

## Global Markets Daily

# Fed Reaffirms Dovish Commitment

### DXY Bearish but Remain Cautious of Short Squeeze

Market expectations for a dovish FoMC was met overnight. There was nothing new in the statement overnight but Powell's dovish assessment of the growth rebound, covid situation and a strong undertaking to keep policy support in place for longer demonstrates a dovish commitment. 10y TIPS yield fell further to -0.95% while DXY briefly traded 93.18 (levels not seen in the last 26 months). US equities ended the session firmer (NASDAQ, S&P 500 up >1%). Most Asian equities started the day on a firmer footing. DXY was last seen at 93.40 levels. Bias still bearish but we are still cautious of a USD short squeeze in the interim.

### Focus Shifts to Sep FOMC

FFTR was maintained at 0 - 0.25% and the FoMC expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals. Accompanying statement emphasized on Fed's commitment to using its full range of tools to support the US economy. Powell's virtual press conference sounded more dovish. He shared that the pace of recovery may have slowed after covid infection picked up in many US states since Jun. He said "it is too early to tell both how large and how sustained it will be". He added "that even if the reopening goes well and many, many people go back to work... it is still going to take a fairly long time for parts of the economy that involve lots of people getting together in close proximity to recover... and those people are going to need support". He stressed that policy support such as emergency swaps lines, temporary repo facility will also be extended with some central banks including Australia, Brazil, Singapore, NZ amongst others until 1Q 2021 since the crisis and the economic fallout from the pandemic are far from over. On long term policy review, he hinted that a decision would be completed in "the near term". This puts focus on Sep's FoMC as there could be potential change in policy.

### US, German GDP on Tap Today

Key data of interests today include US GDP (2Q A); Initial Jobless claims; EU Consumer confidence (Jul); Unemployment rate (Jun); German GDP (2Q); German CPI (Jul).

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1792	↑ 0.65	USD/SGD	1.3737	↓ -0.38
GBP/USD	1.2997	↑ 0.50	EUR/SGD	1.6199	↑ 0.27
AUD/USD	0.7188	↑ 0.42	JPY/SGD	1.3093	↓ -0.22
NZD/USD	0.6669	↑ 0.12	GBP/SGD	1.7854	↑ 0.12
USD/JPY	104.92	↓ -0.16	AUD/SGD	0.9873	↑ 0.02
EUR/JPY	123.71	↑ 0.47	NZD/SGD	0.9161	↓ -0.27
USD/CHF	0.9126	↓ -0.58	CHF/SGD	1.5053	↑ 0.20
USD/CAD	1.334	↓ -0.30	CAD/SGD	1.0299	↓ -0.08
USD/MYR	4.243	↓ -0.24	SGD/MYR	3.0884	↑ 0.21
USD/THB	31.429	↓ -0.18	SGD/IDR	10592.14	↑ 0.49
USD/IDR	14543	↑ 0.06	SGD/PHP	35.7082	↑ 0.07
USD/PHP	49.2	↑ 0.01	SGD/CNY	5.0904	↑ 0.23

Implied USD/SGD Estimates at 30 July 2020, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3523	1.3799	1.4075

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### G7: Events & Market Closure

