

## Global Markets Daily

# US: Weak Manufacturing, Soft Services, How About Jobs?

### USD Softened on Weak ISM Non-Mfg Data

Another session of USD decline overnight was observed as ISM Non-Mfg surprised to the downside, adding to the string of weak data this week, including ISM Mfg and ADP employment. These releases reinforced the notion that US will not escape unscathed in an environment of global growth and trade slowdown. Another poor data print in Non-Farm Payrolls tonight could fuel expectations for Fed to turn more dovish (i.e., abandon mid-cycle easing rhetoric and shift to outright easing cycle), which could take USD lower, especially when USD long positions are at a 30-month high.

### RBI Likely to Cut This Afternoon

We expect RBI to lower rates by another 25bps after the 35bps cut in the last policy meeting. Minutes of the last meeting indicated more concerns over the (negative) output gap. After the recent corporate tax cuts, lower policy rates could also be needed to support growth as well as help offset the interest burden of the government. We look for a 25bps cut as increasing the magnitude of the rate reduction could risk undermining investors' confidence.

### US Non-Farm Payrolls, Fed's Powell Speaks

Data/events of interest today include US NFP (Sep), Average Hourly Earnings (Sep), Trade (Aug), GE Construction PMI (Sep), RBA FSR, AU Retail Sales (Aug), CA Trade (Aug), MY CPI (Sep), Trade (Aug), ID Consumer Confidence (Sep), IN Svcs PMI (Sep), PH CPI (Sep). Fed's Powell, Resengren, Brainard, RBA's Ellis speak.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0965	↑ 0.05	USD/SGD	1.3801	↓ -0.30
GBP/USD	1.2332	↑ 0.24	EUR/SGD	1.5133	↓ -0.24
AUD/USD	0.6742	↑ 0.52	JPY/SGD	1.2917	↑ 0.03
NZD/USD	0.6303	↑ 0.54	GBP/SGD	1.7028	↓ -0.01
USD/JPY	106.92	↓ -0.24	AUD/SGD	0.9304	↑ 0.23
EUR/JPY	117.22	↓ -0.20	NZD/SGD	0.8699	↑ 0.25
USD/CHF	0.9991	↑ 0.22	CHF/SGD	1.3823	↓ -0.45
USD/CAD	1.3337	↑ 0.08	CAD/SGD	1.0349	↓ -0.36
USD/MYR	4.1865	↓ -0.19	SGD/MYR	3.0292	↑ 0.10
USD/THB	30.56	↓ -0.30	SGD/IDR	10254.18	↑ 0.08
USD/IDR	14173	↓ -0.17	SGD/PHP	37.4815	↓ -0.14
USD/PHP	51.815	↓ -0.30	SGD/CNY	5.1499	↑ 0.18

Implied USD/SGD Estimates at 4-Oct-19, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3663	1.3942	1.4221

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### G7: Events & Market Closure

Date	Ctry	Event
1 Oct	AU	RBA Meeting

### AXJ: Events & Market Closure

Date	Ctry	Event
1-7 Oct	CH	Market Closure
1 Oct	HK	Market Closure
2 Oct	IN	Market Closure
3 Oct	SK	Market Closure
4 Oct	IN	RBI Meeting

