

Global Markets Daily

Worries of Vaccine Delay Hurt Market Sentiment

USD, JPY Better Bid

US equities were down for a third consecutive session, with NASDAQ down over 4% last night and -10% cumulatively over the past 3 sessions. Tech shares including Tesla led the decline (-21%). News of potential vaccine delay, stretched valuation concerns and US-China tensions were some of the factors weighing on sentiment. On vaccine concerns, front-runner AstraZeneca paused phase 3 vaccine trial after one person developed an unexplained illness. This proved to be a setback to sentiment as Trump had earlier raised expectations that a vaccine could be available as early in Oct. On US-China tensions, Trump Administration said it has banned imports from 3 companies in the Xinjiang region over Beijing's alleged repression of the Uighur Muslim minority group and it plans to add curbs on 6 more firms and target cotton, textiles and cotton from the area. Oil was under pressure, falling below \$40/bbl while safe haven FX proxies such as USD and JPY gained. Day ahead, AXJs could face downward pressure amid risk-off tone while USD and JPY stay better bid in the interim.

BoC to Stand Pat Tonight

BoC MPC tonight (10pm SG/KL time). BoC had been explicit on rates remaining at 0.25% until inflation returns to the 2% target at a sustainable level, effectively deploying forward guidance. Inflation is projected to average 0.6% this year, 1.2% in 2021 and 1.7% in 2022. This suggests that rate hikes may only be expected only after 2022. Bank of Canada is likely keep that dovish lilt but monetary policy settings are unlikely to be changed given low inflation pressure and several indicators suggesting that the domestic demand is on the mend".

Relatively Quiet on Data Docket Today

Key data we watch today include US JOLTS jobs openings and Canada housing starts.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1778	↓ -0.33	USD/SGD	1.3708	↑ 0.34
GBP/USD	1.2982	↓ -1.40	EUR/SGD	1.6145	↑ 0.01
AUD/USD	0.7214	↓ -0.87	JPY/SGD	1.2928	↑ 0.56
NZD/USD	0.6619	↓ -1.09	GBP/SGD	1.7796	↓ -1.06
USD/JPY	106.03	↓ -0.23	AUD/SGD	0.989	↓ -0.51
EUR/JPY	124.86	↓ -0.57	NZD/SGD	0.9073	↓ -0.77
USD/CHF	0.9178	↑ 0.19	CHF/SGD	1.4935	↑ 0.13
USD/CAD	1.3236	↑ 1.05	CAD/SGD	1.0356	↓ -0.72
USD/MYR	4.1678	↑ 0.19	SGD/MYR	3.0444	↑ 0.10
USD/THB	31.395	↓ -0.01	SGD/IDR	10790.71	↓ -0.06
USD/IDR	14765	↑ 0.17	SGD/PHP	35.5069	↓ -0.32
USD/PHP	48.557	↓ -0.22	SGD/CNY	4.9991	↓ -0.02

Implied USD/SGD Estimates at 9 September 2020, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3462	1.3737	1.4011

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
7 Sep	US	Market closure
9 Sep	CA	BoC Policy Decision
10 Sep	EU	ECB Governing Council Decision

