

# Global Markets Daily

## A Sign for RMB To Ease Up?

### PBoC Eases FX Forward Requirements

Over the weekend, PBoC eliminated the 20% reserve requirement for FX forwards. This measure was imposed at a time when RMB was facing strong depreciation pressure and was meant to discourage foreign exchange purchase in the forward market. Now that the environment has become relatively more benign (less depreciation expectation because of lower US rate, China's macro improvement relative to peers, concomitant USD weakness), the central bank has removed the rather punitive measure. While some market participants see this as sign that PBoC desires a weaker RMB, we see this as a move that is aligned with recent comments by Yi Gang for RMB to be driven more by market forces (including via the FX forward markets). We continue to keep an eye on USDCNY reference rate settings for a better indication of PBoC's comfort level with the currency.

### Sentiment Supported Still

Sentiment remains supported on hopes of US stimulus. White House raised its size of stimulus package to \$1.8bn, from \$1.6tn and over the weekend, Trump reportedly said he "wanted a bigger stimulus package, frankly, than either the Democrats or the Republicans are offering". We reiterate that sentiment can further be supported if hopes of a stimulus deal does materialised and at a larger than expected amount. House is still looking for \$2.2bn package.

### Malaysia IP due today, China Trade and ZEW Tomorrow

Key data due this week include Malaysia IP today. For Tue, US, GE CPI and ZEW survey; China trade; UK labor report. For Wed, US PPI; EU, JP IPs and SG GDP. For Thu, China inflation; US Philly Fed biz outlook. For Fri, US retail sales, IP; EU CPI; NZ mfg PMI; SG NODX.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1826	↑ 0.57	USD/SGD	1.3548	↓ -0.25
GBP/USD	1.3036	↑ 0.76	EUR/SGD	1.6004	↑ 0.20
AUD/USD	0.724	↑ 1.05	JPY/SGD	1.281	↑ 0.01
NZD/USD	0.6666	↑ 1.35	GBP/SGD	1.7658	↑ 0.48
USD/JPY	105.62	↓ -0.39	AUD/SGD	0.9795	↑ 0.61
EUR/JPY	124.93	↑ 0.20	NZD/SGD	0.9024	↑ 0.94
USD/CHF	0.9107	↓ -0.69	CHF/SGD	1.4865	↑ 0.36
USD/CAD	1.3121	↓ -0.57	CAD/SGD	1.0312	↑ 0.19
USD/MYR	4.1347	↓ -0.45	SGD/MYR	3.0563	↓ -0.11
USD/THB	30.994	↓ -0.67	SGD/IDR	10836.09	↑ 0.01
USD/IDR	14700	↓ -0.07	SGD/PHP	35.6013	↑ 0.02
USD/PHP	48.322	↓ -0.07	SGD/CNY	4.9461	↓ -0.98

Implied USD/SGD Estimates at 12 October 2020, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3368	1.3640	1.3913

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### G7: Events & Market Closure

Date	Ctry	Event
12 <sup>th</sup> Oct	US	Bond Market Closure (Equities Exchange Open)
15 <sup>th</sup> Oct	EU-UK	EU Summit/Brexit Deadline

### AXJ: Events & Market Closure

Date	Ctry	Event
13 <sup>th</sup> Oct	ID	BI Policy Decision
13 <sup>th</sup> Oct	TH	Market Closure
14 <sup>th</sup> Oct	SG	MAS Policy Decision