Date	Ctry	Event
29 - 30 Jul	US	FoMC

### AXJ: Events & Market Closure

Date	Ctry	Event
28 Jul	TH	Market Closure
31 Jul	SG, MY, ID, PH	Market Closure

## G7 Currencies

- **DXY Index - Bearish but Still Cautious of Short Squeeze.** Market expectations for a dovish FoMC was met overnight. FFTR was maintained at 0 - 0.25% and the FoMC expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals. Accompanying statement emphasized on Fed's commitment to using its full range of tools to support the US economy. Powell's virtual press conference sounded more dovish. He shared that the pace of recovery may have slowed after covid infection picked up in many US states since Jun. He said "it is too early to tell both how large and how sustained it will be". He added "that even if the reopening goes well and many, many people go back to work... it is still going to take a fairly long time for parts of the economy that involve lots of people getting together in close proximity to recover... and those people are going to need support". He stressed that policy support such as emergency swaps lines, temporary repo facility will also be extended with some central banks including Australia, Brazil, Singapore, NZ amongst others until 1Q 2021 since the crisis and the economic fallout from the pandemic are far from over. On long term policy review, he hinted that a decision would be completed in "the near term". This puts focus on Sep's FoMC as there could be potential change in policy. To be sure Powell did not commit to any specific timeframe (other than "near term") nor did he say which options is preferred. To be sure there was nothing new in the statement overnight but Powell's dovish assessment of the growth rebound, covid situation and a strong undertaking to keep policy support in place for longer demonstrates a dovish commitment. 10y TIPS yield fell further to -0.95% while DXY briefly traded 93.18 (levels not seen in the last 26 months). US equities ended the session firmer (NASDAQ, S&P 500 up >1%). Most Asian equities started the day on a firmer footing. DXY was last seen at 93.40 levels. Daily momentum is bearish but RSI is showing tentative signs of turning around from oversold conditions. We continue to caution for risk of rebound. Resistance at 94.20 (38.2% fibo), 96 levels (50% fibo). Support at 93.20 before 91.90 (23.6% fibo retracement of 2017 high to 2018 low). We look for opportunity to sell rallies. Week remaining brings GDP (2Q A); Initial Jobless claims on Thu; Personal income, spending, PCE core (Jun); Chicago PMI (Jul); Uni. Mich sentiment (Jul) on Fri.
- **EURUSD - Bullish but RSI Overbought.** EUR briefly spiked above 1.18 levels post-FoMC overnight. But the pair has since eased off. Last seen at 1.1770 levels. Bullish momentum is showing early signs of fading while RSI is showing signs of falling from overbought conditions. Bullish bias intact but we continue to caution for the risk of pullback. Bias to buy dips. Support at 1.1605 (50% fibo retracement of 2018 high to 2020 low), 1.1540 and 1.1490 levels. Next resistance at 1.1780 and 1.1830 (61.8% fibo). Week remaining brings Consumer confidence (Jul); Unemployment rate (Jun); German GDP (2Q); German CPI (Jul) on Thu; GDP (2Q); CPI estimate (Jul) on Fri.

- **GBPUSD - Cautious of Overbought Conditions.** GBP traded higher amid broad USD softness overnight. Pair was last seen at 1.2980 levels. Bullish momentum intact for now but RSI shows signs of turning from overbought conditions. Immediate resistance at 1.3020, 1.3260 levels. Support at 1.2830 levels (76.4% fibo retracement of 2020 high to low), 1.27 levels (200 DMA). Week remaining brings GfK consumer confidence, Lloyds Business Barometer (Jul) on Fri.
- **USDJPY - Consolidate.** Pair last seen at 105.10, largely seeing ranged trading yesterday and this morning. A tad more broad dollar softness was seen yesterday, but less so vs. the JPY. In FoMC overnight, Fed stuck to low rates and urged more fiscal support, reiterating earlier rhetoric on high levels of uncertainty in US' growth trajectory. Powell noted that the data "are pointing to a slowing in the pace of the recovery". Fits and starts in economic activity pickup in the US and other parts of the world still struggling with containing the contagion will continue to weigh on broad sentiments overall. Even in China, high-frequency indicators suggest that the economic rebound may have lost upward momentum in July, largely on account of soft demand-side factors. Such developments could underpin the base case for holding haven FX such as JPY still. On a relative basis, JPY could be in greater demand vs. USD, as long as US' Covid contagion and fiscal deficit problems are comparatively worse than Japan's. We still look for USDJPY to head towards 103.70 (61.8% fibo retracement from Mar low to high) next, but caution that the pair may consolidate nearby for a while, or even see modest rebounds, before potentially heading lower. Resistance at 106.40 (50.0% fibo), 106.75 (21-DMA), 107.70 (38.2% fibo). On daily chart, momentum is bearish while stochastics are in oversold conditions. Industrial production due Fri.
- **NZDUSD - Bearish Divergence Likely Underway.** NZD failed to extend gains overnight despite a softer USD. In fact, NZD slipped amid sequential decline in building permits, activity outlook and business confidence (in data released this morning). The move in NZD was also in line with our call for bearish divergence. Pair last seen at 0.6650 levels. Mild bullish momentum is fading while RSI is showing signs of turning from overbought conditions. Risk to the downside. Support at 0.6580 (21 DMA), 0.6450/60 (76.4% fibo retracement of 2020 high to low, 50 DMA). Resistance at 0.6690 levels. Week remaining brings Consumer confidence (Jul) on Fri.
- **AUDUSD - Buoyant.** AUDUSD is still rather elevated around the 0.7180-level, buoyed by positive sentiments and the soft USD. Back on the chart, resistance at 0.7178 is being tested before the next at 0.7230. Moves lower to meet support at around 0.6990 (21-dma) before the next at 0.6885(50-dma). MACD is still mildly bullish but recent high in price action was not accompanied by a higher peak in MACD, resulting in a bearish divergence. As such, we are still wary of a pullback in the near-term, especially ahead of the seasonally bearish Aug. The week ahead has building approvals (Jun), export and import prices for 2Q due today. Fri has PPI and private sector credit for Jun. In news, a record number of 723 cases was reported for Victoria this morning but Premier Andrews said the print is not unexpected "because of so many cases