AXJ: Events & Market Closure

Date	Ctry	Event
10 Sep	MY	BNM Policy Decision

G7 Currencies

- **DXY Index - Consolidate, with Upside Risk.** News of potential vaccine delay, stretched valuation concerns and US-China tensions were some of the factors weighing on market sentiment. On vaccine concerns, front-runner AstraZeneca paused phase 3 vaccine trial after one person developed an unexplained illness. This proved to be a setback to sentiment as Trump had earlier boosted expectations that a vaccine could be available as early in Oct. On US-China tensions, Trump Administration said it has banned imports from 3 companies in the Xinjiang region over Beijing's alleged repression of the Uighur Muslim minority group and it plans to add curbs on 6 more firms and target cotton, textiles and cotton from the area. Earlier Trump said he intends to curb US economic relationship with China. US equities were down for a third consecutive session, with NASDAQ down over 4% last night and -10% cumulatively over the past 3 sessions. Tech shares including Tesla led the decline (-21%). Oil was under pressure, falling below \$40/bbl while safe haven FX proxies such as USD and JPY gained. Overnight Senate GOP proposed a new but smaller package of measures (often referred to as the skinny bill) including jobless aid {\$300-a-week, down from \$600 previously} federal unemployment insurance through 27 Dec}, liability protections for businesses and school funding, a second round of paycheck protection program. Senate is likely to vote on Thu. DXY was last seen at 93.5 levels. Mild bullish momentum on daily chart intact while RSI is rising. Immediate resistance at 93.80 levels (61.8% fibo), 94.10 (50 DMA). Support at 92.90 (21 DMA), 92.10, 91.70 (76.4% fibo retracement of 2018 low to 2020 high). This week brings week brings JOLTS job openings (Jul) on Wed; PPI (Aug); Initial jobless claims on Thu; CPI (Aug) on Fri.
- **EURUSD - Slight Risks to the Downside ahead of ECB.** EUR continued to drift lower, in line with expectations for **downside pressure ahead of ECB - worries of ECB jawboning EUR.** Pair was last seen at 1.1770 levels. Bearish momentum on daily chart intact while RSI is falling towards near oversold conditions. Further retracement not ruled out. Key support at 1.1730, 1.1680 levels (50 DMA). Resistance at 1.1840 (21 DMA, 61.8% fibo retracement of 2018 high to 2020 low), 1.1970 levels. This week brings ECB GC on Thu and German CPI (Aug) on Fri. Key highlight this week is on ECB Governing Council policy meeting especially after comments from some ECB members and negative inflation print last week. The more than 10% run-up in EUR since mid-Mar is now showing signs of slowing after ECB chief Economist Philip Lane said that the euro does matter for monetary polic. FT also reported that several ECB officials had indicated that the rise in EUR against USD and many other currencies risks holding back Euro-area's economic recovery. Softer inflation (released last week) - core CPI printed historical low of 0.4% while headline CPI estimate also saw its first negative print - somewhat added to worries if an overly strong EUR is sapping growth and weighing on price pressures. Policy rates are expected to stay on hold: MRO at 0%, average deposit facility at -0.5 and parameters of the Pandemic Emergency Purchase Program (PEPP) are also expected to remain

unchanged: size at EUR1.35tn and to last till Jun 2021. **Key focus would be on Lagarde's press conference - if she echoes her ECB's colleagues' concerns of a rising EUR and how that could weigh on price pressures while at the same time a stronger EUR may result in EU's exports becoming less competitive.** ECB board member Schnabel had shared that impact of exchange-rate on inflation is unclear - a view that was backed by ECB research which shows that pass-through of FX movements to prices has declined in recent decades. She also shared that a boost to global trade from a weaker USD could offset a drag on EU exports from a stronger EUR. **In light of mixed EU PMIs, covid pick-up in EU and concerns over potential ECB jawboning EUR, we do not rule out further retracement on EUR.**

■ **GBPUSD - Risks Skewed to the Downside.** GBP extended its decline, in line with our caution. Sharp decline came on the back of a mix of USD rebound, risk-off tone (on stalled Astrazeneca vaccine trial) and renewed concerns of no-deal brexit. GBP was last seen at 1.2960 levels. Weekly momentum remains bullish though RSI shows signs of turning lower near overbought conditions. Daily momentum is showing a mild bearish bias while RSI is falling towards near-oversold conditions. Risks skewed to the downside for now. Support at 1.2950 levels (50 DMA), 1.2820 before 1.2740 (200 DMA). Resistance at 1.3180 (21 DMA). 8th round of brexit negotiations started in London is underway. Differences over fishing rights, competition rules and how a deal would be enforced remain. Expectations of a deal soon remains low for now but we expect negotiation intensity to pick up, with more hard-talks from both sides. GBP is likely to be driven both ways directionally in the process of such. Earlier PM BoJo said that he is preparing to walk away from trade talks and let the deal fail rather than compromise on what he sees as core brexit principles. He also mentioned deadline of 15th Oct - that a deal must be done (stoking fears of no-deal brexit again). This week brings BRC Sales (Aug) on Tue; IP, Construction output, Trade (Jul) on Fri.

■ **USDJPY - Range; Downward Pressures Could Exert as US Elections Nears.** Pair last seen at 105.96, hovering just below the key 106 level. Pair saw a modest step-down yesterday evening as risk-off sentiments began to take hold in markets (particularly in US tech and oil) and demand for haven assets likely strengthened. UST yields was also on the decline, adding mildly to the allure of the JPY. We maintain our broad downside bias for the USDJPY pair into 4Q as JPY could still be a better haven relative to USD in the lead-up to the US elections, but we caution that momentum indicator on daily chart is still bullish. Suga, a heavy favourite in internal LDP elections, will likely be taking over from Abe as PM in mid-Sep. Comments thus far indicate that "Abenomics" and foreign policy continuity will likely be intact. Support at 105.20 (61.8% fibo retracement of Mar low to high), before 103.70 (76.4% fibo). Resistance at 106.35 (50-DMA), 106.90 (100-DMA), 107.70 (38.2% fibo). Broad 105.20 to 106.90 range likely to hold in interim. Machine tool orders due today, core machine orders due Thurs, PPI due Fri.

