

## Global Markets Daily

# Dollar Rally Pares Momentum a Tad

### Tech Rally in US Equities Last Fri

Broad market sentiments could continue to be driven by action out of the US. Markets may be getting a tad more hopeful for a US fiscal stimulus deal pre-elections, although US-China tensions remains closely watched (more details in 2<sup>nd</sup> para). A tech rally last Fri helped US equities pare losses seen earlier last week, and the positive momentum extended somewhat to regional equities this morning as well, keeping the DXY a tad on the backfoot (but still -1.7% higher vs. a week ago).

### Multiple US Developments Responsible for Market Swings

Comments from Speaker Pelosi suggest that there's still chances for a stimulus deal in the US, with Democrats likely unveiling a new "proffer" shortly (like < US\$2.4trn). There might be a more serious attempt at bridging the rift with Republicans, as there's no point in tabling a bill that is "dead on arrival" in the Republican-controlled Senate. Meanwhile, concerns over US-China tensions may be in focus again, with the US imposing export curbs on SMIC, China's largest chipmaker, citing an "unacceptable risk" of components/products being diverted to "military end use". On a mitigating note, US District Judge Carl Nichols granted a preliminary injunction against Trump's proposed ban on TikTok from app stores, although he refused to grant an injunction against a Nov deadline for a sale.

### US Dallas Fed Mfg, EU-UK Joint Committee Meeting Due

Key data we watch today include US Dallas Fed Mfg activity (Sep), Japan Leading, Coincident Indices (Jul), Malaysia Trade (Aug). ECB's Lagarde will also be speaking in EU parliament. Third meeting of the EU-UK Joint Committee due.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1631	↓ -0.35	USD/SGD	1.3776	↑ 0.12
GBP/USD	1.2746	↓ -0.01	EUR/SGD	1.6022	↓ -0.24
AUD/USD	0.7031	↓ -0.23	JPY/SGD	1.305	↑ 0.02
NZD/USD	0.6546	→ 0.00	GBP/SGD	1.7554	↑ 0.07
USD/JPY	105.58	↑ 0.16	AUD/SGD	0.9686	↓ -0.05
EUR/JPY	122.88	↓ -0.13	NZD/SGD	0.9017	↑ 0.13
USD/CHF	0.9283	↑ 0.16	CHF/SGD	1.4833	↓ -0.11
USD/CAD	1.3386	↑ 0.18	CAD/SGD	1.029	↓ -0.05
USD/MYR	4.1705	↓ -0.01	SGD/MYR	3.032	↑ 0.02
USD/THB	31.59	↓ -0.13	SGD/IDR	10825.21	↓ -0.16
USD/IDR	14873	↓ -0.11	SGD/PHP	35.238	↓ -0.21
USD/PHP	48.47	↓ -0.20	SGD/CNY	4.95	↓ -0.17

Implied USD/SGD Estimates at 28 September 2020, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3494	1.3769	1.4045

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### G7: Events & Market Closure

Date	Ctry	Event
-	-	-

### AXJ: Events & Market Closure

Date	Ctry	Event
30 Sep to 2 Oct	KR	Market Closure
1, 2 Oct	CN, HK, TW	Market Closure
1 Oct	PH	BSP Policy Decision
1 Oct	IN	RBI Policy Decision
2 Oct	IN	Market Closure