## G7 Currencies

- **DXY Index - Stimulus Hopes Rising.** Sentiment remains supported on hopes of US stimulus. White House raised its size of stimulus package to \$1.8bn, from \$1.6tn and over the weekend, Trump reportedly said he “wanted a bigger stimulus package, frankly, than either the Democrats or the Republicans are offering”. We reiterate that sentiment can further be supported if hopes of a stimulus deal does materialised and at a larger than expected amount. House is still looking for \$2.2bn package. This morning USD caught a bid tone against CNH and other AXJs including KRW, in response to PBoC’s removal of 20% reserve ratio requirement for FX forward trading. To be sure this was earlier introduced in Aug-2018 to stem RMB depreciation pressure but over the past few months, the RMB has taken a positive tilt, and there is probably no need to have that measure in place today. Looking at history, this was not the first time such a measure was used and subsequently removed. A similar action was imposed on foreign FIs in Jul-2016 and subsequently removed in Sep 2017. USDCNH then rose from 6.40s to 6.69 in the following weeks. Markets were interpreting the intent to remove the 20% as a hint that policymakers may prefer RMB’s pace of appreciation to moderate. Hence the knee-jerk reaction then. This morning similar price action was observed with USDCNH gapped higher to 6.73 levels from where it last closed on Fri at 6.6878. Most USDAXJs including USDKRW, USDSGD were also a touch firmer. The daily fix will be closely watched - if USDCNY fix is fixed higher than market estimates then it is likely market participants may deploy the same playbook in Sep 2017 (i.e. USDCNH higher) but if the USDCNY fix is in line or lower than estimates, then it is likely USDCNH resumes its downward trend. We watch this space for cues on USD/AXJ complex. DXY was last seen at 93.10 levels. Mild bearish momentum on daily chart remains intact while RSI is falling towards oversold conditions. Key support at 92.80 and 92.20 levels. Resistance at 93.30 (50 DMA), 93.60/80 (21 DMA, 23.6% fibo), 95.10 (38.2% fibo retracement of May high to Sep low). This week brings CPI (Sep) on Tue; PPI (Sep) on Wed; Initial jobless claims; Philly fed business outlook (Oct) on Thu; Retail sales, industrial production (Sep); Uni of Mich sentiment (Oct) on Fri.
- **EURUSD - Eyes on COVID Infection and CPI Data this Week.** EUR firmed amid broad USD softness. Pair was last seen at 1.1810 levels. Mild bullish momentum on daily chart intact in the interim. Resistance at 1.1830, 1.1880 levels. Immediate support at 1.1805 levels (50 DMA), 1.1760 (21 DMA) and 1.1690 levels (23.6% fibo retracement of 2020 low to high). This week brings ZEW survey (Oct); German CPI (Sep) on Tue; Industrial production (Aug) on Wed; EU Summit in Brussels (15 – 16 Oct) on Thu; Trade (Aug); CPI (Sep) on Fri. Covid situation and CPI data will be closely watched this week. We had earlier cautioned that persistent rise in covid infection in Europe is a concern as more lockdown restrictions could be announced to prevent a potential second wave. This could derail weak and uneven growth rebound, add to deflationary concerns, undermine confidence, sentiment and weigh on EUR.
- **GBPUSD - Eyes on 15<sup>th</sup> Oct Still.** GBP remains better bid on hopes for some agreement this Thu (15 Oct). Over the weekend PM BoJo

made calls to France and Germany (each lasting 30 mins each) while UK has sent around 60 officials to Brussels this week in attempt to iron out a deal. UK wants fishing quotas to be calculated differently and to be negotiated annually giving British trawlers a bigger share of the catch. France insisted that EU boats should enjoy the same access to British waters (consistent with current status). GBP was last seen at 1.3030 levels. Bullish momentum on daily chart intact for now while RSI is rising. Resistance at 1.3030 levels (50 DMA), 1.3080 (50% fibo) and 1.3170 levels. Support at 1.2985 (38.2% fibo retracement of Sep high to low), 1.2880 levels (21 DMA, 23.6% fibo), 1.2810 (100 DMA) and 1.2710 (200 DMA). We continue to expect more 2-way price action for GBP in the lead-up to self-imposed brexit deadline of 15th Oct. PM BoJo said that UK plans to quit brexit talks if no deal clear by 15 Oct. UK's chief negotiator Lord David Frost said that "big gaps" remained on government subsidies for businesses and fishing rules. He added that UK will go on to trade with EU on WTO rules if an agreement is not reached by 15 Oct but also said that UK "obviously very much prefer to have" a deal. EU Council President Michel also tweeted that EU would also "prefer a deal" but not at any cost. These developments underscore the fluidity of brexit and 2-way directional swings are expected as negotiations restart today in the run up to Thu (also the start of EU's 2-day summit). Our base case remains for a broad agreement, with finer details possibly requiring more time to iron out. It is in both EU and UK's interests to strike a deal. Disruption to trade can affect Europe, in particular German, Spanish and French businesses. Vice versa, we believe the UK is probably also not prepared for no-deal brexit given that services exports to EU is about 7% of UK GDP. Both parties will stand to lose in no-deal brexit. Week ahead brings little tier-1 data, with focus on Labor market report on Tue and brexit deadline on Thu.

