

Global Markets Daily

More USD Strength?

USD Bumped Higher

Sep manufacturing ISM data soared to more than 13-year high of 60.8 (vs. 58.8 in Aug). Activity remains robust and validates our view that US growth momentum remains intact and supports the case for a rate hike in Dec. We believe markets are potentially under-pricing inflation. Hurricanes Harvey and Irma should be inflationary when rebuilding efforts kick in. On rates expectations, markets are only pricing in 2/3 chance of 25bps rate hike in Dec 2017 and less than 25bps hike for the whole of 2018. We caution against complacency especially in light of recent progress with US tax reforms. We expect UST yields to lead the USD move higher by driving yield differentials wider in favor of UST. We reiterate our bias for USD strength vs. lower yielders (JPY and CHF) and AXJs.

RBA Meeting - Focus on Language

RBA meets today (1130am SG/KL time). It is widely expected that RBA keeps cash rate on hold at 1.5%. Key focus is on the language of the accompanying statement, which could signal increased confidence in the sustainability of the global economic recovery as well as domestic growth. In particular RBA expects economic growth to continue to recover as drag from falling mining investments come to an end and the ramp-up in resource exports continue. Outlook for non-mining investment has also improved and reported business conditions are at high level. RBA Governor Lowe had somewhat hinted that rise in global interest rates would over time be expected to flow through to Australia.

Relatively Quiet Session Today

Some of the key data/events we watch today include EU PPI; RBA meeting; GDT auction; Fed's Powell speaks. China and Korea onshore markets are closed today.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1994	↑ 0.33	USD/SGD	1.3473	↓ -0.04
GBP/USD	1.3503	↑ 0.06	EUR/SGD	1.6159	↑ 0.30
AUD/USD	0.801	↑ 0.65	JPY/SGD	1.2065	↓ -0.12
NZD/USD	0.7318	↑ 0.76	GBP/SGD	1.8188	↑ 0.01
USD/JPY	111.59	↑ 0.02	AUD/SGD	1.0793	↑ 0.61
EUR/JPY	133.85	↑ 0.37	NZD/SGD	0.9857	↑ 0.70
USD/CHF	0.9627	↑ 0.12	CHF/SGD	1.3995	↓ -0.14
USD/CAD	1.2292	↑ 0.01	CAD/SGD	1.0957	↓ -0.08
USD/MYR	4.1915	↑ 0.06	SGD/MYR	3.1089	↓ -0.08
USD/THB	33.077	↓ -0.04	SGD/IDR	9841.23	↓ -0.01
USD/IDR	13279	↑ 0.18	SGD/PHP	37.811	↓ -0.43
USD/PHP	50.996	↓ -0.21	SGD/CNY	4.8842	↑ 0.11

Implied USD/SGD Estimates @ 3-Oct-17, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3476	1.3749	1.4021

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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 - Bumped Higher.** Sep manufacturing ISM data soared to more than 13-year high of 60.8 (vs. 58.8 in Aug). Activity remains robust and validates our view that US growth momentum remains intact and supports the case for a rate hike in Dec. We believe markets are potentially under-pricing inflation. Hurricanes Harvey and Irma should be inflationary when rebuilding efforts kick in. On rates expectations, markets are only pricing in 2/3 chance of 25bps rate hike in Dec 2017 and less than 25bps hike for the whole OF 2018. We caution against complacency especially in light of recent progress with US tax reforms. We expect UST yields to lead the USD move higher by driving yield differentials wider in favor of UST. We reiterate our bias for USD strength vs. lower yielders (JPY and CHF) and AXJs. DXY was last seen at 93.80 levels. Weekly momentum has turned mild bullish. Rebound could extend. Resistance at 94.30 (38.2% fibo retracement of 2014 low to 2016 high). Support remains at 91.40. Week ahead brings 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 Continue to Weigh.** EUR traded softer in reaction to Catalonia referendum results while broad USD strength weighs. EUR could face further downside pressure in the short term possibly towards 1.16 levels amid political risks in Germany and recent Catalanian referendum which is not legitimate but raises the risk of civil unrest. Markets may also begin to focus on legislative election in Austria next week and speculate when Italy could hold an election (latest by mid-2018). Market coming to terms that ECB policy normalisation will be slow and gradual as inflation pick-up remains very gradual, should also see further unwinding of EUR longs. Pair was last seen at 1.1710 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 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.** GBPUSD continued its decline amid poor data, strong USD and in anticipation of PM May's speech tomorrow. Pair was last seen at 1.3267 levels. PMI Mfg (Sep) declined from the previous month and came in below expectations at 55.9 (exp. 56.2, prev. 56.9). A lack of progress on Brexit, as well as the ongoing Conservative conference, may continue to weigh on the currency pair. On daily charts, momentum is becoming increasingly bearish, with stochastics moving into oversold regions. Support at 1.3197 (mid-point of Aug low to Sep high). Resistance at 1.3347 (21DMA) and 1.34 levels (23.6% fibo of Aug low to Sep high). Week remaining brings Construction PMI (Sep) on Tue; Services PMI (Sep) on Wed; Halifax house prices (Sep); Unit labor costs (2Q) on Fri.

