

Global Markets Daily

Short CNHJPY as a Protectionism Play

Playing the 3Ps - Protectionism, Politics and Policies

USDCNH remains an outlier, rising by about 1% yesterday. The pair continued to make fresh 1-year highs above 6.72 this morning. The latest move could be attributed to news report that Trump administration moved against letting China Mobile enter the US telecommunications market, citing national security concerns. This could result escalation of trade tensions and lead to further tit-for-tat responses from China ahead of 6 Jul date when both US and China could officially impose tariffs on each other. This underscores our short CNHJPY trade idea which we shared in the [FX Weekly yesterday](#) as an FX proxy to position for escalation of trade tensions between US and China.

Trade Tensions to Clip RBA

RBA is less likely to signal a rate hike than before given the recent escalation in trade tensions that could crimp on growth for the Australian economy. The last SoMP released in May included a focus study on trade protectionism measures, highlighting that a scenario published by the IMF found that if all countries raise tariff and non-tariff barriers such that world import prices increase by 10%, over the long run, global imports and export would be 16% lower, output would be 2% lower and investment would be 3% lower. A cheaper AUD is still a more favourable one for growth. Monetary policy divergence could continue to weigh on the AUDUSD. We no longer look for RBA to hike until early next year (still out of consensus) possibly in Feb when the next SoMP will be out.

Focus on NZ GDT, EU PPI and UK Construction PMI

Some of the key events to focus on today include US factory orders; EU retail sales; RBA meeting; NZ GDT auction; UK construction PMI and EU PPI.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1639	↓ -0.39	USD/SGD	1.3692	↑ 0.50
GBP/USD	1.3143	↓ -0.48	EUR/SGD	1.5938	↑ 0.09
AUD/USD	0.734	↓ -0.88	JPY/SGD	1.2347	↑ 0.32
NZD/USD	0.6716	↓ -0.77	GBP/SGD	1.7995	↓ -0.04
USD/JPY	110.9	↑ 0.13	AUD/SGD	1.0048	↓ -0.41
EUR/JPY	129.07	↓ -0.22	NZD/SGD	0.9195	↓ -0.29
USD/CHF	0.9936	↑ 0.30	CHF/SGD	1.3781	↑ 0.17
USD/CAD	1.3186	↑ 0.40	CAD/SGD	1.0381	↑ 0.04
USD/MYR	4.0392	↑ 0.02	SGD/MYR	2.956	↓ -0.22
USD/THB	33.174	↑ 0.41	SGD/IDR	10527.43	↑ 0.31
USD/IDR	14390	↑ 0.42	SGD/PHP	39.0588	↓ -0.27
USD/PHP	53.39	↑ 0.03	SGD/CNY	4.8625	↑ 0.10

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3452	1.3726	1.4000

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
3 Jul	AU	RBA Meeting
4 Jul	US	Market Closure
6 Jul	US & CN	Day to Impose Import Tariffs