connected to big outbreaks in specific workplaces”. He seems to be taking comfort in the fact that community transmission is not as high.

- **USDCAD - Bearish Bias, Death Cross.** USDCAD hovered around the 1.3340, pressed lower amid positive sentiments and soft USD environment. Downside momentum is still intact. We continue to hold the view that the USDCAD pair is more susceptible to downside risks in the near-term in light of the global growth recovery that is unlikely to be derailed. Intermediate resistance at 1.3518 (21,200-dma). The 50-dma is fast closing in on the 200-dma for a death cross, adding to our bearish bias for USDCAD. We look for this pair to head towards the 1.3310 before 1.3225 before the 1.30

## Asia ex Japan Currencies

SGD trades around +0.40% from the implied mid-point of 1.3799 with the top estimated at 1.3523 and the floor at 1.4075.

- **USDSGD - Consolidate; Sell on Rallies.** Pair last seen at 1.3741. Broad softness in the dollar was extended yesterday, largely ahead of the FoMC decision (2am). Fed stuck to low rates and urged more fiscal support, reiterating earlier rhetoric on high levels of uncertainty in US' growth trajectory. There are tentative signs that the vigorous sell-off in the dollar earlier might be slowing post-FoMC. Back in Singapore, 2Q labour market data released yesterday saw total employment contract by -122k in 2Q, the largest quarterly decline on record. Tally for 1H is around -148k. Foreigners likely accounted for the bulk of the job losses thus far. Our economist team raises their estimates of job losses to 180k-220k for the full year, with layoffs likely to continue in the second half of the year, albeit likely at a more modest pace vs. 1H. On net though, negativity in sentiments could be mitigated somewhat by expectations that the government still has fiscal firepower to inject additional aid if needed—i.e., the government can introduce a fifth package without further drawing down on reserves, as S\$13bn was set aside as a Contingency Fund in the fourth package. Post Fed FoMC and Sg labour report, we think down-moves in USDSGD could slow in the interim, even as our longer-term net bearish bias on USDSGD remains intact (towards 1.35-1.36). Risk-reward considerations would have us preferring to sell the USDSGD pair on rallies for now. On daily chart, momentum is modestly bearish while stochastics are in oversold conditions. Broad bearish trend channel for USDSGD since March appears to be intact. Support at 1.3700, before 1.3610 (lower bound of trend channel). Resistance at 1.3800, 1.3880 (200-DMA), 1.3970 (76.4% fibo retracement of Mar low to high).
- **SGDMYR - Signs of Turnaround from Overbought Conditions.** SGDMYR continued to hover near recent highs. Cross was last seen at 3.0860 levels. Daily momentum is mild bullish but RSI shows signs of turning from near-overbought conditions. We look for further signs of turnaround in the cross. Immediate resistance at 3.0880 levels (2020 high). Support at 3.0690/700 (21, 500 DMAs), 3.0600/10 (100 DMA, 23.6% fibo retracement of 2020 low to high) and 3.0470 (200 DMA).
- **USDMYR - Absence of Catalyst.** USDMYR gapped lower in the open this morning but has since drifted higher, alongside most USD/AXJs. There was nothing new in FoMC statement overnight but Powell's dovish assessment of the growth rebound, covid situation and a strong undertaking to keep policy support in place for longer demonstrates a dovish commitment. Bearish USD bias intact. Pair was last seen at 4.2430 levels. On weekly chart, bearish momentum remains intact while RSI is falling. Daily momentum is not showing a clear bias though RSI is falling. Support at 4.25 was broken. We look for further declines towards 4.2260 (200 DMA). Resistance at 4.2640 (21 DMA), 4.2820 (50 DMA) and 4.2975 (38.2% fibo retracement of 2020 low to high). Continue to look for further downside play. Our bearish bias would be nullified on move back above 4.32.