- **USDJPY - *Upside Bias***. USDJPY bouncing higher after easing from its overnight high of 113.06 levels that was fuelled by the continuing bounce in UST yields and USD. Nikkei futures though are pointing higher, signalling further upside to the pair ahead. The pair though could be weighed by news that the ruling LDP is moving away from its pledge to achieve a primary balance surplus in fiscal 2020, while re-affirming the government's intention of implementing the sales tax increase in 2019 as part of its campaign manifesto. This could complicate policy making for the BOJ as its asset purchasing could be seen as monetizing the government's debt. Investor sentiments could be impacted as such and weigh on the pair. Note that the Lower House election is scheduled for 22 Oct, where PM Abe is attempting to win a historic third term. An Abe victory with a sizeable majority would mean policy continuity with Abenomics and the BOJ's ultra-loose monetary policy at the forefront. This should be supportive of the USDJPY. For now polls are suggesting a LDP victory over the opposition Party of Hope led by Tokyo Governor Koike. 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 112.95-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. Immediate resistance at 113-handle, 113.60 levels (76.4% fibo retracement of the 2017 high to low). Support is around the 112-handle (200DMA). Week ahead has Nikkei PMI services & composite (Sep) on Wed; labor cash earning, leading & coincident index (Aug) on Fri.
- **NZDUSD - *GDT Auction Tonight***. NZD remains on a back foot amid broad USD strength while election uncertainty leading to risk of disruption to policy continuity on immigration and trade weighs on NZD outlook. 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. Expect a formal announcement of decision between 7 - 12 Oct. Pair was last seen at 0.7180 levels. Daily momentum is mild bearish while stochastics is falling. Key support remains at 0.7190 (neckline of head and shoulders pattern). Sustained price action below key 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). 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 - *RBA Meeting Today***. AUDUSD briefly dipped below 0.78 levels in intraday trading before recovering to 0.783 levels, slightly below opening levels. 62% iron ore delivered to Qingdao halted its decline on Monday, but other commodities including gold fell yesterday, contributing to the slight AUD decline. Recent building approvals data has been mixed, with m/m growth coming in below expectations (0.4% vs 1.0% exp.) but y/y growth coming in above expectations (-15.5% vs -17.2% exp.). Consumer Confidence was slightly weaker than expected (113.4 vs 114.1 exp.). Bearish momentum remains strong with stochastics falling

deeper into oversold conditions. We see support levels for the AUD at around 0.7820, 0.7770 (100DMA). Caution for downside risk but bias to buy on dips. Resistance at 0.7940 (50DMA), 0.80 levels. Week ahead brings 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. RBA meets today (1130am SG/KL time). It is widely expected that RBA keeps cash rate on hold at 1.5%. Key focus is on the language of the accompanying statement, which could signal increased confidence in the sustainability of the global economic recovery as well as domestic growth. In particular RBA expects economic growth to continue to recover as drag from falling mining investments come to an end and the ramp-up in resource exports continue. Outlook for non-mining investment has also improved and reported business conditions are at high level. RBA Governor Lowe had somewhat hinted that rise in global interest rates would over time be expected to flow through to Australia.

- **USDCAD - Retracement Risk but Maintain Bullish Bias.** USDCAD closed above 1.25 for the first time since end-Aug 2017, last seen at 1.2535. Markit Mfg PMI (Sep) improved slightly from the previous period (55.0 vs 54.6 prev.). However, a stronger USD, as well as tumbling oil and gold prices, helped to support the USDCAD. On daily charts, momentum remains very bullish but stochastics are in overbought conditions, so we do not rule out a short-term technical pullback. Support at 1.24-handle (Jul low at 1.2414, 6th Sep high [pre rate hike] at 1.2416). USDCAD had remained relatively resilient around 1.245-1.25 in recent days, with next key level around 1.2525. Week ahead brings: Deputy Governor Leduc speaks, Intl Merchandise Trade (Aug) on Thu; Unemployment data (Sep), Ivey PMI (Sep) on Fri. However, given that USDCAD has already had a good run-up recently, further pushes towards 1.26 and above may require hawkish remarks from Leduc later today.