AXJ: Events & Market Closure

Date	Ctry	Event
2 Jul	HK	Market Closure
28-29 Jun	ID	BI Meeting

G7 Currencies

- **DXY Index - Mixed Fate.** USD rebounded overnight. Move can be attributed to various reasons including a better than expected US data (Mfg PMI and ISM data surprised to the upside), softer EUR ahead of Merkel's meeting with Horst and another sharp rise in USDCNH by about 1% or so. Pair briefly tested above 6.6950 before easing off. USD subsequently saw a retracement into NY session following the rebound in EUR (Interior Minister Horst agrees to border control deal with Merkel). DXY was last seen at 94.90 levels. Daily momentum is showing early signs of turning mild bearish while stochastics is falling near overbought conditions again. On the weekly charts, bullish momentum is showing signs of waning while stochastics is showing tentative signs of turning from overbought conditions. On price action, a double top appears to be in the making at 95.53 levels - could prove to be an interim top. On price pattern, a potential rising wedge pattern also appears to be in the making - this is associated with a bearish reversal. Further price action this week is required to confirm the reversal. Interim support seen at 94.33 (21 DMA), 94, 93.12 levels. Resistance at 95.50 before 96 levels. (50% fibo retracement of 2017 high to 2018 low). Beyond technical analysis, we think **USD is likely to see a mixed fate - USD strength could be more felt against AXJs** amid tighter financial conditions, ongoing trade tensions between US and China amid multi-and-uneven speed economic growth led by US (a shift from synchronised global economic recovery). **USD strength on the other hand may not be felt in a similar magnitude vs. other DMs in particular the EUR.** True that monetary policy divergence between Fed and ECB remains, the pace of divergence could potentially slow as Fed tightening this year may already be in the price while markets could re-price ECB tightening ahead of its timeline (given that inflation is showing signs of upticks. This underscores our view that USD strength could fade vs. EUR in the weeks ahead. Focus for the week on Factory Orders, Durable Goods Order (May) on Tue; ADP Employment, Services PMI (Jun) on Thu; FoMC Minutes; Trade, NFP, Unemployment rate, hourly earnings (Jun) on Fri. US is out for Independence Day on Wed.
- **EURUSD - Biased to Buy Dips.** EUR losses were partially reversed into NY close overnight as concerns of German/Merkel coalition government breakup dissipated. It was reported that Chancellor Merkel has reached a deal on migration with Interior Minister Horst Seehofer (whom had earlier threatened to quit as German Interior Minister and CSU party leader). The leaders now have a clear agreement to prevent illegal immigration across the Austrian-German border in future. This still requires consent of other coalition partners in order for it to become government policy. EUR was last seen at 1.1630 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising. Resistance at 1.1670 (21 DMA), 1.1750 (23.6% fibo retracement of 2018 high to low). Support at 1.16 before 1.1520 levels. We are biased to buy EUR on dips vs. AXJs (vulnerable to DM policy normalisation, trade tensions between US and China). Against the USD, we are also biased to accumulate

EUR on dips as Fed tightening this year may already be in the price while ECB may potentially need to tighten ahead of its own timeline with inflation in Euro-area showing signs of further uptick. This is to position for ECB-Fed policy convergence at some stage. Data focus for the week on PPI, Retail Sales (May) on Tue; ECB's Praet speaks; Services PMI (Jun) on Wed; Retail PMI (Jun) on Thu; ECB's Nouy at Austrian Central Bank Conference on Fri.

- **GBPUSD - Construction PMI on Tap.** According to a BBC report, a 3rd model for handling customs after UK leaves the EU is being devised. The first 2 models were a (1) hybrid model which UK collects tariffs for goods bound to EU market on behalf of Brussels and pass to EU and (2) maximum facilitation - a clean break to quit the single market and customs union to pursue independent trade deals with other countries. Details of the 3rd model are not known at this stage but the cabinet is currently in discussion. A firm brexit stance is needed before the next EU Summit in October. GBP remains under pressure. Last seen at 1.3130 levels. Daily momentum and stochastics indicators are not indicating a clear bias. Weekly technical suggests that bearish momentum may be waning with stochastics at oversold conditions. A falling wedge pattern appears to be forming on the weekly chart - this is typically associated with a bullish reversal - but remains early to tell. Resistance at 1.3230, 1.3290. Confirmation of break out could see the pair extend gains towards 1.3360 (23.6% fibo retracement of 2018 double-top to low). Support at 1.3110, 1.3050. Bias to buy on dips. Focus for the week on Construction PMI (Jun) on Tue; BOE's Woods and Saporta speak; Services PMI (Jun) on Wed; BoE's Carney speaks on Thu; Halifax House Prices (Jun); Unit Labor cost (1Q) on Fri.
- **USDJPY - Limited Downside.** USDJPY climbed to a six-week high of 111.14 yesterday on global trade and geopolitical concerns but has since come off from that level. The narrowing of yield differentials between 10Y UST and JGB though is putting downside pressure on the pair. Trade concerns are re-emerging with Trump's rage against China Mobile overnight and this is weighing on the pair. Eyes will be on the 6 Jul deadline for the imposition of tit-for-tat tariffs by China and US as well as FOMC minutes on the same day. Hints of any escalation of trade war concerns would safe-haven proxy plays, lifting the JPY. Last see around 110.80-levels. Daily momentum indicators are now showing very mild bullish, while stochastics is climbing higher towards overbought conditions. This suggests upside risks in the making in the near term and further downmoves could be limited. Support around 110.20 (21, 200DMAs) before 109.80 (23.6% fibo retracement of the Mar-May rally). A re-test of the recent high is possible with a break here exposing the next resistance around 111.40-levels (2018 high on 21 May) ahead of 111.75-levels. Week ahead has Nikkei PMI services & composite (Jun) on Wed; BOJ Masai speaks on Thu; household spending, labor cash earnings (May) on Fri.
- **NZDUSD - GDT Auction Tonight.** NZD remains under pressure. There is little catalyst for Kiwi upside as monetary policy divergence between Fed and RBNZ weighs on NZD while trade war tensions between US and Europe/China dampens risk sentiment. On the other

