

# Global Markets Daily

## Will RBA Sound Cautious?

### Sentiment Supported on Stimulus, Vaccine Hopes

Market sentiment was supported overnight, on positive economic data, hopes of more stimulus and vaccine hopes. Trump said that 2 vaccines are in final stages of clinical trials and it may be ready far before year end. On stimulus, Trump said he is looking at unilaterally taking steps to stop tenant evictions and lower payroll taxes as Congressional negotiations on stimulus stalled. USD partially erased some of its recent upmove while most USD/AXJs held steady.

### RBA May Sound Cautious

Policy rate and YCC are expected to remain on hold at 0.25%. But in light of the state of disaster being declared in Victoria with stage-4 lockdown restrictions in place since Sunday, the RBA could sound more cautious. Looking at Lowe's recent speech, it seems like negative rates, monetary financing of deficit and direct currency intervention options may be unlikely. The likely path is probably a re-calibration of existing policy parameters with regards to term funding facility, bond purchase program targets alongside a token downward adjustment to cash rate. A dovish surprise on this front may further weigh on AUD. Policy decision expected at 1230pm SG/KL time later today.

### US Durable Goods Report and Malaysia Trade Data Today

Key data of interests today include US factory orders, durable goods report and in Australia, retails sales data. Malaysia also releases trade data.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1778	↓ -0.58	USD/SGD	1.3745	↑ 0.17
GBP/USD	1.3085	↓ -0.08	EUR/SGD	1.6191	↓ -0.41
AUD/USD	0.7143	↓ -0.72	JPY/SGD	1.2986	↓ -0.89
NZD/USD	0.6629	↓ -1.04	GBP/SGD	1.7988	↑ 0.11
USD/JPY	105.83	↑ 1.05	AUD/SGD	0.9819	↓ -0.54
EUR/JPY	124.75	↑ 0.55	NZD/SGD	0.9113	↓ -0.88
USD/CHF	0.9129	↑ 0.44	CHF/SGD	1.5053	↓ -0.29
USD/CAD	1.3412	↓ -0.08	CAD/SGD	1.0249	↑ 0.25
USD/MYR	4.2393	→ 0.00	SGD/MYR	3.0916	↑ 0.27
USD/THB	31.26	↓ -0.35	SGD/IDR	10667.49	↑ 0.30
USD/IDR	14600	→ 0.00	SGD/PHP	35.792	↑ 0.24
USD/PHP	49.046	↓ -0.23	SGD/CNY	5.0832	↓ -0.15

Implied USD/SGD Estimates at 4 August 2020, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3533	1.3809	1.4085

### Analysts

Saktiandi Supaat  
(65) 6320 1379  
saktiandi@maybank.com.sg

Christopher Wong  
(65) 6320 1347  
wongkl@maybank.com.sg

Fiona Lim  
(65) 6320 1374  
fionalim@maybank.com.sg

Tan Yanxi  
(65) 6320 1378  
tanyx@maybank.com.sg

### G7: Events & Market Closure

Date	Ctry	Event
3 Aug	AU, CA	Market Closure
4 Aug	AU	RBA Policy Decision
6 Aug	UK	BoE Policy Decision