## G7 Currencies

- **DXY Index - Supported but RSI in Overbought.** USD remains better bid overall amid uncertainty on US fiscal stimulus, risk aversion (covid resurgence, uneven growth momentum, TikTok ruling) and Fed speaks (last week). On Fed speaks, there seem to be an implicit message that the Fed may be done for now despite keeping monetary policy accommodative for longer and Fed officials are suggesting that fiscal support should do the heavy lifting. With Fed not looking to ease further but other major central banks stepping up their willingness to ease, the case for monetary policy divergence trade should not be ruled out. ECB is expected to expand asset purchase plan before year-end, BOE and RBNZ are looking to explore NIRP (possibly to be deployed in 2021) and RBA could potentially lower rate as soon as the next MPC. Taken together policy divergence suggests the yield compression could get underway for some majors (such as AUD, NZD) vs. USD and this is broadly supportive of USD. DXY was last seen at 94.60 levels. Bullish momentum on daily chart remains intact while RSI is rising towards overbought conditions. Risks still skewed to the upside; but we watch developments for turn-around especially with RSI near overbought conditions. Resistance at 95.1 (38.2% fibo). Support at 93.90 levels (23.6% fibo retracement of May high to Sep low), 93.45 (50 DMA) and 93.2 levels (21 DMA). Week ahead brings Dallas Fed mfg activity (Sep) on Mon; Conference board consumer confidence (Sep) on Tue; ADP Employment (Sep); GDP (2Q); Chicago PMI (Sep); Pending home sales (Aug); Televised debate between Trump and Biden (9am SG, KL time); on Wed; Personal income, spending, PCE core, construction spending (Aug); ISM mfg (Sep); Initial jobless claims on Thu; NFP, Unemployment rate, hourly earnings, Uni of Mich sentiment (Sep); Factory orders, durable goods (Aug) on Fri.
- **EURUSD - Bearish but Oversold.** EUR fell more than 2% last week amid covid resurgence in EU, slump in prelim services PMI into contractionary territories and ECB comments. There seem to be a wave of covid resurgence in Europe - France daily infection jumped to 13k while Germany jumped to above 2k cases per day last week, triggering concerns of potential lockdown. Spanish government for instance, has called for Madrid city to be locked down. Earlier in the week, ECB officials' comments also weighed on EUR - ECB board member Panetta said policymakers should err on side of doing more to keep rebound on track while at the Franco-German parliamentary assembly, ECB's Lagarde said that EUR appreciation puts downward pressure on prices. EUR was last seen at 1.1630 levels. Bearish momentum on daily chart still intact while RSI is near oversold conditions. Immediate support at 1.1610 levels. Decisive break lower puts next support levels at 1.1490 (38.2% fibo) and 1.1465 (100 DMA). Resistance at 1.1690 levels (23.6% fibo retracement of 2020 low to high), 1.1780/90 (21, 50 DMAs). Potential bearish crossover - 21DMA crossed 50DMA to the downside. Directional bias to the downside but mini bounces not ruled out. Week ahead brings ECB's Lagarde speaks in EU parliament on Mon; Consumer confidence (Sep); German CPI (Sep) on Tue; PMI Mfg, PPI (Aug) on Thu; CPI (Sep P) on Fri.

- **GBPUSD - Busy Week over Brexit.** Renewed fears of no-deal brexit, USD resurgence, BoE's re-visit to NIRP and concerns of 'circuit-break' lockdown measures amid COVID resurgence in UK were some of the factors behind the >5% decline in GBP MTD. However, there was some stabilisation late this week after Chancellor Sunak announced plans to support employment as furlough scheme ends in Oct. Key support measure was wage subsidy scheme for part time workers whom hours worked have been reduced (in place of furlough program that had paid 9mio workers up to 80% of their wages costing Treasury GBP39bn so far. Businesses such as bars and restaurants that have to close at 10pm - would need help from the government. Under this scheme, the cost of the remaining hours not worked will be split between workers, employers and the government. Plan is intended to prevent gradual increase in job losses. Other support measures include extended hardship loans for businesses hit by covid and extended VAT reduction for hospitality and tourism sectors. Despite measures, Sunak warned the more UK jobs will go amid covid damage. Making things worse is the resurgence of covid cases with daily infection rising past 6,600 on Thu (highest since May), triggering concerns of national lockdown. This week, both sides will meet in Brussels for a final round of formal discussions. The EU wants UK to commit to a clear, legally binding mechanism for resolving any disputes particularly on the issue of state aid. It wants the UK to pledge it will still be bound by the European Convention of Human Rights and provide clarity on future data protection regime before getting into the specifics of how law enforcement and security officials will collaborate. On fishing rights issue, the EU wants to ensure that the distribution of quotas do not jeopardize the fishing communities in EU member states. GBP was last seen at 1.2760 levels. Bearish momentum on daily chart is intact but shows signs of fading while RSI is showing signs of turning from near oversold conditions. Potential bullish divergence on MACD - but may still be too early to confirm. Rebound risks not ruled out. Resistance at 1.2830, 1.3020 (50 DMA). Key support at 1.2730 (100, 200 DMAs), 1.2680 and 1.2460 levels. This week brings EU-UK Joint Committee meeting on Mon; M4 (Aug) on Tue; GDP, Current account (2Q F); Parliament review of Internal Market bill on Wed; PMI Mfg (Sep) on Thu.
- **USDJPY - Sell on Rallies.** Pair last seen at 105.42, largely on par with levels seen last Fri morning. Pair made a move higher towards 105.70 near the end of last week's trading session but was unable to break through. Market risk sentiments are still mixed at this point. Comments from Speaker Pelosi suggest that there's still chances for a stimulus deal in the US, with Democrats likely unveiling a new "proffer" shortly. But concerns over US-China tensions may be in focus again, with the US imposing export curbs on SMIC, China's largest chipmaker. On net, the broad assessment remains unchanged—domestic macro woes and signs of external volatility could suggest a tad greater JPY demand into 4Q, but intermittent rebounds in USDJPY pair on dollar strengthening still possible in the near-term. Bias to sell on rallies at this point. Watch for resistances at 105.85 (50-DMA), 106.40 (50.0% fibo retracement of Mar low to