hand, potentially brighter outlook for dairy sector in coming months could help to mitigate some of the negativity (given that dairy sector generates more than 7% of NZ GDP). Pair was last seen at 0.6705 levels. Bearish momentum on weekly and daily chart remains intact but stochastics is in oversold conditions. Cautious of rebound risks but trend and bias remains for softer Kiwi. Support at 0.67 levels before 0.6660. Resistance at 0.6830. Bias to lean against strength. Focus for the week on GDT Auction on Tue; House Prices, Commodity Prices (Jun) on Wed; Government Financial Statement on Thu.

- **AUDUSD - Eyes on RBA.** AUDUSD slipped in tandem with the RMB yesterday as the latter came within striking distance of 6.70. The USD was also given additional lift because of the deal that Merkel reached with Horst on migration policy. Last seen around 0.7340 after briefly breaching the key support level that we have been watching, AUDUSD still show signs of reaching a tentative bottom despite a rather bearish session. The 0.7339-support (2017 May low) is still intact. Resistance seen at 0.7440 now before 0.7520. Building approvals and RBA decision is due today before trade data and retail sales on Wed. Since the start of the year, Lowe has been careful to signal that the central bank will take some time before hiking just as inflation will take its time to reach the middle of its 2-3% target range. Amid global trade tensions, RBA is less likely to signal any rate action than before. The last SoMP released in May included a focus study on trade protectionism measures, highlighting that a scenario published by the IMF found that if all countries raise tariff and non-tariff barriers such that world import prices increase by 10%, over the long run, global imports and export would be 16% lower, output would be 2% lower and investment would be 3% lower. A cheaper AUD is still a more favourable one for growth. Probability of a rate hike in May as indicated by the OIS, has fallen from 58% to 33%. Monetary policy divergence could continue to weigh on the AUDUSD. We no longer look for RBA to hike until early next year (still out of consensus) possibly in Feb when the SoMP will be out. The lack of impetus for monetary policy to change could keep the AUD on the backfoot vs. the USD given the tightening Fed. However, that said, we caution for rising price pressure due to the weakened AUD and higher energy prices. Eyes are on 2Q CPI out this month.
- **USDCAD - Bears Are Still More Compelling** - USDCAD rebounded from the 21-dma which acted as a support and was last seen around 1.3188. This pair remains within the upward sloping trend channel that we have been watching. MACD shows increasing bearish momentum for price action on the daily chart. We think the upmove yesterday was just a small retracement. 21-ma on the 4-hourly chart is on its way to cross the 100-ma, another bearish signal though momentum indicators on the intra-day chart seem rather neutral. Week ahead has mfg PMI today, labour report at the end of the week.

