

# Global Markets Daily

## Getting Uncomfortable

### Getting Uncomfortable

Markets are getting increasingly uncomfortable with the bond sell-off. To be sure, rates have been rising for a while now but the pace of its increase recently accelerated. Equities are now less sure-footed as bears seem to have taken hold of the bond markets. Benchmark indices lost an average of 2% last Fri, now dubbed the Black Friday. In the meantime, Jerome Powell takes over as Fed Chair in the backdrop of stronger economic data. US NFP came in stronger-than-expected at 200K. Average hourly earnings quickened to 2.9%/y from 2.7% previously. The jobs report propelled the UST 10y yields above the 2.80%, last seen at 2.86%.

### Mean Reversion

Risk aversion drove demand for traditional safe havens including the greenback, JPY and CHF. USDAXJs were lifted higher, even the USDCNH. However, the upmoves in the USDCNH were visibly limited. The CNH seems curiously resilient to the risk-off move, buoyed perhaps by China's insulated capital market. Resilience in the currency could provide an anchor to Asian currencies. That said, we still expect risk-off mood to support most USDAXJ. This bond rout seems to be triggering off an over-due mean reversion in the USD but question remains on how long it can last.

### Week Ahead Data and Events

Some of the key data/events we watch include US ISM non-mfg; EU and UK services PMI; China Caixin Service PMI; SG PMI and Indonesia GDP. For Tue, US and AU trade; NZ GDT auction; AU retail sales; PH CPI. For Wed, NZ labor report; UK house prices; FX reserves from China, SG, PH, ID. For Thu, China trade; RBA's Lowe, RBNZ Spencer and BoJ Suzuki to speak. For Fri, RBA's Statement of Monetary Policy; UK IP, construction output and trade; China CPI, PPI; Malaysia IP; PH trade and ID current account. There are 8 Fed and 7 ECB officials scheduled to speak next week. NZ is out on Tue.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2463	↓ -0.38	USD/SGD	1.3198	↑ 0.89
GBP/USD	1.4118	↓ -1.02	EUR/SGD	1.6441	↑ 0.46
AUD/USD	0.7931	↓ -1.34	JPY/SGD	1.1981	↑ 0.20
NZD/USD	0.73	↓ -1.31	GBP/SGD	1.8629	↓ -0.17
USD/JPY	110.17	↑ 0.70	AUD/SGD	1.0458	↓ -0.56
EUR/JPY	137.25	↑ 0.29	NZD/SGD	0.9635	↓ -0.43
USD/CHF	0.9314	↑ 0.53	CHF/SGD	1.4171	↑ 0.36
USD/CAD	1.2429	↑ 1.31	CAD/SGD	1.0623	↓ -0.39
USD/MYR	3.8855	↓ -0.33	SGD/MYR	2.9632	↓ -0.22
USD/THB	31.454	↑ 0.48	SGD/IDR	10250.16	↑ 0.29
USD/IDR	13452	↑ 0.21	SGD/PHP	39.368	↑ 0.19
USD/PHP	51.659	↑ 0.15	SGD/CNY	4.7773	↓ -0.47

#### Implied USD/SGD Estimates @ 5 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2920	1.3182	1.3444

### Analysts

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

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

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

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

*Our Research intern, Randall Ho contributed to this report*

### G7: Events & Market Closure

Date	Ctry	Event
6 Feb	NZ	Market Closure
6 Feb	AU	RBA Meeting
7 Feb	NZ	RBNZ Meeting
7 Feb	UK	BoE Meeting