Asia ex Japan Currencies

- **SGD trades around 0.68% above the implied mid-point of 1.3749. We estimate the top at 1.3476 and the floor at 1.4021.**
- **USDSGD - Bullish Risks.** USDSGD continued to firm amid traded bid last week amid a rebound in UST yields and USD. The pair is inching back towards its recent multi-week high of 1.3647 (28 Sep). The 3-month SOR slipped by 1.7% to 0.929% levels yesterday but could bounce higher today amid the uptick in UST yield and firmer USDSGD. Focus ahead will be on US ADP and NFP on Wed and Fri evenings and upside surprises could support UST yields and USD higher, taking the USDSGD along. Pair was last seen around 1.3637 levels. Momentum on the daily chart remains mildly bullish bias, and stochastics remains at overbought levels. Bearish momentum on the weekly chart has largely dissipated, while stochastics is climbing higher from oversold levels. With our resistance level at 1.3630 (23.6% fibo retracement of the 2017 high to low) taken out this morning, we look for a weekly close above this level for bullish extension towards the 1.37-handle (100DMA). Support at 1.3560 (50DMA), 1.35-levels (21DMA). Remaining week has Nikkei PMI (Sep) on Wed. In the news, PMI rose to 52.0 in Sep from 51.8 in Aug - the highest print since Apr 2011, pointing to further economic expansion ahead. Electronics PMI also climbed higher to 53.6 in Sep from Aug's 53.2, the 14th month of consecutive expansion and also the highest since Jul 2010.
- **AUDSGD - Bias to Buy Dips.** AUDSGD rebounded amid SGD relative underperformance. Cross was last seen at 1.0670 levels. Bearish momentum on daily chart remains intact but shows early signs of waning while stochastics is showing early signs of turning higher from oversold conditions. Support seen at 1.0650, 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 - Risk of Breaking 3.10 Support.** SGDMYR slipped; last seen at 3.1070 levels. Bearish momentum on daily chart is waning while stochastics is near oversold conditions. 21DMA cuts 100DMA to the downside - suggests pressing downside pressure. 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.** USDMYR firmed amid broad USD strength and decline in Brent prices overnight. Pair was last seen at 4.2410 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). Week remaining brings exports and FX reserves data on Fri.
- **1m USDKRW NDF - Bullish Bias.** Onshore markets are closed for the rest of the week for Chuseok holidays. 1m USDKRW NDF remains well supported, in line with our call for further upside. Pair was last seen at 1148 levels. Bullish momentum on weekly and daily chart remains intact. Sustained price action above 1146 could see the pair trade higher towards 1158, 1165 levels. Support at 1136, 1130 levels. Bias

to buy to buy on dips. 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 continues to trade bid amid the ongoing rally in UST yields and USD. **Onshore markets in China are closed for its Golden Week holidays and re-open next week.** Pair was last seen around 6.6864 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. Further upticks could meet resistance at 6.6980 levels (100WMA), 6.7150 levels (21WMA). Support remains around 6.6000. The CGB-UST 10y yield spread was last seen around 128 bps. **There are no fixings for the week ahead.**

- **1m USDINR NDF - Supported on Weak Sentiment.** NDF edged slightly closer to 66 levels yesterday. In local news, Economic Times has reported that June-Sep monsoon ended with 5% lower rainfall than average. There was little economic data for India yesterday due to a public holiday. The NDF therefore largely followed the broad USD appreciation yesterday. Nonetheless, weak sentiment is likely to weigh on the INR in the near term, until the government announces concrete measures to improve its fiscal deficit. Week ahead brings: PMI Mfg (Sep), Eight Infrastructure Industries Growth Rate on Tue; RBI decision on Wed; PMI Services and Composite (Sep) on Thu. Poorer than expected data today may provide the impetus for the NDF to confirm recent weak sentiment and crack 66 levels.