- **USDJPY - Modestly Bullish But Potentially Overbought.** Pair was largely on the dip last Fri. Last seen at 105.60. Sentiments over the weekend continue to be mixed broadly, as US officials struggle to come to a compromise on the fiscal stimulus deal. More discussions between Mnuchin and Pelosi due this week. On the whole, Oct could still be a volatile month for assets, as Trump makes a last ditch effort to save his chances for a second term, despite widening Biden lead. The rapid twists in US stimulus discussions thus far could hint at more volatility ahead, especially as the elections near. Momentum on the daily chart is modestly bullish but stochastics remain near overbought conditions. Risks skewed modestly to the downside for USDJPY pair for now. Resistance at 106.00, 106.40 (50.0% fibo retracement of Mar low to high), 107.45 (200-DMA). Support at 105.40 (21-DMA), 105.00, 103.70 (76.4% fibo). Machine tool orders due today, tertiary industry index due Thurs. Core machine orders for Aug came in at -15.2%/y (vs. -15.6% expected), showing a slight improvement on a year-ago basis from Jul's -16.2%.
- **NZDUSD - Driven Higher by External Factors.** NZD rose sharply into the week's close, taking the lead from RMB strength (strong fix after coming back from golden week holidays), softer USD and broad risk-on tone (US stimulus talks revived while covid treatment

drugs are progressing). NZD was last seen at 0.6650 levels. Bearish momentum on daily chart shows signs of fading while RSI is showing signs of turning higher. Exogenous drivers are leading the move higher. Resistance at 0.6670, 0.6710 levels. Support at 0.6630/40 levels (21, 50 DMAs), 0.6565 levels (100 DMA). This week brings Net migration (Aug) on Mon; REINZ House sales, card spending, food prices (Sep) on Tue; Mfg PMI (Sep) on Fri.

- **AUDUSD - Bullish Bias.** AUDUSD traded with a bullish bias into the weekend last Fri as US equities rose to close at a high, lifting the AUDUSD alongside above the 0.72-figure. Investors clung onto hopes that the US Congress could strike a deal on stimulus as Trump sounded more supportive of a bigger stimulus package. That said, talks are still in gridlock as the Congress has not come to an agreement. We see declining chances of a stimulus deal being struck before elections even as Trump is in favour of a deal in the near-term given that Biden's lead over Trump remains wide. The wider the lead, the less power that Trump has over the Republicans. AUDUSD was last seen around 0.7230. This pair remains on the upmove and can remain in a rising wedge. Topsides to be resisted by immediate resistance at 0.7257 before 0.7320 before the year high at 0.7414. Support for the pair remains at 21-dma at 0.7180. Week ahead has Westpac consumer confidence on Wed, RBA gives an online speech on Thu along with the releaser of labour report for Sep that day.
  
- **USDCAD - CAD bulls in control Still.** This pair hovered around 1.3135. This pair edged a tad higher this morning as crude oil prices continues to soften this morning. USD also seen strengthening against some other currencies including the RMB due to regulatory changes by PBoC. Regardless of the stimulus gridlock at this point, the widening Biden lead could mean a higher chance of the eventual total package that is closer to the Democrats' size of \$2.2trn anyway which is USD negative. Resistance is now marked by the 50-dma at 1.3230 before. Firmer support at 1.30. The week ahead has little data due with only Sep existing home sales on Thu before manufacturing sales for Aug on Fri. At home, PM Trudeau has declared a new scheme named Canada Emergency Rent Subsidy to help provide funding for up to 65% of rental/mortgage costs for businesses with falls in revenue according to the scale of their losses. This scheme will be available until Jun 2021. Its wage subsidy scheme is also extended until then.

## Asia ex Japan Currencies

SGD trades around +0.66% from the implied mid-point of 1.3640 with the top estimated at 1.3368 and the floor at 1.3913.

