions deteriorate. Confirmation of a dovish guidance would take the USD lower, especially when USD long positions remained stretched and US activity momentum has peaked. Elsewhere US-China trade and brexit development remain keenly watched. Positive progress on those fronts will also subject dollar index to further downward pressure. DXY was last seen at 97.70 levels. Bearish momentum on daily chart is waning while stochastics is showing signs of rising from oversold conditions. Risk of near term short covering (i.e. DXY higher) remains. Rebound towards 97.80 (100 DMA). 98.40 (21, 50 DMA) not ruled out especially in the lead up to FOMC next week. Bias to lean against USD strength remains. Immediate support at 97.40 levels (200 DMA), 97 levels. *Data/Events of focus this week include Pending Home Sales (Sep); Conference Board Consumer Confidence (Oct) on Tue; GDP (3Q); ADP Employment (Oct) on Wed; FoMC; PCE Core (Sep); Chicago PMI (Oct); Personal income, spending (Sep) on Thu; NFP, weekly earnings, unemployment rate, ISM Mfg (Oct); Construction spending (Sep); Fed's Clarida, Quarles, Williams speak on Fri. Elsewhere the House is expected to vote on impeachment inquiry resolution on Thu.*
- **EURUSD - EU GDP, German CPI This Week.** EUR remains largely steady. Last seen at 1.11 levels. Underlying momentum (weekly chart) remains bullish but bullish momentum on daily chart is waning while stochastics shows signs of turning lower from overbought conditions. Near term risks skewed to the downside but bias remains to buy dips. Brexit developments will continue to see spill over effect on EUR price action. Support at 1.1080 levels. Resistance at 1.1150, 1.12 (200 DMA). *Focus this week on Consumer confidence (Oct); ECB's Lautenschlaeger speaks on Tue; GDP (3Q); EU, German CPI (Oct); Unemployment (Sep) on Thu.* Christine Lagarde takes over as ECB President on 1 Nov and is expected to ensure monetary policy continuity but we also expect her to push EU governments to work on fiscal stimulus to spur economic activity.
- **GBPUSD - Another Vote Tonight.** Confirmation of EU's extension on Brexit deadline by 3 months and House of Commons' rejection of snap elections overnight (BoJo lost 299-70; he would have needed 434 votes) could see relative stability for GBP. But this may

not last as it appears that BoJo could attempt to call for another vote again tonight. Bill will be introduced to debate a one-liner and that is to amend the Fixed Terms Parliament Act so that the motion to trigger early elections in December can be passed by simple majority instead of 2/3 majority. Election uncertainty could weaken GBP in the meantime but losses can quickly reverse if BoJo is perceived to score a stronger mandate. Pair was last seen at 1.2850 levels. Bullish momentum on daily chart is fading while stochastics is turning from overbought conditions. Further decline in the near term should not be ruled out especially given the too fast too furious rise. Support at 1.2790, 1.2720 (200 DMA). Immediate resistance at 1.2880, 1.30 levels. A stretch towards 1.3170 (50% fibo retracement of 2018 high to 2019 low) should not be ruled out if BoJo is perceived to score a stronger mandate. Look for 2-way trades in 1.27 - 1.30 in coming days. *Focus this week on CBI Reported Sales (Oct) on Mon; BoE's Tenreyro speaks; Nationwide house prices (Oct); M4 (Sep) on Tue; GfK Consumer confidence (Oct) on Thu; PMI Mfg (Oct) on Fri.*

