

# Global Markets Daily

## RBI Meeting; ADP on Tap

### USD Off To A Soft Start Today

USD traded slightly softer this morning as market awaits ADP employment and ISM non-mfg data. ADP employment data could be distorted and biased to the weak side due to Hurricanes Harvey and Irma. Upside surprise here could lend support to the USD. Talks of Trump aides delivering shortlist for Fed Chair. Nominees include Yellen, Cohn, Warsh, Powell and Taylor. Media noted that Yellen was not recommended by many aides. The shortlist is hawkish-leaning and could imply that monetary policy may risk being tightened further next year when the new Chair comes on board. Bias remains for USD strength vs. lower yielders (JPY and CHF) and AXJs on dips.

### Softer Dairy Prices Weigh on NZD

NZD fell overnight amid softer than expected GDT auction results (-2.4%). This is the biggest decline since Mar 2017. Most dairy products including skimmed milk power, whole milk powder and butter milk power fell while cheddar rose. Markets had earlier anticipated a strong lift in prices. NZD traded to overnight low of 0.7148 before the rebound this morning amid broad USD weakness.

### RBI Meeting; US ADP Employment; Services PMIs Today

Some of the key data/events we watch today include US ADP, ISM non-mfg, Fed's Yellen speaks; services PMI from US, EU, UK, Japan. RBI meets today. Focus on tone of the statement especially after the recent decline in Indian Rupee. Looking at macro-development, India is increasingly facing the risk of stagflation where inflation is picking up pace while growth decelerates. India is also facing the problem of twin deficit on its current account and fiscal deficit (which looks likely to be widen further to stimulate the economy). We expect RBI to remain on hold but possibly struck a dovish tone, downgrading its growth forecast possibly by as much as 1 percentage-point.

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 @ 4-Oct-17, 9.00AM

Upper Band Limit      Mid-Point      Lower Band Limit

### Analysts

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

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

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

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

### 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 - Risk of Retracement ahead of ADP Tonight.** USD traded slightly softer this morning as market awaits ADP employment and ISM non-mfg data. ADP employment data could be distorted and biased to the weak side due to Hurricanes Harvey and Irma. Upside surprise here could lend support to the USD. Talks of Trump aides delivering shortlist for Fed Chair. Nominees include Yellen, Cohn, Warsh, Powell and Taylor. Media noted that Yellen was not recommended by many aides. The shortlist is hawkish-leaning and could imply that monetary policy may risk being tightened further next year when the new Chair comes on board. DXY was last seen at 93.35 levels. Bullish momentum on daily chart remains intact while stochastics is entering overbought conditions. May see risks of retracement lower intra-day. Support at 92.85 (50 DMA) before 92.50 (21 DMA). Bias to buy dips (Weekly momentum has turned mild bullish). Resistance at 94.30 (38.2% fibo retracement of 2014 low to 2016 high). We reiterate our bias for USD strength vs. lower yielders (JPY and CHF) and AXJs. Week remaining brings 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 - Technical Rebound Risks Intra-day but Bias to Fade.** EUR rebounded this morning amid USD softness. Price action remains confined to recent subdued trading ranges as market awaits next catalyst. On the Catalonian referendum, Spanish King Felipe VI had weighed in saying that certain officials in Catalonia have repeatedly, consciously and purposefully breached the constitution and their statute of autonomy; reiterated that referendum plans are illegal. EUR was last seen at 1.1770 levels. Bearish momentum shows early signs of waning while stochastics is near oversold conditions. EUR may rebound technically in the near term. Resistance at 1.1850 (50 DMA), 1.1890 (21 DMA). Support at 1.1720, 1.1680 (23.6% fibo retracement of 2017 low to high). Bias to lean against strength tactically as political concerns in Germany and Spain should weigh while 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 discourage chasing EUR longs too early. Week remaining brings Services PMI (Sep); Retail Sales (Aug) on Wed; Retail PMI (Sep); ECB's Praet, Coeure speak; ECB Minutes on Thu.
- **GBPUSD - Bearish Momentum.** GBPUSD extended another day of losses yesterday, last seen at 1.3258. Construction PMI data came in at 48.1, below the crucial 50 mark and under expectations of 51.1. EU chief Brexit negotiator Barnier has reiterated that UK has 'not yet achieved sufficient progress to undertake ... the second phase of negotiations' and warned of 'serious divergences' over the Brexit bill, though markets appear to be growing increasingly numb to problems in Brexit negotiations. Theresa May will speak today at the Conservative Conference, which ends today. Markets will be hoping for Brexit details in her speech today, though that is unlikely

given the lack of details in general so far in the Brexit process. 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 Services PMI (Sep) on Wed; Halifax house prices (Sep); Unit labor costs (2Q) on Fri.