### AXJ: Events & Market Closure

Date	Ctry	Event
7 Feb	IN	RBI Meeting
7 Feb	PH	BSP Meeting

## G7 Currencies

- **DXY - Clean Out of USD-Shorts In Progress.** Jan payrolls report came in much better than expected, with NFP at +200k (vs. +180k expected) and average hourly earnings at +2.9% y/y (vs. +2.6% expected). **We had cautioned that “A much stronger data could fuel further increases in UST yields, which has already risen to more than 3-year high of 2.8%, possibly owing to markets pricing in rising inflationary expectations... Rapidly rising yields towards 3% could reinforce the bond sell-off. Spillover effects onto other asset classes such as equities or commodities should not be ruled out... We caution that risk aversion flows may temporarily reverse gains in AXJs, AUD, NZD and possibly lend some support to USD.** This is materialising. To add, most bond yields around the world are also rising in anticipation of global monetary stimulus withdrawal as inflationary pressures show signs of picking up (in US, EU, JP). Again, we caution if bond yields continue to rise rapidly in a synchronised manner, there could be more pain trades with short USD/AXJs in the interim. DXY was last seen at 89.15 levels. Bearish trend channel formed since start of 2017 remains intact. Bearish momentum on monthly and weekly charts are intact. However USD may face some temporary rebound risks as bearish momentum on daily chart is waning and stochastics is showing signs of turning from oversold conditions. Resistance at 90.30 (21 DMA). Support at 88.40 (previous low, 61.8% fibo retracement of 2014 low to 2017 high), 87.30 (upward sloping trend line support from the low of 2011 and 2014) and 84.80 (76.4% fibo). Week ahead brings ISM Non-Mfg; services PMI (Jan) on Mon; Trade (Dec); Fed’s Bullard speaks on Tue; Fed’s Kaplan, Dudley, Evans speak on Wed; Fed’s Williams, Harker, Kashkari speak on Thu; Fed’s George speaks; Wholesale Inventories, Trade Sales (Dec) on Fri.
- **EURUSD - Tactical Short.** EUR eased off recent highs on the back of USD rebound (following stronger than expected payrolls) while German coalition talks were adjourned. There were initial hopes of a deal being firmed last weekend. Talks are expected to resume today and is still subjected to SPD party’s 440,000 members’ approval. In addition, Italy General Election (4 Mar) is drawing near and opinion polls released between now and then could swing sentiments. Polls are currently suggesting a hung parliament outcome. EUR could drift lower if the balance is tilted towards Berlusconi’s centre-right coalition or Five Star Movement party. EUR bears may only surface with more vigour if these political risks become a reality. Nonetheless we think these are short term hurdles to EUR’s rally and continue to maintain a strategic buy on dips call on the EUR on the back of growing demand for EUR as a share of world FX reserves, sustained signs of economic recovery broadening in Europe, supported by private consumption, business sentiment, construction investment, sizeable current account surplus (3% of GDP) and export recovery and ECB policy normalisation (which could play catch up with the Fed). But in the near term, we favor playing tactical short EUR. We still do not rule out the risk of a pullback especially if German coalition deal does not get an approval vote. We hold to our EUR short (spot ref 1.2465; SL above 1.2540; targeting objectives at 1.2320, 1.2250). EUR was last seen at 1.2450 levels. Bullish momentum on daily chart is waning while stochastics shows tentative signs of falling from overbought conditions. Support

at 1.2320 (previous high now turned support) before 1.2250 (21 DMA). Resistance at 1.2540, 1.2598 (61.8% fibo retracement of 2014 high to 2016 low). Week ahead brings Services PMI (Jan); Retail Sales (Dec) on Mon; ECB's Weidmann speaks; Retail PMI (Jan) on Tue; ECB's Nouy, Lautenschlaeger speak on Wed; ECB's Weidmann, Villeroy, Mersch and Praet speak on Thu.