- **NZDUSD - 21, 50 DMA Support Critical.** NZD fell amid softer risk appetite (on the back of pause in vaccine trial) and renewed focus on RBNZ's NIRP ambitions. RBNZ is said to eye Sweden as a roadmap for NIRP. NZ 2y swap points went slight negative for first time (-0.005%). OIS-implied are now pricing in 50bps cut by 4Q 2021. NZD was last seen at 0.6620 levels. Bullish momentum on daily chart waned while RSI is falling. Risks remain skewed to the downside. Immediate support at 0.6610/20 levels (21, 50 DMAs). Break below this puts next support at 0.6450. Resistance at 0.6760. This week brings Card spending (Aug) on Thu; Food prices, Mfg PMI (Aug) on Fri.
- **AUDUSD - 21 DMA Broken.** AUDUSD slid under the 21-dma on a **combination** of factors that weakened risk appetite and strengthened the USD broadly. Risk sentiment started to deteriorate in late Asian hours upon news that Tesla would not be included in S&P Dow Jones indices. Oil also made headlines with its slip under the key \$40/bbl on concerns about stalling Asian demand (most notably China's) as well as dampened risk appetite. In addition, early morning sentiment was further weakened when Astrazeneca Covid-19 vaccine phase 3 study was stalled due to a suspected serious adverse reaction in a participant in the UK. The AUDUSD was last seen around 0.7210. Momentum indicators has become more bearish. More talk of rate-cuts and an expansion of QE could slow AUD bullish momentum. In addition, the recent targeted property tightening in China could mean a slowdown in construction and commodity demand out of China. Next support at 0.7120 (50 DMA). Resistance at 0.7340, 0.7380 levels. Week ahead has NAB business survey for Aug on Wed, Westpac consumer confidence index for Sep on Thu. At home, Victoria just reported 76 new cases and 11 deaths while Queensland reported 8 new cases.
- **USDCAD - Lean Against its Strength.** The falling trend channel was violated amid the rise in the USD and fall of the crude prices. USDCAD leapt to levels around 1.3230, playing out the rebound risk that we warned in this space yesterday. 1.3270 is the next resistance level before the 50-dma at 1.3330. The 100-dma is en-route to cross the 200-dma to the downside and we see this upmove as a short-term retracement before an eventual resumption to its downtrend. On the daily chart, MACD is rising. Support at 1.3160 before 1.2950 and then at 1.2886. Week ahead has housing starts for Aug on Thu along with BoC policy rate decision. In the last meeting, BoC had been explicit on rates remaining at 0.25% until inflation returns to the 2% target at a sustainable level, effectively deploying forward guidance. Inflation is projected to average 0.6% this year, 1.2% in 2021 and 1.7% in 2022. This suggests that rate hikes may only be expected only after 2022. Bank of Canada is likely keep that dovish lilt but monetary policy settings are unlikely to be changed given low inflation pressure and several indicators suggesting that the domestic demand is on the mend

Asia ex Japan Currencies

SGD trades around +0.21% from the implied mid-point of 1.3737 with the top estimated at 1.3462 and the floor at 1.4011.

