

Global Markets Daily

False Break or a Signal of Further Sell-Off?

Equity Markets Closely Watched for Cues on FX

Asian equities opened in the red this morning, following the sell-off in US equities overnight. Focus centers back on S&P 500 as the index closed slightly below the 200 DMA overnight for the first time since Jun-2016. Persistent price action below 200 DMA amid tech stocks sell-off, trade war fears and UST yield curve compression could result in a self-inflicted/self-fulfilled risk-off cycle. This underscores our warning in FX Weekly yesterday for a cautious start to the week. Safe haven plays such as long JPY could be sought and bearish bets on AUD could pile on. But we caution that sentiment is fickle and charts can be misread. True that technical signs on S&P 500 should not be ignored, history also showed that the close below 200 DMA back in Jun-2016 proved to be a false break as the index subsequently rebounded 9% over the next 2 weeks. We believe equity markets will be closely watched in the short term for cues on FX direction.

RBA Meeting Today at 1230pm SG/KL time

RBA meeting today is likely to be a non-event with the usual reference to slow household income growth and high debt levels that could weigh on household consumption. There could be some reference to the recent rise in BBSW that began in Mar (3m BBSW rose 25bps to 2.03%). The rise in rates was partly due to a squeeze in US libor rates and the seasonal element to it suggests that the rise in rates should not be sustained. Prolonged period of high funding cost could weigh on banks' profitability and lead to upward adjustments to mortgage rates or cuts to deposit rates. This could temporarily weigh on AUD but bias remains to buy AUD on dips.

NZ GDT Auction; EU, UK Mfg PMIs Today

Other key data/events we watch this week include US ADP employment, ISM non-mfg; CPI estimate; AU retail sales and building approvals; UK construction PMI and China Caixin services PMI on Wed. For Thu, US trade; EU, UK service PMIs; Malaysia trade; Philippines CPI. For Fri, US payroll report; UK unit labor cost.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2302	↓ -0.18	USD/SGD	1.3124	↑ 0.07
GBP/USD	1.4044	↑ 0.21	EUR/SGD	1.6145	↓ -0.12
AUD/USD	0.7663	↓ -0.21	JPY/SGD	1.2393	↑ 0.43
NZD/USD	0.7213	↓ -0.33	GBP/SGD	1.8431	↑ 0.27
USD/JPY	105.89	↓ -0.37	AUD/SGD	1.0056	↓ -0.17
EUR/JPY	130.27	↓ -0.53	NZD/SGD	0.9467	↓ -0.23
USD/CHF	0.9551	↑ 0.12	CHF/SGD	1.3741	↓ -0.01
USD/CAD	1.2913	↑ 0.10	CAD/SGD	1.0164	↓ -0.04
USD/MYR	3.862	↓ -0.04	SGD/MYR	2.949	↓ -0.03
USD/THB	31.23	↑ 0.16	SGD/IDR	10496.95	↑ 0.13
USD/IDR	13753	↑ 0.18	SGD/PHP	39.7346	↓ -0.32
USD/PHP	52.04	↓ -0.31	SGD/CNY	4.7884	↓ -0.02

Implied USD/SGD Estimates @ 3 Apr-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2940	1.3203	1.3465

Analysts

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

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

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

Leslie Tang
(65) 6320 1378
leslietang@maybank.com.sg

G7: Events & Market Closure

Date	Ctry	Event
2 Apr	AU, NZ, UK, HK	Market Closure
3 Apr	AU	RBA Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
4 Apr	TW	Market Closure
5 Apr	CN, HK, TW	Market Closure
	IN	RBI Meeting
6 Apr	TW, TH	Market Closure

