

Global Markets Daily

Slow Start to the Golden Week

EUR Under Pressure in Early Trade

EUR opened slightly under pressure in early trade this morning in reaction to Catalonia referendum. Catalan separatist leaders signaled they may declare independence within a week. Spanish PM Rajoy insisted that the vote has no legitimacy. Risk of civil unrest for the region and political uncertainty in Germany may weigh on EUR intra-day. Elsewhere in Asia, NZ First is said to be in preliminary talks with National Party to form government this week. Expect a formal announcement of decision between 7 - 12 Oct. On data release over the weekend, China Mfg PMI jumped to its highest level since Apr 2012 while non-Mfg PMI also jumped to its highest level since May 2014. On FX, we favor tactical short GBP; maintain tactical USD longs vs. JPY and CHF. China is out for the whole week (Golden Week holidays).

Advance Notice of China RRR Cut, Effective 2018

China provided details of the targeted Reserve Requirement Ratio (RRR) cut on Sat. Banks with more than 1.5% of their loans extended to small business would see their RRR cut by 50bps while banks with at least 10% of their loans to small businesses would see their RRR cut by an additional 100bps. This will be effective 2018. The targeted RRR cut is not a shift in monetary policy but a structural adjustment as it aims to encourage inclusive financing at commercial banks such as providing credit support for small and micro-sized enterprises, start-ups and agricultural production. The move is estimated to release about CNY600-800bn of liquidity into the system. Current RRR stands at 17%.

Global PMIs; RBA; RBI US Payrolls This Week

Some of the key data/events we watch this week include Mfg PMIs from US, EU, UK, AU and Singapore; US ISM Mfg; JP 3Q Tankan index; SG URA home prices on Mon. For Tue, EU PPI; AU building approvals; RBA meeting (expect policy rate to stay on hold at 1.5%); GDT auction; Fed's Powell speaks. For Wed, US ADP, ISM non-mfg, Fed's Yellen speaks; services PMI from US, EU, UK, Japan; RBI Meeting. For Thu, Fed's Powell, Williams and Harker speak; ECB minutes; AU retail sales; Philippines CPI. For Fri, Fed's George, Dudley, Kaplan and Bullard speak; US NFP; Malaysia exports; FX reserves data for Indonesia, Philippines and Malaysia are also on tap.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1814	↑ 0.24	USD/SGD	1.3576	↓ -0.01
GBP/USD	1.3398	↓ -0.33	EUR/SGD	1.6043	↑ 0.24
AUD/USD	0.7834	↓ -0.28	JPY/SGD	1.2065	↓ -0.19
NZD/USD	0.7209	↓ -0.39	GBP/SGD	1.8189	↓ -0.35
USD/JPY	112.51	↑ 0.15	AUD/SGD	1.0633	↓ -0.32
EUR/JPY	132.92	↑ 0.39	NZD/SGD	0.9788	↓ -0.40
USD/CHF	0.9683	↓ -0.20	CHF/SGD	1.4022	↑ 0.18
USD/CAD	1.2472	↑ 0.35	CAD/SGD	1.0886	↓ -0.38
USD/MYR	4.2205	↓ -0.26	SGD/MYR	3.1084	↑ 0.05
USD/THB	33.314	↓ -0.21	SGD/IDR	9915.87	↑ 0.04
USD/IDR	13472	↓ -0.32	SGD/PHP	37.4436	↑ 0.09
USD/PHP	50.865	↓ -0.14	SGD/CNY	4.9006	↓ -0.06

Implied USD/SGD Estimates @ 2-Oct-17, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3439	1.3711	1.3983

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G7: Events & Market Closure

Date	Ctry	Event
02 Oct	AU	Market Closure
03 Oct	AU	RBA Meeting

Emerging Markets: Events & Market Closure

Date	Ctry	Event
02 Oct	CN, HK, IN	Market Closure
03 Oct	CN, KR	Market Closure
04 Oct	IN	RBI Meeting
	CN, KR, TW	Market Closure
05 Oct	CN, HK, KR	Market Closure
06 Oct	CN, KR	Market Closure