- **USDJPY - Retracement Risks.** USDJPY is trading softer as we had cautioned at the start of the week. USD bulls appears to be taking a breather this morning ahead of USD ADP and NFP later tonight and on Fri, as well as Fed speaks including Yellen tonight. Nikkei futures though are still pointing higher, signalling further upside to the pair ahead. 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 Yuriko Koike. Last seen around 112.65-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. This suggests risks of retracement ahead. Support is around the 112.40-levels (61.8% fibo retracement of the 2017 high to low), 112-handle (200DMA). Resistance at 113-handle, 113.60 levels (76.4% fibo). Remaining week has labor cash earning, leading & coincident index (Aug) on Fri. In the news, BOJ deputy governor Nakaso acknowledged that a BOJ deficit cannot be ruled out when it exit its current policy but that the central bank had adequate responses ready, including having set aside some of its revenues for future losses.

- **NZDUSD - Mild Bearish Momentum but Near Oversold Conditions.** NZD fell overnight amid softer than expected GDT auction results (-2.4%). This is the biggest decline since Mar 2017. Most dairy products including skimmed milk power, whole milk powder and butter milk power fell while cheddar rose. Markets had earlier anticipated a strong lift in prices. NZD traded to overnight low of 0.7148 before the rebound this morning amid broad USD weakness. Pair was last seen at 0.7190 levels. Daily momentum is mild bearish while stochastics is falling into near oversold conditions. 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 QV House Prices, ANZ Commodity prices (Sep) on Wed; Government 12-month financial statement on Thu; Full tally of General Election results on Sat. Expect a formal announcement from NZ First leader Winston Peters' on which party he has decided to form a coalition government with between 7 - 12 Oct. We cautioned 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.

- **AUDUSD - Buy on Dips.** RBA held rates at 1.50% in line with expectations, but its monetary policy statement fell short. Markets had been expecting more hawkish remarks from Lowe, but his statement was largely a rehash of the previous statement in September. RBA continued to highlight low wage growth and inflation, as well as a growth in housing debt. RBA has also mentioned that the strong AUD is 'weighing on the outlook for output and employment'. Nonetheless, there were some small reasons for optimism, including the fact that 'growth in borrowing by investors has slowed a little recently'. RBA also highlighted that 'in Sydney, where prices have increased significantly, there have been further signs that conditions are easing'. On unemployment, there was a mention of a 'rise in labour force participation'. **On growth, there was also an additional mention of a 'large pipeline of infrastructure investment' and that 'capacity utilisation has risen'.** In other news, Commodity Index (Sep) growth slowed (+18.3% y/y vs +20.1% prev.), while the Index itself remained the same at 120.8. PMI (Services & Composite, Sep 2017) also came in lower than previously this morning (53.2 vs 54.2 prev. for services, 53.1 vs 54.1 prev. for composite). The AUDUSD briefly dipped below 0.7790 in intraday trading, including a 0.3% decline immediately after the RBA statement, but recovered later to close higher for the day. Support at 0.7800 levels (tested several times yesterday), 0.7777 (100DMA). Resistance at 0.7940 (50DMA), 0.8000 levels. On daily charts, bearish momentum is waning with stochastics in oversold conditions. Week ahead brings: Trade, Retail Sales (Aug) on Thu; Construction Index (Sep) on Fri.
  