### AXJ: Events & Market Closure

Date	Ctry	Event
5 Aug	TH	BoT Policy Decision
6 Aug	IN	RBI Policy Decision

## G7 Currencies

- **DXY Index - *Bearish but Still Cautious of Short Squeeze***. Market sentiment was supported overnight, on positive economic data, hopes of more stimulus and vaccine hopes. Trump said that 2 vaccines are in final stages of clinical trials and it may be ready far before year end. On stimulus, Trump said he is looking at unilaterally taking steps to stop tenant evictions and lower payroll taxes as Congressional negotiations on stimulus stalled. The jobless benefit of \$600 per week and federal eviction moratorium (which protected an estimated 12mio renters from eviction for 4 months) expired last week. Fed officials reiterated their warning that another round of fiscal relief is critical for US economy. Fed's Kaplan said that "if we go very long without somehow addressing the reduction and evaporation of that support... it's going to show up in lower aggregate demand and that would be very costly for the economy. DXY partially reversed overnight gains; last seen at 93.55 levels. Bearish momentum on daily chart is showing signs of fading while RSI is rising from oversold conditions. We continue to caution for risk of extended rebound. Resistance at 94.20 (38.2% fibo), 95.25 (21 DMA) and 96 levels (50% fibo). Support at 92.5 (previous low) before 91.90 (23.6% fibo retracement of 2017 high to 2018 low). That said we look for opportunity to sell rallies. Day ahead brings ISM mfg, new orders; construction spending. This week brings Factory orders, Durable Goods order (Jun) on Tue; ADP Employment, ISM services (Jul) on Wed; Initial Jobless claims (Aug 1) on Thu; NFP, unemployment rate, average hourly earnings (Jul); Whole sale trade sales, inventories (Jun) on Fri.
- **EURUSD - *Pullback Risk***. EUR was last seen at 1.1760 levels. Bullish momentum is showing signs of fading while RSI is falling from overbought conditions. Bullish bias intact but risk of pullback likely in the near term. Support at 1.1605 (50% fibo retracement of 2018 high to 2020 low), 1.1540 and 1.1490 levels. Immediate resistance at 1.1780 and 1.1830 (61.8% fibo). Looking ahead the Next Generation EU deal will face technical negotiations by members and need ratification by the European Parliament. Member countries whom tapped on the grant need to submit spending plans to the European Commission and a majority of the states will be able to block projects. We expect the deal to be ratified but would not rule out challenges during the round of technical negotiations or spending reviews. Challenges could limit EUR gains in the interim. Bias still to buy dips. This week brings PPI (Jun) on Tue; Services PMI (Jul); Retail Sales (Jun) on Wed; German Factory Orders (Jun); Construction PMI (Jul) on Thu; German IP, Trade (Jun) on Fri.
- **GBPUSD - *Likely an Interim Top***. Key focus this week on BoE's MPC. Policymakers are reviewing the potential impact of NIRP on banks and lenders. Some MPC members seem to be more open on NIRP. For instance, Tenreyro said that Europe's experience shows negative rates have had a positive effect in the sense of having a powerful transmission to real activity and for now, everything (policy tools) is on the table for consideration and Deputy Governor Ramsden said that "it is perfectly reasonable to have an open mind"

on cutting rates below zero. At the other end of the spectrum, Chief Economist Haldane (the lone dissenter for keeping size of APP unchanged at the last MPC) said there are other options beyond NIRP or alongside that they are looking at - effectively keeping all options open on the table. A discussion leaning towards adopting NIRP as a potential policy tool would renew rate cut bets and undermine GBP. We doubt they are close to implementing NIRP unless market conditions or covid situation takes a turn for the worst. GBP gains in the past week slowed; pair was last seen at 1.3080 levels. Bullish momentum intact for now but RSI shows signs of turning from overbought conditions. Support at 1.3020 (76.4% fibo retracement of Dec high to 2020 low), 1.2820 levels, 1.27 levels (200 DMA). Immediate resistance at 1.3180/1.32, 1.3260 levels. This week brings Mfg PMI (Jul) on Mon; Services PMI (Jul) on Wed; BoE MPC; Construction PMI (Jul) on Thu.

- **USDJPY - Consolidate.** Pair last seen at 106.15, fairly close to where it was yesterday morning. Attempts at rallies yesterday were capped near the 106.50-levels. The recent spike (from last week's low near 104.20) may have occurred alongside a confluence of month-end flows, short-covering and M&A news relating to Tokyo-based seven-eleven owner (Seven & i) buying US' Speedway gas stations for US\$21bn. If so, the fading of these factors could lead bearish pressures on the pair to re-exert at some point. Macro worries (domestic and abroad) and signs of virus resurgence in various locations (including Japan), could support the base case for holding haven FX such as JPY still. We still look for USDJPY to head towards 103.70 (76.4% fibo retracement from Mar low to high) at some point, but as cautioned earlier, this could take time. Intermittent USDJPY rallies should not be ruled out, although these might potentially be capped by resistances at 106.40 (50.0% fibo), 107.20 (50-DMA). Next support at 105.20 (61.8% fibo), before eventual target at 103.70. Consolidative moves between 105.20 and 107.20 may be likely in the interim. On daily chart, bearish momentum is waning while stochastics show signs of climbing out from near-oversold conditions. Leading Index due Fri.

- **NZDUSD - Bearish Divergence Underway.** NZD continued to ease off from its recent highs. Last seen at 0.6615 levels. Mild bullish momentum is fading while RSI is falling from overbought conditions. Bearish divergence on RSI seen. Risk remains skewed to the downside. Support at 0.66 (21 DMA), 0.65 (50 DMA) before 0.6450 (76.4% fibo retracement of 2020 high to low). Resistance at 0.6690, 0.6720 levels. This week brings Labor market report (2Q); Commodity prices (Jul) on Wed; 2-Yr Inflation Expectations on Thu. We think further NZD gains could be restraint ahead of RBNZ MPC next Wed. NZD has appreciated by more than 20% from its troughs in Mar and its TWI has also risen by >11% in the same period. Though NZD's rise can be partially attributed to USD softness, we expect RBNZ to sound cautious and express its discomfort over NZD strength especially when global macro conditions remain challenging, with concerns over job losses and corporate fallouts. RBNZ has previously warned that the appreciation of the NZD has placed further pressure on export earnings and dampened inflation

outlook. RBNZ also indicated that it will outline the large-scale asset program (LSAP) and readiness to deploy alternative monetary policy tools at the Aug MPC. This may suggest that preparation for negative interest rate policy (NIRP) as part of unconventional policy toolkit is likely underway. This would be a handy tool for RBNZ to jawbone NZD strength.