G7 Currencies

- **DXY - US Health Check Tonight.** USD was little changed from Fri's close as EU and US CPIs came in below expectations (Fri data). Bloomberg reported that Trump has interviewed Yellen, Powell, Cohn and former Governor Warsh for the next Chair of the Fed. Mention of Warsh saw spike in UST yield. He was known to be hawkish-leaning and previously voiced doubts on Fed's QE2 before his resignation in 2011. Focus this week on US payrolls, in particular average earnings. Consensus expects +0.3% m/m (vs. +0.1% prior). Upside surprise could add to USD upside. Also pay attention to UST yields. Further upside should continue to favor USD strength against lower yielders (JPY and CHF). DXY was last seen at 93.20 levels. Daily momentum remains bullish though stochastics is near overbought conditions. This suggests risks that gains may moderate. Close above 93 levels (50 DMA) may see DXY index higher towards 94.30 (38.2% fibo retracement of 2014 low to 2016 high). Support at 92.30 (21 DMA), 91.40 (previous low). Bias remains to buy USD on dips vs. lower yielders. Week ahead brings **Mfg PMI, ISM Mfg (Sep) Construction spending (Aug)**; Fed's Kaplan speaks on Mon; Fed's Powell speaks on Tue; ADP Employment; Services PMI, ISM Non-Mfg (Sep); Fed's Yellen speaks on Wed; Durable goods order (Aug); Fed's Powell, Williams, Harker speak on Thu; Fed's George, Dudley, Kaplan, Bullard speak; Wholesale trade, inventories (Aug); NFP, unemployment rate, hourly earnings (Sep) on Fri.
- **EURUSD - Political Uncertainties to Weigh.** EUR opened slightly under pressure in early trade this morning in reaction to Catalonia referendum. Catalan separatist leaders signalled they may declare independence within a week. Spanish PM Rajoy insisted that the vote has no legitimacy. While 5m were eligible to vote, only about 2.3m votes were cast in total but 2m votes supported independence. Risk of civil unrest for the region and political uncertainty in Germany may weigh on EUR intra-day. Pair was last seen at 1.1790 levels. Bearish momentum on daily chart remains intact while stochastics is near oversold conditions. Support at 1.1720 levels, 1.1680 (23.6% fibo retracement of 2017 low to high). Resistance at 1.1850 (50 DMA), 1.1930 (21 DMA). Week ahead brings PMI Mfg (Sep); Unemployment rate (Aug) on Mon; PPI (Aug) on Tue; Services PMI (Sep); Retail Sales (Aug) on Wed; Retail PMI (Sep); ECB's Praet, Coeure speak; ECB Minutes on Thu.
- **GBPUSD - Bearish Momentum.** BoE's Carney commented on Friday that the BOE would 'ease a bit off the accelerator to keep with the speed limit of the economy' and that any rate increases would be 'limited and gradual', though he also mentioned that the UK economy was on track for interest rates to increase in the 'relatively near term'. This failed to boost the GBP on Friday, however, as poor GDP data overshadowed his comments. GDP came in slightly worse than expected (1.5% y/y vs 1.7% exp. & 0.3% q/q in line with expectations). Mortgage approvals (Aug) was worse than expected (66.6k vs 67.3k exp). M4 Money Supply (ex. IOFCs) grew 4.8% in Aug (3M Annualised) compared to 3.3% in the previous period, with consumer credit also rising above expectations (1.6bn vs 1.4bn exp). BOE has also warned on Friday of the recent 'borrowing binge'. Pair was last seen at 1.3376. On daily charts, momentum is becoming increasingly bearish. Support at 1.3336 (21DMA), resistance at 1.34

levels (23.6% fibo of Aug low to Sep high) and 1.3430 (50% fibo of EU referendum high in Jun-2016 to Oct-2016 low). Week ahead brings PMI Mfg (Sep) on Mon; Construction PMI (Sep) on Tue; Services PMI (Sep) on Wed; Halifax house prices (Sep); Unit labor costs (2Q) on Fri.