- **1m USDKRW NDF - *Downside Bias***. 1m USDKRW NDF traded lower this morning amid softer USD. Pair was last seen at 1191 levels. Daily momentum turned mild bearish while RSI is falling. Interim downside risks. Support at 1186 levels before 1182 (76.4% fibo retracement of 2020 low to high). Resistance at 1196 (200 DMA), 1198 (21 DMA).
- **AUDSGD - *Elevated, Bearish Divergence***. The cross hovers around 0.9875, still close to recent high of 0.9930. We note the bearish divergence, higher peak formed in Jul not matched by higher peak in MACD forest and thus we are still wary of a pullback. Similar to the AUDUSD, this cross may see some correction towards the 21-dma at 0.9710. Resistance at 0.9930 before 1.0185 (the extension of the recent Mar-Jun rally).
- **USDCNH - *Consolidative***. USDCNH remains in swivels around the 7-figure. This pair still moves within the falling trend channel (could turn into a falling wedge). We see more consolidation within the 6.96-7.03 range in light of the uncertain trajectory of the US-China relations. The 50-dma has crossed the 100-dma to the downside, en-route to the 200-dma. With death crosses forming, bias is still to the downside for this pair. 21-dma capping upmove at 7.0080 and 200-dma at 7.0338. This week ahead has Jul Mfg and non-mfg PMI data on 31<sup>st</sup>. Meanwhile, there is an increasing concern that the US would resort to financial sanctions on entities that help to enforce the national security laws in Hong Kong. Of these are talks of the US potentially cutting Chinese banks' access to SWIFT. Currently the RMB clearing system which is known as CIPS (Cross-border Interbank Payment System) is seen as an alternative. CIPS was set up in 2015 and the clearing and payment system was fully operational in 2018. Separately, state media Xinhua reported that the Standing Committee of the NBPC will meet 8-11 Aug to discuss the country's 14<sup>th</sup> five-year plan - the guiding document for policy and industrial development. In other news reported by CCTV, Premier Li Keqiang pledged equal treatment for foreign enterprises when using relending discounting quota and the country will further open up and stabilize trade and foreign investment. He also vows to boost jobs for migrant workers by promoting infrastructure construction in rural areas and regions impacted by disasters.
- **1M USDINR NDF -*Downside Bias***. This pair may continue to trade sideways with a downside bias, last seen at 75.03. The country's pro-longed battle keeping the NDF supported on dips but the overwhelming USD weakness tilts the risk to the downside. The RBI is said to be slowing its downmove with purchase of USD. Support is seen around 74.46 (50% Fibonacci retracement of the Jan-Mar rally before the next at 73.88 (200-dma). Resistance at 75.20 (21-dma) before 75.66. In news, the Finance Ministry had extended the safeguard levies on solar cells and module imports from China with effect from 30 Jul in order to shield domestic manufacturers. A tax of 14.9% will be imposed for the first half of the year and 14.5% in second half.
- **1M USDIDR NDF - *Downsides Capped***. NDF last seen at 14,685, still trading in relatively narrow swivels. The government's recent bond issuance exercise (US\$1.51bn raised) saw oversubscription by 3.6 times, indicating still resilient aggregate demand overall. But on net, external

outflows of around -US\$268mn MTD (as of 29 Jul) were seen in government bond portfolio flows, hinting at still-cautious external sentiments on this front. We note that FM Sri Mulyani said earlier in the week that a proposal will be made to parliament to expand the 2021 fiscal deficit assumption to 5.2% of GDP, from the 4.17%-4.7% range stated earlier, giving approximately US\$12.36bn in additional spending room. On net, domestic concerns (Covid contagion, macro pains, widening fiscal deficits ahead) and geopolitical worries (US-China) could still keep risk sentiments somewhat leashed (i.e., IDR negative) and cap downsides in the NDF. Some consolidative trading might be seen in the interim. On daily chart, momentum and stochastics are not showing clear biases. Watch for support at 14550 (50/200-DMAs), before 14,000. Resistance at 15,000 (61.8% fibo retracement from Jan low to Mar high), 15,420 (50.0% fibo).