G7 Currencies

- **DXY - Range-Bound.** USD retraced earlier losses into NY close overnight but range remains subdued amid market closures. Volatility should start to pick up today as markets returned from their Easter holidays. Focus this week on US payroll report this Fri. Consensus is looking for +189k for NFP, improvement in unemployment rate to 4% (vs. 4.1% in Feb) and a pick-up in average hourly earnings to +0.3% m/m (vs. +0.1% in Feb). Faster than expected pick-up in hourly earnings could lead to higher UST yields and add pressure on risk sentiment (due to rebuilding of expectations for faster than gradual pace of monetary tightening). Such a scenario could lead to support for JPY and USD. Trump is also expected to announce import tariffs and investment measures targeted at China as soon as this week after China announced tariffs on US food imports yesterday. Apart from data, we believe equity markets will be closely watched for cues on FX. Overnight, the S&P 500 as the index closed slightly below the 200 DMA for the first time since Jun-2016. Persistent price action below 200 DMA amid tech stocks sell-off, trade war fears and UST yield curve compression could result in a self-inflicted/self-fulfilled risk-off cycle. This underscores our warning in FX Weekly yesterday for a cautious start to the week. Safe haven plays such as long JPY could be sought and bearish bets on AUD could pile on. But we caution that sentiment is fickle and charts can be misread. True that technical signs on S&P 500 should not be ignored, history also showed that the close below 200 DMA back in Jun-2016 proved to be a false break as the index subsequently rebounded 9% over the next 2 weeks. DXY was last seen at 90 levels. Daily momentum and stochastics are indicating a mild bullish bias. Resistance at 90.5 still holds while support levels are seen at 89.28 (61.8% fibo retracement of Feb low to Mar high) before 88.25 (2018 low). Week ahead brings Fed's Kashkari, Brainard speak on Tue; ADP Employment (Mar); ISM non-Mfg (Mar); Durable Goods (Feb); Fed's Bullard, Mester speak on Wed; Trade (Feb); Fed's Bostic speaks on Thu; NFP, unemployment rate, average hourly earnings (Mar); Fed Chair Powell speaks; Fed's Evans speaks on Fri.
- **EURUSD - Interim Downside Pressure, Buy on Dips.** EUR slipped overnight. Pair was last seen at 1.23 levels. Daily momentum and stochastics are showing a mild bearish bias. Further downside risks possible on decisive break below 1.2280. Support seen at 1.2235 (38.2% fibo retracement of Dec low to 2018 high). Resistance at 1.2360 (23.6% fibo), 1.2450 levels. Week ahead brings Mfg PMI (Mar) on Tue; CPI estimate (Mar); Unemployment rate (Feb) on Wed; Services PMI (Mar); PPI, Retail Sales (Feb) on Thu; Retail PMI (Mar) on Fri. Italy President Mattarella is expected to start talks with political leaders in April before deciding who to nominate to lead the next government. Coalition talks is expected to take up to several months (some senior officials believe the deadline to be sometime in July but we do not rule out an extension of the deadline given that Germany even took nearly 6 months to form a coalition government). We believe the process is likely to be long-drawn and is a source of volatility for the currency. We do not rule out renewed talks of another election (another source of volatility weighing on EUR if it happens). But bias remains to buy on dips. we remain constructive of EUR outlook on (1) receding political risks in Europe (Germany managed to form coalition government with

Merkel elected as Chancellor again for the 4th term though Italy government formation remains a source of uncertainty); (2) sustained signs of economic recovery broadening in Europe, supported by private consumption, business sentiment, construction investment, sizeable current account surplus (3.5% of GDP) and export recovery; (3) signs of growing demand for EUR as a share of world FX reserves amid ongoing reserve diversification and (4) ECB's gradual pace of policy normalisation is expected to proceed as planned. Though political uncertainty in Italy may pose downside pressures in the interim, we view this as opportunities to buy EUR on dips.

- **GBPUSD - Bias to Buy on Dips.** GBP was last seen at 1.4050 levels. Bullish momentum on daily chart is waning while stochastics is showing signs of turning lower from overbought conditions. Downside risks remain but bias to buy on dips. Support at 1.40 (21, 50 DMAs). Resistance at 1.41, 1.4190. We reiterate our bias to buy on dips on firmer signs of material progress with Brexit negotiations. We broadly maintain our “more optimistic” outlook than street consensus for GBP on the back of our expectation for orderly Brexit (boost to sentiment), continued improvement in labor market (upward pressure for wage growth providing room for BoE to tighten) and potentially greater tolerance (from policymakers) for GBP appreciation (to help curb imported inflation) and rising market expectation for BoE rate increase to come earlier than expected. That said we do not expect a one way trade and still see a great deal of variability on GBP exchange rate, driven by headlines on Brexit progress (which can be improvement or deterioration). We see a range of 1.3950 - 1.45 in the coming weeks; maintain our bias to buy on dips. Week ahead brings Mfg PMI (Mar) on Tue; Construction PMI (Mar) on Wed; Services PMI (Mar) on Thu; Unit Labor costs (4Q on Fri).
- **USDJPY - Weighed By Risk Sentiments.** USDJPY continues to trade softer, tracking the UST yields moves amid pressures on risk sentiments on trade war concerns and sell-off in US equities. For now, markets should remain on edge ahead of Trump's announcement of trade and investment restrictions on China expected as soon as this week, which could be supportive of risk sentiments and keep the JPY supported. Similarly, US data (ADP, CPI and payrolls) outperformance could see UST yields climb higher and lift risk sentiments on rate hike repricing, lifting JPY higher. Meanwhile, political scandal surrounding PM Abe has yet to blow over and which has affected the, cabinet's popularity as reflected in the weak recent opinion polls. Further slippage in support could undermine PM Abe and possibly see a challenge to his presidency of the LDP in Sep and put Abenomics in doubt. This is also weighing on the pair. Last seen at 105.80-levels. Momentum indicators and stochastics on the daily chart show bullish bias but waning. Weekly chart continues to indicate a bearish bias but waning with stochastics still in oversold conditions. With support at 106-levels (23.6% fibo retracement of the Feb high to Mar low) taken out overnight, we watch for a weekly close below that level to reaffirm bearish tilt below 105-levels at 104.60 (2018 low). Interim support around 105.25. Resistance is at 106.80 levels (38.2% fibo). Week ahead has Nikkei services & composite (Mar) on Wed; household spending, labor cash earnings, leading index (Feb) on Fri. Note that BOJ Kuroda will appear in Parliament this afternoon.