USDJPY - *Near-Term Retracement Risk.* USDJPY traded to firmer last week amid widening yield differentials between the 10Y UST and JGB, triggered by expectations of further Fed rate hikes and optimism over progress on US tax reforms. 10Y UST yield was last seen at 2.344%, and 10Y JGB yield at 0.07%, widening the yield differentials between the two. Market focus is on the Lower House election scheduled for 22 Oct, where PM Abe is attempting to win a historic third term. An Abe victory with a sizeable majority would mean continuing support for Abenomics and the BOJ's ultra-loose monetary policy. This should be supportive of the USDJPY. Nearer term, US ADP and NFP data will be closely watched for the health of the US economy and outperformances should be supportive of UST yields and USD, and should lift the pair higher. Last seen around 112.70-levels. Bullish momentum on the daily chart remains intact but is waning, and stochastics shows tentative signs of turning lower from overbought conditions. Weekly chart and stochastics are mildly bullish bias. Risks to the pair remain to the upside but there could be some room for the pair to head lower in the near term. Resistance at 113-handle, 113.60 levels (76.4% fibo retracement of the 2017 high to low). Support is around the 112-handle (200DMA). A break here could see the pair slipped towards the 111.40 levels (50% fibo), 111-handle. Look for opportunities to buy on dips. Week ahead has Nikkei PMI services & composite (Sep) on Wed; labor cash earning, leading & coincident index (Aug) on Fri.

■ **NZDUSD - *Bias to Lean against Strength.*** NZ First is said to be in preliminary talks with National Party to form government this week. Expect a formal announcement of decision between 7 - 12 Oct. We had shared a grand coalition involving Labour, Green and NZ First will likely point to a more inward looking, nationalist-focused agenda and this may weigh on the NZD. Pair was last seen at 0.7210 levels. Daily momentum is mild bearish while stochastics is falling. Key support remains at 0.7190 (neckline of head and shoulders pattern). A decisive break below support could see downside play gather momentum towards 0.7140 levels (200 DMA), 0.71 (61.8% fibo retracement of May low to Jul high). Resistance at 0.7240 (21, 100 DMAs), 0.7280 (38.2% fibo). Pair may consolidate 0.7150 - 0.7270 ahead of decision. Bias to lean against strength. Week ahead brings GDT Auction, NZIER Business Opinion survey on Tue; QV House Prices, ANZ Commodity prices (Sep) on Wed; Government 12-month financial statement on Thu; Full tally of General Election results on Fri.

■ **AUDUSD - *Downside May Persist in Near Term.*** AUD remains on a back foot as continued decline in iron ore prices overwhelmed China's better than expected PMI data and RRR cut. Pair was last seen at 0.7830 levels. Bearish momentum on daily chart remains intact while stochastics is falling into oversold conditions. We see support levels for the AUD at around 0.7820, 0.7730. Caution for downside risk but bias to buy on dips. Resistance at 0.7940 (50

DMA), 0.80 levels. Week ahead brings Building approvals (Aug); Commodity index (Sep): RBA Meeting on Tue - expect on hold at 1.5%; PMI Services (Sep) on Wed; Trade, Retail Sales (Aug) on Thu; Construction Index (Sep) on Fri. On data release this morning, CBA Australia PMI Mfg Index (Sep) was slightly better at 53.8 (prev. 53.5), but AiG Performance of Manufacturing Index (Sep) was worse (54.2 actual vs 59.8 prev.). CoreLogic house prices (Sep) was better than the previous period (0.3% in Sep, 0.1% prev.). Melbourne Institute Inflation (Sep) grew m/m (0.3% vs 0.1% prev.) but fell y/y (2.5% vs 2.6% prev.).

- **USDCAD - Bullish Bias.** USDCAD tested 1.25 levels again, after Canadian data missed estimates. GDP growth (Jul) came in at 0.0% m/m (exp. 0.1%) and 3.8% y/y (exp. 3.9%), with both growth figures also lower than the previous period (Jun). IP Price grew at 0.3% m/m (0.5% exp.), though Raw Materials Price Index surprised to the upside at 1.0% m/m (exp. 0.3%). The pair hit intraday highs of 1.2524 due to the weakening CAD before recovering to last seen levels of 1.2480. 1.25 levels (23.6% fibo of May high to Sep low) will be key - the pair crossed 1.25 temporarily on both Thursday and Friday but were unable to close above that. Support at 1.24-handle (Jul low at 1.2414, 6th Sep high [pre rate hike] at 1.2416). On daily charts, momentum remains very bullish but stochastics are in overbought conditions, so we do not rule out a short-term technical pullback in light of strong resistance seen around 1.25. Week ahead brings: Markit Mfg PMI (Sep) on Mon; Intl Merchandise Trade (Aug) on Thu; Unemployment data (Sep), Ivey PMI (Sep) on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.77% above the implied mid-point of 1.3711 with the top estimated at 1.3439 and the floor at 1.3983.**