- **USDJPY - Near-term Upside Bias.** USDJPY pair saw a step-up last night, but was unable to decisively break through the upper bound of our suggested 108-109 range. Last seen at 108.97. The step-up occurred alongside Trump's comments that US was "ahead of schedule" in concretizing part of a deal with China. US equities concomitantly reached new record highs. EU also granted an extension till 31 Jan 2020 for UK to leave the EU, which further diminished any (minor) risk of a hard Brexit. We note that this could lead to increased chances for PM Johnson's bid for early elections. Back in Japan, Tokyo CPI for Oct came in at 0.4%/y/y, lower than the 0.7% expected, which indicates continued soft price pressures in Japan. While the majority of economists expect the BoJ to keep policy rates on hold this Thurs, partly on de-escalation in US-China tensions, we actually see some chance of slight easing, or at least a more explicit dovish slant, as risks of stalling in price momentum seems to have risen. If this comes to pass, it could exert a tad of upward pressure on the USDJPY pair. Momentum on daily chart is mildly bullish and stochastics are in overbought territory. Resistance at 109.30 (Aug high), 110. Support at 108.45 (Sep high), 107.50 (23.6% Fibonacci retracement from Aug low to Sep high). Retail sales due Wed, IP and BoJ decision due Thurs.
- **NZDUSD - Range.** NZD jumped this morning on headlines that NZ Superannuation Fund to consider ending its policy of hedging almost all of its foreign investments in NZD. This is akin to saying that a significant portion of its fund would be subjected to FX exposure. Decision is still undergoing a review and will be confirmed by Jun next year. Pair was last seen at 0.6360 levels. Bullish momentum on daily chart is waning while stochastics is turning from overbought conditions. Support at 0.6350 (50 DMA), 0.6320 (21 DMA) and 0.6240 levels. Resistance at 0.6440, 0.6770 levels (100 DMA). Risks skewed to the downside especially if talks of RBA QE gains traction again. As this could fuel RBNZ to possibly ease further, via unconventional monetary stimulus. We look for range of 0.63 - 0.6440 next week. *Focus this week on Building*

Permits (Sep); Business Confidence (Oct) on Thu; Consumer Confidence (Oct) on Fri.

- **AUDUSD - Back to test the 100-dma.** AUDUSD is back to test the 100-dma, unlikely to do so ahead of Lowe's speech later. The antipode remains underpinned by increasing hopes for a trade deal in light of more positive headlines on US-China trade deal. AUDUSD is last seen around 0.6840 and was capped at the moment by the 100-dma around 0.6850. MACD is still slight bullish though stochastics is in overbought condition. Next resistance is a stronger one at 0.6880 (50% of the Jul-Aug fall). Ahead of the next RBA meeting on 5th Nov, there are expectations for another rate cut to crimp the AUD recovery along with speculation of QE for next year. We expect no cut next week however as hiring momentum remains decent and the downtick in jobless rate also rendered a move in Nov unnecessary. Beyond Lowe's speech today, we have CPI (3Q) on Wed; Building approvals (Sep); Import export price index (3Q) on Thu; PPI (3Q); PMI Mfg, Commodity Index (Oct) on Fri.
- **USDCAD - Oversold.** USDCAD waffled around 1.3050, weighed by the broad downmove in the USD as well as a lift in risk sentiment. This pair has been trading around the 1.3060-level for the past few sessions and we see potential for this pair to retrace higher after such a precipitous decline. Next support at 1.3020. Stochastics in oversold conditions although momentum is bearish. BoC rate decision is due Wed and solid labour data along and a Sep CPI print that is still around 1.9%/y could mean that the central bank should not have much impetus to act. We remain medium term bearish on this pair.

Asia ex Japan Currencies

- **SGD trades around 1.7% above the implied mid-point of 1.3863 with the top estimated at 1.3586 and the floor at 1.4140.**
- **USDSGD - *Buy on Dips; 1.3600 as Key Support.*** The pair saw slight downward pressure yesterday, but largely traded within a narrow range (1.3617 to 1.3633). Last seen at 1.3622. Trade deal optimism on Trump's comments that US was "ahead of schedule" in concretizing part of a deal with China probably contributed to the modest softness in USD vis-à-vis strength in AxJ currencies. Meanwhile, weakness in SG economy is showing some signs of bottoming out, as IP came in at positive +0.1%/y for Sep, versus -4.8% expected and -8.0% prior. Further improvement in underlying growth momentum in 4Q 2019 and 1Q 2020 indicators could hint at less need for MAS to conduct further monetary policy easing in Apr next year. Nonetheless, with SGD NEER currently hovering around +1.7% from policy mid, still very near to the top-side of the policy band (bounds estimated at +/- 2% from mid), upsides in SGD on a basket basis are limited. For USDSGD, 1.3600 could be a tough level to break pass. Momentum on daily chart is modestly bearish, while stochastics remain in oversold conditions. Support at 1.3600 (76.4% Fibonacci retracement from Jul low to Sep high), 1.3500 (Jul low). Resistance at 1.3660 (200 DMA), 1.3770 (38.2% fibo), 1.3840 (23.6% fibo).
- **AUDSGD - *Buoyant.*** AUDSGD has risen on hopes of a US-China trade deal and was last seen around 0.9325. AUD recovery remains weighed by expectations for RBA to ease cash target rate and we have RBA Governor Lowe speaking later so that could also continue to keep a lid on AUDSGD upticks. Resistance around 0.9360/70 (50-dma) before the next at 0.9420. Support at 0.9230 (near recent low).
- **SGDMYR - *Still Looking for Pullback.*** SGDMYR was last seen at 3.07 levels. Bullish momentum shows signs of fading while stochastics is showing signs of turning from overbought conditions. We reiterate our call looking for a pullback. Support at 3.0680, 3.0610 levels. Immediate resistance at 3.0750 levels (upper bound of its trend channel) likely to provide a firm resistance for now.
- **USDMYR - *Awaiting Break-Out?*** USDMYR was last seen at 4.1840 levels. Daily momentum and stochastics are not indicating a clear bias. Technical signals still suggest indecision as seen from a symmetrical triangle pattern, momentum and oscillator indicators but a break out (direction unknown) may possibly come soon. 4.17 - 4.20 range within wider range of 4.16 - 4.22. Elsewhere our House view on BNM OPR decision has now shift to no cut at the upcoming 4-5 Nov MPC meeting (vs. 25bps cut previously). This is in view of the sanguine official growth and inflation forecasts, growth-supportive budget 2020, easing in financial conditions and US-China trade war de-escalation.
- **1m USDKRW NDF - *Testing 200DMA.*** 1m USDKRW NDF continued to trade lower on US-China trade optimism - that progress looks on