- **NZDUSD - *GDT Auction Tonight***. NZD fell overnight. Pair was last seen at 0.72 levels. Daily momentum and stochastics indicators are showing some signs of mild bearish bias. Support at 0.7180 (200 DMA) before 0.7150 (100 DMA). Resistance at 0.7260 (21 DMA). Suggest 0.7150 - 0.73 range this week. Week ahead brings GDT auction on Tue; Government 6-M Financial Statements; Consumer confidence (Mar) on Wed; Commodity Prices (Mar) on Thu.

- **AUDUSD - *Continue To Buy Dips Towards 0.76***. With global equities under pressure and risk appetite weak, AUD looks especially vulnerable, not helped the least by fears of trade protectionism still ongoing. The current risk environment weighs on the AUD but we see this pressure as temporary and not a build up towards a collapse in the backdrop of synchronised global growth. The record high AiG performance of manufacturing index, released this morning at 63.1 for Mar vs. previous 57.5 is a case in point. Fundamentals of Australia, notwithstanding the high household debt levels, are strong. Hiring is keeping momentum and the last wage price index indicates that wage growth seems to have bottomed. The RBA meeting today is likely to be a non-event with the usual reference to slow household income growth and high debt levels that could weigh on household consumption to underscore their case for an extended dovish pause. There could be some reference to the recent rise in BBSW that began in Mar. The rise in rates was partly due to a squeeze in US libor rates and the seasonal element to it suggests that the rise in rates should not be sustained. The AUDUSD pair was last seen around 0.7690. The MACD on the daily chart show bullish divergence and this could play out soon - the bullish reversal. Weekly stochs are entering oversold conditions and are showing signs of turning. As we had stated before, the iron ore outlook matters for the pair. The iron ore affects the economic outlook of market players with AU 10y yields tracking rather well with the metal prices. The drop in iron ore prices has soured the outlook for the economy and bull flattened the sovereign yield curve. That said, industrial profitability in China seemed to have stabilized in the first two months of the year from the decline seen in Dec. Sustained global growth should continue to buoy demand for base metals even as China fights against pollution. The structural correction in iron ore prices has long begun and we see it likely already in the price of AUD and the recent improvement in the PMI-mfg numbers could mean that AUD bears should lose some steam. We warn that bullish moves might take this pair towards the 0.79-figure. Our mildly bullish medium term view for AUD remains, as domestic and external demand continues to strengthen and we look for the AUDUSD pair to break above 0.80 within this half of the year. We continue to see signs that RBA is poised to hike this Aug after a recent observation by RBA that the “rate of wage growth appears to have troughed”. This is something that we have been observing for the past few months and back our call for RBA to raise cash rate in May (now in Aug). Week ahead has RBA meeting today, Feb building approvals and retail sales on Wed, trade on Thu..

- **USDCAD - *Forming the Bearish Head and Shoulders***. The pair is last seen around 1.29000, still capped by the 21-DMA. Price moves lack conviction even as equities head lower overnight which should normally see USDCAD moving higher. We stick to our view that this pair is poised to head south. The global growth story remains intact

and we see a potential for a comeback in risk. That is the fundamental underpinning for a bearish head-and-shoulder pattern that we see forming. The recent move lower and rebound has created a neckline around the 1.28-figure. At this point, the right shoulder might be formed at around the 21-DMA and we stick to our bearish call. **We like to sell this pair on the uptick towards 1.30 for the first objective of 1.2670 before the ultimate objective of 1.25. Stoploss at 1.31.** Fundamentally, we had looked for a downside given the fact that this pair has retraced around 61.8% of the BoC rate hike play in 2017 and BOC's rate pause is likely to have been well in the price. Week ahead has trade on Thu.