- **1m USDIDR NDF - Bullish Bias Intact.** 1m USDIDR NDF rallied to another new 2017 high at 13655 this morning amid the continuing bounce in UST yields and the USD. Weighing on the IDR is BI's two 25bp cuts this year that are also a drag on domestic yields and the 1m NDF. But the easing cycle could be at an end with BI governor Martowardojo signaling that its recent measures and cut to the policy rate are adequate. We doubt that the softer headline inflation of 3.72% in Sep (from Aug's 3.82%), though core inflation accelerated mildly to 3.0% (from 2.98% in Aug), would prompt the BI to move again. Instead, BI is likely to let the

cuts work their way into the economy before deciding their next move, with any move likely in 2018 only. The 1m NDF was also not helped by foreign outflows from Indonesian assets. Foreign investors sold USD119.1mn in equities yesterday. They had also sold off USD378.7mn of debt on 29 Sep (latest data available). Further slowdown or sell-off in Indonesian assets 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 keep the 1m NDF at elevated levels. Last seen around 13638 levels. Momentum and stochastics on the daily chart remains bullish bias. Weekly momentum and stochastics are bullish bias. Immediate resistance is at yesterday's high of 13655 ahead of 13740 levels (61.8% fibo retracement of the 2016 high to 2017 low). Support at 13510 (38.2% fibo). JISDOR was fixed at 13499 yesterday, 7 pips higher than the fixing on Fri. Remaining week has foreign reserves (Sep) on Fri.

- **1m USDPHP NDF - *Near-Term Upside Risks.*** 1m USDPHP NDF continued its rebound above the 51 levels underpinned by UST yields and USD rally. The search for higher yields saw a sell-off in equities with foreign funds selling USD5.3mn yesterday, helping to support the 1m NDF. Last seen around 51.33. Daily momentum has turned bullish with stochastics continues to climb higher. Weekly chart continues to show 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 51.50 (23.6% fibo retracement of Aug low to high). Support at the 51-handle (50% fibo, 21 & 50DMAs). Remaining week has foreign reserves (Sep) on Fri. In a Bloomberg report yesterday, the Department of Finance said that a Senate bill for tax reform is estimated to yield 59.9bn pesos compared to a 119.4bn initial estimate.
- **USDTHB - *Bullish Bias.*** USDTHB is trading bid amid the ongoing 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 though found some support yesterday from net foreign inflows into Thai assets. Foreign funds had purchased USD85.9mn of equities yesterday that more than offset their sell-off of USD26.7mn of debt. Nevertheless, sentiments intraday appear weak and we could see a net foreign outflow from Thai assets intraday, putting upside pressure on the pair. Last seen around 33.505 levels. Daily and weekly momentum and stochastics are bullish bias. Resistance is at 33.620 (100DMA). Support still at 33.225 (50DMA). Remaining week has foreign reserves (29 Sep) on Fri. In the news, headline inflation accelerated by 0.86% y/y in Sep from Aug's 0.32%, while core inflation edged higher to 0.53% y/y (Aug: 0.46%). Driving inflation higher in Sep was the one-off excise tax increase on tobacco and alcoholic beverages and higher energy prices.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	*3.42/39	Not traded
5YR MI3/22	3.58	3.59	+1
7YR ML9/24	3.84	3.85	+1
10YR MO11/27	3.92	3.95	+3
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	3.51	+1
3-year	3.62	3.62	-
5-year	3.74	3.75	+1
7-year	3.84	3.86	+2
10-year	3.96	3.97	+1

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Source: Maybank KE

*Indicative levels

- Malaysia government bonds traded weaker in a lacklustre session with thin liquidity. Traded volume amounted to MYR1.0b. Trades were mostly centered on the 10y benchmark MGS 11/27 which garnered a total volume of MYR138m for the day.
- IRS rates moved higher in line with the higher domestic bond and UST yields. 5y IRS traded at 3.75%, and at this level the 5y looks attractive for receiving. 3M KLIBOR was unchanged at 3.43%.
- Quiet corporate bond space with trades mostly flat to previous done levels. In GG, the belly saw trades on PASB and LPPSA which dealt unchanged to 1bp wider. Short dated AAA credits also traded unchanged. AA credits were more active at the front end and belly sectors with UMW and YTL Power being dealt unchanged.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.39	1.41	+2
5YR	1.65	1.68	+3
10YR	2.15	2.19	+4
15YR	2.43	2.47	+4
20YR	2.43	2.47	+4
30YR	2.50	2.54	+4