## G7 Currencies

- **DXY Index - *Us Payrolls in Focus Tonight***. Another session of USD decline overnight as downside print to ISM non-mfg adds to the string of poor data this week including softer than expected ISM mfg, ADP employment. These poor data reinforced the notion that US will not escape unscathed in an environment of global growth and trade slowdown. Another poor data print in payrolls tonight could fuel expectations for **Fed to turn more dovish (i.e. abandon mid-cycle easing rhetoric and shift to outright easing cycle)**. This would take USD lower especially when USD long positions are at 30-month high (risk of squeeze on stale USD longs leading to sharp sell-off in DXY). We reiterate our *doubts over sustained USD strength as continued USD appreciation and slowing global growth will result in tighter financial conditions and could crimp US growth momentum. Fed will then need to turn more dovish (USD-negative)*. DXY was last seen at 98.85 levels. Bullish momentum on daily chart is fading while stochastics is falling from overbought conditions. Support at 98.65 (21 DMA), 98.30 (50 DMA), 97.90 (61.8% fibo). Resistance at 99.60 (2019 high), 100.15 (76.4% fibo retracement of 2016 high to 2018 low). Our technical observation for a potential bearish divergence on MACD could potentially be playing out. Data/event focus this week includes Fed's Rosengren Speaks; NFP (Sep); Ave. Hourly Earnings (Sep); Trade (Aug); Fed's Powell, Clarida, Bostic speaks.
- **EURUSD - *Taking the Lead from USD***. EUR continued to drift higher at the expense of a softer USD (as US data played catch down this week). Pair was last seen at 1.0980 levels. Bearish momentum on daily chart is fading while stochastics is showing signs of turning from oversold conditions. Rebound not ruled out. Resistance at 1.10 (21 DMA), 1.1060 (50 DMA). Immediate support at 1.09, 1.0860 levels (76.4% fibo retracement of 2017 low to 2018 high). Little on the data front with German Construction PMI (Sep) on tap today.
- **GBPUSD - *Still Likely to be 2-Way Trades but Constructive Overall***. GBP rose above 1.24-handle overnight as BoJo's new plan appears to have received broad support from divided Conservative party members. Though BoJo's proposal may not be perfect, the stumbling blocks have been acknowledged and the tone from both EU and UK appeared constructive. This supports our bias to accumulate GBP on dips. Nonetheless it is still too soon to say that brexit is behind us, as the next 10 days or so will see intense scrutiny on the details of the proposal. We still do not expect the EU, Ireland to accept the proposal wholesale and will see to-and-fro discussions intensify in the days ahead before the proposal is finalised (or compromised). In the interim such developments and potentially political noises from UK Opposition (to attempt to thwart developments) will continue to be fluid, driven by headlines - hence 2 way direction risks are still expected in the interim. GBP was last seen at 1.2350 levels. Bearish momentum on daily chart remains intact but shows signs of fading while stochastics is showing tentative signs of turning from near-oversold conditions.

We continue to favor accumulating on dips. Resistance at 1.2380 (21 DMA), 1.2430 (100 DMA). Immediate support at 1.2250 (50 DMA) before 1.2210 levels. As a recap, BoJo's proposal aims to replace the Irish backstop arrangement former PM May has struck with EU (but rejected thrice in UK parliament). The new proposal calls for Northern Ireland to stay in EU single market for goods but leave the customs union (resulting in the need for new customs checks). Northern Ireland Assembly will get to approve the arrangements and vote every 4 years on keeping them. Initial responses: European Commission President Juncker welcomed "positive advances" but says the proposal has "problematic points" in the areas of "governance" and custom rules remain a concern while Ireland has "huge issues" with new proposal.

- **USDJPY - *Still Under Pressure***. Pair tanked yesterday on broad dollar weakness, as US Non-Mfg ISM came in at 52.6 (vs. 55.0 expected), lowest in more than three years, adding to concerns over earlier soft ADP employment and ISM Mfg data prints. The swathe of weak data releases led to increased bets that Fed will cut rate at its next meeting, and also contributed to heightened concerns over the global growth outlook. USDJPY slumped from just a tad above 107, towards 106.50 at one point, before paring some of its losses subsequently. Last seen at 106.84. Developments on US-EU tariffs, Hong Kong protests, UK Brexit, US impeachment are still ongoing, and will support demand for yen. US NFP data tonight will likely lead to volatile swings in USD if it comes in significantly different from the 120-150k range. Another weak showing (<120k) might cause USDJPY to head towards 106.50 again. Conversely, a stronger-than-expected NFP reading (>150k) could lead to a tad of USD strength, but upsides in USDJPY will likely be capped. Momentum on daily chart is modestly bearish and stochastics are heading towards near-oversold territory. Next support at 106. Nearby resistance at 106.90 (50% Fibonacci retracement from Aug high to low), 107.50 (61.8% fibo), 108.20 (76.4% fibo).
- **NZDUSD - *Relief Underway***. NZD continues to benefit from a softer USD; last seen at 0.6325 levels. Daily momentum turned mild bullish while stochastics is rising from near oversold conditions. This is consistent with our call for relief rebound. Resistance at 0.6330/50 (21 DMA) before 0.6390 (50 DMA). Immediate support at 0.6260 levels. We hold to our tactical trade initiated on 24 Sep to long NZD (spot ref at 0.6290) looking for a move higher towards 0.6390, 0.6470, with SL at 0.62 (risk:reward of 1:2).
- **AUDUSD - *Higher***. AUDUSD bounced yesterday on the back of broad USD weakness alluded to poorer US data and rate cut expectations. Stochs have been show signs of turning higher from oversold conditions and remain tilted to the upside. Last seen around 0.6750. This pair may continue to inch higher towards 0.6770. Gains were capped by the retail sales which missed the 0.5%/m/m consensus to print 0.4% for Aug. The central bank also released its semi-annual FSR which included an urge to all local banks "not to be overly cautious". This comes after Treasurer Frydenberg's

criticism that domestic lenders did not pass on the full 25bps policy rate cut to their borrowers. RBA Ellis speaks today.