- **USDTHB - Down-moves Could Slow.** Pair last seen at 31.41, on net seeing a more gentle decline yesterday post the gap-down following two days of market closure. Thailand has extended its state of emergency for a fourth time, through to 31 Aug, but the caution was largely expected, even as no new local Covid-19 transmissions have been detected for 2 months. In related news, a new central bank governor was approved by the Cabinet—Sethaput Suthiwart-Narueput, who has been a member of the monetary policy committee since 2014 and is an economic adviser to the premier, will replace Veerathai Santiprabhob, whose tenure expires 30 Sep. The transition is unlikely to swing market sentiments. Near-term risks for the THB may come from a deterioration in the narrative surrounding the timing of potential tourism recoveries. The International Air Transport Association predicts that global passenger traffic may not return to pre-Covid levels until 2024, a year later than earlier forecasted. Markets will likely be watching the current account (Jun) data release this Fri closely. On daily chart, bullish momentum is waning while stochastics are also on the dip. Support for USDTHB at 31.20 (61.8% fibo retracement from turn-of-year low to Apr high), before 30.70 (76.4% fibo). Resistance at 31.88 (100-DMA), 32.40 (23.6% fibo). Trade and current account due Fri.
- **1M USDPHP NDF - Consolidate.** NDF last seen at 49.16. We note that the NDF is trading near lows not seen since mid-2017. BSP Governor Diokno says that the “worst is over” for the economy. The government sees GDP shrinking by 2-3.4% this year (2Q as trough), but expects a swift and robust recovery to growth of 8-9% in 2021 and 6-7% by 2022. Still, fiscal aid might need to be more forthcoming to anchor sentiments. President Duterte’s fifth State of the Nation Address on Mon was notably missing details for how the next stage of the recovery stimulus package will be designed/implemented. Points that were mentioned include: (i) continuing with the “Build, Build, Build” infrastructure programme, (ii) lowering corporate income tax to 25% from 30%, and (iii) potentially fast-tracking a bill giving him special powers in dealing with the pandemic, including realignment of government funds (PHP140bn). Point (iii) was approved by the senate on Tues. On net, markets may continue to adopt a wait-and-see approach for now, and the NDF may continue to trade in consolidative ranges, responding intermittently to biases in dollar moves. Technicals-wise, momentum on daily chart is not showing a clear bias while

stochastics are in oversold conditions. Next support at 49.00.  
Resistance at 49.50 (21-DMA), 50.00 (50-DMA). BoP due before Fri.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 3/23	1.97	1.94	-3
5YR MO 9/25	2.12	2.12	Unchanged
7YR MK 5/27	2.29	2.28	-1
10YR MO 8/29	2.59	2.57	-2
15YR MS 7/34	2.96	2.96	Unchanged
20YR MY 5/40	3.18	3.19	+1
30YR MZ 6/50	3.53	3.53	Unchanged
IRS			
6-months	1.93	1.93	-
9-months	1.90	1.91	+1
1-year	1.88	1.88	-
3-year	1.88	1.87	-1
5-year	2.05	2.07	+2
7-year	2.33	2.33	-
10-year	2.57	2.58	+1

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Source: Maybank KE

\*Indicative levels

- MGS benchmarks had mixed performance with yields moving in the range of +1bp to -3bps. Market sentiment generally remained supported with buying interests across the curve. GII's fared better as yields largely down 1-3bps, though better buying interests were still for off-the-runs as local trading accounts sought yield pick-ups. Healthy liquidity continued to support govies. The 7y GII 9/27 reopening was traded in WI at 2.30% and quoted 2.30/28% until end of day.
- MYR IRS market was lackluster with rate levels little changed. The 7y IRS got taken once at 2.34%, but was subsequently offered on as the back end of the curve were either unchanged or 1bp higher. 3M KLIBOR remained the same at 2.02%.
- PDS market was muted. GG yields traded flat to -5bps and front end performed better while long end moved in a tight range. In AAA, short end bonds traded firmer by 2bps while long dated Tenaga 2038 dealt unchanged. AA space saw Benih Restu 2025 rally 5bps while other credits dealt flat. Active primary space with Tenaga and Gamuda Land tapping the market. Tenaga (rated AAA) upsized its issuance and raised a total of MYR3b via 10y, 15y and 20y tranches priced at the low end of revised price guidance with final yields of 2.90%, 3.25% and 3.55% respectively. Gamuda Land (rated AA3) raised MYR600m in total with the 5y priced at 3.55%, 7y at 3.75% and 10y at 3.90%.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.26	0.25	-1
5YR	0.53	0.53	-
10YR	0.91	0.89	-2
15YR	1.10	1.08	-2
20YR	1.15	1.13	-2
30YR	1.17	1.14	-3