- **AUDUSD - *Bearish Divergence Plays Out, RBA.*** AUD remained the underperformer as the greenback continues to firm amid increasing speculation of a more dovish sounding Lowe today. While the consensus remains for RBA to keep cash target rate at the effective lower bound of 0.25% and 3-year yield target to be the same, the recent lockdown of Greater Melbourne could very mean a re-assessment of the economic projections. The conjecture of revising the current parameters of the term funding facility (also currently at 25bps) along with the cash target rate and 3y yield target by RBA Lowe in his speech on 21<sup>st</sup> Jul become a possibility given the recent shift in events. While there is a real risk of a revision in its economic outlook, we do think that policy would remain at status quo. Victoria contributes around 24% of Australia's economy and the declaration of state of disaster with much of the region in Stage 3 of lockdown while the Melbourne is in Stage 4. In the face of the short USD and the fact that August is also a seasonally bearish month for the AUD, we continue to see downside risks to the AUD. Back on the chart, we look for moves lower to meet support at around 0.7055 (21-dma) before the next at 0.6947 (50-dma). MACD is still mildly bullish but weakening. Jun trade numbers are due on Tue too along with retail sales. AiG Perf of Construction (Jul) and loan numbers (Jun ) are due on Wed, the SoMP will be due on Fri.
- **USDCAD - *Sideways.*** USDCAD hovered around the 1.3400, trapped between the buoyant USD and firmer crude prices. Downside momentum is still intact but weak. 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. However, in light of the potential correction in risk assets and seasonality effect, a failure to clear the 1.3316 could mean a double bottom. Should that play out, this pair may even rise towards 1.3490-resistance (21-dma). That said, there are still bearish signals for this pair at this point - The 50-dma is fast closing in on the 200-dma for a death cross. A clearance of the 1.3316 could open the way towards 1.3225 before the 1.30. Week ahead has PMI manufacturing for Jul on Tue, trade on Wed, Jul labour report on Fri.

## Asia ex Japan Currencies

SGD trades around +0.33% from the implied mid-point of 1.3809 with the top estimated at 1.3533 and the floor at 1.4085.

- **USDSGD - Consolidate; Sell on Rallies.** Pair last seen at 1.3765, fairly close to where it was yesterday morning. Pair saw ranged trading yesterday, largely between 1.3745 and 1.3785, as the broad dollar up-move from last Fri tapered off in momentum. Mfg PMI for Jul came in yesterday at 50.2, vs. 48.0 previously, but only barely making it to expansionary territory. The improvement was due to a rise in new orders, an expansion in new exports and factory output, as well as a faster rate of expansion in the inventory index. Sub-indices for employment and supplier deliveries still showed soft readings. The electronics sector PMI also improved to 49.2 from 47.6 prior, but remained in contractionary territory. On net, the swathe of mixed global activity data recently could still weigh on pro-cyclical Asian FX sentiments somewhat, but our 2H 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, stochastics are in oversold conditions. But momentum is modestly bearish and broad bearish trend channel for USDSGD since March appears to be intact. Support at 1.3700, before 1.3590 (lower bound of trend channel). Resistance at 1.3800, 1.3880 (200-DMA), 1.3970 (76.4% fibo retracement of Mar low to high). Retail sales due Wed.
- **SGDMYR - Decline Could Extend.** SGDMYR remains under pressure amid MYR resilience. Move lower remains in line with our call for signs of turnaround from overbought conditions. Cross was last seen at 3.0700 levels. Bullish momentum on daily chart shows signs of fading while RSI is falling. Interim risks remain skewed to the downside. Immediate support at 3.07 levels (21, 50 DMAs) before 3.0620 (100 DMA) and 3.05 (38.2% fibo retracement of Jan low to Jul high), 3.0470 (200 DMA). Resistance at 3.0820, 3.0880 levels (2020 high).
- **USDMYR - Objective Met.** USDMYR traded lower and came close to meeting our objective at 4.22 (see report [here](#)). Low traded yesterday was 4.2205. Pair was last seen at 4.2260 levels. On weekly chart, bearish momentum remains intact while RSI is falling. Daily momentum is mild bearish bias but RSI shows signs of turning from near oversold conditions. This suggests that bearish momentum is at risk of stalling. Declines from here may slow. Immediate support at 4.22 (200 DMA), 4.2040 (61.8% fibo retracement of 2020 low to high). Resistance at 4.25 (50% fibo), 4.2580 (21 DMA) and 4.2760 (50 DMA). Trade data due today; industrial production and FX reserves on Fri.
- **1m USDKRW NDF - Range.** Pair was a touch softer today on supported sentiment, thanks to positive economic data, hopes of more US stimulus and vaccine hopes. Trump said that 2 vaccines are in final stages of clinical trials and it may be ready far before year end. 1m USDKRW NDF was last seen at 1191 levels. Daily momentum and RSI indicators are not showing a clear bias for now. Support at