high). Support at 105.00, 103.70 (76.4% fibo). Momentum on the daily chart has just turned bullish and stochastics are on the climb. Retail sales, industrial production due Wed, Tankan Outlook Surveys and PMI Mfg due Thurs, jobless rate due Fri.

- **NZDUSD - *Dead Cat Bounce Likely; Fade.*** NZD fell sharply last week amid risk-off tone, RBNZ comments. At the last MPC, RBNZ said it is actively considering taking rates negative in combination with term funding for banks. The latter is expected to be rolled out before end-2020 and is aimed at providing term funding at low rates near OCR (lessen financial burden). That said this move is perceived as a pre-cursor to NIRP in 2021. NZD was last seen at 0.6555 levels. Bullish momentum on weekly chart is fading with RSI falling. Bearish momentum on daily chart intact while RSI shows tentative signs of rising from near oversold conditions. Dead cat bounce not ruled out but bias to fade into. 21 DMA looks on track to cut 50 DMA to the downside. Resistance at 0.6640 (50 DMA), 0.6675 (21 DMA). Support at 0.65 levels (100 DMA). 0.6450 and 0.6390 levels (200 DMA). This week brings Building permits (Aug); Activity outlook, business confidence (Sep) on Wed; Consumer confidence (Sep) on Fri.
- **AUDUSD - *Downmove Finds Support?*** The AUDUSD seems to have settled into more consolidative moves after a rather precipitous slide and was last seen around 0.7050, resting on the 100-dma still. AUD has been hurt by a combination of risk-off, concomitant rebound in the USD and increasing bets on RBA shaving cash target rate by another 15bps to 10bps. Focus on a potential agreement at Congress to avert a government shutdown on 1<sup>st</sup> Oct. However, these short-term agreements are unlikely to lift markets much anyway. There is thus some room for disappointment. Back home, there is increasing focus on fiscal too ahead of the Federal Budget to be delivered to parliament on 6<sup>th</sup> Oct. It was delayed from May due to the Covid situation. Federal budget could include more financial support to ensure key domestic and regional routes continue to operate by extending the Domestic Aviation Network Support and the Regional Airline Network Support to 31 Jan and 28 Mar 2021 respectively. Separately, New Zealand PM Ardern told Reuters that a trans-Tasman travel is possible before Christmas but the initial phase could start one-way with New Zealanders from South Island heading into Australia. Over the weekend, restrictions ease further for Melbourne with schools and childcare allowed to return and restrictions for outdoor gatherings eased. Back on the AUDUSD chart, support remains at 0.7000 (100-dma). Break there could clear the way towards 0.6770. Stochastics show signs of turning from oversold conditions but MACD is still pretty bearish. Resistance is marked by the 21 and 50-dma at 0.7267 and 0.7200. Virus cases continued to taper off with 5 new cases reported and 3 deaths. Week ahead has private sector credit for Aug on Wed, AiG Perf of Mfg Index for Sep on Thu and retail sales for Aug on Fri.
- **USDCAD - *Signs Turning Lower.*** This pair was last seen around 1.3385 as USD appreciation slow while crude prices steadied around the \$40/bbl since last Fri. Momentum indicators also show mild signs of turning lower. Stochastics rise a little further into