Source: MAS

- SGD IRS declined 1-2bps as forwards shifted to the left, but decent paying interests in the 5y and 10y IRS put a floor ahead of the US FOMC decision. SGS yield curve flattened as yields from the 10y point onwards fell 2-3bps, while rest of the curve barely moved. New 10y SGS benchmark, which cut-off at 0.93% in previous day's auction, last traded at 0.875%.
- Asian credit market remained tepid as investors stayed on the sidelines ahead of the US FOMC meeting. Credit spreads unchanged to 1-3bps tighter, and Indonesia and Philippines sovereign bonds continued to rally on better buying by onshore. HYs were weighed by heavy new supply as some profit taking drove prices 0.25-0.75pts lower, with China property and industrial names underperforming. India HYs, however, were firmer with Vedanta up 0.5pts. The Fed left rates unchanged and reiterated its commitment to support the economy, having extended all its emergency lending programs to the end of the year.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
1YR	4.37	4.37	(0.00)
3YR	5.35	5.33	(0.02)
5YR	5.98	5.98	(0.01)
10YR	6.84	6.83	(0.01)
15YR	7.29	7.28	(0.02)
20YR	7.40	7.41	0.00
30YR	7.49	7.49	(0.00)

\* Source: Bloomberg, Maybank Indonesia

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- Indonesian government bonds continued their rally trends before the Fed's policy rate decision. It seemed that investors have strong attention to fill their portfolio by attractive investment assets that offering high yield with solid fundamental background. It's in line with an increase on recent total amount of foreigners' ownership on the government bonds from Rp937 trillion on 30 Jun-20 to Rp942 trillion on 28 Jul-20. Current credit risk indicators on Indonesian assets, as shown by the country's 5Y CDS position, also indicated a decline on risk perception, after it dropped from 133.60 on 30 Jun-20 to 117.72 this morning. It can be a reflection of strong investors' expectation for Indonesian quick economic recovery prospect after seeing recent positive progress on vaccine development and current government's strong spirit for disbursing more spending to boost national economic recovery.
- Last night, the Federal Reserve warned that the country's economic outlook depends on the course of the coronavirus pandemic. Jerome Powell, the Fed chair, said "the pace of recovery looks like it has slowed" since infections started rising again in June. The Fed pledged to keep interest rates near zero and maintain its emergency economic support. We expect Indonesian bond markets to get positive momentum from this development.
- Furthermore, investors will watch 1.) new Indonesia's inflation result, 2.) new positive cases on global Covid-19, 3.) U.S. labor indicators, 4.) PMI manufacturing results from various countries, 5.) geopolitical stories, especially between China vs West countries.
- Investors will also cautiously watch further result announcement of Indonesia's economic growth for 2Q20 on early Aug-20. Indonesian economy is expected to drop by 5.18% in 2Q20. The economy is expected to revive on this quarter after the government relaxes its strict implementation on the physical & social distancing by implementing the transition period for Big Scale Social Restriction program during the Coronavirus outbreak since previous month. However, current development on Indonesian positive case of Coronavirus is posing rapid increase trend. It keeps giving an objection on the timing of Exit Strategy from the Coronavirus pandemic.

### Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1863	105.45	0.7226	1.3075	7.0158	0.6702	124.2767	75.7247
R1	1.1827	105.18	0.7207	1.3036	7.0075	0.6686	123.9933	75.5703
<b>Current</b>	1.1775	105.08	0.7177	1.2982	6.9973	0.6652	123.7300	75.4020
S1	1.1735	104.71	0.7159	1.2935	6.9930	0.6647	123.2233	75.2093
S2	1.1679	104.51	0.7130	1.2873	6.9868	0.6624	122.7367	75.0027

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3821	4.2551	14671	49.2813	31.6403	1.6268	0.6078	3.0955
R1	1.3779	4.2491	14607	49.2407	31.5347	1.6233	0.6069	3.0919
<b>Current</b>	1.3751	4.2440	14660	49.1200	31.4340	1.6192	0.6066	3.0866
S1	1.3713	4.2396	14467	49.1607	31.3507	1.6151	0.6055	3.0825
S2	1.3689	4.2361	14391	49.1213	31.2723	1.6104	0.6049	3.0767