Source: Maybank KE

- SGS pared back gains as the yield curve bear steepened, opening 3-4bps higher driven by the weaker UST market. There was selling on the 30y benchmark as primary dealers remained defensive. SGS yields closed 2-4bps higher, while SGD IRS rose 3-6bps in a relatively subdued market. Sentiment is expected to stay weak given bearish UST futures and SGD rates curves may continue to bear steepen. MAS announced a mini-auction of SGS 10/21 (N516100Z) reopening on 27 Oct in a size of not more than SGD1b; actual size will be revealed on 20 Oct.
- Asian credit market was quiet as Australia, China and Hong Kong markets were closed for holidays, and players mostly remained on the sidelines amid the UST selloff. Continue to expect a quiet market for the rest of the week, with volume thin and likely to skew towards selling side.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.00	5.98	(2.20)
5YR	6.03	6.10	7.25
10YR	6.37	6.44	6.39
15YR	6.92	6.99	7.00
20YR	7.20	7.24	3.70
30YR	7.44	7.40	(3.77)

* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Monday trading session. Local currency depreciation during the day seems to have backed IGS yield to move higher. However, the weakening of IGS market was hindered by lower Sep 17 inflation data which came in at 3.72% YoY or lower compared to Aug 17 number of 3.82% YoY. Front end to belly tenor yield incline the most during the day with 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.098%, 6.437%, 6.986% and 7.239% while 2y yield moved lower to 5.982%. We note that during the month of September, foreigner bought Rp29.85tn worth of IGS. Foreign ownership stood at Rp819.37tn or 40.0% of total tradable government bond as of Sep 29th. Trading volume at secondary market was noted heavy at government segments amounting Rp16,739bn with FR0072 (20y benchmark series) as the most tradable bond. FR0072 total trading volume amounting Rp2,678bn with 130x transaction frequency.
- DMO will conduct their first bi-weekly conventional auction in Q417 today with five series to be auctioned which are SPN12180104 (Coupon: discounted; Maturity: 4 Jan 2018), SPN12181004 (Coupon: discounted; Maturity: 4 Oct 2018), FR0061 (Coupon: 7.000%; Maturity: 15 May 2022), FR0074 (Coupon: 7.500%; Maturity: 15 Aug 2032) and FR0075 (Coupon: 7.500%; Maturity: 15 May 2038). We believe that the auction will be oversubscribing by 2.0x - 3.0x from its indicative minimal target issuance of Rp15 tn while our view on the indicative yield are as follows SPN12180104 (range: 4.800% - 4.950%), SPN12181004 (range: 5.100% - 5.250%), FR0061 (range: 6.050% - 6.150%), FR0074 (range: 6.950% - 7.050%) and FR0075 (range: 7.100% - 7.200%).
- Corporate bond trading traded heavy amounting Rp1,282 bn. MEDC02ACN6 (Shelf Registration II Medco Energi Internasional Phase VI Year 2017; A serial bond; Rating: idA+) was the top actively traded corporate bond with total trading volume amounted Rp295 bn yielding 10.272%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CHF	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2041	112.24	0.8059	1.3591	0.9678	0.7371	134.6900	89.9710
R1	1.2017	111.91	0.8034	1.3547	0.9652	0.7345	134.2700	89.6780
Current	1.2015	111.48	0.8019	1.3529	0.9609	0.7326	133.9300	89.3860
S1	1.1960	111.23	0.7971	1.3464	0.9598	0.7274	133.3300	88.9110
S2	1.1927	110.88	0.7933	1.3425	0.9570	0.7229	132.8100	88.4370

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3514	4.1965	13297	51.3320	33.1330	1.6238	0.6428	3.1164
R1	1.3493	4.1940	13288	51.1640	33.1050	1.6199	0.6397	3.1126
Current	1.3462	4.1940	13268	50.8500	33.0710	1.6174	0.6374	3.1160
S1	1.3454	4.1885	13261	50.8540	33.0540	1.6112	0.6335	3.1062
S2	1.3436	4.1855	13243	50.7120	33.0310	1.6064	0.6302	3.1036

*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	1.1223	Oct-17	Neutral
BNM O/N Policy Rate	3.00	9/11/2017	Neutral
BI 7-Day Reverse Repo Rate	4.50	22/9/2017	Neutral
BOT 1-Day Repo	1.50	27/9/2017	Tightening Bias
BSP O/N Reverse Repo	3.00	21/9/2017	Tightening Bias
CBC Discount Rate	1.38	21/9/2017	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	21/9/2017	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	28/9/2017	Neutral
BOJ Rate	-0.10	21/9/2017	Easing
BoC O/N Rate	1.00	25/10/2017	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	22,370.80	0.18
Nasdaq	6,461.32	0.10
Nikkei 225	20,299.38	1.96
FTSE	7,275.25	0.30
Australia ASX 200	5,713.58	-0.12
Singapore Straits Times	3,225.95	-0.49
Kuala Lumpur Composite	1,776.66	-0.39
Jakarta Composite	5,901.33	0.28
Philippines Composite	8,162.70	-1.58
Taiwan TAIEX	10,576.14	-0.52
Korea KOSPI	2,416.05	-0.09
Shanghai Comp Index	3,356.84	-0.18
Hong Kong Hang Seng	28,051.41	-0.38
India Sensex	32,402.37	-0.07
Nymex Crude Oil WTI	49.48	-0.86
Comex Gold	1,310.60	-0.02
Reuters CRB Index	182.58	-0.63
MBB KL	9.81	0.10