track for phase-1 sign-off soon. But we remain cautious as domestic woes - slowing domestic growth, deflation risks, trade disputes (JP-KR, etc). have yet to show signs of improvement and this could still limit KRW gains. Pair was last seen at 1166 levels. Bearish momentum on daily chart remains intact while stochastics is in oversold conditions. Key support at 1166 (200 DMA, 76.4% fibo retracement of Jun low to Aug high). Decisive move below this level could see room for further downside. Next support at 1148 (Jun low). Resistance at 1172, 1177 (61.8% fibo).

- **USDCNH - FX Report Eyed.** USDCNH touched a fresh one-month low of 7.0448 yesterday before rising for much of the rest of the session as investors digest the grim numbers of the industrial profits. The move up in the USDCNH yesterday suggests that investors do not take the contraction in industrial profitability of -5.3%/y for Sep very lightly and weakening fundamentals (exacerbated by the trade war) continue to keep the USDCNH supported on dips. Last seen around 7.0565, bias for this pair is still to the downside with a break of the neckline of the H&S considered already done in the past few sessions. A clearance of the 7.05 would have violated the trend support that has guided the action higher since Apr this year. Headlines of the US-China deal that we have seen in the past few sessions include 1) Vice Premier Liu He, USTR Lighthizer and Treasury Secretary Steven Mnuchin agreed on some agricultural product regulatory issues and that technical consultations for some parts of the text for trade agreement are basically completed. China's Ministry of Commerce looks for more talks soon. 2) Overnight, Trump said that they are ahead of the schedule; 3) USTR to consider extending the tariff exclusion that was provided for last Dec (and due for expiry on 28 Dec 2019) on \$34bn of Chinese imports that by another 12 months, opening this extension up for consultations in Nov. **The FX report (typically released twice a year) by the US Treasury is a focus and investors could be disappointed if the designation of "currency manipulator" for China remains.** As we have stated, we probably need to see at least a partial roll-back of tariffs for any progress to be considered "substantial". Should that happen, we should see USDCNH heading beyond the 7-figure in due time. We still maintain the view that the break of the neckline would open the way towards 7.0 and then at 6.95, 6.90. Stoploss at 7.19. Risk reward ratio of 1:2.63. In the near-term, resistance at 7.12 (21-dma) before 7.15. We also hold our short SGD against the CNH. SGDCNH touched a high of 5.1991 and has retraced lower to levels around 5.1800. We hold our view that the recent move higher is not likely to last. This cross has a rising wedge, bearish divergence and SGDNEER is simply too elevated at this point. First target at 5.0970 before the next target at 5.0788. Spot reference at 5.1620 (25 Sep). Stoploss at 5.20 with a risk-reward ratio of 1:2.19. **PBoC fixed USDCNY -145 pips lower at 7.0617 vs. 7.0762.**
- **1M USDPHP NDF - Upsides Capped.** The NDF saw largely ranged trading yesterday, but fell in early session trading this morning, in line with the stronger outturns for AxJ currencies vis-a-vis USD on trade deal optimism. Last seen at 51.12. Latest survey of private