Asia ex Japan Currencies

- **SGD trades around 0.65% above the implied mid-point of 1.3203 with the top estimated at 1.2940 and the floor at 1.3465.**
- **USDSGD - Consolidating.** USDSGD is trading mixed this morning, pulled in one direction by the soft USD and the other by a firmer USDCNH. Also putting upside pressure on the SGD is the better-than-expected PMI prints for Mar. Overall PMI and electronics PMI rose to 53 and 52.4 in Mar (Feb: 52.1 and 52.7) respectively, while consensus was penciling in 52.8 for overall PMI. This suggests that manufacturing remains supportive of the economy in 1Q. Pair appears trading back within the symmetrical triangle that had formed since Jan suggesting consolidative trades ahead. Note that though symmetrical triangles tend to signal a trend reversal, they are also associated with a continuation of current trend - in this case a downtrend. There is some speculation in the market for a MAS policy move in mid-Apr, leading to a reduction in long USDSGD positions and lifting the SGD higher. There is a risk that market could be underpricing risk of a MAS move, which could suggest upside risks to the SGD. Last seen around 1.3122-levels. Daily and weekly momentum indicators still show no strong bias in either direction. Support around 1.3060 before 1.3010 (2018 low). We do not rule out a move lower towards 1.28-levels in the coming weeks as we inch closer to MAS semi-annual policy meeting in Apr. Resistance around 1.3150 (upper bound of the triangle) ahead of 1.3175 (23.6% fibo retracement of the Oct 2017 high to Jan 2018 low). Remaining week has Nikkei PMI (Mar) on Wed. Adv. Est. of 1Q18 GDP and MAS meeting are expected sometime 6-13 Apr.
- **AUDSGD - Racing to Parity and beyond?** AUDSGD was last seen around 1.0050, weighed by the fragile risk environment. This is also the work of the sharp iron ore declines and bullish SGD plays into Apr MPC. Recent price action seems to have formed a downward sloping channel into Apr. This month could be another bearish month for this cross. Downward sloping trend channels typically last for at least three months and if this time frame holds for the current one, there could be risk of AUDSGD heading towards 0.9920, which coincides with the low seen in 2016 before the big rally towards 1.0800. We start accumulating on dips towards parity. Target at 1.0280 (61.8% Fibonacci retracement of the Jun2016- Feb-2017 rally).
- **SGDMYR - Double-Bottom Still Holding.** SGDMYR rebounded slightly but remains near its double-bottom (lows of Feb and Apr around 2.94 levels). Cross was last seen at 2.95 levels. Bearish momentum on daily chart remains intact while stochastics is falling. Support at 2.94 - a potential double bottom. Decisive break below this could open way for further downside towards 2.90. Resistance at 2.97 (21, 50 DMAs).
- **USDMYR - Bearish Bias.** USDMYR inched up slightly this morning. Pair was last seen at 3.8690 levels. Bearish momentum remains intact while stochastics is falling. Area of support at 3.84 - 3.85 remains a key level to watch. Decisive break below this area of support puts next key support at 3.81. Resistance at 3.9050 (21, 50 DMAs). We maintain our medium term bias for MYR strength on the

back of improving domestic factors amid favourable external environment. Some of these factors include (1) sustained growth pick-up backed by consumption, investment and exports; (2) BNM initiatives (Apr-2017) to deepen and broaden domestic financial markets were positive steps to restore foreign investors' confidence; (3) BNM's pre-emptive move in Jan described the hike as pre-emptive to ensure that the stance of monetary policy is appropriate to prevent the build-up of risks that could arise from interest rates being too low for a prolonged period of time; (4) **General election could lend further support for Ringgit**. Typically **Malaysian equities, MYR tend to strengthen in the lead-up to elections due to rising confidence and a date could be called soon**; (5) Sustained current account surplus and rising FX reserves to retained imports & short-term debt should also provide an anchor for Ringgit. Current external environment of monetary policy continuity, relative oil price stability and still subdued inflationary pressures in US amid synchronous global economic recovery should continue to bode well for exports recovery and benefit countries that are trade-dependent including the MYR.