USDSGD - Lacking Upside Conviction. USDSGD traded bid last week amid a rebound in UST yields and USD. The pair had earlier rebounded from its new 2017 low of 1.3346 (8 Sep) to last week's multi-week high of 1.3647 (28 Sep). UST yield though came under pressure on Fri and this weighed on the 3-month SOR, which fell by 5.3% to 0.945% levels to end the week. The uptick in UST yield amid a firmer USDSGD should see a rebound in the 3-month SOR intraday. All eyes will be on US ADP and NFP this week and upside surprises could lift UST yields and USD and be supportive of the USDSGD. Pair was last seen around 1.3590 levels. Momentum on the daily chart remains mildly bullish bias, and stochastics is at overbought levels. Bearish momentum on the weekly chart has largely dissipated, while stochastics still show tentative signs of climbing higher from oversold levels. Resistance still around 1.3630 (23.6% fibo retracement of the 2017 high to low). We need to see a break of this level on a weekly close for bullish extension towards the 1.37-handle (100DMA). Support at 1.35-levels (21DMA), 1.3440 levels. Week ahead has PMI (Sep), foreign reserves (Sep, due 2-9 Oct) later today, Nikkei PMI (Sep) on Wed.

- **AUDSGD - Correction Underway; Bias to Buy Dips.** AUDSGD continues to trade lower last week, in line with our caution for continued correction. Cross was last seen at 1.0660 levels. Bearish momentum on daily chart remains intact while stochastics is reaching oversold conditions. Support seen at 1.0620 (100, 200 DMAs), 1.0570 (50% fibo retracement of Jun low to Jul high). Bias to buy dips. Resistance at 1.0760 (23.6% fibo, 21, 50 DMAs).

- **SGDMYR - 3.10 - 3.12 Range to Hold.** SGDMYR was last seen at 3.1100 levels. Bearish momentum on daily chart is waning while stochastics is near oversold conditions. Key support at 3.1010 (23.6% fibo of 2016 low to 2017 high) before 3.0850 (76.4% fibo). Resistance at 3.1180 (100 DMA), 3.1240 (200 DMA) levels.. Expect 3.10 - 3.12 range to hold today.

- **USDMYR - Rebound Underway; Gains to Moderate.** USDMYR firmed; last seen at 4.23 levels. Daily momentum has turned mild bullish while stochastics is rising from oversold conditions - may continue to pose rebound risks in the short term. Resistance at 4.25. Support remains at 4.20, 4.1720 (50% fibo retracement of 2016 low to 2017 high). Expect 4.20 - 4.24 range this week.

- **1m USDKRW NDF - Bullish Bias.** 1m USDKRW NDF remains supported. Last seen at 1145 levels. Bullish momentum on daily chart remains intact. Key resistance at 1147 (38.2% fibo retracement of 2017 high to low), 1150 levels. Support at 1140, 1132 levels. We continue to see upside risks for USDKRW over the next few weeks on a combination of external and domestic drivers: (1) ongoing on-off geopolitical tensions should weigh on investor sentiment and reduce the appeal of Korean assets (net foreign inflow to Korean equity have already started to decline since end-Jul while net foreign inflow to Korean bonds have plateaued) and KRW; (2) inbound tourism may also come under pressure (inbound foreign tourists to

Korea -35% y/y in Aug) as a result of on-off geopolitical tensions; (3) potential for sustained tactical rebound in USD and UST yields arising out of Fed remains on path of tightening (resulting in markets re-pricing expectation) and rising likelihood that US may be getting their act on tax reforms while BoK is expected to keep monetary policy accommodative (resulting in policy divergence); (4) poor China-Korea relations which still show no signs of improvement after Korea approves additional deployment of THAAD (Inbound Chinese tourists to S. Korea has fallen 70% yoy in Jul); (5) US's determination to re-negotiate or terminate its FTA with S.Korea may hurt Korean businesses, exports and these would have negative repercussion on KRW.