- **USDSGD - Sell on Rallies.** Pair last seen at 1.3550. Our net negative bias for the pair held up quite well last week, as USD was weighed by stimulus hopes and robust economic data anchored the yuan (in turn supporting AxJ FX). Over the weekend though, PBoC had removed certain rules which made the yuan expensive to bet against. USDCNH had seen a significant up-move this morning when markets opened, and this similarly imparted a tad of upward pressures on USD-AxJ pairs. Signs of struggles in coming to a compromise on the US stimulus deal could also be supportive of the USD somewhat, even as talks between Mnuchin and Pelosi are scheduled to take place this week and could yield positive results. We are wary of intermittent up-moves in USDSGD but prefer to sell rallies. Any up-moves could potentially be capped by resistances at 1.3600, 1.3640 (21-DMA). Next key resistance is some distance away at 1.3800 (23.6% fibo retracement of Mar high to Sep low). Support nearby at 1.3540, before 1.3440 (turn-of-year low). Momentum indicator on daily chart is mildly bearish, while stochastics are on the dip towards oversold conditions. House view is for MAS to stand pat in the upcoming policy meeting on Wed. Historically, after shifting to a flat policy slope in 2001, 2008 and 2016, the central bank has been relatively patient in reverting to tightening stances (maintained 0% slope for minimum 6 qtrs). This could lead the SGD NEER to be somewhat resilient above implied policy mid-point. 3Q (A) GDP due Wed, trade data due Fri.
- **AUDSGD - Bid.** AUDSGD pressed on the upper bound of recent range, last seen at 0.9790, taking the cue from the AUD. There have been bearish signals with 21, 50-dma en-route to cut the 100-dma to the downside and this could still play out in spite of recent moves higher. Key support at 0.9660 (38.2% Fibonacci retracement of the May - Sep) needs to be broken. Next support at 0.9537. Next support at 0.9537.
- **SGDMYR - Bulls Showing Tentative Signs of Fatigue.** SGDMYR rose last week amid SGD outperformance. Cross was last seen at 3.0550 levels. Bullish momentum intact but shows tentative signs of fading while RSI is showing signs of turning lower. Death cross (50 DMA looking on track to cut 200 DMA to the downside) appears on track - bearish signal. Risks skewed to the downside. Immediate support at 3.05 levels (38.2% fibo), 3.0460 (200 DMA) and 3.0420 (21 DMA). Break below these near term supports could see the cross lower at 3.0350 (50% fibo). Resistance at 3.06 (100 DMA), 3.0680 (23.6% fibo retracement of 2020 low to high). Look for 3.05 - 3.06 range intra-day.
- **USDMYR - Bears Could Reassert.** USDMYR opened a touched firmer this morning after a bearish close for the week. Slight firmness this morning was in reaction to USDCNH move after PBoC removed 20% reserve ratio requirement for FX forward trading. Market

participants are reading such move as a hint that policymakers may want RMB strength to moderate. Pair was last seen at 4.14. Mild bullish momentum on daily chart is fading while RSI shows sign of turning lower. Bearish crossover also observed, with 100 DMA cutting 200 DMA to the downside. Bears could reassert but watch levels. Support at 4.1330, 4.12, 4.10 levels. Resistance at 4.1460 (76.4% fibo retracement of 2020 low to high), 4.1680 (50 DMA), 4.18 levels. Look for 4.12 - 4.17 range this week.