- **USDCAD - Rally.** USDCAD remained rather bid, in spite of the broad USD downmove, last seen around 1.3335. CAD remains dragged by the soft crude outlook amid signs of weakening US growth along with the rest of the world as well as increasing crude stockpiles. Watch if price is able to break the resistance is seen at 1.3340 to open the way towards 1.3435 like how it had attempted in early Sep. Failure to do so may see price reverting to sideways trades within the 1.3140-1.3350.

## Asia ex Japan Currencies

- **SGD trades around 1.0% above the implied mid-point of 1.3942 with the top estimated at 1.3663 and the floor at 1.4221.**
- **USDSGD - *Watch for NFP Swing Tonight; Upside Bias Next Week.*** Pair saw broad downward pressure yesterday, as USD weakness (emanating from weak US ISM Non-Mfg) came through strongly last night. The downside data surprise from the US eclipsed the soft PMI (Sep) data point released on Sg's end. Sg PMI slipped to 49.5 in Sep from 49.9 in Aug, while the Electronics Sector Index also dipped to 49.1 from 49.4 over the period. Continued weak showing in growth momentum for the last month of 3Q does not bode well for the overall quarterly growth figure. In comparison, SGD NEER is still hovering around 1.0% above mid-point, arguably too elevated for the current state of the economy. We look for MAS to ease in its mid-Oct policy meeting (NLT 14<sup>th</sup>). Both easing options, i.e., reduction of slope by 0.5% (from current estimated 1.0%) and easing to neutral slope, are still in play. There is a fair chance that easing expectations could nudge SGD NEER lower towards +0.5% above mid-point as the policy date nears, but we note that continued inflows into SGD bonds amid global low rates environment could tug against the down-move. Watch out also for US NFP data tonight, which could still lead to USD volatility if it comes in significantly different from ~125k-145k range. Momentum on the USDSGD daily chart is mildly bullish, while stochastics are slipping off from overbought conditions. Pair is currently in 1.3790/1.3820 (21, 50 DMA) support/resistance area. Next support at 1.3730 (100 DMA), 1.3650 (200 DMA). Next resistance at 1.3880 (recent high), then 1.3940 (Sep high).
- **AUDSGD - *Turning Higher.*** AUDSGD rose to levels around 0.9310. Resistance at 0.9385 before 0.9430. Stochastics are in oversold condition. Support is seen at 0.9250. On the weekly chart, the downtrend is very much intact. Watch if the 0.9250-support goes, the next support at 0.9060 comes into view.
- **SGDMYR - *Range.*** SGDMYR inched modestly higher but still well within recent subdued range. Cross was last seen at 3.0330 levels. Mild bearish momentum is showing signs of fading while stochastics is showing tentative signs of turning from near oversold conditions. Immediate support at 3.0260/70 levels. Resistance at 3.0350 levels. Expect intra-day range of 3.0310 - 3.0350 in absence of fresh catalyst.
- **USDMYR - *Eyeing a Break Below the Neckline.*** USDMYR traded lower this morning following our caution yesterday that the USDMYR up-move had stalled at the "second shoulder". Broad USD softness amid rising expectations that Fed could ease more in response to soft US data was the main catalyst. Pair was last seen at 4.1820 levels. Daily momentum and stochastics indicators are not showing a clear bias for now. Potential head & shoulders pattern (bearish reversal) may be in the making but remains early to conclude if the downside could extend as the neckline (around

4.16 levels) is still not breached. Only a decisive break below the neckline can confirm the bearish reversal and if true, USDMYR could extend lower towards 4.10 levels. However, if the neckline is defended, price action could consolidate in 4.17 - 4.20.