- **USDCNH - Sideways.** USDCNH rebounded sharply, climbing to a high of 6.6788 on 28 Sep amid a rally in UST yields and USD and higher CNY fixing. Pair has since eased off but remained elevated. Note that **onshore markets are closed for its Golden Week holidays**. Pair was last seen around 6.6609 levels. Daily chart shows bullish momentum, while stochastics remains at overbought conditions. Bearish momentum on the weekly chart remains intact but is waning, and stochastics is climbing higher from oversold conditions. This suggests there risks are tilting to the upside. With onshore markets closed, further upside should be muted and sideways trades is likely in the week ahead. Look for resistance at 6.6950 levels (100WMA), 6.7260 levels (21WMA). Support remains around 6.6000. The CGB-UST 10y yield spread was last seen around 1271 bps. **There are no fixings for the week ahead.** The PBOC revealed details of the RRR cuts that had been announced earlier by the State Council on 27 Sep. Banks that increase their lending to small enterprises, agricultural borrowers and start-ups would enjoy the measures to be introduced by the central bank. The PBOC planned to cut the RRR for banks by up to 50bp if their eligible lending exceeds 1.5% or more of their new lending in 2017 or 150bp cuts if these lendings reaches 10%. These targeted measures are a change from the sweeping scope of previous PBOC measures, and are aimed at extending financial intermediation to sectors that have been inadequately served by banks.
- **1m USDINR NDF - Supported on Weak Sentiment.** The NDF endured a relatively quiet trading day on Friday, last seen at 65.68. India's fiscal deficit hit 96.1% of its budget estimate for this FY17-18 (ending March 2018), only 5 months into the FY. However, the government has stuck to its fiscal deficit target, improving investor sentiment (and possibly preventing a further weakening of the INR). Foreign outflows continued with investors selling (net) \$711.3mn in equities and \$179.7mn in bonds. Weak sentiment is likely to weigh on the INR in the near term, until the government announces concrete measures to improve its fiscal deficit. Resistance at 66 levels, support at 65.52 (200DMA). Week ahead brings: PMI Mfg (Sep), Eight Infrastructure Industries Growth Rate on Tue; **RBI decision on Wed**; PMI Services and Composite (Sep) on Thu.
- **1m USDIDR NDF - Risks Still To The Upside.** 1m USDIDR NDF rallied last week to a new 2017 high of 13650 on 28 Sep amid

rebound in UST yields and the USD on US tax reforms prospects and expectations of Fed rate hike in Dec. Lingering in the background is BI's two 25bp cuts that are weighing on domestic yields and the 1m NDF. However, recent comments by BI governor Martowardojo that its recent measures and cut to the policy rate are adequate, suggests that the BI's easing bias could be at its end. This should be supportive of the IDR ahead. The 1m NDF was also not helped by foreign outflows from Indonesian assets. Foreign investors sold USD183.4mn in equities last week that more than offset the USD31.8mn of debt purchased on 25-28 Sep (latest data available). Further slowdown in net foreign inflows should be supportive of the 1m NDF. Market focus will be on US ADP and NFP this week and upside surprises could lift UST yields and USD and be supportive of the 1m NDF. Last seen around 13506 levels. Momentum on the daily remains bullish bias and stochastics shows signs of turning lower from overbought conditions. Weekly momentum and stochastics are bullish bias. Next resistance is at 13528 (23.6% fibo retracement of the 2017 low to high), 13650. Support at 13455 (38.2% fibo), 13390 levels (50% fibo). JISDOR was fixed at 13492 on Fri, 28 pips higher than the fixing on Thu. Week ahead brings CPI (Sep) later today; foreign reserves (Sep) on Fri.