- **1m USDKRW NDF - *Bearish but Near Oversold***. 1m USDKRW NDF traded as low as 1142 last Fri amid broad risk on tone before bouncing back this morning, tracking moves in USDCNH following PBoC's move to remove 20% reserve ratio requirement for FX forward trading. A similar action was imposed on foreign FIs in Jul-2016 and subsequently removed in Sep 2017. USDCNH then rose from 6.40s to 6.69 in the following weeks. Markets were interpreting the intent to remove the 20% as a hint that policymakers may prefer RMB's pace of appreciation to moderate. Hence the knee-jerk reaction then. Market participants are reading such move as a hint that policymakers may want RMB strength to moderate. Pair was last seen at 1147 levels. Bearish momentum on daily chart intact while RSI is showing signs of turning from near oversold conditions. Support at 1142, 1140 levels. Resistance at 1150, 1157. Look for 1142 - 1150 range intra-day.
- **USDCNH - *Bears March On, Within Falling Trend Channel***. Our bias for further downsides continues to be affirmed. The USDCNH gapped up this morning after PBoC eliminated the risk reserve requirement for FX forwards over the weekend. This measure was imposed at a time when RMB was facing strong depreciation pressure and was meant to discourage foreign exchange purchase in the forward market. Now that the environment has become relatively more benign (less depreciation expectation because of lower US rate, China's macro improvement relative to peers, concomitant USD weakness), the central bank has removed the rather punitive measure. We see this as a move that is aligned with recent comments by Yi Gang for RMB to be driven more by market forces (including via the FX forward markets). We continue to keep an eye on USDCNY reference rate settings for a better indication of PBoC's comfort level with the currency's strength. This pair is back on the downmove after the fix today. Beyond the 6.70-figure, we look for USDCNH to find support around 6.67. Resistance remains marked by the 21-dma at 6.77 at 21-dma. As we have mentioned, other 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. Strong carry advantage of the RMB as well as the likely faster economic growth vs. the USD but some of it could have priced aggressively in recent sessions. We also watch the actions of US on China given the unresolved issues of TikTok, Wechat whose bans are temporarily barred by local federal judge. China's Sep credit data are due 10-15th Oct. Trade data is due tomorrow before Sep CPI, PPI on Thu.

- **1M USDINR NDF - *Bearish Bias***. This pair hovers around 73.30 after a relatively steeper slide last Fri, aided also by broader USD weakness, sanguine risk environment. Right after the formation of the new MPC, RBI held policy rates unchanged but resorted to bond purchases to provide a cheaper borrowing costs. Liquidity measures include INR1trn of Targeted long-term funds with tenors as much as 3years for banks to invest in corporate and commercial debt, allowing banks to hold more government bonds without marking to market until 31 Mar 2022, subject to certain terms and conditions. RBI would buy bonds issued by state government. The central bank also raised the limit of banks' retail credit exposure to INR75mn from prev. INR50mn to support SMEs and individuals. The central bank expects the economy to fall 9.5% this year. Back on the chart, this 1M NDF is still within the gentle falling trend channel and could retain downside bias. Next support is at 72.99 (1st Sep low). Resistance is marked by the 50-dma at 74.20.
  
- **1M USDIDR NDF - *Range***. NDF last seen near 14,760, still largely respecting recent trading ranges. Strict social-distancing curbs in Jakarta will be eased starting today, alongside a stabilization in new Covid-19 cases in the capital. Transitional phase-out of the curbs will run from 12-25 Oct. Returning to offices and dining in at restaurants are allowed, as long as the capacity is limited to 50%. Still, we caution that pace of increase in new cases in the whole country remains worrying, averaging more than 4k daily MTD and around double the pace in Aug. With US elections around the corner, and with earlier optimism from the passing of the "Job Creation" bill fading a tad, downward pressures on the NDF may be less forthcoming. BI decision due tomorrow—expect BI to stand pat, in part to safeguard IDR stability. On net, ranged trading likely in interim. Momentum on daily chart is mildly bearish, while stochastics are on the dip towards near-oversold conditions. Resistance at 15,000, before 15,400 (50.0% fibo retracement from Jan low to Mar high). Nearby support at 14,680 (100-DMA), before 14,450 (76.4% fibo). Trade due Thurs.
  
- **USDTHB - *Momentum Modestly Bearish***. Pair last seen at 31.07. Since the start of last week, when USDTHB was around 31.5, we had repeatedly cautioned that there were tentative signs of the pair turning lower, and that momentum was turning bearish. This has been largely validated thus far, even as further USDTHB down-moves from here could slow. There are plans to extend tax incentives to support consumption, but the extent of the stimulus is relatively modest (THB11bn), and may not boost domestic sentiments much. Momentum on daily chart is modestly bearish, and stochastics are on the dip. Support at 30.80 (Jun low). Key 31.30-31.45 area (where multiple MAs are converging) as resistance. US elections, stimulus discussions and domestic protests are key developments to watch.
  