Asia ex Japan Currencies

- **SGD trades around 0.16% above the implied mid-point of 1.3726 with the top estimated at 1.3452 and the floor at 1.4000.**
- **USDSGD - *Edging Higher But Risks Of Pullback Ahead.*** USDSGD climbed to a new 2018 high not seen since Jul 2017 at 1.3746 overnight amid a firmer USD but has since eased off from that high. SGD is still facing downside pressures from selloff against the EUR and AUD. As well, firmer USDCNH is also supportive of the pair. Last seen around 1.3727-levels. Bullish bias on the daily chart remains intact but waning, while stochastics remains at overbought conditions. There is a potential for a pullback in the near term. Resistance is around before the 1.38-handle. Support around 1.3660-levels before 1.3630-levels (23.6% fibo retracement of the 2017 high to low). Remaining week has Nikkei PMI (Jun) on Wed.
- **AUDSGD - *Still in Range.*** The cross waffled around 1.0060 this morning and stochs are rather neutral. MACD is bullish on the 4-hourly chart. On the daily chart, momentum indicators are not compelling as well and this cross could remain within the 0.9960-1.0240 range.
- **SGDMYR - *Tentative Signs of Downside Risks.*** SGDMYR slipped amid SGD underperformance. Last seen at 2.9490 levels. Daily momentum and stochastics indicators are not indicating a clear bias. 21DMA looks on track to cut 50 and 100 DMAs to the downside. Support at 2.94. Resistance remains at 2.9620, 2.9740 levels.
- **USDMYR - *Upside Risk.*** USDMYR resumed its climb this morning following the strong run-up in USDCNH. Pair was last seen at 4.0480 levels. Daily momentum is mild bullish bias while stochastics is showing signs of turning from overbought conditions. Support at 4.03; resistance at 4.0530.
- **1m USDKRW NDF - *Lifted Higher by USDCNH.*** 1m USDKRW NDF inched higher, tracking the sharp rise in USDCNH. Pair was last seen at 1121 levels. Bullish momentum on daily chart shows signs of waning while stochastics is near-overbought conditions. Support at 1115. Resistance at 1124, 1130. Bias to lean against strength.
- **USDCNH - *Bullish.*** USDCNH broke above 6.71 this morning after the fixing. The view remains the same. The lack of strong intervention by PBoC seems to encourage bulls. PBoC Yi Gang has indicated that the monetary stance of the central bank has shifted towards targeted easing in the second half of the year and urge banks to loan more to small and micro companies. Lending rates for small companies to be significantly lower. Jun PMI mfg came in to be 51.5 vs. the expected 51.6, somewhat in line with consensus. With PBoC going for targeted easing whilst some other central banks have started to tighten monetary policy, there could be scope for CNH to weaken against these currencies. Interim resistance is seen at 6.6660. 6.70 is broken and the next key resistance level is around 6.81. Stochs seem to indicating that gains may slow. MACD forest is very bullish. **USDCNY reference rate at 6.6497, 340 pips higher than the previous 6.6157. CNYMYR was fixed at 0.6072, 27 pips lower than the previous 0.6099. EURCNY was**

fixed 169 pips higher at 7.7412 vs. the previous at 7.7243. What is interesting in the past few weeks of action is the fact that USDCNY is heading closer to the upper bound of the +/-2% trading band and away from the daily USDCNY fixing. Since the 2015 Aug fixing reform, the refreshed fixing formula tends to allow the daily fixing to be closer to the closing price of the USDCNY on the day prior. That suggests that either PBoC continues to keep a tight leash on the USDCNY spot or market forces are basically in sync with PBoC policy bias. However, the recent price action suggests that market pressures are causing increasing deviation in the USDCNY spot prices from the daily fixing. The state press Xinhua said that China has stable and powerful “weapons” to deal with trade war while the US lacks solid foundation. Adding to the trade concerns, the White House has objected against allowing China Mobile Ltd to enter the US telecommunications market. The tit-for-tat measure taken so far has increased the impetus for yuan bears and PBoC’s shift toward targeted easing also adds pressure.