- **GBPUSD - Reality Check.** GBP fell amid growing signs that Brexit negotiations may not be as smooth as initially expected. Since last week, we had shared that GBP rally seen so far could face some reality check (on Brexit and economics data). In particular recent Brexit development appears to suggest that UK's exit out of EU may not be as smooth as hoped - EU officials have rejected the City of London's plan to strike a post-Brexit free trade deal on financial services while UK PM May is said to reject EU's terms of demands for the transitional deal. Lack of agreement or clarity on transition agreement may dampen markets' enthusiasm on soft Brexit. Renewed fears of disorderly Brexit will pose downside risks to GBP. We do acknowledge that a more committed BoE to target inflation is supportive of GBP strength but that is still conditional on an orderly Brexit. As such we are cautious of pullback risks, especially in the event of any USD rally. GBP was last seen at 1.4110 levels. Underlying momentum remains bullish, as indicated on monthly and weekly charts. But bullish momentum on daily chart is waning. Potential risk of near term pullback. Support at 1.40, 1.3930 (21 DMA). Resistance at 1.4270 (76.4% fibo retracement of EU referendum high to Oct-2016 low), 1.4380, 1.45 levels. Week ahead brings Services PMI (Jan) on Mon; BRC Sales (Jan) on Tue; Halifax House Price (Jan) on Wed; BoE Meeting, Quarterly Inflation Report on Thu; IP, Construction Output, Trade (Dec) on Fri.
- **USDJPY - Rebound Risks.** USDJPY is back below the 110-levels after climbing higher for the past week following efforts by the BOJ to reaffirm its commitment to its ultra-loose monetary policy. Key to its efforts was its offer to buy unlimited amount in fixed-rate bond operation on Fri and also to buy JPY450bn in 5-10Y JGB (up from JPY410bn in last operation). However, sharp rise in UST yields amid a bond sell-off and the sell-off in US stock market on Fri has shifted sentiments that are weighing on the domestic stock market (down 1.57% at the point of writing) and JGBs. This in turn is weighing on the pair. Last seen at 109.88 levels. Momentum indicators and stochastics on the daily chart are now bullish bias, while weekly charts remains bearish bias. This suggests risks remains to the downside but in the near term there could be rebound risks. Immediate resistance is 110.40 (21DMA) ahead of 111.15 (38.2% fibo resistance of the 2016 low to 2017 high). Support nearby is around 109.50 before 108.30 (2017 low). Week ahead has Nikkei PMI services & composition (Jan) on Mon; labor cash earnings (Dec) on Wed; current account (Dec), BOJ Suzuki to speak on Thu; tertiary industry index (Dec). Note that BOJ Governor Kuroda will appear in parliament from 1pm (Tokyo time) today.
- **NZDUSD - RBNZ Meeting This Thu.** NZD fell amid risk-off sentiment. The decline met our second objective at 0.7280 (please refer to FX Weekly last Fri for recap of trade idea). Our NZD trade idea is now closed with +1.2% profit, ahead of the RBNZ meeting this Thu. It is widely expected that RBNZ will keep rates unchanged at 1.75% but

we think MPS will be of interest. Since the last MPS (in Nov 2017), NZD has strengthened by nearly 9% (vs. USD) since mid-Dec 2017, and NZ TWI has risen by more than 4% in the same period to 75 levels, we see risks of acting and outgoing Governor Grant Spencer reiterating "the need for weaker exchange rate to achieve more robust growth". He may also take a cautious stance on the dip in 4Q inflation. Overall we see risks skewed to the downside in the upcoming RBNZ (possibly turning neutral from slight hawkish in Nov). In addition, NZ Treasury's monthly Economic Indicators report (released this morning) shows inflation will fall to around 1% in 1Q before picking up. NZD was last seen at 0.7298 levels. Daily momentum is mild bearish. Still see some risk of short term pullback. Support at 0.7290 (21 DMA), 0.7160 levels (38.2% fibo retracement of 2014 high to 2015 low). Resistance at 0.7450. We also observed a golden cross pattern (50 DMA cut 100 DMA to the upside) appears to be forming over the next few days - this can be a bullish signal. Week ahead brings ANZ Commodity Price (Jan) on Mon; GDT Auction on Tue; Unemployment rate, hourly earnings (4Q) on Wed; RBNZ meeting; RBNZ Spencer press conference/ parliament on Thu; QV House Prices (Jan) on Fri.