economists by BSP in Sep showed that inflation could settle at 2.7% this year and 3.1% for 2020. This could hint at further room for policy rates to be lowered. House view is for a modest 25bps cut in 4Q 2019 or 1Q 2020. IMF had also assessed that Philippines still has space to cut its policy rate. Nonetheless, given the modest magnitudes of potential rate cuts, resilient domestic growth, and optimism on US-China trade relations, upsides in the NDF (i.e., further PHP softening) should be limited. Momentum on daily chart is mildly bearish, while stochastics are inching up from oversold conditions. Support at 50.80 (Jul low). Resistance at 51.60 (61.8% Fibonacci retracement from Jul low to Aug high), 52.10 (38.2% fibo).

- **1m USDIDR NDF - *Ranged***. The NDF largely traded ranged yesterday; last seen at 14046. Now that the positivity associated with the new cabinet announcements has somewhat faded, we think that signs of potential widening in the fiscal deficit (-ve for IDR) could contend with US-China trade deal optimism (+ve for IDR) in influencing IDR dynamics. A Finance Ministry official said on Fri that the fiscal deficit for 2019 could potentially widen to around 2.0% to 2.2% of GDP, compared to the 1.93% forecast earlier, as revenue collection remained challenging. Following news earlier that a ban on nickel export shipments will be brought forward to Jan 2020 from 2022, Indonesia's export miners have agreed yesterday to stop nickel exports immediately instead. Nickel ore will instead be bought by local smelter operators at an international price level. This is part of an initiative to increase the value add from nickel-related activities by processing the ore onshore. Impact on the IDR should be mild, as expectations for the ban had been building beforehand. Momentum for NDF is modestly bearish while stochastics are in oversold conditions. Support at 14000, 13950 (Sep low). Resistance at 14200-level (38.2% Fibonacci retracement from Aug high to Sep low), 14300. Mfg PMI and CPI due on Fri.
- **USDTHB - *Consolidation***. USDTHB saw ranged trading yesterday, but rose a tad this morning; last seen at 30.23, not too different from levels seen end last week. The slight softening of the THB these two days might have to do with its stretched value, and also mildly dampened sentiments after US' latest move to suspend Thailand's benefits under the Generalized System of Preferences programme (higher tariffs on ~US\$1.3bn of affected Thai exports to US). Nonetheless the overall impact on exports and growth from the GSP suspension should be very mild, with some estimates putting the impact at around 0.01% of exports. Gold prices moving back below US\$1,500 (on trade deal optimism) might have also contributed to the softening in THB strength, given the positive correlation in the two assets. USDTHB pair is currently showing signs of rebounding from the lower end of our suggested 30.20 to 30.40 interim range. There might come a point where the growth damage inflicted by the strong baht on the economy (on exports, tourism) starts to tip the balance and lead THB to retrace its strength further. As mega infrastructure projects begin, large-value imports of materials or equipment could also help to curb the THB

strength. Momentum on daily chart is mildly bearish, while stochastics remain in oversold conditions. Resistance at 30.40 (longer-term 23.6% fibo retracement from 2009 high to 2013 low), 30.40 (21 DMA), 30.52 (50 DMA). Next support at 30.20, 30.00. Trade and BoP due Thurs, Mfg PMI and CPI due Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 3/22	3.14	3.13	-1
5YR MI 6/24	3.25	3.27	+2
7YR MK 7/26	3.45	3.45	Unchanged
10YR MO 8/29	3.43	3.45	+2
15YR MS 7/34	*3.73/70	*3.73/70	Not traded
20YR MX 6/38	3.85	3.88	+3
30YR MZ 7/48	4.05	*4.13/08	Not traded
IRS			
6-months	3.33	3.33	-
9-months	3.28	3.28	-
1-year	3.28	3.28	-
3-year	3.28	3.28	-
5-year	3.32	3.32	-
7-year	3.37	3.37	-
10-year	3.44	3.44	-