1189, 1185. Resistance at 1196/98 (21, 200 DMAs). Look for 1188 - 1195 range intra-day.

- **USDCNH - *Downside Bias***. USDCNH still trades with a downside bias within the falling trend channel (which could still turn into a falling wedge). Last printed 6.9816, more consolidation is likely within the 6.96-7.03 range in light of the uncertain trajectory of the US-China relations. The 50-dma is en-route to the 200-dma. With death crosses forming, bias is still to the downside for this pair. 21-dma capping upmove at the 7-figure and 200-dma at 7.0330. The rest of the week has Services PMI for Jul on Wed, trade data on Fri. PBoC pledged to step up measures to support bond sales by small and medium sized banks to replenish capital for 2H. The central bank will implement a more flexible, appropriate and targeted monetary policy to lead growth of money supply, aggregate financing so that they can be noticeably higher than last year.
- **1M USDINR NDF - *Rebound***. This pair was lifted above mid-75 yesterday and the weakness coincides with the weaker-than-expected Mfg PMI print at 46.0, last seen at 75.10. The country's pro-longed battle keeping the NDF supported on dips and recent reversal in the USD also lifted the pair. Resistance at 75.58 (50-dma) before 76.07 (100-dma). Support is seen around 74.46 (50% Fibonacci retracement of the Jan-Mar rally before the next at 73.88 (200-dma). Jul saw a total of \$1.15bn equity-related inflow and \$245.6mn debt-related outflows. We may see less inflow this Aug, given that it's a seasonally bearish month for risk and rupee.
- **1M USDIDR NDF - *Downsides Capped***. NDF last seen at 14,770, largely seeing tight swivels at the start of the week. New office Covid clusters in Jakarta triggered contagion concerns, and expectations are that the economy could see its biggest contraction in more than two decades in 2Q (surveyed reading of -4.72%/y, data release due Wed). Yesterday saw Jul PMI Mfg come in at 46.9, an improvement from Jun's 39.1, but still in contractionary territory. Inflation readings also remained soft, coming in at 2.07%/y for core CPI and 1.54%/y for headline CPI, the slowest rates of price increases since 2000. The overall macro picture is still one where consumers and corporates are in need of significant policy support. Our assessment of sentiment conditions remains broadly similar to last week—i.e., 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 USDIDR NDF for now. On daily chart, momentum is not showing a clear bias, while stochastics are on a gradual climb. Watch for support at 14530/70 (50/200-DMA), before 14,000. Resistance at 15,000 (61.8% fibo retracement from Jan low to Mar high), 15,420 (50.0% fibo). Foreign reserves due Fri.
- **USDTHB - *Supported on Dips***. Pair last seen at 31.17, hovering just below the 200-DMA at 31.20. The BoT is meeting tomorrow, and our economist team's base case is for policy rate to be kept unchanged given the need to preserve policy space, and as the economy emerges from the trough in 2Q. If this comes to pass, and if the central bank makes no serious mention of unconventional monetary policy tools (yield curve control, QE), THB sentiments could be modestly



supported. We note too that earlier drags on THB associated with the quitting of key ministers and potential cabinet reshuffle seems to have dissipated somewhat. Nonetheless, THB recoveries in the interim could be somewhat restricted in magnitude, i.e., USDTHB could still be supported on dips. Broad dollar support appears to be re-exerting after earlier freefall, and Thailand's robust current account surpluses are at threat. On daily chart, momentum has turned mildly bearish while stochastics are also on the dip towards near-oversold conditions. Support for USDTHB at 31.00, before 30.73 (76.4% fibo retracement from turn-of-year low to Apr high). Resistance at 31.43 (21-DMA), 31.87 (100-DMA). CPI, BoT rate decision due Wed.