- **1m USDKRW NDF - *Bearish Divergence Possibly Underway.*** Our bias to sell USDKRW rallies came to fruition as 1m USDKRW NDF traded lower. Broad USD softness amid rising expectations that Fed could ease more in response to soft US data was one of the main catalysts supporting sentiment while geopolitical tension faded (in absence of follow-up to N.Korea missile launch). Pair was last seen at 1195 levels. Bullish momentum on daily chart is fading while stochastics is turning lower. Our technical observation for Bearish divergence on weekly MACD, and stochastics in overbought conditions could start to play out - hence our bias to sell rallies. Immediate support at 1188 (100 DMA), 1180 levels. Resistance at 1201 (50 DMA), 1205 levels.
  
- **USDCNH - *Retracement, But Lag vs Regional Peers Suggest Caution.*** This pair tracked the rest of the Asia sharply lower but a check on the charts suggest that with onshore markets in Mainland China still away, investors remain cautious. The CNH gains (vs. the USD) still lack most of regional peers. We hold our view that in the absence of other market cues, USDCNH may hover sideways between 7.11-7.16 for much of this week with some potential for retracement (lower) as stochastics show signs of turning from overbought conditions. **As of 30<sup>th</sup> Sep, the USDCNY reference rate was fixed at 7.0729 vs. 7.0731 (2 pips lower).** The next USDCNY fix is only known on 8<sup>th</sup> Oct. We may be able to have a clearer RMB policy indication after the National Day holiday. We continue to see a potential head and shoulders formation for the USDCNH, a bearish formation with a slanted neckline (marked by 13-Aug low of 6.9908 and 7.0312) that needs to be broken at around 7.05, depending on the formation of the right shoulder. In our recent notes, we had looked for the right shoulder to be formed around 7.13-7.15. USDCNH moves will be watched for the rest of this week. We keep our view for USDCNH to come off but this view may still be threatened should the US and China negotiators refuse to show further promise. Should the head and shoulders play out for USDCNH, this could usher in the next leg of RMB gains. This leg of the RMB rally could bring the USDCNH below the 7-figure towards 6.9. We hold our short USDCNH here at 7.11 (25 Sep) for first target of 7.03 before 7.0 and then at 6.95, 6.90. Stoploss at 7.19. Risk reward ratio of 1:2.63. We also like to short SGD against the CNH as we see a rising wedge for this cross. The weekly chart shows a formation of a rising wedge with an apex around Oct. We can anticipate a reversal towards 5.0970 before the next target at 5.0788 from spot which is around 5.1620 (24 Sep). Stoploss at 5.20 with a risk-reward ratio of 1:2.19. This is a one-month view. Failure to break above the recent high of 5.1750 could mean a double top in the making, also a bearish set up for the SGDCNH. Eyes on the high-level trade talks on 10-11 Oct ahead of the scheduled tariff hike on 15<sup>th</sup> Oct.



- **1M USDINR NDF - *Risks to the Downside***. This pair slipped ahead of RBI rate decision later. Last seen around 71.26. This pair seems poised to ride on the latest wave of USD weakness (along with crude weakness) and head towards support around 70.60. Momentum is bearish for this pair and the 21-dma is still en-route to break the 50-dma. However, stochs are oversold and turning higher. We see potential sideways trades ahead of RBI decision today with resistance seen at 71.60 at the 21-dma and then at 72.20 (23.6% Fibonacci retracement of the 5<sup>th</sup> Aug- 3<sup>rd</sup> Sep rally). Foreign investors sold \$216.7mn of equities on Tue (1<sup>st</sup> Oct) and \$79.1mn of bonds that day. We expect the Reserve Bank to lower rates by another 25bps after the 35bps cut in the last policy meet. Minutes of the last meeting indicate more concerns on the widening output gap. Weak activity growth and lower transmission mechanism could mean that RBI needs to cut deeper in order to keep monetary conditions accommodative. After the corporate tax cuts was announced, lower policy rates could help to support growth more and offset the interest burden of the government. We look for only a 25bps cut (as opposed to other analyst) as increasing the magnitude of the rate reduction could risk undermining investors' confidence. Support at 70.60 before the 70.10 comes into view.
- **1M USDPHP NDF - *Consolidation***. NDF saw broad downward pressure yesterday, similar to other USD-AxJs. Last seen at 51.75. Move was largely in line with our previous assessment of continued interim support for PHP vis-à-vis USD. The 2018 Allianz Global Wealth Report highlighted Philippines as one of the more resilient countries amid the global trade tensions. Sep CPI came in at 0.9% (vs. 1.1% expected and 1.7% prior), indicating continued tame inflation and probably room for one more 25bps cut in next 3 to 6 months. Momentum on daily chart is modestly bearish, while stochastics are inching down towards near-oversold conditions. Support at 51.60 (61.8% Fibonacci retracement from Jul low to Aug high), 51.30 (76.4% fibo). Resistance at 52.10 (38.2% fibo), 52.90 (Aug high).
- **1m USDIDR NDF - *Sell on Rallies***. The NDF dipped for most of yesterday's trading session, in line with our positive bias for the IDR and broad USD weakness. Last seen at 14180. Signs are that the Jokowi administration will continue to fight for sweeping changes to labor legislation (simplified minimum wage system, less restrictions on hiring and firing etc.) despite opposition from labor unions. Positive news from the infrastructure front also continue to emerge—a 2000-megawatt coal-fired plant seen as the largest of its kind in Southeast-Asia is expected to begin commercial operations next year. Sentiments on fiscal coffers probably also saw a modest lift from news that a planned tax bill could potentially force e-commerce start-ups as well as Google, Amazon and Netflix to contribute to VAT collections. These should continue to impart some positivity to the IDR outlook. BI has also assured that there will be “bold intervention” in bond markets if further outflows are seen, underscoring its commitment to IDR stability. We think 14300 will be a strong interim resistance. Risk-reward could favor a downward bias (from 14200-14300 levels). Momentum on daily