\*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	0.4382	Oct-20	Easing
BNM O/N Policy Rate	1.75	9/10/2020	Easing
BI 7-Day Reverse Repo Rate	4.00	8/19/2020	Easing
BOT 1-Day Repo	0.50	8/5/2020	Easing
BSP O/N Reverse Repo	2.25	8/20/2020	Easing
CBC Discount Rate	1.13	9/17/2020	Easing
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	4.00	8/6/2020	Easing
BOK Base Rate	0.50	8/27/2020	Easing
Fed Funds Target Rate	0.25	7/30/2020	Easing
ECB Deposit Facility Rate	-0.50	9/10/2020	Easing
BOE Official Bank Rate	0.10	8/6/2020	Easing
RBA Cash Rate Target	0.25	8/4/2020	Easing
RBNZ Official Cash Rate	0.25	8/12/2020	Easing
BOJ Rate	-0.10	9/17/2020	Easing
BoC O/N Rate	0.25	9/9/2020	Easing

### Equity Indices and Key Commodities

	Value	% Change
Dow	26,539.57	0.61
Nasdaq	10,542.94	1.35
Nikkei 225	22,397.11	-1.15
FTSE	6,131.46	0.04
Australia ASX 200	6,006.39	-0.24
Singapore Straits Times	2,573.45	-0.37
Kuala Lumpur Composite	1,611.42	0.09
Jakarta Composite	5,111.11	-0.04
Philippines Composite	5,966.27	0.66
Taiwan TAIEX	12,540.97	-0.36
Korea KOSPI	2,263.16	0.27
Shanghai Comp Index	3,294.55	2.06
Hong Kong Hang Sena	24,883.14	0.45
India Sensex	38,071.13	-1.10
Nymex Crude Oil WTI	41.27	0.56
Comex Gold	1,976.70	0.65
Reuters CRB Index	144.34	0.60
MBB KL	7.75	-1.02

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	791	1.699	1.779	1.629
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	17	1.74	1.79	1.68
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	35	1.778	1.793	1.738
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	146	1.753	1.779	1.745
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	304	1.778	1.782	1.778
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	359	1.829	1.829	1.815
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	100	1.872	1.872	1.872
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	51	1.876	1.885	1.876
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	334	1.914	1.961	1.914
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	69	1.954	1.996	1.954
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	20	2	2	2
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	4	2.054	2.054	2.054
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	4	2.071	2.071	2.071
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	76	2.115	2.13	2.111
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	1	2.169	2.169	2.169
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	51	2.219	2.224	2.219
MGS 2/2006 4.709% 15.09.2026	4.709%	15-Sep-26	10	2.279	2.279	2.279
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	32	2.237	2.251	2.237
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	163	2.277	2.279	2.27
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	5	2.288	2.437	2.288
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	120	2.396	2.447	2.394
MGS 3/2008 5.248% 15.09.2028	5.248%	15-Sep-28	180	2.484	2.534	2.484
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	397	2.575	2.614	2.557
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	90	2.619	2.642	2.619
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	1	2.98	2.98	2.98
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	180	2.959	2.972	2.959
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	5	3.274	3.274	3.237
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	8	3.323	3.323	3.307
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	2	3.158	3.188	3.158
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	1	3.695	3.695	3.657
MGS 1/2020 4.065% 15.06.2050	4.065%	15-Jun-50	1	3.514	3.526	3.43
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	440	1.766	1.766	1.766
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	220	1.764	1.773	1.764
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	85	1.8	1.8	1.783
GII MURABAHAH 4/2018 3.729% 31.03.2022	3.729%	31-Mar-22	113	1.834	1.852	1.834
GII MURABAHAH 7/2019 3.151% 15.05.2023	3.151%	15-May-23	69	1.985	1.985	1.978
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	07-Jul-23	5	2.059	2.059	2.059
PROFIT-BASED GII 2/2013 31.10.2023	3.493%	31-Oct-23	10	2.013	2.013	2.013
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	50	2.044	2.068	2.044
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	160	2.196	2.205	2.194
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	10	2.352	2.367	2.352
GII MURABAHAH 1/2020 3.422% 30.09.2027	3.422%	30-Sep-27	80	2.3	2.305	2.299
PROFIT-BASED GII 1/2013 08.08.2028	3.871%	08-Aug-28	100	2.526	2.526	2.526
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	110	2.536	2.556	2.524
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	260	2.632	2.659	2.615
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	130	2.673	2.69	2.673