- **1m USDINR NDF - Buoyed.** 1M USDINR NDF hovered around 69.20, lifted by the rebound in crude. MACD is losing bullish momentum and stochs are turning lower from stretched conditions. This pair tests the resistance around 69.20 before 70.05 (2013 high). Support is seen around 68.30 before the 21-dma at 67.95 and 67.70. Week ahead has PMI numbers this week, Nikkei today and then Services on Wed. At home, acting Finance Minister Goyal said that the panel that focuses on bad loans proposed setting up an asset management company to tackle the issue of bad loans and stressed assets in local banks (BBG).
- **1m USDIDR NDF - Upside Risks.** 1m USDIDR NDF remained pressured to the upside even after the recent 50bp hike in the benchmark rate. Concerns over escalating trade tensions as the countdown to the Sino-US tit-for-tat tariffs due to be imposed on 6 Jul is triggering a sell-off in AXJs, including the CNH. Continued IDR volatility could prompt the BI to hike its benchmark rate again as BI remains “preemptive, front-loading, and ahead of the curve move”. Inflation remained manageable. CPI rose 3.12% y/y in Jun, coming in higher than the 3.04% market was expecting though this was still a moderation from May’s 3.23%. The 1m NDF remained supported by foreign portfolio outflows with foreign investors selling USD13.6mn in equities yesterday. They had also sold off USD291.5mn in debt on 29 Jun (latest data available). Further net foreign portfolio outflows should keep the 1m NDF supported. In addition, firmer USDCNY and USDSGD should also keeping the 1m NDF supported. Last seen around 14522-levels. Daily momentum indicators remain bullish bias, while stochastics is at overbought conditions. Risks remains to the upside in the near term. Resistance around 14563-levels (2018 high) ahead of 14600-levels (76.4% fibo retracement of the Sep 2015 high to Sep 2016 low). Support is around 14275-levels (61.8% fibo). BI is likely to have remained in the market to curb IDR and IndoGB volatility that could be supportive of the IDR. JISDOR was fixed at 14331 on Mon, 73bp lower than the fixing on Fri. Remaining week has foreign reserves (Jun) on Fri.
- **1m USDPHP NDF - Upside Could Be Capped.** 1m USDPHP NDF trades bid this morning amid a firmer USD and softer CNH. Still, expectations that CPI print for Jun could be softer could put some mild downside pressure on the 1m NDF. Foreign investors continued sell-off of equities again lifted the 1m NDF higher. They had sold USD8.6mn in equities yesterday and further sell-off should on the PHP and lift the 1m NDF

higher. Spot USDPHP gapped higher at the opening to 53.437 this morning from yesterday's close of 53.390 amid USD strength. Last seen around 53.63-levels. Daily momentum indicators are showing very mild bearish bias, stochastics continues to fall from overbought conditions. This suggests risks are tilting to the downside in the near term and further upmoves could be capped. Resistance is around 53.80 levels. Support around 53.40-levels (21DMA). We caution that BSP intervention remains a possibility to curb excessive volatility in the PHP. Remaining week has foreign reserves (Jun) on Fri.

- **USDTHB - Potential For Pullbacks.** USDTHB climbed to a new 2018 high of 33.283 this morning amid a firmer USD and softer CNH as trade tensions mount. Eyes will be on the 6 Jul deadline where tit-for-tat tariffs are set to come on stream on Chinese and US exports. Concerns that this could escalate into a trade war is weighing on the THB. Inflation remained muted in Jun with CPI rising by just 1.4% y/y, which is at the bottom of the BoT's inflation forecast range of 1-4%. The benign inflation, together with persistent current account surpluses and strong FX reserves suggests that BoT has room to delay any moves to hike rate until the latter part of 2018. Pair continues to find support from the net foreign portfolio outflows. Foreign funds had sold USD56mn and USD23.7mn in equities and debt. Further sell-off on trade concerns could lift the pair higher intraday. Last seen around 33.256. Daily chart shows bullish bias intact but waning, while stochastics remains at overbought conditions. This suggests risks remains to the upside but there is a potential for a pullback ahead. Resistance is around 33.340-levels. Support around the 33-handle. Remaining week has foreign reserves (29 Jun) on Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ 11/21	3.64	3.63	-1
5YR MI 4/23	*3.87/84	*3.87/84	Not traded
7YR MK 3/25	4.06	*4.07/04	Not traded
10YR MO 6/28	4.20	4.20	Unchanged
15YR MT 11/33	4.63	*4.64/61	Not traded
20YR MX 6/38	4.87	4.87	Unchanged
30YR MZ 3/46	*4.96/93	*4.96/93	Not traded
IRS			
6-months	3.71	3.71	-
9-months	3.72	3.72	-
1-year	3.73	3.72	-1
3-year	3.79	3.79	-
5-year	3.88	3.88	-
7-year	4.01	4.01	-
10-year	4.16	4.16	-