chart is modestly bullish while stochastics are inching down from overbought conditions. Support at 14100 (23.6% Fibonacci retracement from Aug high to Sep low), 14000. Resistance at 14230/14240 (50, 200 DMAs), 14300, 14430 (76.4% fibo). Consumer Confidence Index due today.

- **USDTHB - Likely Capped by 30.67 in Interim.** Similar to other USD-AxJ pairs, USDTHB saw a sustained down-move yesterday. Last seen at 30.51, compared with yesterday morning's ~30.61. The strengthening of THB vis-à-vis USD was likely on a mix of factors, including USD weakness (on weak ISM Non-Mfg data) as well as the rise in gold prices to >\$1500 again (THB maintains a positive correlation with gold). Current measures to curb THB strength by BoT (including reduction of short-term bond supply and lowering caps on outstanding THB balances of non-resident accounts) seem to be working well for now. There is a chance that if THB strength does not reassert significantly, further measures might not be needed. On net, THB is unlikely to see significant downsides in the interim (i.e., up-moves in USDTHB capped). Momentum on daily chart is mildly bullish while stochastics are inching down from near-overbought conditions. Resistance at 30.67 (50 DMA), then 31.00 (38.2% Fibonacci retracement from May high to Sep low). Support at 30.40 (longer-term 23.6% fibo retracement from 2009 high to 2013 low), then 30.00.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 3/22	3.10	3.10	Unchanged
5YR MI 6/24	3.25	3.23	-2
7YR MK 7/26	3.31	3.31	Unchanged
10YR MO 8/29	3.29	3.28	-1
15YR MS 7/34	3.58	3.57	-1
20YR MX 6/38	3.63	*3.63/58	Not traded
30YR MZ 7/48	3.89	*3.93/89	Not traded
IRS			
6-months	3.34	3.34	-
9-months	3.30	3.30	-
1-year	3.28	3.27	-1
3-year	3.28	3.26	-2
5-year	3.32	3.30	-2
7-year	3.35	3.34	-1
10-year	3.39	3.38	-1

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Source: Maybank KE

\*Indicative levels

- Domestic government bonds market continued to see thin liquidity and activity remain concentrated at the front end and belly of the curves. Bids were cautious despite the Ringgit steady against the USD. Benchmark yields were little changed. Market sentiment remained cautious awaiting further directional cues.
- Onshore IRS rates retraced most of previous day's movements, falling 1-2bps in line with the lower US rates. Trading activity mostly centered on the 5y-7y, with the 5y given at 3.31% and 7y taken at 3.34%. 3M KLIBOR still 3.38%.
- Corporate bonds market picked up slightly with selective buying in AAA credits. Digi curve lowered 11-12bps with its 7y and 10y bonds actively dealt. Tenaga long dated bonds traded unchanged while Putrajaya and Danga yields rose 1bp at the front end and belly. GG and AA spaces were unexciting with yields broadly unchanged to about 1bp higher. New primary supply to keep investors occupied. Steady govies provide some support to corporate bonds, but credit spreads still appear tight.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.65	1.64	-1
5YR	1.66	1.64	-2
10YR	1.73	1.69	-4
15YR	1.84	1.80	-4
20YR	1.93	1.89	-4
30YR	2.07	2.02	-5