- **USDSGD - Approaching Upper Bound of Bearish Trend Channel.** Pair last seen at 1.3712. Broad risk-off sentiments yesterday, triggered by bouts of declines in US equities, added to dollar strength and boosted USDSGD. We had started cautioning on Mon that “...Spillovers in risk-off sentiments and a less-bearish USD could lend some near-term support to USD-AxJ pairs”. 1.3670 (21-DMA) may hold as a new support for now; next at 1.3560 (Sep low). 1.3730-40 (76.4% fibo retracement of 2020 low to high; upper bound of bearish trend channel from Mar) area could be a strong resistance. Next at 1.3765 (50 DMA). On daily chart, momentum indicator is bullish but stochastics are approaching near-overbought conditions.
- **AUDSGD - Bias to Accumulate on Dips.** This cross remains biased to the downside on AUD weakness as risk-off drags. Price at 0.9890. Stochastics remain on the downmove and the 21-dma support levels at 0.9880 is being tested. Next support is seen around 0.9810 respectively. Momentum indicators are still bullish but waning. We look for dips to accumulate into especially with the overdue AUD correction playing out. Resistance is seen at 1.0120.
- **SGDMYR - Modest Upside Risks.** SGDMYR remains little changed; last seen at 3.0445 levels. Mild bearish momentum on daily chart remains intact but shows tentative signs of fading while RSI is rising. Interim upside risks. Resistance at 3.0470 (200 DMA), 3.05 (38.2% fibo) and 3.0630 (50, 100 DMAs). Support at 3.0350 (50% fibo retracement of 2020 low to high) before 3.0210 levels (76.4% fibo). Look for 3.0350 - 3.0550 range intra-day.
- **USDMYR - Bias to Fade Upticks.** USDMYR extended its climb, in line with our caution for rebound risks. Risk-off tone (owing to pause in Astrazeneca’s vaccine trial), jump in covid cases in Malaysia, softer oil prices and USD broad rebound were some of the factors behind the move up in USDMYR. Pair was last seen at 4.1730 levels. Daily momentum is showing a mild bullish bias while RSI is rising. Risk to the upside for now but death cross (50 DMA cuts 200 DMA to the downside) formed - typically a bearish signal. Look for upticks to fade into. Resistance here at 4.1730 (21 DMA), 4.18. Support at 4.1460 (76.4% fibo retracement of 2020 low to high), 4.1340 (yesterday low) before 4.12. This week’s focus on BNM MPC on Thu - House view is for “dovish pause” in BNM’s OPR at the two remaining MPC meetings on 9-10 Sep and 2-3 Nov 2020 to preserve monetary policy space amid the on-going rollout of economic stimulus and recovery measures. There is room for further OPR cut(s) if needed, even at current record-low level of 1.75%, especially in view of the deflation environment. Real OPR are high on monthly and year-to-date basis compared with historical level/range, and BNM is not averse to a limited period of negative real OPR in the past.
- **1m USDKRW NDF - Range-Bound.** 1m USDKRW NDF firmed, alongside other USDAXJs amid softer risk appetite, USD rebound. Pair was last

seen at 1190 levels. Mild bullish momentum intact. Resistance at 1192 (50 DMA). Support at 1186 (21 DMA), 1182 levels. Still look for range-bound trade of 1187 - 1192 intra-day.

- **USDCNH - Prefer to Sell on Rally.** USDCNH rebounded in tandem with the rest of the peers on weaker risk sentiment and broadly firmer USD. This pair was last seen around 6.85. Resistance is seen around 6.8860 (21-dma) before the next resistance at 6.9020 (23.6% Fibonacci retracement of the Jun-Sep fall). Nonetheless, the downtrend is still kept largely intact and the RMB could be more resilient vs. its peers. Strength of the RMB could be due to strong economic data releases lately vs. the rest of the world, relatively less dovish monetary policy stance and a relatively benign trade environment given that the phase 1 trade deal with US is still intact. FTSE Russell's potential upgrade of market accessibility for China government bonds could also be an underpinning factor for RMB sentiment in the near-term. Despite the steep plunge in USDCNH, we had not ruled out a rebound in the USDCNH towards 6.90 and that seems to be playing out in this bout of risk-off. We prefer to sell this pair on rally. The 100-dma is seen to be en-route to cut the 200-dma to the downside, underscoring the inherent bearish bias of the USDCNH. We see risks of more bearish moves in the longer term. The neckline of the double top has been broken at 6.85, and we would not rule out further bearish moves beyond 6.80 towards next support at 6.6770 and textbook support of 6.50. In data, inflation is due on Thu and credit numbers between 10-15th. Elsewhere, TikTok's Chief of US policy told Bloomberg that the company is in close coordination with the US Department of Homeland Security to "ensure no foreign interference on the platform or mis- and disinformation about the election". Inflation prints were just released, line with consensus with CPI at 2.4%/y , PPI at -2.0%/y vs. expected -1.9%.
- **1M USDINR NDF - Rising, But Falling Trend Channel Still Intact.** The 1M NDF has risen to levels around 74-figure, still under the 200-dma at 74.35. 21-dma has crossed the 200-dma to the downside, underscoring the bearish bias of this pair. 50-dma and 100-dma are turning lower as well. Downtrend is still largely intact at this point, barring no serious and extended risk-off events. At home, Expenditure Secretary Somanathan told Bloomberg that the government is re-prioritizing spending towards sectors that generate more value. But spending will still be sustained regardless of the pandemic. Separately, according to the report by the RBI expert committee headed by former ICICI Bank Chief K V Kamath, 19 sectors which were not under stress before the pandemic but have been hit by it account for INR 15.5trn of debt with retail and wholesale trade most affected. 70% of banking sector debt is affected by the pandemic. Data-wise, Jul industrial production is due.
- **1M USDIDR NDF - Range.** NDF last seen at 14,920. It was on a climb yesterday alongside a recovery in broad dollar strength. Volatility across asset classes (triggered by corrections in US equities) could be negative for IDR, given its sensitivity to shifts in external sentiments, but BI