- **1m USDKRW NDF - Sell on Rally**. 1m USDKRW firmed this morning on warnings from Finance Ministry officials. Authorities will take stern measures in case of excessive movements in currency. Pair was last seen at 1057 levels. Bearish momentum on daily chart remains intact while stochastics is falling. Key area of support for USDKRW at 1050 - 1055 remains intact. We caution that a break below could trigger more downside play towards 1040 levels. Resistance at 1065, 1072 levels. Bias to sell on rallies. Unwinding of geopolitical tensions, receding fears of trade war and commitment from Chinese to improve CN-KR relations are some of the factors supporting a more optimistic outlook on KRW.
- **USDCNH - Directionless**. USDCNH edged higher this morning, underpinned by the firmer USD. MACD is mild bearish. Key support at 6.24 before the next at 6.2130. The price is last seen around 6.2570. Daily momentum is gaining on bearishness. Resistance at 6.30 levels (21 DMA). **PBoC fixed the USDCNY reference rate at 6.2833, 69 pips higher than the previous 6.2764. CNYMYR was fixed at 0.6147, 9 pips lower than 0.6156. EURCNY was fixed 25 pips lower at 7.7274 vs. the previous at 7.7299.** At home, the State Think Tank projects 1Q growth to be at 6.8%. Separately, the government urges local government and SOEs to quicken their debt deleveraging according to Xinhua, citing the meeting of the central committee for financial and economic affairs.
- **1M USDINR NDF - Poised To head Lower**. 1M has been sticky around the 21-DMA, last seen around 65.30. This pair seems undecided, stuck within the 65.10-65.70 range. Beyond the near term, we look for the 21-DMA to turn lower to cut the 50-DMA, a bearish signal. Support at 65.10 and the next is 64.78 (50% Fibonacci retracement of the Sep-Jan sell off). This pair is driven by the USD for now and concerns that the US steel and aluminium tariff would affect India's trade. The government has been asking for US to exempt the nation from the tariff. 10y yield hovered around 7.40%. **We caution that the rupee could also benefit from an upgrade in the Fitch rating agency. Economic Affairs Secretary Subhash Chandra Garg said that the rating agency is "extremely positive" of the "economy,**

reforms and path forward". Foreigners bought U\$168.8mn of equities on Tue (27 Mar) and U\$100.2mn of bonds. **We stick to our call to short the pair at the break of 65.00 towards 64.45. Stoploss at 65.50.** Eyes on RBI decision this Thu and consensus are for the central bank to stand pat as cost pressure remains in check. Onshore markets are open today. RBI posted a statement on the website yesterday that banks are granted the option to spread provisioning for mark to market losses on investment held in "Available for Sale" and "Held for Trading" for the quarter ended Dec 31 2017 and Mar 31 2018. The provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss is incurred. This could see an extension in the bond rally that was triggered last week after the government lowered their borrowing for the first half of the fiscal year. That said, bond inflows could be offset by the equity outflows that take cue from overnight markets.

- **1m USDIDR NDF - Range.** 1m USDIDR NDF trades mildly bid this morning amid higher UST yields but remains well-within its recent trading range of 13680-13820. Upside pressure on the 1m NDF also came from long USDIDR positioning after inflation remained subdued in Mar, suggesting that a rate hike is not imminent. Inflation rose 3.40% y/y in Mar from 3.18% in Feb, though this was the fastest pace since Dec 2017 on the back of higher food prices (up 4.24% in Mar from 3.40% in Feb). While inflation remains on the uptick, our economic team is expecting only modest gains in inflation in 2018. The team expects full-year inflation to average just 3.50% in 2018, a slight moderation from 2017's 3.61%. Firmer UST yields is likely to make Indonesian assets less attractive to foreign investors. Foreign investors had sold USD17.7mn in equities yesterday. Latest data for debt purchases by foreign fund remain unavailable. Further outflows are likely to weigh on the IDR and keep the 1m NDF supported intraday. Last seen around 13787-levels. Momentum indicators and stochastics are still to the downside on the daily chart. Weekly momentum remains bullish bias but waning, while stochastics is in oversold conditions. In the absence of fresh catalyst, look for range trades within 13680-13820 to hold. JISDOR was fixed at 13750 on Mon, 6 pips lower than Fri's fixing. Remaining week has foreign reserves (30 Mar) on Fri.
- **1m USDPHP NDF - Bearish Tilt.** 1m USDPHP NDF is trading softer this morning amid a pullback in the USD. Expectations of a further sell-off in equities though could limit the 1m NDF's downmove as they did yesterday where they had sold USD12mn in equities. Focus ahead aside from US data will be on Mar CPI on Thu. Further upside in headline inflation will test the BSP resolve to act against inflation. Failure to act could see a sell-off in the PHP. Spot USDPHP gapped higher at the opening to 52.127 this morning from yesterday's close of 52.040 amid a firmer USD earlier in the morning. Last seen around 52.18-levels. Daily momentum indicators are showing very mild bearish bias, while stochastics is falling. Weekly chart remains bullish bias and stochastics in overbought conditions. Further dips could see support around 52-handle. Resistance around 52.50 levels ahead of 52.70. Remaining week has CPI (Mar) on Thu; foreign reserves (Mar) on Fri.