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Source: Maybank KE

*Indicative levels

- Local government bonds ended mixed with yields moving between +4bp to -1bp across the curve. Volumes done were thin but steady buying was seen in the morning on off-the-run GII especially on MGII 8/25s. Real money was seen adding risk in off the-run-papers which offer decent yield pick up against the benchmark curve. The market may remain weak for the time being as uptick in prices was quickly met with sellers.
- MYR IRS market remained flat amid thin liquidity. Most players stayed on the sidelines ahead of the long weekends. 3M KLIBOR was unchanged at 3.38%.
- PDS market showed relative in spite of the sharp movement higher in benchmark yields. GGs traded unchanged in yield at the belly and long end. AAs traded 1bp higher in yield at the front end with UEMS 23s being traded. AAAs saw better selling by offshore names for ultra-short Caga 20s, as yields moved 5-7bps higher. Volumes were low as investors stayed defensive. Yields may continue to be under upward pressure as spreads over the MGS curve mean-revert.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.57	1.57	-
5YR	1.59	1.59	-
10YR	1.70	1.71	+1
15YR	1.78	1.80	+2
20YR	1.88	1.90	+2
30YR	2.02	2.04	+2

Source: MAS

- A pre-holiday mood took hold in SGD rates markets last Friday, characterised with low volume of trades and jittery price action. Rates ended the day mixed. IRS levels ended a touch lower while SGS underperformed for a second session, with yields between flat and 2bps higher for the SGS benchmark curve.
- Asian USD credit spreads grinded tighter last Friday albeit not significantly amid thin volumes. New Indon 49s traded stronger on the back of interest from PB and banks. The bond traded 1.3pts higher in price or 8bps tighter in spreads from prior day. Other Indon papers saw minor selling as a lack of direction in rates encouraged profit taking. Most credits traded unchanged as real money were better sellers of Chinese IG financials. HRINTH 29s were 1bp wider while China Bank majors were 1-2bps wider. India, Malays, Korea and Japan had a tepid session.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (%-pt)
1YR	5.81	5.84	0.03
3YR	6.28	6.25	(0.03)
5YR	6.53	6.49	(0.04)
10YR	7.09	7.04	(0.05)
15YR	7.53	7.49	(0.04)
20YR	7.76	7.72	(0.04)
30YR	7.92	7.88	(0.04)

* Source: Bloomberg, Maybank Indonesia

- Yields on Indonesian government bonds still rallied yesterday. The positive trends continued in Indonesian government bonds until today. Today, the government is scheduled to hold a Sukuk auction by Rp7 trillion of minimal target on funds absorption. Investors still have strong appetite for Indonesian government bonds that offering attractive yields amidst recent various global geopolitical uncertainties. Overall, investors also have positive perception due to recent BI's policy rate cut decision and further strong expectation on the Fed's cut decision this week. We expect a bond rally to continue this week.
- Nevertheless, we still foresee a limited drop on Indonesian government bonds' yields due to abundant supply factor during recent widening fiscal deficit condition. It's reported by Finance Ministry official that Indonesia may widen its budget deficit to 2%-2.2% of gross domestic product this year as the government tries to counter a global slowdown. The government will be prudent in managing the shortfall as there's a legal cap of 3% of GDP that it can't breach and a limit on public debt of 60% of GDP, Luky Alfirman, the ministry's director general of financing and risk management stated. A wider deficit isn't necessarily a bad thing as the government needs to provide stimulus to an economy under pressure, Alfirman said. Authorities will take counter-cyclical measures to support growth, he said. Finance Minister Sri Mulyani Indrawati, who was this week reappointed to her position, said Thursday Indonesia is facing "huge" pressure on its revenue because of the weakening economy. Since taking office in 2016, she has steadily brought the deficit down to 1.81% of GDP in 2018. The most recent projection from the government was for a deficit of 1.93% of GDP for this year. Indrawati has issued a decree that would allow the government to widen the 2019 deficit and borrow more. The 2020 target will be left unchanged at 1.76%, Alfirman said.
- The government will go ahead with its scheduled sale of sovereign rupiah bonds in the local market even after raising US\$2.1 billion from the sale of dollar and euro notes in the global market this week, Alfirman said. Authorities will be flexible in deciding the size and timing of sales, he said. The proceeds from the global bond sale this year will be used to finance the 2019 budget, Alfirman said, adding the government could turn to cash loans and other alternate sources of funding if needed. Global funds bought a net US\$180.8m in Indonesian bonds on Oct. 23, a sixth straight day of inflows, as the nation's currency strengthened and the yield on the benchmark 10-year sovereign bonds hovers near its lowest level since June 2018.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1125	109.26	0.6865	1.2916	7.0795	0.6375	121.3500	74.8980
R1	1.1113	109.11	0.6852	1.2889	7.0719	0.6363	121.1400	74.7030
Current	1.1099	108.96	0.6848	1.2850	7.0586	0.6371	120.9400	74.6120
S1	1.1082	108.73	0.6818	1.2824	7.0507	0.6336	120.5700	74.1920
S2	1.1063	108.50	0.6797	1.2786	7.0371	0.6321	120.2100	73.8760