- **USDCAD - Bullish Bias.** BOC Deputy Governor Leduc adopted a relatively dovish tone yesterday. While he did not explicitly mention interest rates, he noted that Canada's potential growth had 'significantly drop(ped)', due to a 'decline in innovation and productivity'. Nonetheless, there was an acknowledgement that 'Canada's economic growth has been strong'. Pair was last seen at 1.2473. Bullish momentum remains intact, though stochastics are in overbought regions. Support at 1.24-handle (Jul low at 1.2414, 6th Sep high [pre rate hike] at 1.2416). Resistance appears to be strong around 1.2500-1.2525. Week ahead brings: Intl Merchandise Trade (Aug) on Thu; Unemployment data (Sep), Ivey PMI (Sep) on Fri. With a lack of Canadian data today, markets will be likely be range-bound until Yellen's speech later today for guidance on the USD. We still maintain a bullish bias on the USDCAD however, given the acknowledgement of slower growth.

## Asia ex Japan Currencies

- **SGD trades around 0.82% above the implied mid-point of 1.3706.** The top is estimated at 1.3435 and the floor at 1.3978.
- **USDSGD - Softer; Buy On Dips.** USDSGD has slipped back below the 1.36-handle amid a pullback in UST yields and USD. Softer USDJPY is also weighing on the pair. The dip in the 3-month SOR continued. It fell by 0.3% to 0.926% levels yesterday and further slippages are likely given the softer UST yields and 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 1.3593-levels. Momentum on the daily chart remains mildly bullish bias but is waning, and stochastics shows tentative signs of turning lower from overbought levels. Bearish momentum on the weekly chart has largely dissipated, while stochastics is climbing higher from oversold levels. Near-term pullbacks should find support around 1.3560 (50DMA), 1.35-levels (21DMA). We remain bias to buy on dips. Any rebound should meet resistance around 1.3630 (23.6% fibo retracement of the 2017 high to low), 1.3680 levels (100DMA). In the news, Nikkei PMI rose to 53.7 in Sep from 53.2 in Aug, reinforcing the pick-up in PMI released on Mon. This suggests that further economic expansion ahead.
- **AUDSGD - Bias for Further Upside.** AUDSGD traded a touch firmer amid AUD outperformance. Cross was last seen at 1.0680 levels. Bearish momentum on daily chart shows early signs of waning while stochastics is showing early signs of turning higher from oversold conditions. Support seen at 1.0640 - 1.0650 levels (100, 200 DMAs, 38.2% fibo), 1.0570 (50% fibo retracement of Jun low to Jul high). Bias to buy dips. Resistance at 1.0750 (23.6% fibo, 21, 50 DMAs), 1.0840 levels.
- **SGDMYR - Range-Bound.** SGDMYR continued to hover near recent lows; last seen at 3.1090 levels. Technical indicators are in conflict with 21DMA cutting 100DMA to the downside while bearish momentum on daily chart is waning and stochastics is showing signs of rising from near oversold conditions. We stick to the range of 3.10 - 3.12 until a clear bias is established. Key technical levels to watch include 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.
- **USDMYR - Rebound Stalls.** USDMYR traded softer this morning amid broad USD softness. Pair was last seen at 4.2280 levels. Daily momentum has turned mild bullish but stochastics is showing tentative signs of turning lower from overbought condition. Gains may moderate. 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 - Downside Risk intra-day.** Onshore markets remain closed for the rest of the week for Chuseok holidays. 1m USDKRW NDF slipped amid broad USD softness this morning. Pair was last seen at 1142 levels. Bullish momentum on daily chart shows signs of waning while stochastics shows signs of turning lower. May see some downside pressure. Support at 1136, 1130 levels.

Resistance at 1146. Bias to buy on dips targeting 1158, 1165 levels. We continue to see upside risks for USDKRW over the next few weeks on a combination of external and domestic drivers: (1) ongoing on-off geopolitical tensions should weigh on investor sentiment and reduce the appeal of Korean assets (net foreign inflow to Korean equity have already started to decline since end-Jul while net foreign inflow to Korean bonds have plateaued) and KRW; (2) inbound tourism may also come under pressure (inbound foreign tourists to Korea -35% y/y in Aug) as a result of on-off geopolitical tensions; (3) potential for sustained tactical rebound in USD and UST yields arising out of Fed remains on path of tightening (resulting in markets re-pricing expectation) and rising likelihood that US may be getting their act on tax reforms while BoK is expected to keep monetary policy accommodative (resulting in policy divergence); (4) poor China-Korea relations which still show no signs of improvement after Korea approves additional deployment of THAAD (Inbound Chinese tourists to S. Korea has fallen 70% yoy in Jul); (5) US's determination to re-negotiate or terminate its FTA with S.Korea may hurt Korean businesses, exports and these would have negative repercussion on KRW.