Source: MAS

- Risk-off sentiment continued with the UST 2y10y curve steepening. SGD rates followed suit with SGD IRS curve lowering 2-3bps in parallel. SGS curve bull-steepened with yields down by 1-5bps. The long end of the curve drove gains despite the long end supply from recent mini-auction and yields fell 4-5bps from the 10y onwards.
- The selling in Asian USD credits was more manageable. Chinese and Indian credits generally better offered with the front end and belly trading 2-3bps wider, while long end was better supported as spread buyers faded the widening move. Sovereigns outperformed tracking the UST movement on the back of buying at the long end. PHILIP 2042s were in demand and traded 0.50-0.75pts higher in price. The 30y part of INDON curve also traded sharply higher, while the belly was muted with prices only up 0.20pts from previous day. Liquidity remained thin. Market shifts its attention to US ISM non-manufacturing data and NFP release.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (%-pt)
1YR	6.09	6.05	(0.04)
3YR	6.53	6.53	(0.00)
5YR	6.69	6.68	(0.01)
10YR	7.28	7.26	(0.02)
15YR	7.70	7.70	(0.00)
20YR	7.85	7.85	(0.00)
30YR	8.00	8.00	(0.01)

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\* Source: Bloomberg, Maybank Indonesia

- Indonesian bond market strengthened yesterday. Investors were being interested with mixed factors of attractive yields, solid fundamental background, and further dovish monetary stances by the Fed and BI. Those factors are expected to keep investors investing here. Several remaining events for this week are 1.) September's non-farm payrolls data. Consensus is for 146,000 jobs, but the whisper number is 125,000 after a disappointing ADP report. 2.) Federal Reserve Chairman Jerome Powell is set to speak Friday. 3.) The Reserve Bank of India sets policy on Friday.
- The gap yields between Indonesian bond yields vs U.S. bond yields are wide enough currently. U.S. 10Y government bonds yields registered at 1.54% amidst strong expectation on further dovish monetary rate by the Fed. Moreover, Indonesian currency posed a manageable movement recently. It, therefore, give more attractiveness for investors to put investment here. Furthermore, investors also welcomed to strong government commitment to improve investment climate. Recently, Indonesian President Joko Widodo said he'll introduce sweeping changes to labor rules by the end of the year and open up more sectors of the economy to foreign investment, delivering on some of the major reforms investors have been demanding. Jokowi, as the president is known, said planned changes to the labor law will now only apply to new employees, proposals he'll discuss with labor unions before taking them to parliament. By restricting the rules to new jobs only, Jokowi can attract businesses wanting to set up shop in Indonesia or looking to expand, while defusing opposition from labor groups. Jokowi told that it's his "first priority" to reform the labor rules. Businesses have long complained that generous severance packages, a complex minimum wage system and restrictions on hiring and firing workers make it difficult for them to expand operations. Meanwhile, on the global side, the market players have stronger confidences on further Fed's policy rate cuts in response to weakening data, volatile markets and a continued bashing from President Donald Trump. Markets placed about a 87% chance of a quarter-point rate reduction at the Oct. 29-30 meeting, up from 40% on Monday, after manufacturing, services and employment figures slumped this week. On Tuesday, a key factory index fell to a 10-year low as businesses hold back investments amid tariffs and the U.S.-China trade war. And the ADP Research Institute on Wednesday showed hiring at U.S. companies cooling. Adding to angst, data Thursday showed a gauge of services dropped to a three-year low.

### Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1026	107.72	0.6783	1.2484	7.1579	0.6352	117.8867	72.4170
R1	1.0996	107.32	0.6763	1.2408	7.1432	0.6328	117.5533	72.2470
<b>Current</b>	1.0983	106.77	0.6756	1.2353	7.1206	0.6324	117.2700	72.1280
S1	1.0938	106.50	0.6712	1.2261	7.1192	0.6267	116.9833	71.8250
S2	1.0910	106.08	0.6681	1.2190	7.1099	0.6230	116.7467	71.5730