- **1M USDPHP NDF - Risks Skewed Modestly to Upside.** NDF last seen at 49.22. A sudden decision was made on Sunday to switch Metro Manila, Cavite, Laguna, Rizal and Bulacan back to stricter lockdowns—public was given 24hrs to close shops anew (expected to last 15 days from 4 Aug to 18 Aug)—anecdotal accounts suggest that cashflows for small businesses could start to be an area of concern. Meanwhile, remittances plunged -19.3%/y in May, worsening from -16.2% prior. ADB sees a 20.2% drop in PH remittances for the full year. We note that the NDF is currently trading near lows not seen since mid-2017. On net, if PHP sentiments worsen on aforementioned factors, risks may be skewed modestly to the upside for the USDPHP NDF at this point. 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 49.42 (21-DMA), 49.83 (50-DMA). Trade, CPI due Wed, GDP due Thurs.

## Malaysia Fixed Income

### Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 3/23	1.93	1.92	-1
5YR MO 9/25	2.11	2.11	Unchanged
7YR MK 5/27	2.28	2.20	-8
10YR MO 8/29	2.54	2.49	-5
15YR MS 7/34	2.96	2.92	-4
20YR MY 5/40	3.16	3.16	Unchanged
30YR MZ 6/50	3.53	3.54	+1
IRS			
6-months	1.93	1.93	-
9-months	1.90	1.90	-
1-year	1.88	1.88	-
3-year	1.88	1.87	-1
5-year	2.05	2.06	+1
7-year	2.31	2.30	-1
10-year	2.55	2.52	-3

Source: Maybank KE

\*Indicative levels

### Analysts

Winson Phoon  
(65) 6812 8807  
winsonphoon@maybank-ke.com.sg

Se Tho Mun Yi  
(603) 2074 7606  
munyi.st@maybank-ib.com

- Demand for local government bonds and duration continued, and yields fell 1-8bps. The 7y-10y sector outperformed again with 7y and 10y MGS benchmark yields down 8bps and 5bps respectively on the back of demand from foreign and local accounts. GII yields generally declined by 2-3bps. Current domestic and external conditions remain supportive of Ringgit government bonds.
- MYR IRS curve ended flatter on better receiving interests at the long end of the curve, with 7y IRS trading at 2.31%. The front end sector remained largely unchanged. 3M KLIBOR was unchanged at 2.01%.
- In PDS, GGs broadly traded unchanged except Prasarana 2030 which dealt 4bps lower in yield. Rated corporate bond space was muted. Tenaga 2033 rallied 8bps to 3.13%, though likely an adjustment given the new Tenaga 2035 was priced at 3.25%. SEB 2028 rallied 6bps as investors continued to bid while supply is scarce in the space. AA yields traded unchanged to -1bp, with some buying in Benih Restu 2025.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.24	0.25	+1
5YR	0.50	0.50	-
10YR	0.86	0.85	-1
15YR	1.05	1.04	-1
20YR	1.10	1.09	-1
30YR	1.06	1.06	-

Source: MAS

- SGD IRS were marked up by about 1bp at the open, but retraced the move as news of US-China geopolitical tensions resurfaced. Curve is marginally flatter as front end was heavy in line with SGD forwards and the 5y10y IRS spread compressed further. SGS yields traded sideways though saw dealers selling along the curve, except for SGS 3/46 and the 30y benchmark.
- Asian credits strengthened with buying mostly seen in China, Hong Kong, Malaysia, Korea and Japan IG credits with spreads broadly 2-6bps tighter. Malaysian credit PETMK curve saw better buying with spreads around 3-4bps tighter from last week's close. Market still preferred low beta IGs. High beta credits in India and Sri Lanka spaces saw better selling interests and traded 1-2bps wider. Sovereign bonds had mixed performance with better buying at the belly and long end where spreads tightened about 3-5bps.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)	Analysts
1YR	4.27	4.35	0.08	Myrdal Gunarto (62) 21 2922 8888 ext 29695 MGunarto@maybank.co.id
3YR	5.28	5.28	0.00	
5YR	5.96	6.00	0.04	
10YR	6.83	6.85	0.02	
15YR	7.27	7.30	0.03	
20YR	7.42	7.44	0.01	
30YR	7.47	7.47	(0.00)	