■ **USDCNH - Sideways.** With onshore markets out for Golden Week holidays and re-opening only next week, USDCNH is taking its cue from the USD. Softer UST yields and USD are dragging the pair lower with the pair last seen around 6.6584 levels. Daily chart shows bullish momentum but is waning, 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 risks could be tilting to the upside but in the nearer term, some upside risks remains and this could limit downside to the pair ahead. Support remains around 6.6000. Resistance at 6.6980 levels (100WMA), 6.7150 levels (21WMA). The CGB-UST 10y yield spread was last seen around 131 bps. **There are no fixings for the week ahead.**

■ **1m USDINR NDF - RBI Meeting Today.** The NDF eased slightly yesterday, last seen around 65.7. PMI Mfg data (Sep) remained the same as that in Aug (51.2). Growth in 8 core industries (Aug) was faster than the previous month (4.9% vs prev. 2.4%). Foreign investors also bought (net) \$164.8mn of equities on Friday, helping to support the INR. Bloomberg reported yesterday that the Finance Ministry has cut the basic excise duty on fuel to ease inflation pressures, and is estimated to lose \$2bn in tax revenue for this FY. Economic Times also reported that the Finance Ministry believes the slowing of growth is just a temporary phenomenon due to ongoing GST/demonetisation issues, and that growth will pick up soon. Week ahead brings: RBI decision on Wed; PMI Services and Composite (Sep) on Thu. Markets are pricing in a 21.3% probability of a rate cut - despite recent growth weakness, markets believe that accelerating inflation leaves little room for RBI to manoeuvre. While a rate cut today is not likely, we expect weak sentiment in India to remain and will help to support the USDINR. RBI meets today (5pm SG/KL time). Focus on tone of the statement especially after the recent decline in Indian Rupee. Looking at macro-development, India is increasingly facing the risk of stagflation where inflation is picking up pace while

growth decelerates. India is also facing the problem of twin deficit on its current account and fiscal deficit (which looks likely to be widened further to stimulate the economy). We expect RBI to remain on hold but possibly struck a dovish tone, downgrading its growth forecast possibly by as much as 1 percentage-point.

- **1m USDIDR NDF - *Near-Term Bearish; Bias To Buy On Dips.*** 1m USDIDR NDF is trading lower for the second straight session amid a pullback in UST yields and USD as USD bulls took a breather. The sell-off in Indonesian assets continues with foreign investors selling USD17.6mn in equities yesterday. Further slowdown or sell-off in Indonesian assets should be supportive of the 1m NDF. After cutting policy rates twice by 25bp each this year, 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. This could be supportive of the IDR ahead. The focus today will be on US ADP and then on NFP on Fri and upside surprises could lift UST yields and USD and keep the 1m NDF at elevated levels. Last seen around 13542 levels. Momentum on the daily chart remains bullish bias but waning and stochastics is showing tentative signs of turning lower. Weekly momentum and stochastics are bullish bias. Support around 13510 (38.2% fibo retracement of the 2016 high to 2017 low), 13365 (23.6% fibo, 21&50DMAs). Bias to buy on dips. Resistance is at yesterday's high of 13625 (50% fibo). JISDOR was fixed at 13582 yesterday, 83 pips higher than the fixing on Mon. Remaining week has foreign reserves (Sep) on Fri. In the news, FinMin Sri Mulyani has pledged to disburse funds for spending by ministries and government agencies in 4Q to ensure growth remains strong through to the end of the year. Earlier, she had said that the government will maintain low and stable inflation so that BI cannot use high inflation as an "excuse" for raising rates. She also said that the government was monitoring transmission of BI policy rate to lending rates.
- **1m USDPHP NDF - *Limited Downside.*** 1m USDPHP NDF is trading lower this morning but remained above the 51-handle amid softer UST yields and USD. Keeping the 1m NDF elevated above the 51-handle is possibly the ongoing sell-off in equities. Yesterday, foreign funds sold USD13.5mn in equities yesterday. Last seen at 51.10-levels. Daily momentum and stochastics are bullish bias. 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. Support at the 51-handle (50% fibo retracement of Aug low to high), 50.90 levels (61.8% fibo). Resistance remains at 51.50 (23.6% fibo). Remaining week has foreign reserves (Sep) on Fri.
- **USDTHB - *Near Term Retracement; Buy On Dips.*** USDTHB trades softer amid UST yields and USD pullback. Rebounding gold price is weighing on the pair (given the negative correlation between gold prices and the USDTHB). Net foreign outflows from Thai assets yesterday weighed on the THB. Foreign funds had purchased USD14.0mn of equities yesterday but sold USD49.2mn of debt. Further net foreign outflow from Thai assets intraday should put upside pressure on the pair and limit downside to the pair. Last seen around 33.347 levels. Daily momentum remains bullish bias but