- **AUDUSD - Mean Reversion.** AUD was sold, last seen around 0.7920 this morning. Risks are to the downside. We look for a break of the 0.79-figure and then 0.7820. The risk-off sentiments sold a sell-off in copper and gold prices. We have also been flagging out risks of correction in the iron ore prices, expecting a 50% retracement of the Oct-Jan rally towards USD66. As for the AUDUSD, strong resistance remains at 0.8100, 0.8125 levels (2017 high) but these could be irrelevant as we look for further down-moves towards 0.7820. Week ahead brings PMI (Jan) on Mon; RBA Meeting; Trade, retail sales (Dec) on Tue; Foreign Reserves (Jan) on Wed; RBA Governor Lowe speaks; NAB Business Confidence (4Q) on Thu; RBA Statement of Monetary Policy on Fri.
- **USDCAD - Rally.** USDCAD rallied last Fri, buoyed by the broad USD strength and fall in crude prices. Last seen around 1.2424. The bond-sell off around the world triggers off a wave of risk aversion. This pair may see a correction towards 1.2510 (38.2% Fibonacci retracement of the Dec-Feb sell-off) before 1.2588 (50%). Weekly, daily stochs are oversold. Support levels now at 1.2200, 1.2062 levels. Week ahead has Dec trade tomorrow, building permits on Wed, housing starts on Thu and Jan jobs report on Fri.

## Asia ex Japan Currencies

- **SGD trades around 0.28% above the implied mid-point of 1.3230 with the top estimated at 1.2967 and the floor at 1.3494.**
  
- **USDSGD - Risks To The Upside.** USDSGD has broken out of its recent trading range amid a rebound in UST yields and USD. Pair climbed to a recent high of 1.3220 this morning but has since eased off. UST yields jumped above the 2.80% levels on Fri, lifting the 3-month SOR higher by 7.2% to 1.12%. Further UST yields upmoves should keep the 3-month SOR elevated this week. Last seen around 1.3193 levels. Daily chart now shows bullish bias while stochastics is climbing higher. Bearish momentum on the weekly chart remains intact. This suggests potential for some correction in the near term. Resistance at 1.3270 levels, 1.3335 (50DMA). Support at 1.3130 levels, 1.3080 (Fri's low) before 1.3009 (2018 low on 25 Jan). Week ahead brings Nikkei PMI (Jan) on Mon; foreign reserves (Jan) on Wed.
  
- **AUDSGD - More down-moves.** This cross touched a low of 1.0411 before reversing higher to levels around 1.0450 as we write. We look for this cross to head lower with a break below 1.0450 to open the way towards 1.0390 (50% fibo retracement of the Dec-Jan rally, 55-SMA). We had flagged the bearish divergence in the price action vs. the MACD and stochs and this is playing out. Resistance is now seen at 1.0630 (Jan high) and support at 1.0520 (23.6% fib of the Dec-Jan rally) has given way and we eye the next at 1.0446 (38.2%).
  
- **SGDMYR - Lean against Strength.** SGDMYR gapped lower in the open this morning following SGD underperformance. Last seen at 2.9560 levels. Shorter term technical is not indicating a clear bias but underlying momentum (as indicated on weekly and monthly charts) still suggest a bearish bias. Support at 2.95, 2.93 levels. We retain our bias to lean against strength. Resistance at 2.9750, 2.99 levels.
  
- **USDMYR - Rebound Risks but Bias to Fade.** USDMYR rebounded, in line with our call for rebound risks. Last seen at 3.8970 levels. Bearish momentum on daily chart shows signs of waning while stochastics shows signs of turning higher from oversold conditions. We do not rule out rebound risks in the near term. But bias to fade. Resistance at 3.90 (upper bound of its bearish trend channel formed since mid-Jan), 3.92 levels. Support seen at 3.8660 (previous low) before 3.85 levels. Broader term, we believe MYR strength should continue in early part (next few months) of 2018 amid expectations for announcement for Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, widening current account surplus against supporting external environment - synchronous global economic recovery benefitting Asian exports including Malaysia and possibly see this extending into investment recovery in 2018. Furthermore there are also signs of stabilising commodity prices amid OPEC production cut extension and steady demand for oil prices. And we expect these drivers - both external and domestic to provide the near term support for MYR. Our fair value estimate for USDMYR is around 3.70 levels.