- **1M USDPHP NDF - *Consolidate***. NDF last seen at 48.47, still largely in consolidative trading mode. Some domestic concerns are emerging. There are risks that the 2021 budget could be delayed, with budget hearings suspended until mid-Nov amid a leadership squabble. Moody's has cautioned that such delays could affect Philippine's credit profile, even as BSP Governor Diokno weighed in to say that the budget will likely be passed on time. We note that

volatility in the NDF remains relatively low (vs. AxJ peers) despite some swings in broad dollar levels lately. On net, we do not expect a sharp rally in USDPHP at this point, but further significant declines in USDPHP NDF could take time. Momentum on daily chart is mildly bullish while RSI is not showing a clear bias. NDF could continue to consolidate within the 48-49 range for now. Key support at 48.00. Resistance at 48.70 (50-DMA). Overseas remittances due Thurs.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 3/23	1.86	1.85	-1
5YR MO 9/25	2.17	2.19	+2
7YR MK 5/27	2.39	*2.43/40	Not traded
10YR MO 8/29	2.65	2.66	+1
15YR MS 7/34	3.03	3.06	+3
20YR MY 5/40	3.29	3.33	+4
30YR MZ 6/50	3.72	*3.78/74	Not traded
IRS			
6-months	1.93	1.93	-
9-months	1.91	1.91	-
1-year	1.88	1.89	+1
3-year	1.95	1.96	+1
5-year	2.13	2.14	+1
7-year	2.33	2.33	-
10-year	2.63	2.63	-

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Source: Maybank KE

\*Indicative levels

- Local government bonds performance was mixed with a weak bias in an overall quiet market. MGS yields largely shifted 1-4bps higher amid light trading, except the 3y benchmark which lowered about 1bp on the back of steady buying. Gills closed largely unchanged in yields with very few benchmarks traded.
- Onshore IRS market had an overall quiet session with little interests to trade. IRS levels were little changed, except the belly which rose marginally higher by about 1bp. 3M KLIBOR down by 1bp to 1.96%.
- Corporate bonds market was quiet echoing govies market. There was only one trade in GG which was Prasarana 2038 at 6bps lower in yield. AAA space saw Tenaga 2035 traded unchanged, while AA space saw low beta names such as KLK 2022 rallying 7bps while BGSM and Tanjung BP dealt unchanged. Expect market to remain muted until there is more clarity on domestic politics.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.24	0.25	+1
5YR	0.49	0.47	-2
10YR	0.91	0.90	-1
15YR	1.21	1.20	-1
20YR	1.28	1.27	-1
30YR	1.22	1.20	-2

Source: MAS

- SGD rates were in a tight range most of the day absent catalyst. Risk sentiment remained positive as equities climbed higher, while UST held steady after supply pressure subsided. SGS saw little interests until late in the day when some buying interest emerged, and yields largely shifted 1-2bps lower. SGD IRS also closed lower, down 1-2bps for the day.
- Asian credits were well bid and Indonesia quasi sovereign papers rallied 2-10bps due to the pick up over sovereigns. INDONs and MALAYS tightened by 2-3bps. China and HK IGs were better offered but remained unchanged despite the positive risk sentiment and stronger CNY. India space had a weak tone with 10y corporate credits widening 4-5bps, may be partly attributed to profit taking. HYs were broadly firm, though there was better selling in Evergrande. The upcoming US elections may spur an increase in volatility and some caution might be prudent.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	3.72	3.63	(0.09)
3YR	5.08	5.08	0.00
5YR	5.80	5.78	(0.02)
10YR	6.91	6.91	0.00
15YR	7.42	7.42	0.00
20YR	7.43	7.45	0.02
30YR	7.45	7.45	0.00