waning. Weekly momentum and stochastics remains bullish bias. Support still at 33.220 (50DMA), 33.180 (21DMA). Bias to buy on dips. Resistance at 33.480 (38.2% fibo retracement of the Jul high to Sep low). Remaining week has foreign reserves (29 Sep) on Fri.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	3.42	+3
5YR MI3/22	3.59	3.61	+2
7YR ML9/24	3.85	3.88	+3
10YR MO11/27	3.95	3.95	Unchanged
15YR MX4/33	4.38	*4.40/35	Not traded
20YR MX4/37	4.51	*4.60/55	Not traded
30YR MZ3/46	4.79	4.74	-5
IRS			
6-months	3.45	3.46	+1
9-months	3.47	3.48	+1
1-year	3.51	3.51	-
3-year	3.62	3.63	+1
5-year	3.75	3.75	-
7-year	3.86	3.87	+1
10-year	3.97	3.98	+1

Winson Phoon  
(603) 2074 7176  
winsonphoon@maybank-ib.com

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

Source: Maybank KE

\*Indicative levels

- Govvies weakened as cut-loss positions were triggered in the morning session. Flows were heavier at the belly of the curve with MGS yields ending 2-3bps up. Retap size on 7y MGS 9/24 was slightly below expectations at MYR3b. WI quoted within 3.91/87% range but nothing dealt, while the cash stock traded +3bps from last done at 3.88%.
- Another quiet day for onshore IRS with no trades despite numerous quotes. Expect rates to move sideways for the time being. Slightly smaller than expected MGS 9/24 auction size should keep a lid on MGS levels, while upward move in rates is unlikely unless there is another round of global selloff in bonds. 3M KLIBOR remained at 3.43%.
- Tone in corporate bond market still weak with GGs at the belly given 1-3bps wider led by Prasarana 9/2024s. AAA credits also saw better selling interest at the belly and long end while bids were scarce. Tenaga 2037 was given 1bp higher. AA levels, however, were supported by retail buying interest. Spreads could continue to readjust and widen for the week.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.41	1.39	-2
5YR	1.68	1.65	-3
10YR	2.19	2.17	-2
15YR	2.47	2.46	-1
20YR	2.47	2.45	-2
30YR	2.54	2.53	-1

Source: Maybank KE

- SGS yields opened 1-2bps lower but trading activity was fairly muted. The 10/21 SGS (mini-auction) saw offers as premium over general collateral narrowed given the normalizing curve. SGS continued to outperform despite UST giving up gains in late afternoon. Yield curve ended relatively unchanged from where it opened, 1-3bps down. SGD IRS rates declined 1-2bps.
- In Asian credit, Hong Kong market opened back and there was more buying on China financial and AMC names, while Korea and Japan names were skewed towards selling. For primary, the Emirates of Abu Dhabi came out with a multi-tranche USD issuance and initial guidance levels look rather attractive for the 5y, 10y and 30y bonds. On rating changes, Dalian Wanda was downgraded by Moody's from Ba1 to Ba3. Overall, volume was still thin and Indonesia sovereign bonds traded lower in price tracking the UST movement.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.98	5.90	(8.59)
5YR	6.10	6.10	0.61
10YR	6.44	6.48	4.46
15YR	6.99	7.05	6.73
20YR	7.24	7.27	2.96
30YR	7.40	7.41	0.86