- **1m USDPHP NDF - *Near-Term Upside Risks.*** 1m USDPHP NDF rebounded from its near two-month low of 50.61 (25 Sep) amid a UST yield and USD rally. Underpinning the weaker PHP are the comments by Finance Secretary Dominguez last week that he 'favours a slightly weaker peso'. Still, the foreign inflows into equities last week was supportive of the PHP. Foreign funds bought USD511.4mn of equities last week. Further inflows into Philippines assets should be supportive of the PHP and weigh on the 1m NDF. 1m NDF is once again back above the 51-handle and was last seen around 51.06-levels. Bearish momentum on daily charts remains intact but waning, while stochastics shows tentative sighs of turning higher. Weekly charts show there is no strong bias in either direction, while stochastics is falling. This suggests that risks remains to the downside but in the near term, there is room for the 1m NDF to move higher. Resistance is at 51.25 (28.2% fibo retracement of Aug low to high), 51.50 (23.6% fibo). Support at 50.60 (76.4% fibo, 100DMA). Week ahead brings CPI (Sep) on Thu; foreign reserves (Sep) on Fri.
- **USDTHB - *Upside Pressure.*** USDTHB rebounded last week to a multi-week high of 33.495 on 28 Sep amid a rally in UST yields and USD. Softer gold price continues to pressure the pair higher (given the negative correlation between gold prices and the USDTHB). The pair was weighed also by the continued sell-off in Thai assets. Foreign funds had sold off USD68.6mn and USD767.3mn in equities and debt last week. Last seen around 33.356 levels. Daily and weekly momentum and stochastics are bullish bias. Further upside pressure could see the pair revisit its recent high of 33.495. Until then, resistance is at 33.410 (29 Sep high). Support is at 33.225 (50DMA), 33.160 (21DMA). Week ahead has CPI (Sep) later today, foreign reserves (29 Sep) on Fri. The BoT governor Veerathai Santiprabhob defended the central bank's cautious stance in a press interview, pointing out that a policy rate cut could eventually force

the BoT to push up rates quickly to play catch-up when the trend reverses. His preference is to watch and wait before taking any action, especially given that there are no significant risks to the economy at this point and the need to maintain financial stability.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	3.39	Unchanged
5YR MI3/22	3.59	3.58	-1
7YR ML9/24	3.85	3.84	-1
10YR MO11/27	3.94	3.92	-2
15YR MX4/33	4.38	*4.39/34	Not traded
20YR MX4/37	4.51	*4.60/55	Not traded
30YR MZ3/46	4.79	4.79	Unchanged
IRS			
6-months	3.45	3.45	-
9-months	3.47	3.47	-
1-year	3.50	3.50	-
3-year	3.63	3.62	-1
5-year	3.75	3.74	-1
7-year	3.85	3.84	-1
10-year	3.95	3.96	+1

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Source: Maybank KE

*Indicative levels

- Malaysian government bonds stabilized as selling pressure abated with selected MGS yields closing 1-2bps lower. Trading activity was relatively more muted with the 5y benchmark MGS 3/22 recording the highest traded volume totalling MYR448m at the end of the day.
- Quiet session MYR IRS market notwithstanding the abundant quotes. The 2y IRS was reported dealt at 3.57%. A convincing uptick in rates could trigger some receiving interest. 3M KLIBOR stood pat at 3.43%.
- Corporate bond market was unsurprisingly muted aside from some month end portfolio reallocation flows. Secondary levels were pretty much unchanged for GG and AAA credits, though bids have noticeably diminished given current bond sentiment. AA credits saw some widening, such as YTL Power 2027s being given 3bps wider, attributed to retail selling interest.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.42	1.39	-3
5YR	1.69	1.65	-4
10YR	2.21	2.15	-6
15YR	2.50	2.43	-7
20YR	2.49	2.43	-6
30YR	2.56	2.50	-4

Source: Maybank KE

- SGS rebounded opening lower in yields after UST recovered and SGD IRS followed suit down by 2-5bps. Government bonds continued to remain biddish for most of the day with decent buying in the 10y30y sector flattening the yield curve as long end yields eased 6-7bps while the short end fell 3-4bps. SGD IRS ended 3-4bps lower.