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

- MGS market was relatively quiet other than some interest in off-the-runs for their attractive yield premium. Benchmark MGS yields ended little changed. Trading volume was skewed towards the short end of the curve.
- MYR IRS rates were more or less unchanged, other than the 1y rate moving down by approximately 1bp. There were no trades reported. 3M KLIBOR still the same at 3.69%.
- Corporate bonds volume remained subdued as sentiment turned bearish in the afternoon. GGs had strong buying interest at the belly, but trades only took place at the long end with PTPTN 2041 dealt flat. In AAA, Plus long end tightened 1bp. AA credits dealt broadly unchanged at the belly and long end, with decent volume for DUKE 3. BGSM 2019 better bid, trading 5bps tighter from previous level. Market could continue being averse to duration risk at current long end spread levels.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.96	1.95	-1
5YR	2.28	2.25	-3
10YR	2.53	2.49	-4
15YR	2.77	2.73	-4
20YR	2.80	2.76	-4
30YR	2.89	2.85	-4

Source: Maybank KE

- SGD rates opened marginally higher in light trading, but long end SGS was still well supported on dip buying. Rates declined in the afternoon when UST rose, leading SGS yield curve to bull-flatten as the long end outperformed the front and shifted 1-4bps lower. SGD IRS moved 1-3bps lower and swap spreads widened at the long end.
- With Hong Kong market closed, Asian credit market remained quiet with thin volume, even despite the rally in UST. The [news](#) of China state-owned Sinochem Group and ChemChina merging sent the HAOHUA curve rallying. HAOHUA bonds tightened by as much as 20bps partly aided by scarce offers given an absent Hong Kong market.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	7.58	7.54	(3.41)
5YR	7.30	7.51	20.80
10YR	7.68	7.73	5.03
15YR	8.12	8.14	2.70
20YR	8.10	8.11	1.34
30YR	7.82	7.82	-

* Source: IBPA, Bloomberg, 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 moved mixed during the day and closed with a slight gain supported by off-the-run series IndoGB amid higher than expected Jun 2018 headline CPI. Euphoria of Central Bank reference rate hike last Friday seem to diminish during the day. Indonesia Jun 2018 headline CPI came in at 3.21% YoY which is also the slowest level since Dec 2016. However, the inflation came in higher compared to consensus expectation of 3.04% YoY. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 7.512%, 7.728%, 8.143% and 8.111% while 2y yield moved lower to 7.542%. During the day, FR0036 (1y) yield decline the most by 17bps while FR0063 (5y benchmark series) yield increased the most by 21bps. Trading volume at secondary market was noted moderate at government segments amounting Rp12,237b with SPN12190314 as the most tradable bond. SPN12190314 total trading volume amounting Rp1,295b with 9x transaction frequency.
- DMO will be conducting their scheduled bi-weekly conventional auction today with five series to be auctioned which are SPN12181004 (Coupon: discounted; Maturity: 4 Oct 2018), SPN12190704 (Coupon: discounted; Maturity: 4 Jul 2019), FR0063 (Coupon: 5.625%; Maturity: 15 May 2023), FR0065 (Coupon: 6.625%; Maturity: 15 May 2033) and FR0076 (Coupon: 7.375%; Maturity: 15 May 2048).
- Foreign ownership stood at Rp830.2t or 37.8% of total tradable government bond as of Jun 29th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp7.1t from begin month of Jun 18.
- Corporate bond traded heavy amounting Rp1,359b. BVIC01BCN2 (Shelf Registration I Bank Victoria Phase II Year 2018; B serial bond; Rating: _{id}A-) was the most actively traded corporate bond with total trading volume amounted Rp145b yielding 10.285%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1743	111.37	0.7461	1.3263	6.7402	0.6836	130.0767	82.6207
R1	1.1691	111.14	0.7400	1.3203	6.7139	0.6776	129.5733	82.0053
Current	1.1626	110.94	0.7325	1.3123	6.7164	0.6695	128.9800	81.2560
S1	1.1589	110.59	0.7295	1.3089	6.6429	0.6673	128.4933	80.8803
S2	1.1539	110.27	0.7251	1.3035	6.5982	0.6630	127.9167	80.3707