intervention efforts may cap extent of any IDR weakening. NDF seems to have found support on the 50-dma at 14,740. Upsides in the NDF could be capped in the interim. Support at 14,660 (200-DMA), 14,450 (76.4% fibo retracement from Jan low to Mar high). Resistance at 15,000 (61.8% fibo), 15,400 (50.0% fibo). Momentum on daily chart is mildly bullish while stochastics are approaching near-overbought conditions.

- **USDTHB - *Supported***. Pair last seen at 31.40. Risk factors are mixed at the moment. Outgoing BoT Governor Veerathai said that current monetary policy is accommodative enough and that further rate cuts might not be as effective in aiding the economic recovery. Unconventional monetary policy options are being studied but might also not be needed for now. These comments could support THB a tad. But at the same time, BoT will likely revamp the regime for gold trading by year-end, which may help prevent bouts of THB strengthening when gold prices climb. This could be net negative for the THB. In the interim, alongside some signs of near-term dollar retracement, we expect the USDTHB pair to be relatively supported for now. Support at 31.00, before 30.73 (76.4% fibo retracement from turn-of-year low to Apr high). Resistance at 31.60 (100-DMA), 31.95 (38.2% fibo). Momentum and stochastics indicators on daily chart are on a modest climb. Foreign reserves due Fri.
- **1M USDPHP NDF - *Consolidative***. NDF last seen at 48.68, staying stable just above 48.5-levels. BSP looks likely to sell its maiden securities this quarter, and the programme may become its main tool to control financial system liquidity, adding to its toolkit of short-term deposits and reserve requirement ratios. If there is sufficient external demand for these securities, this move may be somewhat supportive of the PHP. In the meantime, BSP will also continue to buy government bonds from the secondary market for as long as needed. Earlier, there were reports that President Duterte may approve a proposed pandemic bill that could allow BSP to buy more government debt from the Treasury to help boost state funding. The cap had been 20% of the government's average revenue but the provision of the bill could lift this limit to 30%. These developments may induce some interim concerns over debt monetization. On net, NDF could continue to consolidate within the 48-49 range. Technicals-wise, momentum on daily chart is modestly bullish and stochastics are on the climb towards near-overbought conditions. Key support at 48.00. Resistance nearby at 48.70 (21-DMA), 49.10 (50-DMA). Exports due Thurs..

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 3/23	1.83	1.85	+2
5YR MO 9/25	2.04	2.06	+2
7YR MK 5/27	2.31	2.34	+3
10YR MO 8/29	2.56	2.59	+3
15YR MS 7/34	3.02	3.02	Unchanged
20YR MY 5/40	3.37	3.38	+1
30YR MZ 6/50	3.65	3.72	+7
7IRS			-
6-months	1.90	1.90	-
9-months	1.88	1.88	-
1-year	1.90	1.90	-
3-year	1.93	1.95	+2
5-year	2.14	2.17	+3
7-year	2.32	2.31	-1
10-year	2.58	2.58	-

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

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

Source: Maybank KE

*Indicative levels

- Local government bonds remained weak, with MGS and GII curves shifting 1-7bps higher, as market remained defensive with better selling interests at the belly and long end. Market view seemed divided and some participants are taking profit. Traded volume still low ahead of Thursday's MPC meeting.
- In MYR IRS, risk-on mood spurred better paying along the 3y5y with rates higher by 1-3bps. But liquidity was poor and hardly any quotes. Only the 4y IRS was dealt at 2.06%. 3M KLIBOR unchanged at 1.98%.
- Local corporate bonds market continued to be active, especially in the rated corporate space. GG trades were mainly at the belly and long end with the curve largely unchanged. AA space was the most active such as in LDF3 and KLK bonds with yields unchanged to -1bp at the front end and belly. BGSM 2027 yield traded 6bps lower, though in just MYR5m size. AAA space was muted with Aman bonds trading sideways. Investors could remain sidelined for now.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.25	0.24	-1
5YR	0.48	0.47	-1
10YR	0.96	0.95	-1
15YR	1.24	1.22	-2
20YR	1.37	1.36	-1
30YR	1.26	1.26	-