Asian credit space was volatile given the overnight move in UST. INDON and PHILIP prices rose back up and into a tight range with immediate profit taking seen. New Overseas Chinese Town bond traded up 0.50pts. Rest of the space was skewed towards selling. Korean credits continued to be weighed down by geopolitical tensions. Flows are expected to slow down in the 1st week of October as it is China's Golden Week.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.03	6.00	(2.13)
5YR	6.15	6.03	(12.65)
10YR	6.52	6.37	(14.55)
15YR	7.05	6.92	(13.30)
20YR	7.35	7.20	(14.64)
30YR	7.42	7.44	1.10

* Source: Maybank Indonesia

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- Indonesia bond market closed higher on Friday. The IGS market moved higher supported by appreciating local currency. Several investor might have purchase IGS on dips following a sharp increase of IGS yield since Tuesday. The final week in Sep 17 closed with a weekly loss while Sep 17 closed with a monthly gain marking a straight nine month gain. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.025%, 6.373%, 6.916% and 7.202% while 2y yield moved lower to 6.004%. Trading volume at secondary market was noted heavy at government segments amounting Rp22,692 bn with FR0072 (20y benchmark series) as the most tradable bond. FR0072 total trading volume amounting Rp5,013 bn with 181x transaction frequency.
- Corporate bond trading traded heavy amounting Rp834 bn. MEDC02ACN6 (Shelf Registration II Medco Energi Internasional Phase VI Year 2017; A serial bond; Rating: _{id}A+) was the top actively traded corporate bond with total trading volume amounted Rp220 bn yielding 10.258%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNY	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1867	113.01	0.7877	1.3491	6.7023	0.7259	133.5867	88.6257
R1	1.1840	112.76	0.7856	1.3445	6.6775	0.7234	133.2533	88.3793
Current	1.1809	112.64	0.7844	1.3396	6.6535	0.7226	133.0100	88.3550
S1	1.1780	112.24	0.7815	1.3351	6.6337	0.7194	132.4533	87.9603
S2	1.1747	111.97	0.7795	1.3303	6.6147	0.7179	131.9867	87.7877

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3613	4.2342	13535	50.9843	33.4673	1.6096	0.6381	3.1177
R1	1.3595	4.2274	13503	50.9247	33.3907	1.6070	0.6363	3.1130
Current	1.3575	4.2220	13473	50.8850	33.3330	1.6031	0.6348	3.1093
S1	1.3557	4.2171	13439	50.7757	33.2567	1.6006	0.6324	3.1060
S2	1.3537	4.2136	13407	50.6863	33.1993	1.5968	0.6303	3.1037

*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	1.1247	Oct-17	Neutral
BNM O/N Policy Rate	3.00	9/11/2017	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/10/2017	Neutral
BOT 1-Day Repo	1.50	8/11/2017	Tightening Bias
BSP O/N Reverse Repo	3.00	9/11/2017	Tightening Bias
CBC Discount Rate	1.38	15/12/2017	Neutral
HKMA Base Rate	1.50	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	4/10/2017	Neutral
BOK Base Rate	1.25	19/10/2017	Easing Bias
Fed Funds Target Rate	1.25	2/11/2017	Tightening
ECB Deposit Facility Rate	-0.40	26/10/2017	Easing Bias
BOE Official Bank Rate	0.25	2/11/2017	Neutral
RBA Cash Rate Target	1.50	3/10/2017	Neutral
RBNZ Official Cash Rate	1.75	9/11/2017	Neutral
BOJ Rate	-0.10	31/10/2017	Easing
BoC O/N Rate	1.00	25/10/2017	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	22,405.09	0.11
Nasdaq	6,495.96	0.66
Nikkei 225	20,356.28	-0.03
FTSE	7,372.76	0.68
Australia ASX 200	5,681.61	0.20
Singapore Straits Times	3,219.91	-0.22
Kuala Lumpur Composite	1,755.58	-0.14
Jakarta Composite	5,900.85	1.02
Philippines Composite	8,171.43	0.19
Taiwan TAIEX	10,383.94	0.52
Korea KOSPI	2,373.14	0.02
Shanghai Comp Index	3,339.64	-0.17
Hong Kong Hang Seng	27,421.60	-0.80
India Sensex	31,282.48	0.39
Nymex Crude Oil WTI	51.67	0.21
Comex Gold	1,284.80	-0.30
Reuters CRB Index	183.09	0.05
MBB KL	9.53	-2.76