\* Source: Bloomberg, Maybank Indonesia

- Indonesian government bonds slipped amidst strong investors' concern on Indonesian's negative growth result in 2Q20. Moreover, recent Indonesian result posed an indication of weak purchasing power in early period of 3Q20.
- Indonesian consumers' purchasing power isn't yet to comeback after the consumer prices index (CPI) deflated by 0.10% MoM to 104.95 in Jul-20. On annual basis, Indonesian inflation slowed from 1.96% YoY in Jun-20 to 1.54% YoY in Jul-20. Inflation was still weak although the government has loosened its Big Scale Social Restriction since Jun-20. It indicated that the consumers still refrained to purchase consumption goods, mainly due to their limitation capacity during recent lack business activities and increasing on jobless people (although it's not yet announced by officially). This condition also gives a signal of a persistence on weak economic performance until early period of 3Q20. We expect a gradual progress on the loosening social economic lock will give positive impact for the economy further. A right timing/momentum to open entire social economic activities is the key factor for the economy to immediately revive from a recession fears. The volatile foods group and the administered prices group, subsequently, recorded deflation by 1.19% MoM and 0.07% MoM, respectively, in Jul-20. Then, the core inflation recorded modest price increase by 0.16% MoM (2.07% YoY) in Jul-20. It reflected moderate adjustment on the living cost amidst recent cooling economic condition in the beginning of new normal implementation. USDIDR's movement at below 15,000 during Jul-20 had contribution for moderating pressures on the core inflation.
- Furthermore, investors will watch 1.) new positive cases on global Covid-19, 2.) U.S. labor indicators, 3.) geopolitical stories, especially between China vs West countries, 4.) Monetary decision from major central banks, such as RBA and BOE. 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	1.1853	106.89	0.7191	1.3172	7.0019	0.6680	125.6533	76.1690
R1	1.1807	106.42	0.7157	1.3124	6.9921	0.6646	125.1467	75.8240
<b>Current</b>	1.1759	106.06	0.7118	1.3076	6.9837	0.6613	124.7000	75.4860
S1	1.1706	105.53	0.7083	1.3016	6.9741	0.6577	124.0667	75.1180
S2	1.1651	105.11	0.7043	1.2956	6.9659	0.6542	123.4933	74.7570

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3810	4.2502	14672	49.3580	31.4160	1.6270	0.6098	3.0915
R1	1.3786	4.2354	14651	49.2240	31.3120	1.6228	0.6072	3.0819
<b>Current</b>	1.3766	4.2230	14700	49.1000	31.2100	1.6187	0.6050	3.0736
S1	1.3738	4.2131	14606	49.0130	31.1440	1.6132	0.6031	3.0676
S2	1.3714	4.2056	14582	48.9360	31.0800	1.6078	0.6016	3.0629

\*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	9/17/2020	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	26,664.40	0.89
Nasdaq	10,902.80	1.47
Nikkei 225	22,195.38	2.24
FTSE	6,032.85	2.29
Australia ASX 200	5,926.09	-0.03
Singapore Straits Times	2,484.91	-1.77
Kuala Lumpur Composite	1,572.61	-1.97
Jakarta Composite	5,006.22	-2.77
Philippines Composite	5,715.92	-3.57
Taiwan TAIEX	12,513.03	-1.20
Korea KOSPI	2,251.04	0.07
Shanghai Comp Index	3,367.97	1.75
Hong Kong Hang Sena	24,458.13	-0.56
India Sensex	36,939.60	-1.77
Nymex Crude Oil WTI	41.01	1.84
Comex Gold	1,986.30	0.02
Reuters CRB Index	146.77	2.14
MBB KL	7.50	-2.27

## 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	52	1.726	1.731	1.701
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	626	1.736	1.784	1.67
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	11	1.748	1.783	1.731
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	4	1.757	1.757	1.734
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	72	1.803	1.821	1.779
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	181	1.833	1.858	1.831
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	137	1.841	1.843	1.792
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	135	1.916	1.93	1.904
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	27	1.95	1.967	1.936
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	192	1.974	1.974	1.956
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	18	2.027	2.034	2.021
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	11	2.053	2.058	2.03
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	42	2.064	2.07	2.051
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	1	2.11	2.11	2.107
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	57	2.119	2.119	2.103
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	2	2.185	2.185	2.185
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	1	2.199	2.217	2.199
MGS 2/2006 4.709% 15.09.2026	4.709%	15-Sep-26	7	2.254	2.254	2.254
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	74	2.202	2.223	2.196
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	130	2.199	2.218	2.193
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	5	2.247	2.258	2.247
MGS 3/2008 5.248% 15.09.2028	5.248%	15-Sep-28	10	2.502	2.502	2.502
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	250	2.494	2.531	2.49
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	7	2.696	2.709	2.68
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	1	2.89	2.923	2.89
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	33	2.984	2.987	2.964
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	31	2.987	2.991	2.971
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	899	2.914	2.97	2.909
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	1	3.189	3.189	3.161
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	13	3.242	3.259	3.242
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	23	3.305	3.305	3.3
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	3.605	3.621	3.605
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	6	3.649	3.649	3.643
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	30	3.677	3.692	3.632
MGS 1/2020 4.065% 15.06.2050	4.065%	15-Jun-50	2	3.527	3.542	3.521
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	110	1.742	1.742	1.733
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	100	1.75	1.75	1.75
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	20	1.753	1.753	1.753
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	1	1.739	1.739	1.726
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	20	1.83	1.847	1.8
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	170	1.872	1.872	1.872
GII MURABAHAH 7/2019 3.151% 15.05.2023	3.151%	15-May-23	30	1.943	1.946	1.943
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	07-Jul-23	1	2.02	2.02	2.02
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	14	1.98	1.996	1.98
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	231	2.028	2.054	2.028
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	3	2.122	2.122	2.122
GII MURABAHAH 3/2019 3.726%	3.726%	31-Mar-26	100	2.173	2.185	2.164