overbought condition. There are mixed signals with 21-dma still en-route to cross the 50-dma to the upside (bullish) while the 100-dma has already crossed 200-dma lower (bearish). We see potential for consolidation within 1.3160-1.3550 range for now and thus more room for downsides in the intra-day trade. Rating agencies have weighed in on the Throne speech. Fitch warned that its broader expansionary policy could mean more pressure on Canada's already downgraded rating while Moody's said that Canada's sovereign credit "will be mainly driven by the government's ability to balance economic recovery objectives". Separately, PM Trudeau announced an agreement with AstraZeneca PLC for 20mn doses of the COVID-19 vaccine, on top of deals with Sanofi, GSK, JnJ, Novavax, Pfrizer and Moderna. Back on the chart, resistance is seen at 1.3440 (61.8% fibo retracement). Support at 50-dma at 1.3266 before the 21-dma at 1.3155, close to the 23.6% fibo at 1.3160. This week has Aug industrial product price on Tue; Jul GDP on Wed; Markit PMI for Sep on Thu.

## Asia ex Japan Currencies

SGD trades around +0.01% from the implied mid-point of 1.3769 with the top estimated at 1.3494 and the floor at 1.4045.

- **USDSGD - Bullish But Nearing Overbought Conditions.** Pair last seen at 1.3767, largely on par with levels seen last Fri morning. It remains some distance above its 50-DMA (1.3700) and short-term swings will likely be dictated by broad dollar bias still, as we have seen last week. Chance for up-moves to slow or for pair to retrace downwards if sentiments gently recover; major risk factors such as US fiscal stimulus impasse and resurgence of Covid-19 contagion in Europe seem to be somewhat priced into broad risk sentiments at this point. Industrial production (Aug) out last Fri came in at 13.7%/y (vs. 2.2% expected), validating the domestic macro recovery. On the daily charts, momentum is bullish but stochastics are nearing overbought conditions. Resistance at 1.3800, before 1.3850 (100-DMA). Support at 1.3700 (50-DMA), 1.3660 (21-DMA), 1.3560. PMI due Fri.
- **AUDSGD - Finding Support.** This cross waffled around the 0.97-figure (100-dma) and has remained sticky around this level for the past couple of sessions. Downside momentum is still strong but stochastics suggest a potential rise from oversold conditions. 0.9660 (38.2% fibo retracement of the May-Aug rise) is a support level before 0.9537 (50% and then at 0.9414 (61.8% and 200-dma). Resistance is seen at 0.9870 (50-dma) before the next at 0.9926 (21-dma).
- **SGDMYR - Bearish Trend Channel Intact.** SGDMYR remains under pressure amid SGD underperformance. Cross was last seen at 3.0300 levels. Bearish momentum on weekly chart remains intact while RSI is falling. Bearish trend channel formed since Jul is also intact. Downtrend remains intact but intermittent bounces not ruled out. Support at 3.0260 (previous low), 3.0210 (61.8% fibo). Immediate resistance at 3.0350 (50% fibo retracement of 2020 low to high), 3.0460 (21, 200 DMAs), 3.05 levels (38.2% fibo). Look for 3.0260 - 3.0350 range.
- **USDMYR - Range.** USDMYR was last seen at 4.1685 levels. Mild bullish momentum on daily chart intact but rise in RSI shows signs of slowing. Consolidation likely intra-day. Support at 4.1510 (21 DMA), 4.12 levels. Resistance at 4.1720, 4.18, 4.1910 (50DMA). Look for 4.1650 - 4.1750 range intra-day.
- **1m USDKRW NDF - Still Cautious.** Pace of recent up-move moderated as equity market sentiment stabilised. KOSPI up 1.2% while KOSDAQ was up >2% this morning. 1m USDKRW was last seen at 1173 levels. Bearish momentum on daily chart is fading and RSI turned from oversold conditions. Resistance at 1175 and 1179 (21 DMA). Support at 1170, 1165 levels. Still cautious on the FX front, look for 1170 - 1175 range. Sentiment likely to be driven by US fiscal stimulus outcome, Covid resurgence (in EU), USD strength and US-China tensions for now.