- **USDTHB - Range-Bound.** USDTHB is edging lower this morning amid softer USD. Net foreign portfolio inflows to Thai assets should remain supportive of the THB. Foreign investors had sold off USD34.8mn in equities yesterday, but this was more than offset by their purchase of USD48mn in debt. However, lingering expectations that BoT could remain on hold after softer-than-expected inflation print in Mar could limit the pair's downside intraday. Headline inflation had risen by just 0.79% y/y vs. est. of +0.97%. Last seen around 31.184-levels, pair is showing very mild bullish bias on the daily chart, while weekly chart shows no strong bias in either direction. In the absence of fresh catalyst, we look for the pair remain in range-bound trades within 31.090 (2018 low) to 31.300 range intraday. Remaining week has foreign reserves (30 Mar) on Fri. **Note that onshore markets are closed for a public holiday on Fri.**

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.45	3.46	+1
5YR MI3/22	3.55	*3.57/54	Not traded
7YR MK3/25	3.83	3.83	Unchanged
10YR MO11/27	3.94	3.95	+1
15YR MX4/33	4.41	4.39	-2
20YR MX4/37	4.54	4.53	-1
30YR MZ3/46	4.79	4.80	+1
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.76	3.76	-
3-year	3.80	3.80	-
5-year	3.86	3.85	-1
7-year	3.96	3.96	-
10-year	4.08	4.08	-

Winson Phoon
(65) 6231 5831
winsonphoon@maybank-ke.com.sg

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

Source: Maybank KE

*Indicative levels

- Sluggish start to the week for local government bonds with yields ending mixed amid very thin trading volume. The most amount of trades centered on the 10y benchmark MGS 11/27, which closed 1bp higher from previous done level. Very little trades in the Islamic GII space.
- Dull MYR IRS space with the curve little changed and nothing reported dealt. Expect the week to be quiet in view of pre-election jitters which is causing the market to be cautious. 3M KLIBOR unchanged at 3.69%.
- Corporate bond market also quiet with yields largely unchanged. Of note, SPG remained well bid at the long end, tightening 1bp. AAA-rated GIC 2027 tightened 9bps but this bond generally trades wider than the curve due to liquidity premium. Other AAA credits such as PLUS, Digi and Telekom remain well bid but no trades were recorded. Corporate bonds could continue to trade sideways in view of elections looming.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.90	1.90	-
5YR	2.05	2.05	-
10YR	2.29	2.31	+2
15YR	2.56	2.57	+1
20YR	2.61	2.61	-
30YR	2.76	2.77	+1

Source: Maybank KE

- Quiet SGD markets with HK and London markets closed. SGD IRS traded rangebound, up marginally at the start then lower by about 1bp by the close. SGS prices opened down a tad, retracing some of the gains last Thursday, but recovered in the afternoon tracking the lower SGD IRS. A surge of selling towards the close pushed prices back down, and the yield curve ended flat to 1-2bps higher.
- Asian credit space was lackluster as most were still away for the Easter break. Market awaits the US non-farm payroll data for March this Friday, with consensus expecting around 190k (February: 313k). On ratings, Moody's withdrew Lippo Malls Indonesia Retail Trust's Ba1 rating.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.51	5.52	1.39
5YR	5.88	5.95	6.83
10YR	6.63	6.57	(6.38)
15YR	6.83	6.81	(1.97)
20YR	7.26	7.27	0.47
30YR	7.40	7.37	(3.06)

* Source: Maybank Indonesia

Analysts

Anup Kumar (Fixed Income Analyst)
(62) 21 2922 8888 ext 29692
akumar@maybank.co.id