\* Source: Bloomberg, Maybank Indonesia

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- Indonesian government bonds prices were relative flat until the end of last week. The market players were still on wait&see mode for watching recent development about new U.S. fiscal deal, COVID-19 update, and Indonesian political tension after Omnibus Law passage by the Parliament. For this week, investors also wait for the result of Bank Indonesia's monetary meeting, Indonesia's trade result for Sep-20, and inflation result in the United States, China, and the Eurozone. On Tuesday, the government is scheduled to hold Sukuk auction by Rp10 trillion of investors' absorption funds target.
- Tomorrow, Bank Indonesia is also expected to keep maintaining its policy rate at 4% level. We believe that the Central Bank to keep focusing on the non policy rate direction, especially for supporting the government's fiscal policy by applying the debt sharing program. Moreover, the conditions of inflation and local currency & financial markets are relative manageable so far. On previous week, the government successfully obtained Rp46.2 trillion from its four VR (variable-rate) bond series issuances by private placement method with Bank Indonesia (BI). It's the fourth bond issuance using a burden-sharing scheme between BI and the Ministry of Finance (MoF) to finance Rp397.6 trillion of public goods. According to various sources, the government and BI commit to limit the burden-sharing scheme, only for this year. The burden-sharing scheme target of Rp397.6tn will possibly be issued all in this year, but if the amount cannot be fully spent this year, it can be for next year's budget, so it might lower bond issuances in 2021. Thus, YTD, the government has released Rp1,173.5tn-gross or 76.6% of the gross issuance target for this year.
- 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. Investors will also keep watching 1.) new vaccine progress on global Covid-19 cases, 2.) macroeconomic data/news result 3.) U.S. budget negotiation update and other geopolitical stories.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1879	106.21	0.7297	1.3130	6.7659	0.6736	125.4167	76.8983
R1	1.1853	105.91	0.7268	1.3083	6.7268	0.6701	125.1733	76.6827
<b>Current</b>	1.1817	105.59	0.7227	1.3027	6.7188	0.6663	124.7800	76.3120
S1	1.1778	105.45	0.7186	1.2956	6.6637	0.6603	124.6033	76.0907
S2	1.1729	105.29	0.7133	1.2876	6.6397	0.6540	124.2767	75.7143

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3617	4.1620	14735	48.5140	31.3553	1.6050	0.6201	3.0636
R1	1.3582	4.1484	14718	48.4180	31.1747	1.6027	0.6188	3.0599
<b>Current</b>	1.3545	4.1380	14735	48.3650	31.0710	1.6006	0.6157	3.0553
S1	1.3520	4.1274	14674	48.2580	30.9017	1.5974	0.6163	3.0533
S2	1.3493	4.1200	14647	48.1940	30.8093	1.5944	0.6150	3.0504

\*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	0.4063	Oct-20	Easing
BNM O/N Policy Rate	1.75	3/11/2020	Easing
BI 7-Day Reverse Repo Rate	4.00	13/10/2020	Easing
BOT 1-Day Repo	0.50	18/11/2020	Easing
BSP O/N Reverse Repo	2.25	19/11/2020	Easing
CBC Discount Rate	1.13	17/12/2020	Easing
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	4.00	4/12/2020	Easing
BOK Base Rate	0.50	14/10/2020	Easing
Fed Funds Target Rate	0.25	6/11/2020	Easing
ECB Deposit Facility Rate	-0.50	29/10/2020	Easing
BOE Official Bank Rate	0.10	5/11/2020	Easing
RBA Cash Rate Target	0.25	3/11/2020	Easing
RBNZ Official Cash Rate	0.25	11/11/2020	Easing
BOJ Rate	-0.10	29/10/2020	Easing
BoC O/N Rate	0.25	28/10/2020	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	28,586.90	0.57
Nasdaq	11,579.94	1.39
Nikkei 225	23,619.69	-0.12
FTSE	6,016.65	0.65
Australia ASX 200	6,102.17	0.00
Singapore Straits Times	2,532.96	-0.40
Kuala Lumpur Composite	1,530.35	0.72
Jakarta Composite	5,053.66	0.29
Philippines Composite	5,931.61	-0.19
Taiwan TAIEX	12,887.19	1.10
Korea KOSPI	2,391.96	0.21
Shanghai Comp Index	3,272.08	1.68
Hong Kong Hang Seng	24,119.13	-0.31
India Sensex	40,509.49	0.81
Nymex Crude Oil WTI	40.60	-0.43
Comex Gold	1,926.20	1.64
Reuters CRB Index	151.22	1.11
MBB KL	7.40	1.37