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3881	4.1948	14208	52.1077	30.6973	1.5213	0.5866	3.0352
R1	1.3841	4.1907	14190	51.9613	30.6287	1.5173	0.5862	3.0322
<b>Current</b>	1.3787	4.1850	14130	51.6900	30.4780	1.5142	0.5855	3.0357
S1	1.3773	4.1842	14163	51.7293	30.5057	1.5107	0.5854	3.0256
S2	1.3745	4.1818	14154	51.6437	30.4513	1.5081	0.5851	3.0220

\*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	1.8768	Oct-19	Easing Bias
BNM O/N Policy Rate	3.00	5/11/2019	Easing Bias
BI 7-Day Reverse Repo Rate	5.25	24/10/2019	Easing
BOT 1-Day Repo	1.50	6/11/2019	Neutral
BSP O/N Reverse Repo	4.00	14/11/2019	Easing
CBC Discount Rate	1.38	19/12/2019	Neutral
HKMA Base Rate	2.25	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	5.40	4/10/2019	Easing
BOK Base Rate	1.50	16/10/2019	Easing
Fed Funds Target Rate	2.00	31/10/2019	Easing
ECB Deposit Facility Rate	-0.50	24/10/2019	Easing Bias
BOE Official Bank Rate	0.75	7/11/2019	Neutral
RBA Cash Rate Target	0.75	5/11/2019	Easing Bias
RBNZ Official Cash Rate	1.00	13/11/2019	Easing Bias
BOJ Rate	-0.10	31/10/2019	Easing
BoC O/N Rate	1.75	30/10/2019	Neutral

### Equity Indices and Key Commodities

	Value	% Change
Dow	26,201.04	0.47
Nasdaq	7,872.27	1.12
Nikkei 225	21,341.74	-2.01
FTSE	7,077.64	-0.63
Australia ASX 200	6,492.99	-2.21
Singapore Straits Times	3,087.97	-0.50
Kuala Lumpur Composite	1,564.12	-0.68
Jakarta Composite	6,038.53	-0.28
Philippines Composite	7,545.55	0.86
Taiwan TAIEX	10,875.91	-0.66
Korea KOSPI	2,031.91	-1.95
Shanghai Comp Index	2,932.17	#DIV/0!
Hong Kong Hang Seng	26,110.31	0.26
India Sensex	38,106.87	-0.52
Nymex Crude Oil WTI	52.45	-0.36
Comex Gold	1,513.80	0.39
Reuters CRB Index	173.41	0.27
MBB KL	8.48	-0.59

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	1	3.06	3.06	3.06
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	5	3.068	3.068	3.055
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	2	3.071	3.071	3.071
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	13	3.101	3.101	3.097
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	112	3.106	3.12	3.087
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	21	3.128	3.134	3.117
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	22	3.112	3.135	3.1
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	5	3.1	3.1	3.089
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	6	3.133	3.133	3.113
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	49	3.157	3.157	3.115
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	6	3.23	3.23	3.217
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	50	3.199	3.223	3.199
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	23	3.21	3.238	3.21
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	244	3.222	3.25	3.188
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	1	3.261	3.261	3.261
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	9	3.27	3.28	3.26
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	23	3.361	3.361	3.331
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	7	3.369	3.369	3.369
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	24	3.306	3.312	3.306
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	25	3.423	3.458	3.384
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	146	3.426	3.443	3.422
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	1	3.471	3.471	3.471
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	60	3.257	3.275	3.257
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	10	3.549	3.559	3.513
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	20	3.639	3.639	3.639
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	52	3.662	3.663	3.662
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	6	3.564	3.571	3.564
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	2	3.624	3.624	3.584
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	1	3.859	3.892	3.859
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	9	3.142	3.142	3.142
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	20	3.145	3.145	3.145
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	07-Jul-23	50	3.219	3.219	3.219
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	20	3.235	3.236	3.235
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	70	3.294	3.305	3.292
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	163	3.216	3.231	3.21
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	1	3.341	3.341	3.341
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	60	3.367	3.367	3.365
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	140	3.359	3.366	3.359
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	210	3.388	3.405	3.388
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	31	3.442	3.442	3.434
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	260	3.434	3.45	3.431
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	121	3.382	3.384	3.376
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	100	3.537	3.547	3.537
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	30	3.626	3.626	3.626