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

- Indonesia bond market closed higher at the start to the new quarter with most of the IndoGB yield decline along the yield curve. The strengthening of IndoGB market occurred amid higher Mar 2018 inflation figures and renewed fear of trade wars with China announcing tariffs on US food imports. Indonesia Mar 2018 inflation came in at 3.40%yoy (vs 3.18%yoy in Feb 2018). DMO sets 2Q18 issuance target through auction worth of Rp151.3t. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.949%, 6.568%, 6.806% and 7.265% while 2y yield moved lower to 5.521%. During the day, FR0066 (1mo) yield decline the most by 26bps while FR0063 (5y benchmark series) yield increased the most by 7bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 46bps). Trading volume at secondary market was noted heavy at government segments amounting Rp18,600b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp2,952b with 187x transaction frequency.
- DMO will be conducting their first schedule bi-weekly sukuk auction in 2Q18 today with seven series to be auctioned which are SPNS04102018 (Coupon: discounted; Maturity: 4 Oct 2018), PBS016 (Coupon: 6.250%; Maturity: 15 Mar 2020), PBS002 (Coupon: 5.450%; Maturity: 15 Jan 2022), PBS017 (Coupon: 6.125%; Maturity: 15 Oct 2025), PBS012 (Coupon: 8.875%; Maturity: 15 Nov 2031), PBS004 (Coupon: 6.100%; Maturity: 15 Feb 2037) and PBS015 (Coupon: 8.000%; Maturity: 15 Jul 2047). We believe that the demand would be oversubscribing by 2.0x - 3.0x from its indicative minimal target issuance of Rp8t.
- Foreign ownership stood at Rp847.8t or 39.2% of total tradable government bond as of Mar 28th. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp5.2t from begin month of Mar 18.
- Corporate bond traded heavy amounting Rp1,693b. ADMF04ACN2 (Shelf Registration IV Adira Finance Phase II Year 2018; A serial bond; Rating: _{id}AAA) was the top actively traded corporate bond with total trading volume amounted Rp39b yielding 7.704%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2373	106.79	0.7714	1.4106	6.2905	0.7252	131.8367	82.2360
R1	1.2337	106.34	0.7689	1.4075	6.2798	0.7232	131.0533	81.6870
Current	1.2303	105.81	0.7667	1.4052	6.2759	0.7209	130.1700	81.1190
S1	1.2274	105.55	0.7644	1.4016	6.2567	0.7202	129.7333	80.7090
S2	1.2247	105.21	0.7624	1.3988	6.2443	0.7192	129.1967	80.2800

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3153	n/a	13779	52.2387	31.3220	1.6199	0.6177	2.9546
R1	1.3138	n/a	13766	52.1393	31.2760	1.6172	0.6163	2.9518
Current	1.3122	3.8700	13756	52.0510	31.2240	1.6143	0.6154	2.9496
S1	1.3101	n/a	13738	51.9903	31.1670	1.6118	0.6129	2.9441
S2	1.3079	n/a	13723	51.9407	31.1040	1.6091	0.6108	2.9392

*Values calculated based on pivots, a formula that projects support/resistance for the day.

Equity Indices and Key Commodities

	Value	% Change
Dow	23,644.19	-1.90
Nasdaq	6,870.12	-2.74
Nikkei 225	21,388.58	-0.31
FTSE	7,056.61	NA
Australia ASX 200	5,759.37	NA
Singapore Straits Times	3,430.76	0.08
Kuala Lumpur Composite	1,858.35	-0.27
Jakarta Composite	6,240.57	0.83
Philippines Composite	8,039.45	0.75
Taiwan TAIEX	10,888.27	-0.29
Korea KOSPI	2,444.16	-0.07
Shanghai Comp Index	3,163.18	-0.18
Hong Kong Hang Seng	30,093.38	NA
India Sensex	33,255.36	0.87
Nymex Crude Oil WTI	63.01	-2.97
Comex Gold	1,346.90	1.48
Reuters CRB Index	193.38	-1.02
MBB KL	10.52	-0.75