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	8	3.025	3.025	3.025
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	10	3.016	3.016	3.016
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	33	3.102	3.144	3.068
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	13	3.11	3.174	3.11
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	48	3.282	3.282	3.282
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	47	3.326	3.326	3.276
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	26	3.357	3.357	3.294
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	11	3.336	3.374	3.331
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	4	3.408	3.408	3.408
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	35	3.518	3.54	3.504
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	2	3.554	3.567	3.554
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	50	3.594	3.594	3.574
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	3	3.695	3.695	3.695
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	5	3.838	3.838	3.838
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	83	3.848	3.878	3.843
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	6	3.925	3.98	3.925
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	14	4.049	4.049	4.049
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	21	3.945	3.964	3.893
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	3	4.117	4.117	4.117
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	138	3.959	3.959	3.901
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	7	4.341	4.341	4.29
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	39	4.374	4.374	4.359
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	22	4.502	4.519	4.418
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	43	4.521	4.521	4.521
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	3	4.794	4.824	4.768
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	40	3.008	3.024	3.008
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	19	3.379	3.379	3.379
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	40	3.525	3.525	3.525
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	72	3.77	3.77	3.77
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	40	4.039	4.044	4.036
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	4	4.207	4.225	4.207
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	120	4.635	4.635	4.626
Total			1,008			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
LPPSA IMTN 3.500% 20.09.2019 - Tranche No 1	GG	3.500%	20-Sep-19	20	3.796	3.804	3.796
LPPSA IMTN 4.390% 17.04.2024 - Tranche No 8	GG	4.390%	17-Apr-24	20	4.271	4.271	4.268
PASB IMTN (GG) 4.27% 06.06.2024 - Issue No. 30	GG	4.270%	6-Jun-24	20	4.248	4.254	4.248
DANAINFRA IMTN 4.330% 04.04.2025 - Tranche No 32	GG	4.330%	4-Apr-25	20	4.341	4.341	4.336
GIC IMTN 5.100% 20.06.2022	AAA	5.100%	20-Jun-22	1	5.011	5.014	5.011
MANJUNG IMTN 4.220% 25.11.2022 - Series 1 (7)	AAA	4.220%	25-Nov-22	6	4.258	4.261	4.258
MBSB (SCSM) IMTN 4.500% 29.05.2018	AA1	4.500%	29-May-18	30	4.144	4.16	4.144
SEB IMTN 4.500% 19.01.2022	AA1	4.500%	19-Jan-22	10	4.336	4.339	4.336
PIBB SUBORDINATED SUKUK MURABAHAH 07.06.2024	AA1	4.750%	7-Jun-24	60	4.298	4.317	4.298
CTX IMTN 5.270% 28.10.2026 - Series 8	AA+ IS	5.270%	28-Oct-26	9	4.98	4.981	4.98
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	10	4.889	4.89	4.889
PIBB T2 SubSukuk Murabahah 4.650% 03.08.2027	AA1	4.650%	3-Aug-27	100	4.518	4.523	4.518
UMWH IMTN 4.820% 04.10.2019	AA2	4.820%	4-Oct-19	10	4.414	4.419	4.414
UMWH IMTN 4.830% 22.06.2022	AA2	4.830%	22-Jun-22	10	4.661	4.664	4.661
UMWH IMTN 5.220% 02.10.2026	AA2	5.220%	2-Oct-26	10	4.949	4.961	4.949
UEMS IMTN 4.250% 21.12.2017 - Issue No. 1	AA- IS	4.250%	21-Dec-17	1	4.02	4.067	4.02
MMC CORP IMTN 5.950% 12.11.2027	AA- IS	5.950%	12-Nov-27	30	5.394	5.395	5.394
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	1	5.941	5.941	5.941
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	3	6.473	6.473	6.473
Total				372			

Sources: BPAM

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