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2012 3.314% 31.10.2017	3.314%	31-Oct-17	170	3.034	3.055	2.982
MGS 2/2003 4.24000% 07.02.2018	4.240%	7-Feb-18	143	3.049	3.078	3.049
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	150	3.03	3.054	3.005
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	169	3.113	3.132	2.975
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	118	3.117	3.154	3.082
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	22	3.311	3.311	3.291
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	53	3.31	3.32	3.31
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	12	3.323	3.365	3.323
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	4	3.405	3.412	3.405
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	37	3.396	3.438	3.292
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	90	3.393	3.393	3.393
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	3	3.546	3.546	3.504
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	15	3.533	3.574	3.533
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	8	3.58	3.58	3.541
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	448	3.574	3.599	3.572
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	15	3.666	3.673	3.666
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	160	3.662	3.689	3.448
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	5	3.766	3.766	3.766
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	81	3.78	3.809	3.59
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	26	3.851	3.868	3.851
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	126	3.835	3.845	3.797
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	74	3.955	3.977	3.925
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	32	4.015	4.056	3.988
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	7	3.978	3.978	3.919
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	22	4.111	4.111	4.091
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	57	3.917	3.929	3.911
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	21	4.316	4.316	4.275
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	4	4.369	4.369	4.349
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	5	4.372	4.409	4.372
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	6	4.51	4.51	4.51
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	5	4.826	4.847	4.766
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	7	4.788	4.814	4.775
GII MURABAHAH 1/2014 3.678% 23.11.2017	3.678%	23-Nov-17	2	3.053	3.053	3.053
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	2	3.061	3.061	3.061
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	30	3.084	3.084	3.084
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	40	3.496	3.517	3.496
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	8	3.756	3.756	3.756
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	1	3.978	3.978	3.978
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	122	4.232	4.232	4.191
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	8	4.48	4.48	4.48
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	11	4.609	4.617	4.609
Total			2,319			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PASB IMTN (GG) 4.38% 29.04.2021 - Issue No. 5	GG	4.380%	29-Apr-21	10	3.973	3.976	3.973
CAGAMAS MTN 5.52% 17.7.2024	AAA	5.520%	17-Jul-24	10	4.319	4.319	4.319
SEB IMTN 4.500% 19.01.2022	AA1	4.500%	19-Jan-22	10	4.341	4.344	4.341
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	40	4.889	4.892	4.889
UMWH IMTN 4.820% 04.10.2019	AA2	4.820%	4-Oct-19	10	4.424	4.43	4.424
UMWH IMTN 5.020% 04.10.2021	AA2	5.020%	4-Oct-21	20	4.611	4.622	4.608
UMWH IMTN 4.830% 22.06.2022	AA2	4.830%	22-Jun-22	10	4.666	4.669	4.666
KRUNG THAI 5.100% 04.07.2025 - Tranche No 1	AA2	5.100%	4-Jul-25	10	4.42	4.42	4.416
UMWH IMTN 5.220% 02.10.2026	AA2	5.220%	2-Oct-26	10	4.947	4.949	4.947
CIMBBANK 6.70% 07.10.2038	AA	6.700%	7-Oct-38	20	4.398	4.438	4.398
PBFIN 7.500% 05.06.2059 - Tranche No.1	AA2	7.500%	5-Jun-59	1	4.481	4.481	4.481
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	10	4.645	4.648	4.645
UEMS IMTN 5.000% 19.05.2023	AA- IS	5.000%	19-May-23	20	4.778	4.79	4.768
AISL IMTN 25.03.2024	AA3	5.050%	25-Mar-24	10	4.539	4.549	4.539
MMC CORP IMTN 5.800% 12.11.2025	AA- IS	5.800%	12-Nov-25	10	5.278	5.28	5.278
MMC CORP IMTN 5.640% 27.04.2027	AA- IS	5.640%	27-Apr-27	10	5.365	5.367	5.365
GOLDEN ASSET IMTN 4.750% 03.08.2018	A1 (S)	4.750%	3-Aug-18	10	5.119	5.13	5.119
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	2	5.997	6.201	5.97
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	41	4.99	5.011	4.82
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	30	4.88	4.88	4.878
Total				294			

Sources: BPAM

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