## 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	200	1.796	1.796	1.796
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	61	1.55	1.55	1.515
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	605	1.48	1.55	1.354
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	385	1.58	1.68	1.551
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	110	1.589	1.599	1.534
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	18	1.746	1.746	1.703
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	100	1.78	1.78	1.78
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	5	1.781	1.781	1.781
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	61	1.856	1.856	1.839
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	5	1.927	1.948	1.927
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	56	2.034	2.034	1.993
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	88	2.04	2.04	2.04
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	411	2.18	2.202	2.171
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	44	2.338	2.338	2.311
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	4	2.31	2.31	2.31
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	100	2.384	2.384	2.384
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	5	2.417	2.417	2.417
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	1	2.408	2.408	2.408
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	5	2.425	2.45	2.425
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	12	2.467	2.467	2.467
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	58	2.635	2.665	2.635
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	35	2.68	2.698	2.68
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	6	2.781	2.781	2.781
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	19	3.087	3.087	3.069
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	6	3.097	3.114	3.097
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	83	3.014	3.065	3.014
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	6	3.26	3.26	3.26
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	6	3.348	3.348	3.312
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	6	3.467	3.467	3.467
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	34	3.324	3.327	3.311
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	6	3.847	3.847	3.829
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	1	3.928	3.928	3.928
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	2	1.744	1.744	1.744
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	29	1.775	1.809	1.775
GII MURABAHAH 7/2019 3.151% 15.05.2023	3.151%	15-May-23	120	1.914	1.926	1.914
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	53	1.959	1.966	1.959
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	22	2.222	2.25	2.222
GII MURABAHAH 1/2020 3.422% 30.09.2027	3.422%	30-Sep-27	2	2.352	2.352	2.352
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	4	2.615	2.615	2.609
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	1	2.665	2.665	2.665
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	30	3.148	3.148	3.148
GII MURABAHAH 4/2017 4.895% 08.05.2047	4.895%	08-May-47	1	3.981	3.981	3.981
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	10	4.039	4.039	4.039

**Total****2,816**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA SUKUK MURABAHAH 5.02% 03.12.2038 - S11	GG	5.020%	03-Dec-38	20	3.6	3.6	3.599
PUBLIC MTN 1827D 26.2.2021	AAA	4.220%	26-Feb-21	100	1.9	1.9	1.9
SEB IMTN 4.850% 19.01.2027	AAA	4.850%	19-Jan-27	10	2.764	2.77	2.764
SEB IMTN 5.320% 03.12.2032	AAA	5.320%	03-Dec-32	10	3.249	3.253	3.249
TENAGA IMTN 3.250% 10.08.2035	AAA	3.250%	10-Aug-35	5	3.379	3.379	3.379
KLK IMTN 4.00% 02.09.2022 - Issue No. 1	AA1	4.000%	02-Sep-22	20	2.381	2.381	2.375
MAYBANK IMTN 2.900% 09.10.2030	AA1	2.900%	09-Oct-30	10	2.9	2.9	2.9
TANJUNG BP IMTN 4.840% 16.08.2022	AA2	4.840%	16-Aug-22	10	2.837	2.842	2.837
BGSM MGMT IMTN 5.450% 28.06.2024 - Issue No 10	AA3	5.450%	28-Jun-24	40	2.785	2.793	2.785
PRESS METAL IMTN 4.000% 15.08.2025	AA3	4.000%	15-Aug-25	11	3.999	3.999	3.946
GLT12 IMTN 3.900% 12.08.2030	AA3 (S)	3.900%	12-Aug-30	10	3.818	3.821	3.818
MAYBANK IMTN 4.130% PERPETUAL	AA3	4.130%	22-Feb-17	20	3.242	3.242	3.242
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	1	3.778	3.78	3.778
MUAMALAT IMTN 5.500% 25.11.2021	A IS	5.500%	25-Nov-21	10	3.798	3.816	3.798
EWIB IMTN 6.400% 25.10.2021	NR(LT)	6.400%	25-Oct-21	1	5.208	5.208	5.208
EWIB IMTN 6.400% 24.05.2023	NR(LT)	6.400%	24-May-23	2	6.354	6.354	5.646
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	02-Apr-17	1	3.801	4.851	3.801
<b>Total</b>				<b>280</b>			

Sources: BPAM

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