\* 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 lower during Tuesday trading session amid heavy demand during auction while WAY awarded increase compared to previous day close. The front end tenor (<2y) yield decline while belly to long end tenor yield moved higher. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.104%, 6.482%, 7.054% and 7.269% while 2y yield moved lower to 5.896%. Trading volume at secondary market was noted heavy at government segments amounting Rp22,325 bn with FR0075 (20y) as the most tradable bond. FR0072 total trading volume amounting Rp4,500 bn with 308x transaction frequency.
- Indonesian government conducted their first conventional auctions in 4Q17 yesterday and received moderate incoming bids worth of Rp35.14 tn versus its target issuance of Rp15.00 tn or oversubscribed by 2.28x. However, DMO only awarded Rp17.85 tn bids for its 3mo, 1y, 5y, 15y and 20y bonds. Incoming bids were more clustered on FR0061 series (5y benchmark series). 3mo SPN was sold at a weighted average yield (WAY) of 4.68019%, 1y SPN was sold at 5.16167%, 5y FR006 was sold at 6.17962%, 15y FR0074 was sold at 7.04993% while 20y FR0075 was sold at 7.23987%. No series bids were rejected during the auction. Bid-to-cover ratio during the auction came in at 1.22X - 5.96X. Foreign incoming bids during the auction were noted Rp6.10 tn or 17.9% of total incoming bids. However, only Rp2.99 tn bid (16.7% of total awarded bids) were awarded to foreign investors. Till the date of this report, Indonesian government has raised approx. Rp17.85 tn worth of debt through bond auction which represents 17.6% of the 4Q 17 target of Rp101.7 tn.
- Corporate bond trading traded heavy amounting Rp1,543 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 Rp233 bn yielding 9.611%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CHF	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1938	113.01	0.7937	1.3532	0.9766	0.7306	133.9167	89.0850
R1	1.1966	112.30	0.7973	1.3518	0.9696	0.7312	133.8833	89.2350
<b>Current</b>	1.1709	113.13	0.7814	1.3246	0.9779	0.7179	132.4600	88.4010
S1	1.1876	111.64	0.7921	1.3373	0.9616	0.7246	133.0033	88.7860
S2	1.1758	111.69	0.7833	1.3242	0.9606	0.7174	132.1567	88.1870

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3619	4.2284	13547	51.2867	33.4723	1.6130	0.6371	3.1157
R1	1.3546	4.2100	13413	51.1413	33.2747	1.6144	0.6369	3.1123
<b>Current</b>	1.3654	4.2435	13585	51.2200	33.5310	1.5987	0.6380	3.1081
S1	1.3484	4.1978	13310	50.8603	33.0647	1.6073	0.6362	3.1059
S2	1.3495	4.2040	13341	50.7247	33.0523	1.5988	0.6358	3.1029

\*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	1.1238	Oct-17	Neutral
BNM O/N Policy Rate	3.00	9/11/2017	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/10/2017	Neutral
BOT 1-Day Repo	1.50	8/11/2017	Tightening Bias
BSP O/N Reverse Repo	3.00	9/11/2017	Tightening Bias
CBC Discount Rate	1.38	15/12/2017	Neutral
HKMA Base Rate	1.50	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	4/10/2017	Neutral
BOK Base Rate	1.25	19/10/2017	Easing Bias
Fed Funds Target Rate	1.25	2/11/2017	Tightening
ECB Deposit Facility Rate	-0.40	26/10/2017	Easing Bias
BOE Official Bank Rate	0.25	2/11/2017	Neutral
RBA Cash Rate Target	1.50	3/10/2017	Neutral
RBNZ Official Cash Rate	1.75	9/11/2017	Neutral
BOJ Rate	-0.10	31/10/2017	Easing
BoC O/N Rate	1.00	25/10/2017	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	22,370.80	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	33	3.268	3.268	3.268
MGS 2/2003 4.24000% 07.02.2018	4.240%	7-Feb-18	4	3.136	3.136	3.089
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	49	3.183	3.193	3.123
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	64	3.166	3.166	3.152
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	18	3.275	3.275	3.275
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	25	3.315	3.315	3.315
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	7	3.298	3.331	3.298
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	28	3.386	3.386	3.357
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	16	3.396	3.413	3.379
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	118	3.424	3.44	3.424
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	26	3.546	3.546	3.504
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	175	3.587	3.587	3.546
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	4	3.567	3.593	3.567
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	159	3.608	3.623	3.574
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	17	3.689	3.689	3.678
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	189	3.717	3.717	3.673
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	188	3.735	3.832	3.735
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	25	3.83	3.838	3.83
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	6	3.826	3.876	3.826
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	257	3.878	3.894	3.829
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	92	3.958	3.984	3.928
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	27	4.022	4.022	4.022
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	28	3.952	3.972	3.945
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	1	4.135	4.135	4.135
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	82	3.941	3.953	3.923
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	1	4.208	4.208	4.208
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	9	4.398	4.398	4.349
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	28	4.739	4.739	4.739
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	330	3.526	3.534	3.522
PROFIT-BASED GII 6/2009 30.04.2020	4.492%	30-Apr-20	20	3.528	3.528	3.528
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	15	3.705	3.705	3.705
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	20	4.039	4.039	4.039
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	3	4.212	4.212	4.212
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	35	4.014	4.014	4.014
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	10	4.684	4.684	4.684
<b>Total</b>			<b>2,109</b>			