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3645	#VALUE!	14035	51.2800	30.3237	1.5146	0.5971	3.0736
R1	1.3633	#VALUE!	14031	51.2040	30.2733	1.5132	0.5946	3.0725
Current	1.3628	4.1840	14030	51.0650	30.2480	1.5126	0.5940	3.0704
S1	1.3613	#VALUE!	14021	51.0710	30.1503	1.5101	0.5898	3.0696
S2	1.3605	#VALUE!	14015	51.0140	30.0777	1.5084	0.5876	3.0678

*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	1.8309	Oct-19	Easing Bias
BNM O/N Policy Rate	3.00	5/11/2019	Easing Bias
BI 7-Day Reverse Repo Rate	5.00	21/11/2019	Easing
BOT 1-Day Repo	1.50	6/11/2019	Neutral
BSP O/N Reverse Repo	4.00	14/11/2019	Easing
CBC Discount Rate	1.38	19/12/2019	Neutral
HKMA Base Rate	2.25	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	5.15	5/12/2019	Easing
BOK Base Rate	1.25	29/11/2019	Easing
Fed Funds Target Rate	2.00	31/10/2019	Easing
ECB Deposit Facility Rate	-0.50	12/12/2019	Easing Bias
BOE Official Bank Rate	0.75	7/11/2019	Neutral
RBA Cash Rate Target	0.75	5/11/2019	Easing Bias
RBNZ Official Cash Rate	1.00	13/11/2019	Easing Bias
BOJ Rate	-0.10	31/10/2019	Easing
BoC O/N Rate	1.75	30/10/2019	Neutral

Equity Indices and Key Commodities

	Value	% Change
Dow	27,090.72	0.49
Nasdaq	8,325.99	1.01
Nikkei 225	22,867.27	0.30
FTSE	7,331.28	0.09
Australia ASX 200	6,740.71	0.02
Singapore Straits Times	3,185.53	0.53
Kuala Lumpur Composite	1,570.00	-0.07
Jakarta Composite	6,265.38	0.21
Philippines Composite	7,946.53	0.30
Taiwan TAIEX	11,315.02	0.17
Korea KOSPI	2,093.60	0.27
Shanghai Comp Index	2,980.05	0.85
Hong Kong Hang Seng	26,891.26	0.84
India Sensex	39,250.20	0.49
Nymex Crude Oil WTI	55.74	-1.57
Comex Gold	1,494.80	-0.82
Reuters CRB Index	178.28	-0.05
MBB KL	8.45	-0.12