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3769	4.0447	14453	53.4860	33.3347	1.6003	0.6109	2.9669
R1	1.3731	4.0419	14422	53.4380	33.2543	1.5971	0.6083	2.9615
Current	1.3727	4.0485	14398	53.4850	33.2590	1.5959	0.6043	2.9499
S1	1.3639	4.0362	14342	53.3440	33.0423	1.5879	0.6043	2.9520
S2	1.3585	4.0333	14293	53.2980	32.9107	1.5819	0.6029	2.9479

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

Equity Indices and Key Commodities		
	Value	% Change
Dow	24,307.18	0.15
Nasdaq	7,567.69	0.76
Nikkei 225	21,811.93	-2.2
FTSE	7,547.85	-1.1
Australia ASX 200	6,177.79	-0.2
Singapore Straits Times	3,238.94	-0.9
Kuala Lumpur Composite	1,685.05	-0.8
Jakarta Composite	5,746.77	-0.9
Philippines Composite	7,227.96	0.48
Taiwan TAIEX	10,777.94	-0.5
Korea KOSPI	2,271.54	-2.3
Shanghai Comp Index	2,775.56	-2.5
Hong Kong Hang Seng	28,955.11	1.61
India Sensex	35,264.41	-0.45
Nymex Crude Oil WTI	73.94	-0.28
Comex Gold	1,241.70	-1.0
Reuters CRB Index	197.50	-1.4
MBB KL	8.96	-0.4

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5215	Oct-18	Modest and Gradual Appreciation
BNM O/N Policy Rate	3.25	11/7/2018	Neutral
BI 7-Day Reverse Repo Rate	5.25	19/7/2018	Tightening
BOT 1-Day Repo	1.50	8/8/2018	Tightening Bias
BSP O/N Reverse Repo	3.50	9/8/2018	Tightening Bias
CBC Discount Rate	1.38	27/9/2018	Neutral
HKMA Base Rate	2.25	-	Tightening
PRC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.25	1/8/2018	Tightening
BOK Base Rate	1.50	12/7/2018	Tightening
Fed Funds Target Rate	2.00	2/8/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/7/2018	Neutral
BOE Official Bank Rate	0.50	2/8/2018	Neutral
RBA Cash Rate Target	1.50	3/7/2018	Neutral
RBNZ Official Cash Rate	1.75	9/8/2018	Neutral
BOJ Rate	-0.10	31/7/2018	Easing
BoC O/N Rate	1.25	11/7/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	462	3.269	3.462	3.205
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	31	3.401	3.431	3.401
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	12	3.456	3.457	3.456
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	7	3.453	3.453	3.439
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	31	3.562	3.562	3.52
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	11	3.545	3.545	3.545
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	7	3.556	3.556	3.556
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	5	3.622	3.626	3.622
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	518	3.667	3.702	3.667
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	243	3.619	3.629	3.619
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	13	3.807	3.822	3.799
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	2	3.82	3.82	3.82
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	121	3.973	4.019	3.973
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	24	3.985	3.985	3.978
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	40	4.128	4.128	4.105
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	79	4.141	4.141	4.128
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	264	4.247	4.28	4.223
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	5	4.315	4.315	4.3
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	77	4.329	4.337	4.315
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	340	4.278	4.334	4.271
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	1	4.202	4.202	4.202
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	16	4.631	4.647	4.631
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	15	4.678	4.678	4.678
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	70	4.713	4.72	4.706
MGS 3/2018 4.642% 07.11.2033	4.642%	7-Nov-33	6	4.637	4.637	4.637
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	32	4.924	4.924	4.893
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	1	4.919	4.919	4.919
MGS 4/2018 08.06.2038	4.893%	8-Jun-38	2	4.865	4.865	4.865
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	3	4.969	4.969	4.969
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	2	3.293	3.293	3.293
PROFIT-BASED GII 3/2013 30.11.2018	3.399%	30-Nov-18	4	3.3	3.3	3.3
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	600	3.479	3.479	3.479
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	99	3.774	3.774	3.774
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	10	3.827	3.827	3.827
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	20	4.017	4.017	4.017
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	40	4.768	4.779	4.768