31.03.2026							
GII MURABAHAH 3/2016 4.070%							
30.09.2026	4.070%	30-Sep-26	50	2.242	2.25	2.242	
GII MURABAHAH 1/2017 4.258%							
26.07.2027	4.258%	26-Jul-27	66	2.306	2.311	2.292	
GII MURABAHAH 1/2020 3.422%							
30.09.2027	3.422%	30-Sep-27	191	2.274	2.281	2.272	
GII MURABAHAH 2/2018 4.369%							
31.10.2028	4.369%	31-Oct-28	30	2.479	2.51	2.479	
GII MURABAHAH 9/2013 06.12.2028	4.943%	06-Dec-28	57	2.497	2.534	2.497	
GII MURABAHAH 1/2019 4.130%							
09.07.2029	4.130%	09-Jul-29	186	2.56	2.604	2.555	
GII MURABAHAH 2/2020 3.465%							
15.10.2030	3.465%	15-Oct-30	115	2.55	2.58	2.533	
GII MURABAHAH 5/2013 4.582%							
30.08.2033	4.582%	30-Aug-33	60	3.017	3.017	3.016	
GII MURABAHAH 6/2019 4.119%							
30.11.2034	4.119%	30-Nov-34	230	3	3.028	2.988	
GII MURABAHAH 5/2017 4.755%							
04.08.2037	4.755%	04-Aug-37	10	3.339	3.339	3.339	
GII MURABAHAH 2/2019 4.467%							
15.09.2039	4.467%	15-Sep-39	1	3.298	3.303	3.298	
GII MURABAHAH 4/2017 4.895%							
08.05.2047	4.895%	08-May-47	6	3.65	3.65	3.65	
GII MURABAHAH 5/2019 4.638%							
15.11.2049	4.638%	15-Nov-49	10	3.658	3.658	3.658	
<b>Total</b>			<b>4,905</b>				

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 3.870% 19.07.2024 - Tranche No 3	GG	3.870%	19-Jul-24	5	2.286	2.286	2.286
DANAINFRA IMTN 3.960% 07.02.2025 - Tranche No 6	GG	3.960%	07-Feb-25	10	2.326	2.326	2.319
DANAINFRA IMTN 4.040% 20.07.2027 - Tranche No 4	GG	4.040%	20-Jul-27	5	2.499	2.499	2.499
PRASARANA SUKUK MURABAHAH 4.00% 06.09.2027 - T2	GG	4.000%	06-Sep-27	10	2.597	2.602	2.597
PRASARANA IMTN 4.620% 08.03.2028 - Series 5	GG	4.620%	08-Mar-28	30	2.632	2.632	2.628
PRASARANA IMTN 4.58% 29.08.2028 - Tranche 2	GG	4.580%	29-Aug-28	10	2.672	2.672	2.668
PRASARANA IMTN 4.560% 15.11.2028 - Tranche 4	GG	4.560%	15-Nov-28	30	2.687	2.691	2.687
PRASARANA IMTN 3.090% 25.02.2030 - Series 2	GG	3.090%	25-Feb-30	40	2.75	2.75	2.75
CAGAMAS IMTN 4.170% 29.03.2021	AAA IS	4.170%	29-Mar-21	30	2.062	2.062	2.062
ASIANFIN IMTN 4.680% 24.12.2021	AAA	4.680%	24-Dec-21	10	2.594	2.652	2.594
SEB IMTN 4.700% 24.11.2028	AAA	4.700%	24-Nov-28	10	2.857	2.859	2.857
TENAGA IMTN 29.08.2033	AAA	4.780%	29-Aug-33	10	3.119	3.131	3.119
YTL CORP MTN 3652D 11.11.2026	AA1	4.630%	11-Nov-26	20	3.329	3.342	3.329
FRL IMTN 4.850% 27.10.2021	AA2	4.850%	27-Oct-21	20	2.759	2.767	2.759
BENIH RESTU IMTN 4.620% 05.06.2025	AA2 (S)	4.620%	05-Jun-25	10	3.04	3.04	3.04
UMWH IMTN 5.220% 02.10.2026	AA2	5.220%	02-Oct-26	20	3.199	3.202	3.199
STMSB MTN 1098D 30.6.2022	AA-	4.950%	30-Jun-22	6	3.617	3.622	3.617
UEMS IMTN 4.75% 22.03.2024 - Issue No. 7	AA- IS	4.750%	22-Mar-24	10	3.697	3.7	3.697
EDRA ENERGY IMTN 5.820% 04.07.2025 - Tranche No 8	AA3	5.820%	04-Jul-25	1	4.668	4.673	4.668
KESTURI IMTN 4.75% 02.12.2026 - IMTN 8	AA- IS	4.750%	02-Dec-26	15	3.54	3.54	3.54
HLA Sub Notes 31.01.2030 (Tranche 1)	AA3	3.850%	31-Jan-30	10	3.092	3.122	3.092
CYPARK REF IMTN 5.890% 30.06.2039	AA3	5.890%	30-Jun-39	10	5.133	5.133	5.133
TROPICANA IMTN 5.800% 14.05.2027 -SECURED SUKUK T1	A+ IS	5.800%	14-May-27	40	5.69	5.69	5.69
ISLAM IMTN (SUB) 3.75% 26.03.2030 - Tranche 2	A1	3.750%	26-Mar-30	10	3.376	3.383	3.376
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	20	3.18	3.183	3.18
AFFINBANK RM500M PERPETUAL AT1CS (T1)	A3	5.800%	29-Jul-18	1	3.88	3.887	3.88
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 1	NR(LT)	6.850%	07-Aug-19	1	5.983	6.283	5.983
<b>Total</b>				<b>393</b>			