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	4.262	4.262	4.259
PRASARANA IMTN 0% 27.09.2024 - MTN 1	GG	4.850%	27-Sep-24	15	4.301	4.301	4.301
PUTRAJAYA IMTN 25.10.2017 SERIES 1 TRANCHE 001	AAA IS	3.648%	25-Oct-17	6	3.453	3.539	3.453
ADCB MTN 2557D 22.11.2017	AAA (BG)	5.350%	22-Nov-17	2	3.776	3.853	3.776
PBSB IMTN 4.450% 12.09.2024	AAA IS	4.450%	12-Sep-24	20	4.439	4.441	4.439
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	36	5.089	5.096	5.08
SCC IMTN 06.08.2020	AA1	4.685%	6-Aug-20	20	4.478	4.482	4.478
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	1	4.349	4.349	4.349
SEB IMTN 5.280% 17.08.2035	AA1	5.280%	17-Aug-35	3	5.269	5.27	5.269
TANJUNG BP IMTN 4.540% 16.08.2019	AA2	4.540%	16-Aug-19	5	4.216	4.216	4.216
CIMBBANK 6.70% 07.10.2038	AA	6.700%	7-Oct-38	2	4.386	4.396	4.386
PBFIN 7.500% 05.06.2059 - Tranche No. 1	AA2	7.500%	5-Jun-59	1	4.278	4.278	4.278
MAYBANK 6.300% 25.09.2068	AA2	6.300%	25-Sep-68	2	4.492	4.503	4.492
BUMITAMA IMTN 5.25% 18.03.2019	AA3	5.250%	18-Mar-19	8	4.38	4.387	4.38
MMC CORP IMTN 5.200% 12.11.2020	AA- IS	5.200%	12-Nov-20	2	4.868	4.871	4.868
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	30	4.628	4.63	4.628
UEMS IMTN 5.000% 19.05.2023	AA- IS	5.000%	19-May-23	10	4.79	4.79	4.79
AMBANK MTN 3651D 29.12.2023 (SUB NOTES)	AA3	5.200%	29-Dec-23	20	4.472	4.481	4.472
MMC CORP IMTN 5.950% 12.11.2027	AA- IS	5.950%	12-Nov-27	30	5.392	5.393	5.392
KESTURI IMTN 4.75% 30.11.2029 - IMTN 11	AA- IS	4.750%	30-Nov-29	10	4.896	4.897	4.896
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	1	4.95	5.302	4.95
MUAMALAT IMTN 5.500% 25.11.2021	A IS	5.500%	25-Nov-21	1	5.21	5.213	5.21
ECO CAPITAL MTN 6.50% 12.08.2022	NR(LT)	6.500%	12-Aug-22	2	6.459	6.461	6.459
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	2-Apr-17	2	6.512	6.515	6.512
<b>Total</b>				<b>268</b>			

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

Md. Farid Kairi  
Head of Sales  
mdfarid.k@maybank.com.my  
(+60) 3 27869111, (+60) 17 6719185

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