Total**3,211**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA IMTN 4.530% 28.12.2027 - Series 2	GG	4.530%	28-Dec-27	10	4.519	4.519	4.519
DANAINFRA IMTN 4.580% 31.10.2028 - Tranche No 11	GG	4.580%	31-Oct-28	5	4.6	4.6	4.6
PTPTN IMTN 26.07.2041	GG	4.850%	26-Jul-41	10	5.138	5.138	5.138
PBSB IMTN 4.330% 12.09.2022	AAA IS	4.330%	12-Sep-22	10	4.545	4.548	4.545
RP II IMTN 5.150% 16.06.2023	AAA IS (FG)	5.150%	16-Jun-23	10	4.782	4.784	4.782
DIGI IMTN 4.530% 12.04.2024 - Tranche No 2	AAA	4.530%	12-Apr-24	25	4.489	4.489	4.487
TELEKOM IMTN 4.730% 18.05.2028	AAA	4.730%	18-May-28	20	4.745	4.747	4.745
WCE IMTN 5.120% 28.08.2031	AAA (RFC)	5.120%	28-Aug-31	10	5.011	5.012	5.011
PLUS BERHAD IMTN 5.150% 12.01.2032 - Series 1 (16)	AAA IS	5.150%	12-Jan-32	60	4.941	4.941	4.925
PLUS BERHAD IMTN 5.270% 12.01.2033 - Series 1 (17)	AAA IS	5.270%	12-Jan-33	20	4.989	5.001	4.989
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	2	4.302	4.858	4.302
CTX IMTN 5.270% 28.10.2026 - Series 8	AA+ IS	5.270%	28-Oct-26	30	5.002	5.002	4.987
TMSB Senior Sukuk Murabahah 23.10.2035(Tranche 14)	AA1	5.900%	23-Oct-35	10	5.319	5.319	5.319
SEGI ASTANA MTN 365D 08.1.2019	AA-	4.800%	8-Jan-19	10	4.761	4.78	4.761
BGSM MGMT IMTN 6.600% 27.12.2019 - Issue No 5	AA3	6.600%	27-Dec-19	50	4.396	4.407	4.396
SAJC IMTN 5.070% 24.01.2020 - Tranche 1	AA- IS	5.070%	24-Jan-20	10	5.062	5.068	5.062
EDRA ENERGY IMTN 5.700% 05.07.2023 - Tranche No 4	AA3	5.700%	5-Jul-23	10	5.305	5.307	5.305
CIMB THAI 5.600% 05.07.2024 - Tranche No 1	AA3	5.600%	5-Jul-24	40	4.772	4.782	4.772
KESTURI IMTN 4.75% 02.12.2027 - IMTN 9	AA- IS	4.750%	2-Dec-27	10	4.895	4.897	4.895
EDRA ENERGY IMTN 6.000% 05.07.2028 - Tranche No 14	AA3	6.000%	5-Jul-28	10	5.583	5.585	5.583
LDF3 IMTN 5.770% 23.08.2032	AA- IS	5.770%	23-Aug-32	10	5.235	5.235	5.235
LDF3 IMTN 6.040% 23.08.2035	AA- IS	6.040%	23-Aug-35	10	5.401	5.402	5.401
CIMB 6.35% 05.04.2060 - Tranche No. 3	AA3	6.350%	5-Apr-60	30	4.913	4.919	4.913
ISLAM 5.08% 12.11.2027 - Tranche 3	A1	5.080%	12-Nov-27	20	4.919	4.921	4.919
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	2	4.93	4.93	4.908
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	1	4.989	4.989	4.989
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	10	4.829	4.834	4.829
Total				445			

Sources: BPAM

DISCLAIMER

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

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

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

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

Published by:



Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange

Singapore

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

Christopher Wong

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

Leslie Tang

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

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