Sources: BPAM

## DISCLAIMER

This report is for information purposes only and under no circumstances is it to be considered or intended as an offer to sell or a solicitation of an offer to buy the securities or financial instruments referred to herein, or an offer or solicitation to any person to enter into any transaction or adopt any investment strategy. Investors should note that income from such securities or financial instruments, if any, may fluctuate and that each security's or financial instrument's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities and/or financial instruments or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Malayan Banking Berhad and/or its affiliates and related corporations (collectively, "Maybank") and consequently no representation is made as to the accuracy or completeness of this report by Maybank and it should not be relied upon as such. Accordingly, no liability can be accepted for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Maybank and its officers, directors, associates, connected parties and/or employees may from time to time have positions or be materially interested in the securities and/or financial instruments referred to herein and may further act as market maker or have assumed an underwriting commitment or deal with such securities and/or financial instruments and may also perform or seek to perform investment banking, advisory and other services for or relating to those companies whose securities are mentioned in this report. Any information or opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward looking statements. Maybank expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

This report is prepared for the use of Maybank's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank. Maybank accepts no liability whatsoever for the actions of third parties in this respect. This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.



Published by:



Malayan Banking Berhad  
(Incorporated In Malaysia)

**Foreign Exchange**

Singapore

Saktiandi Supaat  
Head, FX Research  
saktiandi@maybank.com.sg  
(+65) 6320 1379

Christopher Wong  
Senior FX Strategist

Wongkl@maybank.com.sg  
(+65) 6320 1347

Fiona Lim

Senior FX Strategist  
Fionalim@maybank.com.sg  
(+65) 6320 1374

Yanxi Tan

FX Strategist  
tanyx@maybank.com.sg  
(+65) 6320 1378

**Fixed Income**

Malaysia

Winson Phoon Wai Kien  
Fixed Income Analyst  
winsonphoon@maybank-ke.com.sg  
(+65) 6231 5831

Se Tho Mun Yi

Fixed Income Analyst  
munyi.st@maybank-ib.com  
(+60) 3 2074 7606

Indonesia

Juniman

Chief Economist, Indonesia  
juniman@maybank.co.id  
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto

Industry Analyst

MGunarto@maybank.co.id  
(+62) 21 2922 8888 ext 29695

**Sales**

Malaysia

Azman Amiruddin Shah bin Mohamad Shah  
Head, Sales-Malaysia, GB-Global Markets  
azman.shah@maybank.com  
(+60) 03-2173 4188

Singapore

Janice Loh Ai Lin

Head of Sales, Singapore  
jloh@maybank.com.sg  
(+65) 6536 1336

Indonesia

Endang Yulianti Rahayu

Head of Sales, Indonesia

EYRahayu@maybank.co.id  
(+62) 21 29936318 or  
(+62) 2922 8888 ext 29611

Shanghai

Joyce Ha

Treasury Sales Manager  
Joyce.ha@maybank.com  
(+86) 21 28932588

Hong Kong

Joanne Lam Sum Sum

Head of Corporate Sales Hong Kong

Joanne.lam@maybank.com  
(852) 3518 8790