- **USDCNH - Consolidative before Golden Week Holiday.** USDCNH was last seen around 6.8220, softening a tad from its open this morning. Regional equities are mostly up in morning trades, keeping the USD on the backfoot. Buoyant sentiment could keep this pair within the 6.75-6.85 range in the near-term, especially ahead of Golden Week holiday. One positive event that could give investors some relief is that a US judge has blocked Trump administration's ban on new TikTok downloads from the US app stores that could have taken effect around noon in Asia. At home, Deputy Director General of the Research Bureau of PBoC Zhang Xuechun pledged on Sun that the central bank would further remove barriers to RMB usage in domestic and overseas markets whilst strengthening the macro-prudential management of cross-border capital flows (China Daily). Beyond the 6.85-resistance, we see the next at 6.9160 (38.2% Fibonacci retracement of the Jun-Sep fall). We are more biased towards consolidative move within the 6.75-6.85 range. Near-term support is seen at 6.8165. We look for guidance from the USD for the USDCNH pairing and the next leg of USD weakness could probably bring about the next downmove. In the medium term, factors that underpin the RMB are not likely to fade away soon - relatively less dovish monetary policy stance and a benign trade environment given that the phase 1 trade deal with US is still intact. FTSE Russell's inclusion of China government bonds into its WGBI was official in early Asia news, pending an affirmation in Mar 2021 (typical interim review period) and the inclusion will start from Oct 2021. This could continue to remain supportive of the RMB as the inclusion period may see substantial inflows given the potential of the large passive investors that follow the index. This week has NBS PMI for Sep on Wed, along with Caixin Mfg PMI for the same month before China breaks for Golden Week holiday from 1<sup>st</sup> - 8<sup>th</sup> Oct.
- **1M USDINR NDF - Sideways.** The 1M NDF was last seen around 73.90, extending its consolidative move into the new week. This pair remains in range and supported by the 21-dma. Momentum on daily chart remains mildly bullish. The 50-dma has crossing the 200-dma to the downside and 100-dma is heading lower too. Some downside risks remain intact, barring serious and extended risk-off events. This consolidation could continue in the interim before further downsides. Support at 73.60 (61.8% fibo retracement of the 2020 rally) before the next at 73.00. Resistance at 74.20 (21-dma), 74.70 (50-DMA). This week has BoP current account for 2Q due before end of the month. PMI mfg due on Thu along with RBI policy meeting. We do not look for any change in policy rates there.
- **1M USDIDR NDF - Range.** NDF last seen at 15,000, a key psychological level. Some modest signs of trouble at home could weigh on IDR in the interim still—protestors rallying across the country to protest against the Job Creation bill (viewed as too pro-business), and Jakarta being set to extend stricter movement restrictions by two weeks (initially ending 27 Sep). On a more positive note, the Asian Development Bank (ADB) has just approved a US\$500mn disaster resilience loan for Indonesia, which should help

support funding needs. On net, IDR sentiments could remain cautious. Expect ranged trading around 15,000 in interim. Momentum on daily chart is mildly bullish, while stochastics are not showing a clear bias. Immediate resistance at 15,000, before 15,400 (50.0% fibo retracement from Jan low to Mar high). Support at 14,700 (100-DMA), 14,450 (76.4% fibo). PMI Mfg, CPI due Thurs.