- **1m USDKRW NDF - 1080 - 1095 Range.** 1m USDKRW NDF rebounded sharply, in line with our caution for rebound risks. We had shared that *Persistent risk-off play could amid US trade protectionism measures could see the pair trade higher.* We caution there could be more room for USDKRW to run higher if sell-off in global bonds continue (resulting in spill-over effects onto other asset classes such as equities and commodities). Pair was last seen at 1088 levels. Bullish momentum on daily chart remains intact while stochastics is rising into overbought conditions. Resistance at 1092 (38.2% fibo retracement of Oct high to Jan low) before 1100 (100 DMA). Support at 1078 levels (23.6% fibo), 1075 (50 DMA). Suggest 1080 - 1095 range intra-day.
- **USDCNH - Capped.** USDCNH edged higher, last seen around 6.3172. There was little in the USDCNY fixing for investors to play with. Eyes are on bond yields around the world - whether bond bears can have the steam to continue this rout. However, as we have stated, CNH is rather resilient to this risk-off move given China's closed capital account. The capital controls ensure that that financial markets and CNY is insulated from global market volatility. Upmove to meet resistance around 6.3510. **PBoC fixed the USDCNY reference rate at 6.3019, 134 pips higher than previous 6.2885. CNYMYR was fixed 14 pips lower at 0.6174 vs. previous at 0.6188.** The CFETS RMB index rose above the 96-figure. At home, PBOC skips OMO for the eighth session. There are plenty of data due this week with forex reserves for Jan due Wed, trade on Thu, inflation on Friday.
- **1m USDINR NDF - Moving higher.** 1m USDINR NDF was last seen around 64.50 this morning. This pair needs to break above 64.50 before heading to 64.78 (50% fibo retracement of the Sep-Jan). On the daily chart, momentum indicators seem to be gaining. Resistance at 64.45 (38.2% fibo). Support at 64.00 (23.6% fibo), 63.37 (2018 low). Week ahead has RBI meeting on Wed. We do not expect RBI to move. After the RBI cut reverse repo and repo rates last Aug, further easing seem unlikely as we see inflation at risk of overshooting median targets. Minutes of the last Monetary Policy highlighted concerns on housing, oil, and food prices and that "the moderation in inflation excluding food and fuel... has reversed". The MPC also saw risks of an extension in the upward trajectory of inflation. That said, rate hikes may only happen in the second half of the year given the fact that recent growth numbers have been softer than expected. The government's advance estimate of FY2018 GDP is 6.5% compared to 7.1% in the year prior. While this is broadly in line with consensus, downside risks to demand may mean that the RBI would prefer to act with more evidence of growth stabilization.
- **1m USDIDR NDF - Upside Risks.** 1m USDIDR spiked to 13533 levels on Fri after UST were sold off, sending yields and USD higher. Since then, 1m NDF has eased off amid a pullback in the USD possibly on profit-taking activities. Spot USDIDR though gapped higher at the opening to 13490 this morning from Fri's close of 13452 as the pair played catch-up. The sell-off in equities last week of USD316.4mn weighed on the 1m NDF. Meanwhile, the extended overnight gain amid a rebound in UST yields towards the 2.80% levels. Expectations of further foreign portfolio outflows as they did yesterday is keeping the 1m NDF supported. Yesterday, foreign investors had sold off