Source: MAS

- The US holiday overnight led to a quiet start for SGD rates market, which opened better offered and this gathered momentum in the afternoon as US tech names weakened. SGD IRS rates lowered 1-2bps in a flattening move. SGS yields also fell 1-2bps with outperformances in the 10y and 15y benchmarks. US equities to indicate risk sentiment for the time being.
- Asian credit secondary space was rather quiet amid the heavy primary pipelines, which included Central Nippon Expressway, BOC Aviation, Bahrain government and The Commercial Bank (PSQC). Sumitomo Trust could be opening books for a new issuance on Wednesday. Secondary saw little trading interest and levels were unchanged from last Friday. Market slightly better offered at the moment as investors took profit or reduced positions to make way for new issuances. China, India, Korea, Japan and Malaysia credits unchanged while Indonesia HYs were slightly better bid and rose 0.75pts in price.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	3.85	3.86	0.00
3YR	5.08	5.08	0.00
5YR	5.51	5.50	(0.01)
10YR	6.90	6.87	(0.03)
15YR	7.41	7.41	0.01
20YR	7.43	7.45	0.02
30YR	7.48	7.48	(0.00)

Analysts

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

* Source: Bloomberg, Maybank Indonesia

- Indonesian government bonds sustained their rally trends yesterday, especially for 5Y and 10Y series. Yesterday, the government also successfully absorbed Rp22 trillion of investors funds on the conventional bonds auction. It's higher than the government's initial target by Rp20 trillion. FR0086 and FR0087 were the most attractive series for investors given that those series will be strong candidate for the next year's benchmark series. Total incoming bids on yesterday's auction reached Rp52.3 trillion. It was lower than Rp78.3 trillion of previous auction bid and Rp72.2 trillion of averages bid per auction by Year to Date/YTD). We thought that it's in line with recent investors' wait&see mode (especially foreigners) during surging positive cases on domestic Coronavirus pandemic. According to the various sources, total foreigners recorded Rp5.5 trillion of total bids of demand on yesterday's auction. It was lower than previous auction record by Rp9.2 trillion and the averages YTD on foreigners' bid demand auction by Rp13.3 trillion. Overall, YTD, the government has issued Rp947.6 trillion of the bonds or 61.9% of its gross issuance target for 2020.
- Going forward, further rally on the government bonds' prices will depend on the domestic economic prospect during recent increasing trends on positive cases of COVID-19. Hence, investor can take momentum for "buy on weakness" during recent condition. The market players kept their strong confidence to put investment that offering attractive yields with good positioning on the credit rating. Aside from that factor, investors will also keep watching 1.) new vaccine progress on global Covid-19 cases, 2.) macroeconomic data/news result, such as ECB meeting, some inflation data in EU, the U.S., and China, 3.) geopolitical stories, especially between China vs West countries.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1851	106.61	0.7343	1.3238	6.8740	0.6740	126.0200	78.0553
R1	1.1815	106.32	0.7278	1.3110	6.8639	0.6680	125.4400	77.2727
Current	1.1773	105.92	0.7217	1.2970	6.8562	0.6618	124.7000	76.4320
S1	1.1754	105.80	0.7180	1.2917	6.8359	0.6586	124.4900	76.0807
S2	1.1729	105.57	0.7147	1.2852	6.8180	0.6552	124.1200	75.6713

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3755	4.1750	14840	48.7190	31.5623	1.6188	0.6114	3.0524
R1	1.3731	4.1714	14803	48.6380	31.4787	1.6167	0.6104	3.0484
Current	1.3710	4.1770	14770	48.5680	31.4070	1.6141	0.6101	3.0471
S1	1.3672	4.1606	14724	48.5130	31.3017	1.6129	0.6082	3.0407
S2	1.3637	4.1534	14682	48.4690	31.2083	1.6112	0.6069	3.0370