- **USDTHB - *Supported***. Pair last seen at 31.60. Trajectory (upwards) has been largely mirroring the USD recovery over the past week. A government source said on Fri that Finance permanent secretary Prasong Poontaneat, who will retire from civil service soon, is expected to become the new Finance Minister. A seasoned civil servant, Mr Prasong's other previous posts include being director-general of the Revenue Department, director-general of the Customs Department and the State Enterprise Policy Office. Hopes of more certainty in fiscal policymaking could help support market confidence a tad, although we caution that domestic protests are still a key swing factor for sentiments. On net, expect USDTHB pair to be supported in interim. Support at 31.30 (21-DMA), 30.80 (Jun low). Resistance at 32.00 (50.0% fibo retracement from Apr high to Jun low). Momentum on daily chart is modestly bullish, while stochastics are on the climb towards near-overbought conditions. Mfg production, trade due Wed, PMI Mfg and foreign reserves due Thurs.
- **1M USDPHP NDF - *Consolidate***. NDF last seen at 48.48, still largely in consolidative trading mode. NDF remains notably more resilient to swings despite some volatility in broad dollar levels lately. BoP for Aug came in at US\$657mn, improving from the US\$8mn prior, and remaining in positive (surplus) territory for the 7<sup>th</sup> month in a row. However, the positive flows were due in part to the government's foreign borrowings for its pandemic response, which helped to offset foreign portfolio outflows and weaker personal remittances. Sentiments among residents are still likely cautious. Confidence among Filipino consumers fell to a record low in 3Q, while corporates were also at their most pessimistic since the global financial crisis. Barring a reversion to sharp USD softness, further declines in USDPHP NDF could take time. Momentum on daily chart is modestly bullish while stochastics are not showing a clear bias. NDF could continue to consolidate within the 48-49 range for now. Key support at 48.00. Resistance at 48.80 (50-DMA). PMI Mfg and BSP decision due Thurs.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 3/23	1.94	1.97	+3
5YR MO 9/25	2.26	2.28	+2
7YR MK 5/27	2.47	2.49	+2
10YR MO 8/29	2.68	2.72	+4
15YR MS 7/34	3.11	3.09	-2
20YR MY 5/40	3.37	3.41	+4
30YR MZ 6/50	3.98	3.81	-17
IRS			
6-months	1.95	1.95	-
9-months	1.95	1.95	-
1-year	1.93	1.93	-
3-year	2.01	2.00	-1
5-year	2.18	2.16	-2
7-year	2.37	2.34	-3
10-year	2.68	2.62	-6

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Source: Maybank KE

\*Indicative levels

- Local government bonds market was generally weak with better selling on front end bonds. Yields were broadly higher by 2-4bps. Profit taking set in after FTSE Russell retained Malaysia on Watch List. Market could return to trading sideways amid political noise and uncertainties.
- In MYR IRS, activity was muted at the short end with levels little changed, while there were some sell flows at the long end with 10y IRS given at 2.63% and ended about 6bps lower than previous close. 3M KLIBOR was unchanged at 1.97%.
- PDS yields inched slightly higher or stayed flat with front end sector better sold while belly and long end sectors were supported, flattening credit curves. GG space saw Danainfra 2023 yield rise 3bps while long end Prasarana and Danainfra yields were unchanged. AAA space was tepid and saw Sarawak Hidro 2026 dealt unchanged. AA credits were also quiet and broadly unchanged, except the front end which weakened 3-5bps. Most trades in AA credits and below were in odd-size amounts.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.23	0.22	-1
5YR	0.42	0.42	-
10YR	0.84	0.84	-
15YR	1.13	1.13	-
20YR	1.22	1.22	-
30YR	1.20	1.20	-

Source: MAS

- In SGD IRS, sell flows re-emerged and drove the curve a tad lower by up to 2bps. SGS space saw decent demand for short end bonds as well as around the 10y sector, despite some selling of the 10y benchmark early in the session. Benchmark yields closed unchanged.
- Asian credits remained weak as mild risk-off tone persisted with thin liquidity. Credit spreads widened 3-6bps, particularly China IGs. The new HRINTH bonds which tightened 5bps was an exception as primary pricing is still tight and credit market is showing signs of indigestion. China property names were sold off 5-7bps wider in spreads due to Evergrande's solvency headlines which sparked a bigger selloff of its bonds by 4-10pts lower. Sovereign bonds also softened with spreads 3-5bps wider for INDONs and PHILIPs. Malaysia USD corporate bonds saw better sellers in PETMK and AXIATA which traded 3-5bps wider.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	3.72	3.79	0.07
3YR	5.08	5.08	0.00
5YR	5.67	5.66	(0.01)
10YR	6.92	6.91	(0.01)
15YR	7.44	7.42	(0.01)
20YR	7.43	7.44	0.01
30YR	7.44	7.44	(0.00)