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5071	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/4/2018	Neutral
BOT 1-Day Repo	1.50	16/5/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	10/5/2018	Tightening Bias
CBC Discount Rate	1.38	21/6/2018	Neutral
HKMA Base Rate	2.00	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	12/4/2018	Tightening
Fed Funds Target Rate	1.75	3/5/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/4/2018	Easing Bias
BOE Official Bank Rate	0.50	10/5/2018	Neutral
RBA Cash Rate Target	1.50	3/4/2018	Neutral
RBNZ Official Cash Rate	1.75	10/5/2018	Neutral
BOJ Rate	-0.10	27/4/2018	Easing
BoC O/N Rate	1.25	18/4/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	6	3.069	3.069	3.069
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	61	3.255	3.255	3.165
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	4	3.297	3.318	3.278
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	1	3.289	3.289	3.289
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	3	3.358	3.358	3.358
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	6	3.409	3.409	3.399
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	1	3.455	3.455	3.455
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	1	3.538	3.538	3.538
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	30	3.697	3.697	3.697
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	32	3.789	3.789	3.789
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	33	3.891	3.892	3.891
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	7	3.874	3.874	3.874
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	1	3.827	3.827	3.818
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	1	3.949	3.949	3.949
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	5	3.964	3.964	3.964
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	8	4.101	4.101	4.101
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	142	3.946	3.946	3.931
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	2	4.342	4.342	4.342
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	1	4.387	4.387	4.387
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	3	4.393	4.393	4.393
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	4	4.529	4.541	4.529
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.775	4.798	4.775
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	15	4.801	4.818	4.788
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	40	3.622	3.622	3.622
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	2	3.734	3.734	3.734
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	40	3.781	3.781	3.78
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	1	3.805	3.805	3.805
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	40	3.951	3.953	3.949
SPK 2/2013 3.967% 19.08.2020	3.967%	19-Aug-20	60	3.737	3.737	3.735

Total**547**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA IMTN 4.08% 12.03.2019 - Tranche 1	GG	4.080%	12-Mar-19	75	3.7	3.7	3.7
PRASARANA IMTN 4.29% 24.02.2023 - Series 7	GG	4.290%	24-Feb-23	70	4.18	4.223	4.18
PTPTN IMTN 4.670% 28.03.2024	GG	4.670%	28-Mar-24	40	4.338	4.342	4.338
JAMB.KEDUA IMTN 4.300% 28.05.2025	GG	4.300%	28-May-25	60	4.374	4.386	4.374
DANAINFRA IMTN 5.250% 21.04.2034 - Tranche No 17	GG	5.250%	21-Apr-34	140	4.934	4.94	4.909
CAGAMAS MTN 4.100% 04.2.2019	AAA	4.100%	4-Feb-19	25	3.826	3.826	3.826
GENTING CAP MTN 4.42% 08.6.2022 - Issue No. 1	AAA (S)	4.420%	8-Jun-22	10	4.687	4.703	4.687
GIC IMTN 5.300% 18.06.2027	AAA	5.300%	18-Jun-27	10	5.32	5.338	5.32
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	10	4.884	4.891	4.884
IJM IMTN 4.600% 10.04.2019	AA3	4.600%	10-Apr-19	10	4.219	4.249	4.219
SPG IMTN 4.730% 31.10.2022	AA- IS	4.730%	31-Oct-22	5	4.563	4.563	4.563
RHBA 4.950% 15.05.2024 (Series 1)	AA3	4.950%	15-May-24	3	4.38	4.389	4.38
CIMB THAI 5.600% 05.07.2024 - Tranche No 1	AA3	5.600%	5-Jul-24	1	4.508	4.508	4.508
MUMTAZ IMTN 4.950% 19.06.2026	AA3 (S)	4.950%	19-Jun-26	10	4.717	4.73	4.717
SPG IMTN 5.250% 30.04.2031	AA- IS	5.250%	30-Apr-31	20	5.069	5.071	5.069
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	1	5.201	5.201	5.201
Total				490			

Sources: BPAM

DISCLAIMER

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

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

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

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

Published by:



Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange

Singapore

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

Leslie Tang

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

Christopher Wong

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

Fiona Lim

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

Fixed Income

Malaysia

Winson Phoon Wai Kien
Fixed Income Analyst
winsonphoon@maybank-ib.com
(+60) 3 20747176

Se Tho Mun Yi

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

Indonesia

Juniman

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

Anup Kumar

Fixed Income Analyst
akumar@maybank.co.id
(+62) 21 2922 8888 ext 29602

Myrdal Gunarto

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

Sales

Malaysia

Adoni Mastura Bte Mohamed Idris
Head of Global Markets, KL
adonimastura@maybank.com
(+60) 3 27869106

Singapore

Loo Hin Chong
Head of Corporate Sales, Singapore
Loohc@maybank.com.sg
(+65) 6320 1339

Indonesia

Sales, Indonesia
(+62) 21 29936399
(+62) 21 2300888 ext 22122

China (Shanghai)

Eddy Lui
GM Head, Greater China
eddy.lui@maybank.com.hk
(+852) 35188816

Joyce Ha

Senior Sales Dealer
joyce.ha@maybank.com.cn
(+86) 21 28932588