GII MURABAHAH 2/2020 3.465% 15.10.2030	3.465%	15-Oct-30	117	2.584	2.595	2.577
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	52	3.042	3.08	3.042
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	100	3.033	3.04	3.024
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	04-Aug-37	100	3.35	3.357	3.35
GII MURABAHAH 2/2019 4.467% 15.09.2039	4.467%	15-Sep-39	218	3.316	3.329	3.309
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	20	3.664	3.664	3.664
<b>Total</b>			<b>6,005</b>			

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PR1MA IMTN 2.380% 30.07.2025	GG	2.380%	30-Jul-25	10	2.38	2.38	2.38
DANAINFRA IMTN 3.470% 26.09.2029 - Tranche 12	GG	3.470%	26-Sep-29	10	2.794	2.795	2.794
PRASARANA IMTN 3.090% 25.02.2030 - Series 2	GG	3.090%	25-Feb-30	25	2.79	2.8	2.79
DANAINFRA IMTN 4.820% 12.11.2030 - Tranche No 39	GG	4.820%	12-Nov-30	15	2.85	2.85	2.85
DANAINFRA IMTN 4.300% 31.03.2034 - Tranche No 87	GG	4.300%	31-Mar-34	40	3.2	3.2	3.2
DANAINFRA IMTN 3.930% 27.11.2034 - Tranche No 93	GG	3.930%	27-Nov-34	100	3.221	3.225	3.219
DANAINFRA IMTN 4.790% 06.04.2035 - Tranche No 34	GG	4.790%	06-Apr-35	5	3.22	3.22	3.22
DANAINFRA IMTN 5.020% 03.05.2046 - Tranche No 48	GG	5.020%	03-May-46	15	3.749	3.749	3.749
TELEKOM IMTN 3.950% 28.04.2023	AAA	3.950%	28-Apr-23	20	2.424	2.439	2.424
GENTING RMTN MTN 3653D 08.11.2029 - Tranche 1	AAA (S)	4.180%	08-Nov-29	11	3.55	3.669	3.55
DANUM IMTN 3.420% 21.02.2035 - Tranche 5	AAA (S)	3.420%	21-Feb-35	20	3.364	3.372	3.364
TENAGA IMTN 27.08.2038	AAA	4.980%	27-Aug-38	3	3.586	3.586	3.586
SDBB MTN 1096D 24.1.2022 - Tranche No 20	AA1	5.050%	24-Jan-22	16	2.723	2.73	2.723
YTL POWER MTN 3651D 11.10.2024	AA1	4.950%	11-Oct-24	20	3.067	3.087	3.067
CIMBBANK 4.770% 07.08.2026 - Issue No 4	AA+	4.770%	07-Aug-26	6	2.735	2.74	2.735
UOBM MTN 3.00% 02.8.2030	AA1	3.000%	02-Aug-30	5	2.8	2.92	2.8
AL-AQAR IMTN 4.980% 04.05.2023 CLASS B	AA2	4.980%	04-May-23	10	3.167	3.18	3.167
BENIH RESTU IMTN 4.620% 05.06.2025	AA2 (S)	4.620%	05-Jun-25	10	3.046	3.046	3.046
MALAKOFF POW IMTN 5.150% 17.12.2020	AA- IS	5.150%	17-Dec-20	6	2.577	2.603	2.577
AZRB CAPITAL IMTN 5.000% 24.12.2026	AA- IS	5.000%	24-Dec-26	10	4.278	4.28	4.278
AISL IMTN 4.880% 18.10.2028	AA3	4.880%	18-Oct-28	10	2.986	2.989	2.986
AFFINBANK SUBORDINATED MTN 3650D 05.2.2027	A1	5.450%	05-Feb-27	10	3.153	3.159	3.153
CIMB 4.880% Perpetual Capital Securities - T4	A1	4.880%	25-May-16	40	3.619	3.632	3.619
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	1	2.631	3.492	2.631
EWIB IMTN 6.400% 24.05.2023	NR(LT)	6.400%	24-May-23	1	5.423	5.431	5.423
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 1	NR(LT)	6.850%	07-Aug-19	1	5.834	5.834	5.834

**Total****418**

Sources: BPAM

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