\* Source: Bloomberg, Maybank Indonesia

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- Indonesian government bonds tried to recover on last Friday (25 Sep-20). Investors seemed taking momentum for applying strategy “buying on weakness” during current condition. Indonesian government bonds were relatively stable, driven by strong interest by local investors that seeing “fee based income”. Moreover, the Central Bank is always staying on the market for doing stabilization, especially for local currency that currently is underpressures due to global US\$ strengthening. On the local side, the economic prospect is still not strongly confident after seeing recent uptrend cases on the COVID-19.
- Going forward, further movement on the government bonds’ prices will depend on the decision maker’s decision and the domestic economic prospect during recent increasing trends on positive cases of COVID-19. We also expect the market players to keep their strong confidence for taking 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 domestic inflation, global PMI Manufacturing data, and U.S. labor result 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	1.1716	105.97	0.7122	1.2863	6.8633	0.6619	123.4200	74.9107
R1	1.1673	105.77	0.7077	1.2805	6.8458	0.6583	123.1500	74.5743
<b>Current</b>	1.1624	105.50	0.7048	1.2762	6.8235	0.6553	122.6300	74.3510
S1	1.1600	105.31	0.6996	1.2688	6.8098	0.6519	122.6100	73.9583
S2	1.1570	105.05	0.6960	1.2629	6.7913	0.6491	122.3400	73.6787

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3833	4.1764	14934	48.5787	31.7747	1.6095	0.6147	3.0391
R1	1.3804	4.1735	14904	48.5243	31.6823	1.6058	0.6129	3.0355
<b>Current</b>	1.3764	4.1700	14900	48.4400	31.6380	1.6000	0.6124	3.0299
S1	1.3738	4.1663	14858	48.4263	31.4913	1.5998	0.6087	3.0280
S2	1.3701	4.1620	14842	48.3827	31.3927	1.5975	0.6063	3.0241

\*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	0.4076	Oct-20	Easing
BNM O/N Policy Rate	1.75	11/3/2020	Easing
BI 7-Day Reverse Repo Rate	4.00	10/13/2020	Easing
BOT 1-Day Repo	0.50	11/18/2020	Easing
BSP O/N Reverse Repo	2.25	10/1/2020	Easing
CBC Discount Rate	1.13	12/17/2020	Easing
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	4.00	10/1/2020	Easing
BOK Base Rate	0.50	10/14/2020	Easing
Fed Funds Target Rate	0.25	11/6/2020	Easing
ECB Deposit Facility Rate	-0.50	10/29/2020	Easing
BOE Official Bank Rate	0.10	11/5/2020	Easing
RBA Cash Rate Target	0.25	10/6/2020	Easing
RBNZ Official Cash Rate	0.25	11/11/2020	Easing
BOJ Rate	-0.10	10/29/2020	Easing
BoC O/N Rate	0.25	10/28/2020	Easing

### Equity Indices and Key Commodities

	Value	% Change
Dow	27,173.96	1.34
Nasdaq	10,913.56	2.26
Nikkei 225	23,204.62	0.51
FTSE	5,842.67	0.34
Australia ASX 200	5,964.92	1.51
Singapore Straits Times	2,472.28	0.88
Kuala Lumpur Composite	1,509.14	0.56
Jakarta Composite	4,945.79	2.13
Philippines Composite	5,838.66	-0.12
Taiwan TAIEX	12,232.91	-0.26
Korea KOSPI	2,278.79	0.27
Shanghai Comp Index	3,219.42	-0.12
Hong Kong Hang Seng	23,235.42	-0.32
India Sensex	37,388.66	2.28
Nymex Crude Oil WTI	40.25	-0.15
Comex Gold	1,866.30	-0.56
Reuters CRB Index	148.36	0.00
MBB KL	7.08	-0.14