*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	0.4061	Oct-20	Easing
BNM O/N Policy Rate	1.75	10/9/2020	Easing
BI 7-Day Reverse Repo Rate	4.00	17/9/2020	Easing
BOT 1-Day Repo	0.50	23/9/2020	Easing
BSP O/N Reverse Repo	2.25	1/10/2020	Easing
CBC Discount Rate	1.13	17/9/2020	Easing
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	4.00	1/10/2020	Easing
BOK Base Rate	0.50	14/10/2020	Easing
Fed Funds Target Rate	0.25	17/9/2020	Easing
ECB Deposit Facility Rate	-0.50	10/9/2020	Easing
BOE Official Bank Rate	0.10	17/9/2020	Easing
RBA Cash Rate Target	0.25	6/10/2020	Easing
RBNZ Official Cash Rate	0.25	23/9/2020	Easing
BOJ Rate	-0.10	17/9/2020	Easing
BoC O/N Rate	0.25	9/9/2020	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	27,500.89	-2.25
Nasdaq	10,847.69	-4.11
Nikkei 225	23,274.13	0.80
FTSE	5,930.30	-0.12
Australia ASX 200	6,007.84	1.06
Singapore Straits Times	2,504.76	-0.26
Kuala Lumpur Composite	1,519.32	0.19
Jakarta Composite	5,244.07	0.27
Philippines Composite	6,034.03	1.65
Taiwan TAIEX	12,663.56	0.49
Korea KOSPI	2,401.91	0.74
Shanghai Comp Index	3,316.42	0.72
Hong Kong Hang Seng	24,624.34	0.14
India Sensex	38,365.35	-0.14
Nymex Crude Oil WTI	36.76	-7.57
Comex Gold	1,943.20	0.46
Reuters CRB Index	146.00	-2.47
MBB KL	7.50	3.31

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	448	1.748	1.749	1.696
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	94	1.7	1.751	1.642
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	201	1.68	1.689	1.669
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	128	1.685	1.698	1.677
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	4	1.73	1.73	1.73
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	21	1.768	1.768	1.768
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	50	1.76	1.771	1.76
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	256	1.844	1.868	1.844
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	20	1.833	1.854	1.833
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	91	1.967	1.967	1.85
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	55	2.007	2.047	1.999
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	27	1.995	2.029	1.971
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	5	2.032	2.032	2.007
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	2	2.085	2.085	2.085
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	58	2.043	2.067	2.025
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	24	2.212	2.212	2.201
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	2.237	2.24	2.237
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	3	2.345	2.345	2.345
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	138	2.338	2.338	2.25
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	6	2.361	2.364	2.361
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	40	2.52	2.52	2.495
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	77	2.579	2.586	2.549
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	6	2.757	2.814	2.757
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	9	3.11	3.11	3.087
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	3	3.14	3.143	3.14
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	52	3.03	3.06	3
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	3	3.329	3.331	3.329
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	129	3.396	3.397	3.339
MGS 1/2020 4.065% 15.06.2050	4.065%	15-Jun-50	39	3.719	3.719	3.719
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	120	1.676	1.676	1.676
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	80	1.7	1.7	1.69
GII MURABAHAH 4/2018 3.729% 31.03.2022	3.729%	31-Mar-22	4	1.777	1.777	1.777
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	5	1.739	1.752	1.739
GII MURABAHAH 7/2019 3.151% 15.05.2023	3.151%	15-May-23	80	1.863	1.863	1.863
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	170	2.043	2.043	2.031
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	10	2.091	2.095	2.091
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	10	2.117	2.117	2.117
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	104	2.163	2.17	2.132
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	40	2.292	2.292	2.292
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	3	2.357	2.36	2.357
GII MURABAHAH 1/2020 3.422% 30.09.2027	3.422%	30-Sep-27	2	2.341	2.341	2.341
PROFIT-BASED GII 1/2013 08.08.2028	3.871%	08-Aug-28	10	2.571	2.571	2.571
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	122	2.581	2.581	2.548
GII MURABAHAH 9/2013 06.12.2028	4.943%	06-Dec-28	80	2.609	2.609	2.593
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	2	2.576	2.579	2.576

GII MURABAHAH 2/2020 3.465% 15.10.2030	3.465%	15-Oct-30	26	2.555	2.567	2.55
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	30	3.112	3.112	3.112
GII MURABAHAH 2/2019 4.467% 15.09.2039	4.467%	15-Sep-39	30	3.436	3.436	3.429
Total			2,916			