USD68.0mn in equities. Similarly, the sell-off of USD657.5mn in debt on 29 Jan-1 Feb (latest data available) weighed on the 1m NDF as well. 4Q17 GDP will be released later today and market is expecting the economy to expand by 5.1% y/y in 4Q, while our economic team is looking at 5.19% (vs. 5.06% in 3Q). For the full-year, the economy is expected to have expanded by 5.07% (cons. and Maybank) in 2017, a tad better than 2016's 5.02%. Last seen around 13517 levels. Momentum indicators and stochastics on the daily chart remain bullish bias. Weekly chart though shows bearish bias still, though waning. Resistance is around 13600 (23.6% fibo retracement of the Sep-Oct upswing). Support is now around 13440 (50% fibo, 200DMA). JISDOR was fixed at 13428 on Fri; 26 pips higher than the fixing on Thu. Week ahead has GDP (4Q) on Mon; foreign reserves (Jan) on Wed.

- **1m USDPHP NDF - *Near Term Correction Risks.*** 1m USDPHP NDF traded to a high of 51.90 on Fri amid higher UST yields and USD but has since pullback this morning amid a pullback in the USD, possibly on profit-taking activities. The sell-off in equities of USD131.6mn last week was supportive of the 1m NDF. Further risk aversion triggering continued sell-off in Philippines equities is likely to keep the 1m NDF supported in the week ahead. Busy data/event week ahead with CPI and trade as well as BSP meeting on tap. Upside surprises to inflation is likely to increase expectations of BSP rate normalisation. Disappointment on this front is likely to be supportive of the 1m NDF. Last seen around 51.72 levels. Momentum indicators on the daily chart remains intact, while stochastics remains at overbought conditions. Weekly chart remains bullish bias. This suggests risks to the 1m NDF are to the upside, though a correction cannot be ruled out given overstretched conditions. Immediate resistance is around 51.90 (Fri's high), 52-handle, 52.30 (2017 high). Support is at 51.60 levels (23.6% fibo retracement of the Apr-Oct 2017 upswing), 51.15 (38.2% fibo). Week ahead brings CPI (Jan) on Tue; foreign reserves (Jan) on Wed; BSP meeting on Thu, trade (Dec) on Fri.
- **USDTHB - *Rebound.*** USDTHB has broken out of its recent trading range of 31.255-31.580 amid a rebound in UST yields and USD. Unlike most of its regional peers, the pair remains on the uptick even as USD pullbacks. This is likely due to expectations of further sell-off in Thai assets this week. This comes after foreign investors had sold off USD224.3mn and USD510mn in equities and debt. Last seen around 31.476 levels, pair has lost most of its bearish momentum. Weekly momentum indicators remain bearish bias and stochastics at oversold conditions. This suggests risks are still to the downside though there are potential rebound risks given overstretched conditions. Resistance remains around 31.740 levels (21DMA), 32.125 levels. Support remains at 31.256. Quiet data week with just foreign reserves (2 Feb) on tap this Fri. 4Q17 GDP is due on 19 Feb and the Finance Minister Apisak Tantivorrawong expects the economy to expand by around 4.0% for the whole of 2017, which would be the economy's best performance since 2012.

## Malaysia Fixed Income

### Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	3.37	-2
5YR MI3/22	3.64	3.62	-2
7YR ML9/24	3.93	3.91	-2
10YR MO11/27	3.96	3.92	-4
15YR MX4/33	4.40	4.41	+1
20YR MX4/37	4.62	4.60	-2
30YR MZ3/46	4.87	4.85	-2
IRS			
6-months	3.71	3.70	-1
9-months	3.73	3.72	-1
1-year	3.77	3.78	+1
3-year	3.83	3.84	+1
5-year	3.91	3.92	+1
7-year	4.02	4.03	+1
10-year	4.13	4.14	+1