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<b>Total</b>	<b>2,231</b>
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Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PASB IMTN (GG) 4.03% 17.06.2020 - Issue No. 19	GG	4.030%	17-Jun-20	80	3.137	3.15	3.137
PRASARANA IMTN 4.47% 26.02.2026 - Series 8	GG	4.470%	26-Feb-26	40	3.433	3.436	3.433
DANAINFRA IMTN 4.550% 02.05.2028 - Tranche 2	GG	4.550%	02-May-28	80	3.53	3.53	3.52
LPPSA IMTN 4.390% 31.10.2028 - Tranche No 24	GG	4.390%	31-Oct-28	30	3.509	3.521	3.509
DANAINFRA IMTN 4.360% 12.02.2029 - TRANCHE 6	GG	4.360%	12-Feb-29	10	3.55	3.551	3.55
DANAINFRA IMTN 4.950% 19.03.2032 - Tranche No 58	GG	4.950%	19-Mar-32	60	3.68	3.691	3.68
PRASARANA IMTN 4.530% 10.03.2034 - Tranche 5	GG	4.530%	10-Mar-34	20	3.75	3.751	3.75
PUTRAJAYA IMTN 18.09.2020 SERIES 6 TRANCHE 009	AAA IS	4.300%	18-Sep-20	10	3.229	3.24	3.229
GENM CAPITAL MTN 1826D 31.3.2022	AAA (S)	4.780%	31-Mar-22	30	3.565	3.565	3.552
GENM CAPITAL MTN 1826D 11.7.2023	AAA (S)	4.980%	11-Jul-23	30	3.666	3.674	3.666
ARSB IMTN 4.500% 12.07.2024 - Class A	AAA	4.500%	12-Jul-24	8	3.519	3.523	3.519
DIGI IMTN 3.50% 18.09.2026 - Tranche No 4	AAA	3.500%	18-Sep-26	5	3.588	3.588	3.588
TNB NE 4.315% 29.11.2028	AAA IS	4.315%	29-Nov-28	5	3.627	3.627	3.627
DIGI IMTN 3.60% 20.09.2029 - Tranche No 5	AAA	3.600%	20-Sep-29	20	3.659	3.669	3.659
DANGA IMTN 4.880% 29.01.2030 - Tranche 4	AAA (S)	4.880%	29-Jan-30	10	3.709	3.717	3.709
SARAWAKHIDRO IMTN 4.61% 09.08.2030	AAA	4.610%	09-Aug-30	10	3.689	3.701	3.689
RANTAU IMTN 0% 12.05.2031 - MTN 5	AAA (S)	5.050%	12-May-31	20	3.719	3.722	3.719
TENAGA IMTN 03.08.2037	AAA	5.180%	03-Aug-37	10	3.981	3.981	3.979
TENAGA IMTN 27.08.2038	AAA	4.980%	27-Aug-38	10	4.019	4.02	4.019
ASIANFIN IMTN 4.560% 24.12.2019	AA1	4.560%	24-Dec-19	10	3.448	3.471	3.448
YTL POWER MTN 3651D 24.3.2023	AA1	4.490%	24-Mar-23	10	3.806	3.824	3.806
CTX IMTN 5.270% 28.10.2026 - Series 8	AA+ IS	5.270%	28-Oct-26	25	3.694	3.722	3.694
CTX IMTN 5.20% 27.08.2027 - Series 11	AA+ IS	5.200%	27-Aug-27	25	3.727	3.751	3.727
KLK IMTN 3.75% 27.09.2029 - Tranche 1	AA1	3.750%	27-Sep-29	15	3.822	3.822	3.818
KLK IMTN 3.95% 27.09.2034 - Tranche 2	AA1	3.950%	27-Sep-34	15	4.021	4.021	4.009
K-PROHAWK IMTN 5.290% 26.12.2031	AA2	5.290%	26-Dec-31	10	4.159	4.172	4.159
WCT MTN 2557D 09.4.2020	AA-	4.400%	09-Apr-20	60	3.802	3.802	3.802
UEMS IMTN 5.000% 19.05.2023	AA- IS	5.000%	19-May-23	4	3.766	3.766	3.766
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	10	4.938	4.95	4.938
SPG IMTN 5.040% 28.04.2028	AA- IS	5.040%	28-Apr-28	10	3.887	3.911	3.887
TBEI IMTN 5.900% 16.03.2029	AA3	5.900%	16-Mar-29	10	3.919	3.926	3.919
ECO CAPITAL MTN 6.10% 13.8.2024	NR(LT)	6.100%	13-Aug-24	3	6.098	6.098	5.574
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.755	6.797	6.755
<b>Total</b>				<b>696</b>			

Sources: BPAM



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