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	30	2.079	2.1	2.079
DANAINFRA IMTN 4.360% 12.02.2029 - TRANCHE 6	GG	4.360%	12-Feb-29	30	2.68	2.68	2.68
PTPTN IMTN 4.270% 01.03.2029	GG	4.270%	01-Mar-29	20	2.69	2.69	2.69
MRL IMTN 3.130% 05.07.2030	GG	3.130%	05-Jul-30	50	2.8	2.8	2.8
PRASARANA IMTN 3.440% 24.02.2040- Series 4	GG	3.440%	24-Feb-40	35	3.5	3.501	3.498
AMAN IMTN 5.050% 27.02.2026 - Tranche No. 6	AAA IS	5.050%	27-Feb-26	15	2.626	2.626	2.626
AMAN IMTN 4.400% 12.04.2027 - Tranche No. 18	AAA IS	4.400%	12-Apr-27	30	2.746	2.754	2.746
TENAGA IMTN 3.550% 10.08.2040	AAA	3.550%	10-Aug-40	1	3.501	3.501	3.501
KLK IMTN 4.00% 02.09.2022 - Issue No. 1	AA1	4.000%	02-Sep-22	40	2.394	2.394	2.386
KLK IMTN 4.580% 12.08.2025 - IMTN 1	AA1	4.580%	12-Aug-25	10	2.681	2.681	2.678
KLK IMTN 4.650% 24.04.2026 - IMTN 2	AA1	4.650%	24-Apr-26	10	2.751	2.751	2.748
KLK IMTN 3.75% 27.09.2029 - Tranche 1	AA1	3.750%	27-Sep-29	35	3.037	3.06	3
UOBM MTN 3.00% 02.8.2030	AA1	3.000%	02-Aug-30	1	2.719	2.719	2.719
UEMS IMTN 4.00% 09.06.2023 - Issue No. 10	AA- IS	4.000%	09-Jun-23	1	3.506	3.51	3.506
MRCB20PERP IMTN 3.850% 14.08.2023	AA- IS	3.850%	14-Aug-23	3	3.577	3.577	3.577
EDRA ENERGY IMTN 5.790% 03.01.2025 - Tranche No 7	AA3	5.790%	03-Jan-25	1	3.189	3.191	3.189
PTP IMTN 3.950% 18.06.2027	AA- IS	3.950%	18-Jun-27	50	3.229	3.232	3.229
BGSM MGMT IMTN 4.130% 03.12.2027 - Issue No 18	AA3	4.130%	03-Dec-27	5	3.118	3.118	3.118
LDF3 IMTN 5.440% 23.08.2029	AA- IS	5.440%	23-Aug-29	10	4.241	4.246	4.241
HLA Sub Notes 31.01.2030 (Tranche 1)	AA3	3.850%	31-Jan-30	20	3.001	3.001	2.996
RHBBANK MTN 3652D 28.5.2030	AA3	3.350%	28-May-30	20	2.999	3.001	2.999
MRCB20PERP IMTN 4.450% 14.08.2030	AA- IS	4.450%	14-Aug-30	10	4.318	4.321	4.318
LDF3 IMTN 5.640% 22.08.2031	AA- IS	5.640%	22-Aug-31	10	4.427	4.427	4.421
LDF3 IMTN 5.860% 23.08.2033	AA- IS	5.860%	23-Aug-33	30	4.594	4.598	4.594
LDF3 IMTN 5.950% 23.08.2034	AA- IS	5.950%	23-Aug-34	20	4.687	4.687	4.682
LDF3 IMTN 6.040% 23.08.2035	AA- IS	6.040%	23-Aug-35	10	4.77	4.77	4.77
LDF3 IMTN 6.130% 22.08.2036	AA- IS	6.130%	22-Aug-36	15	4.862	4.862	4.857
LDF3 IMTN 6.430% 23.08.2039	AA- IS	6.430%	23-Aug-39	20	5.119	5.119	5.119
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	1	3.836	4.341	3.836
TROPICANA IMTN 5.500% 30.06.2023 - SEC. SUKUK T2S1	A+ IS	5.500%	30-Jun-23	1	4.968	4.968	4.968
DRB-HICOM IMTN 5.100% 12.12.2029	A+ IS	5.100%	12-Dec-29	35	4.909	4.909	4.909
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	1	3.31	3.31	3.31
POI 7.600% 27.06.2022 (Tranche 1)	A3	7.600%	27-Jun-22	1	4.954	4.965	4.954
EWIB IMTN 6.400% 24.05.2023	NR(LT)	6.400%	24-May-23	2	5.7	5.7	5.165
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	02-Apr-17	2	4.869	4.882	4.869
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 1	NR(LT)	6.850%	07-Aug-19	1	6.685	6.685	6.685
CRE IMTN 6.500% 04.09.2120	NR(LT)	6.500%	04-Sep-20	1	6.491	6.496	6.491

Total**576**

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