Source: Maybank KE

\*Indicative levels

### Analysts

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

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

- MGS saw foreign buying flows from the belly to the long end, with the 10y MGS 11/27 yield down -4bps from last done. Good volume across the curve. Islamic GII, however, did not see the same flows. New issue of 7.5y GII 8/25 was announced at a size of MYR3b with a separate MYR1b to be privately placed. No trades were done in WI.
- MYR IRS curve shifted further upwards. There was some interest to receive at the belly area, but no trades were concluded given the lackluster activity in the holiday-shortened week. 3M KLIBOR remained at 3.69%.
- Muted corporate bond market as many participants were on the sidelines awaiting the US non-farm payroll Friday night. Only the AA and AAA spaces saw few credits traded, namely Plus 2025s, BGSM 2024s and CIMB 2023 subdebts which were all dealt unchanged from MTM.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.56	1.58	+2
5YR	1.92	1.94	+2
10YR	2.27	2.30	+3
15YR	2.54	2.58	+4
20YR	2.58	2.61	+3
30YR	2.69	2.72	+3

Source: Maybank KE

- SGS market opened relatively muted but with some buying interest. 10y SGS benchmark was lifted at a yield change of +2bps, despite the more acute UST weakness overnight. Market later steadied and most bonds traded sideways amid decent 2-way interest and ahead of the US NFP data Friday night. SGS yield curve bear steepened with the long end remaining heavy and yields 2-4bps higher, while SGD IRS closed 4-5bps higher.
- Quiet day on the Asian credit front as the 10y UST yield traded near 2.80% and most investors sidelined ahead of the US NFP. Nonetheless, there was still ample issuances in the primary space which included Greenland and First Abu Dhabi Bank. In sovereigns, INDONs and PHILIPs lowered across the curve on the back of the UST movement. New Cinda bonds were active, mostly trading close to reoffer levels.

## Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.34	5.31	(2.31)
5YR	5.71	5.72	1.70
10YR	6.18	6.22	3.70
15YR	6.68	6.70	1.66
20YR	6.95	6.97	1.26
30YR	7.11	7.11	(0.08)

\* 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 on Friday trading session and marked a weekly loss. Increasing UST10y yield nearing the 2.8% level is seen to be the catalyst to drag IGB yield higher during the day aside from being cautious ahead of the U.S. labour data release post market close and upcoming 4Q17 GDP growth number which will be releasing this coming. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.723%, 6.215%, 6.697% and 6.967% while 2y yield moved lower to 5.338%. During the day, FR0067 (26y) yield decline the most by 6bps while FR0064 (10y benchmark series) yield increase the most by 4bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 27bps). Trading volume at secondary market was noted heavy at government segments amounting Rp20,001b with FR0059 (9y) as the most tradable bond. FR0059 total trading volume amounting Rp2,460b with 84x transaction frequency.
- Foreign ownership stood at Rp869.8t or 41.3% of total tradable government bond as of Jan 31<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp31.6t from begin month Jan 18 or approx. more than half of Q117 foreign purchase (worth of Rp56.1t).
- Corporate bond traded thin amounting Rp325b. BIIF01ACN4 (Shelf Registration I Maybank Finance Phase IV Year 2017; A serial bond; Rating: AA<sub>(idn)</sub>) was the top actively traded corporate bond with total trading volume amounted Rp90b.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2572	111.18	0.8090	1.4342	6.3395	0.7445	137.9700	88.2877
R1	1.2517	110.67	0.8010	1.4230	6.3263	0.7372	137.6100	87.7993
<b>Current</b>	1.2457	109.93	0.7926	1.4115	6.3136	0.7298	136.9400	87.1340
S1	1.2409	109.47	0.7885	1.4054	6.2885	0.7261	136.7800	87.0303
S2	1.2356	108.78	0.7840	1.3990	6.2639	0.7223	136.3100	86.7497

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3280	n/a	13493	51.9317	31.5907	1.6507	0.6308	2.9881
R1	1.3239	n/a	13472	51.7953	31.5223	1.6474	0.6238	2.9756
<b>Current</b>	1.3189	3.8980	13498	51.6000	31.4820	1.6429	0.6181	2.9560
S1	1.3118	n/a	13419	51.5013	31.3403	1.6383	0.6100	2.9548
S2	1.3038	n/a	13387	51.3437	31.2267	1.6325	0.6034	2.9465