## 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	531	1.775	1.798	1.649
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	36	1.731	1.731	1.731
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	135	1.75	1.769	1.679
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	53	1.724	1.734	1.724
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	3	1.713	1.745	1.713
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	3	1.869	1.869	1.869
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	179	1.851	1.853	1.833
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	292	1.941	1.995	1.939
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	189	2.009	2.031	1.984
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	103	1.971	2.046	1.971
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	2	2.172	2.172	2.172
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	209	2.216	2.22	2.216
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	48	2.236	2.236	2.234
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	40	2.273	2.303	2.273
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	11	2.387	2.387	2.387
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	7	2.381	2.381	2.381
MGS 2/2006 4.709% 15.09.2026	4.709%	15-Sep-26	6	2.449	2.449	2.449
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	1	2.438	2.438	2.438
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	189	2.471	2.503	2.471
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	15	2.523	2.526	2.523
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	19	2.595	2.595	2.575
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	153	2.724	2.724	2.705
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	36	2.792	2.792	2.789
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	2.913	2.913	2.913
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	46	3.159	3.159	3.14
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	24	3.119	3.119	3.093
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	3	3.348	3.348	3.348
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	4	3.488	3.488	3.443
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	7	3.526	3.526	3.526
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	14	3.412	3.412	3.412
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	3	3.877	3.877	3.877
GII MURABAHAH 4/2018 3.729% 31.03.2022	3.729%	31-Mar-22	1	1.814	1.814	1.814
GII MURABAHAH 7/2019 3.151% 15.05.2023	3.151%	15-May-23	71	2.012	2.012	1.981
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	07-Jul-23	10	2.058	2.058	2.058
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	1	2.054	2.054	2.054
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	15	2.217	2.217	2.2
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	33	2.3	2.392	2.3
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	8	2.346	2.346	2.346
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	6	2.449	2.449	2.449
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	80	2.479	2.481	2.457
GII MURABAHAH 1/2020 3.422% 30.09.2027	3.422%	30-Sep-27	10	2.364	2.364	2.364
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	16	4.133	4.133	4.072

**Total****2,615**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA SUKUK MURABAHAH 4.08% 14.09.2022 - S1	GG	4.080%	14-Sep-22	50	2.013	2.013	2.013
DANAINFRA IMTN 4.080% 18.08.2023 - Tranche No 79	GG	4.080%	18-Aug-23	30	2.115	2.122	2.115
PRASARANA IMTN 4.380% 12.03.2031 - Tranche 4	GG	4.380%	12-Mar-31	55	2.931	2.931	2.931
DANAINFRA IMTN 5.080% 30.04.2038 - Tranche 4	GG	5.080%	30-Apr-38	40	3.541	3.541	3.541
DANAINFRA IMTN 5.350% 15.11.2047 - Tranche No 72	GG	5.350%	15-Nov-47	40	4.079	4.079	4.079
SEB IMTN 5.000% 04.07.2024	AAA	5.000%	04-Jul-24	20	2.594	2.637	2.594
SARAWAKHIDRO IMTN 4.43% 11.08.2026	AAA	4.430%	11-Aug-26	10	2.771	2.771	2.771
WESTPORTS IMTN 5.380% 30.04.2026	AA+ IS	5.380%	30-Apr-26	10	2.892	2.894	2.892
IJM IMTN 4.830% 10.06.2022	AA3	4.830%	10-Jun-22	20	3	3	2.982
SPG IMTN 4.730% 31.10.2022	AA- IS	4.730%	31-Oct-22	5	2.6	2.6	2.6
JEP IMTN 5.270% 04.12.2023 - Tranche 6	AA- IS	5.270%	04-Dec-23	30	3.047	3.05	3.047
UEMS IMTN 4.75% 22.03.2024 - Issue No. 7	AA- IS	4.750%	22-Mar-24	10	3.606	3.606	3.606
LESB IMTN 4.150% 16.07.2027 Series 7	AA- IS	4.150%	16-Jul-27	1	3.879	3.881	3.879
PTP IMTN 4.050% 18.06.2030	AA- IS	4.050%	18-Jun-30	2	3.36	3.361	3.36
DHSB IMTN Series 6 6.450% 20.06.2031	AA3	6.450%	20-Jun-31	13	5.072	5.072	5.07
DHSB IMTN Series 10 6.650% 21.06.2033	AA3	6.650%	21-Jun-33	13	5.342	5.344	5.342
IJM LAND 5.650% PERPETUAL SUKUK MUSHARAKAH -S1 T1	A2 (S)	5.650%	17-Mar-19	1	4.463	4.685	4.463
EWIB IMTN 6.650% 27.04.2023	NR(LT)	6.650%	27-Apr-23	1	5.751	5.751	5.751
MAH SING SUKUK MURABAHAH (TRANCHE 1)	NR(LT)	4.350%	13-Mar-25	1	4.003	4.028	4.003
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	02-Apr-17	2	4.629	4.636	4.629

**Total****354**

Sources: BPAM

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