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	282	3.031	3.061	3.014
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	298	3.047	3.047	3.023
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	7	3.054	3.054	3.054
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	30	3.099	3.099	3.099
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	30	3.106	3.106	3.106
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	20	3.129	3.129	3.124
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	62	3.153	3.172	3.153
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	50	3.232	3.232	3.232
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	10	3.266	3.266	3.266
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	10	3.304	3.304	3.304
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	22	3.327	3.371	3.327
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	19	3.387	3.387	3.378
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	181	3.458	3.459	3.443
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	9	3.482	3.482	3.467
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	0.3	3.502	3.502	3.502
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	80	3.49	3.501	3.49
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	10	3.516	3.516	3.516
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	34	3.46	3.46	3.436
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	230	3.652	3.663	3.652
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	195	3.753	3.753	3.67
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	0.2	3.835	3.835	3.835
MGS 3/2018 4.642% 07.11.2033	4.642%	7-Nov-33	90	3.789	3.852	3.789
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	3	3.801	3.801	3.801
MGS 4/2018 4.893% 08.06.2038	4.893%	8-Jun-38	40	3.887	3.887	3.886
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	3.978	3.978	3.978
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	0.4	4.053	4.053	4.053
MGS 5/2018 4.921% 06.07.2048	4.921%	6-Jul-48	22	4.126	4.126	4.119
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	2	3.202	3.202	3.202
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	45	3.276	3.305	3.276
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	1	3.367	3.367	3.367
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	650	3.408	3.42	3.408
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	102	3.437	3.437	3.394
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	2	2.944	2.944	2.944
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	20	3.499	3.499	3.499
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	40	3.459	3.459	3.459
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	9-Jul-29	220	3.498	3.516	3.493
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	150	3.679	3.679	3.673
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	40	3.83	3.83	3.83
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	140	3.936	3.936	3.935
GII MURABAHAH 2/2019 4.467% 15.09.2039	4.467%	15-Sep-39	380	3.93	3.935	3.927
GII MURABAHAH 4/2017 4.895% 08.05.2047	4.895%	8-May-47	150	4.17	4.17	4.17
Total			3,677			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.350% 21.03.2024 - Tranche No 56	GG	4.350%	21-Mar-24	10	3.498	3.498	3.498
DANAINFRA IMTN 4.670% 27.11.2029 - Tranche No 27	GG	4.670%	27-Nov-29	25	3.711	3.711	3.711
PRASARANA IMTN 4.530% 10.03.2034 - Tranche 5	GG	4.530%	10-Mar-34	10	3.85	3.85	3.85
DANAINFRA IMTN 4.300% 31.03.2034 - Tranche No 87	GG	4.300%	31-Mar-34	15	3.85	3.85	3.85
LPPSA IMTN 4.850% 29.10.2038 - Tranche No 25	GG	4.850%	29-Oct-38	100	4.049	4.049	4.049
LPPSA IMTN 4.580% 11.04.2039 - Tranche No 31	GG	4.580%	11-Apr-39	10	4.05	4.07	4.05
CAGAMAS MTN 4.100% 16.3.2020	AAA	4.100%	16-Mar-20	10	3.224	3.224	3.204
PASB IMTN 3.800% 30.10.2026 - Issue No. 17	AAA	3.800%	30-Oct-26	40	3.8	3.8	3.8
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	10	4.049	4.071	4.049
ZAMARAD ABS-IMTN 27.09.2027 (Class B)	AA2	5.500%	27-Sep-27	5	4.709	4.709	4.709
SINAR KAMIRI IMTN 5.200% 30.01.2023	AA- IS	5.200%	30-Jan-23	5	4.688	4.688	4.688
UEMS IMTN 5.000% 19.05.2023	AA- IS	5.000%	19-May-23	20	3.673	3.673	3.667
BESRAYA 5.280% 28.07.2027	AA3	5.280%	28-Jul-27	20	4.432	4.432	4.411
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	5	4.9	4.9	4.9
UITM SOLAR IMTN 5.800% 27.04.2028	AA- IS	5.800%	27-Apr-28	5	4.73	4.73	4.73
BESRAYA 5.360% 28.07.2028	AA3	5.360%	28-Jul-28	30	4.492	4.492	4.472
SDHB IMTN 5.300% 02.10.2028	AA- IS	5.300%	2-Oct-28	15	4.66	4.66	4.66
SPG IMTN 5.410% 29.04.2033	AA- IS	5.410%	29-Apr-33	10	4.219	4.221	4.219
SPG IMTN 5.450% 31.10.2033	AA- IS	5.450%	31-Oct-33	10	4.269	4.271	4.269
SPG IMTN 5.490% 28.04.2034	AA- IS	5.490%	28-Apr-34	20	4.309	4.311	4.309
LDF3 IMTN 6.230% 21.08.2037	AA- IS	6.230%	21-Aug-37	20	4.879	4.891	4.879
LDF3 IMTN 6.330% 23.08.2038	AA- IS	6.330%	23-Aug-38	10	4.949	4.96	4.949
LDF3 IMTN 6.430% 23.08.2039	AA- IS	6.430%	23-Aug-39	10	5.019	5.021	5.019
UMWH Perpetual Sukuk Musharakah 6.35% - Tranche 1	A1	6.350%	20-Apr-18	0.3	4.85	4.85	4.85
EWIB IMTN 6.400% 24.05.2023	NR(LT)	6.400%	24-May-23	0.3	5.95	5.95	5.95
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 1	NR(LT)	6.850%	7-Aug-19	0.3	6.547	6.547	6.547
Total				416			

Sources: BPAM

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