\*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	1.1269	Apr-18	Neutral
BNM O/N Policy Rate	3.25	7/3/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	15/2/2018	Neutral
BOT 1-Day Repo	1.50	14/2/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	8/2/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	7/2/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Easing Bias
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
BOE Official Bank Rate	0.50	8/2/2018	Neutral
RBA Cash Rate Target	1.50	6/2/2018	Neutral
RBNZ Official Cash Rate	1.75	8/2/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	25,520.96	-2.54
Nasdaq	7,240.95	-1.96
Nikkei 225	23,274.53	-0.90
FTSE	7,443.43	-0.63
Australia ASX 200	6,121.39	0.51
Singapore Straits Times	3,529.82	-0.49
Kuala Lumpur Composite	1,870.48	0.10
Jakarta Composite	6,628.82	0.46
Philippines Composite	8,810.75	0.82
Taiwan TAIEX	11,126.23	-0.30
Korea KOSPI	2,525.39	-1.68
Shanghai Comp Index	3,462.08	0.44
Hong Kong Hang Seng	32,601.78	-0.12
India Sensex	35,066.75	-2.34
Nymex Crude Oil WTI	65.06	-1.39
Comex Gold	1,335.20	-1.24
Reuters CRB Index	198.35	0.00
MBB KL	10.10	0.00

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2003 4.2400% 07.02.2018	4.240%	7-Feb-18	80	4.152	4.152	3.071
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	148	3.018	3.258	3.018
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	206	3.141	3.336	3.06
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	4	3.31	3.313	3.285
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	50	3.287	3.287	3.228
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	182	3.341	3.341	3.284
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	101	3.349	3.364	3.33
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	13	4.449	4.449	3.359
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	92	3.442	3.442	3.344
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	41	3.371	3.39	3.371
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	30	3.481	3.539	3.475
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	60	3.591	3.665	3.591
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	174	3.492	3.506	3.469
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	338	3.603	3.669	3.577
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	99	3.745	3.794	3.708
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	125	3.742	3.778	3.723
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	22	3.799	3.817	3.773
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	15	3.842	3.861	3.84
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	13	3.917	3.925	3.862
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	98	3.919	3.946	3.891
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	48	3.97	4.016	3.958
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	14	4.116	4.116	4.087
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	9	4.045	4.045	4.008
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	2	4.151	4.151	4.114
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	1	4.197	4.197	4.154
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	208	3.886	3.942	3.886
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	4.369	4.369	4.369
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	11	4.442	4.457	4.441
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	3	4.457	4.503	4.457
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	138	4.403	4.422	4.376
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	40	4.561	4.613	4.561
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	400	4.603	4.628	4.564
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	8	4.819	4.833	4.819
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	40	4.847	4.887	4.837
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	26	3.536	3.584	3.536
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	312	3.876	3.921	3.85
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	14	3.996	4.006	3.996
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	10	4.164	4.164	4.164
GII MURABAHAH 4/2017 4.895% 08.05.2047	4.895%	8-May-47	40	4.96	4.96	4.94
<b>Total</b>			<b>3,214</b>			

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
IESB MTN 2555D 27.11.2020	AAA (FC)	4.750%	27-Nov-20	20	4.721	4.73	4.721
PLUS BERHAD IMTN 4.640% 10.01.2025 - Series 1 (9)	AAA IS	4.640%	10-Jan-25	20	4.497	4.5	4.497
YTL POWER MTN 2557D 13.10.2021	AA1	4.700%	13-Oct-21	10	4.478	4.478	4.478
CIMBBANK 4.770% 16.10.2023 - Issue No 2	AA1	4.770%	16-Oct-23	30	4.256	4.271	4.256
BGSM MGMT IMTN 5.450% 28.06.2024 - Issue No 10	AA3	5.450%	28-Jun-24	20	4.697	4.701	4.697
<b>Total</b>				<b>100</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