

# Global Markets Daily

## Risk Rebounds

### Markets Normalize

US stocks closed around 2% higher overnight after a rather wild session. DJI whipsawed in a 1166-point range. The volatile moves witnessed were not just contained within equity markets. Even the UST 10yr yields were choppy, last seen back around 2.80% from intra-day lows of 2.65%, a 15bps rally. With more investors convinced that the equity sell-off in the previous sessions is a normal correction, risk appetite made a return. Safe havens weakened including the JPY, CHF, USD, gold and even USTs. NZD strengthened 1.06% vs. the USD, a clear outperformer amongst the G10 currencies, buoyed by a better-than-expected jobs release and a good dairy auction outcome.

### US Yields Back on The Rise, Will The Rest Follow?

The USD is now back on the decline and that has lifted most Asian currencies. USDCNH slipped under the 6.27-figure as we write. The strength in CNH could continue to anchor regional FX. With UST yields back on the rise, we watch the bond space to see if global rates will follow. Fed is unquestionably the front runner in terms of monetary policy normalization amongst the G7. Naturally, the rise in US rates is faster than the rest of the developed world and that could continue until price pressure gains momentum.

### RBI To Hold

RBI could remain a hawk-in-waiting at this meeting. With inflation already above the median target of 4%, its next move is likely to hike. The SENSEX was not spared from the stock rout and the central banks was said to have intervened to support the rupee in the past few sessions. More recently, at a banking conference, RBI Deputy Governor said that banks need to ensure "good credit quality". Apart from the RBI MPC decision later, we have UK house prices; FX reserves from China, SG, PH, ID.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2377	↑ 0.08	USD/SGD	1.3189	↓ -0.21
GBP/USD	1.3949	↓ -0.07	EUR/SGD	1.6325	↓ -0.12
AUD/USD	0.7906	↑ 0.36	JPY/SGD	1.2038	↓ -0.65
NZD/USD	0.7342	↑ 1.06	GBP/SGD	1.8399	↓ -0.28
USD/JPY	109.56	↑ 0.43	AUD/SGD	1.0428	↑ 0.14
EUR/JPY	135.6	↑ 0.50	NZD/SGD	0.9685	↑ 0.86
USD/CHF	0.9359	↑ 0.45	CHF/SGD	1.4095	↓ -0.65
USD/CAD	1.2492	↓ -0.37	CAD/SGD	1.0558	↑ 0.16
USD/MYR	3.9165	↑ 0.42	SGD/MYR	2.965	↑ 0.15
USD/THB	31.515	↓ -0.37	SGD/IDR	10255.21	↓ -0.03
USD/IDR	13540	↑ 0.15	SGD/PHP	38.9485	↓ -0.37
USD/PHP	51.432	↓ -0.12	SGD/CNY	4.7573	↓ -0.37

Implied USD/SGD Estimates @ 7 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2961	1.3225	1.3489

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### 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 - USD Short Unwinding Done?** USD erased earlier gains overnight amid a pause in sharp equity sell-off (Dow Jones Industrial Average was down 1841 points over last Fri-Mon). Sharp spike in VIX has also eased off recent highs. Last seen at 29 levels (vs. 37.3). We had shared in GM Daily yesterday that the sell-off is a **healthy correction on equity gains and a good flush out of short USD/AXJs... And that the USD up-move should provide an opportunity to fade into as long as corporate earnings/ forward projections continue to be optimistic, and synchronised recovery story stay intact**. Though it may be too soon to judge that the sell-off in risk assets is over, recent economic data did not show deceleration in growth momentum. Possibly one recent development is the sharp and relatively rapid rise in UST yields and somewhat synchronised rise in bond yields elsewhere. This could be on the back of expectations that inflation could pick up and central banks could withdraw monetary stimulus earlier than expected. This is one area that warrants caution. If inflation/wage related data or commodity prices continue to print higher, we do not rule out further upside risk to yields. DXY was last seen at 89.60 levels. Daily momentum and stochastics indicators are mild bullish. Next resistance at 89.80 (23.6% fibo retracement of Dec high to Jan-Feb double bottom low), 90.70 (38.2% fibo). Support seen at 88.40 (double-bottom low). Week remaining brings 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 - Hopes of Coalition Deal Soon.** EUR reversed earlier losses amid signs of coalition deal in sight. Merkel said that she was ready to make "painful compromises" while German SPD party said they are "95% of the way to reaching a deal". This deal will still need to be ratified by SPD's 440,000 members. Disappointment could weigh on EUR. In addition, there are also other political risks in the region that may pose some volatility to EUR. 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. **We believe EUR bears may only surface with more vigour if these political risks become a reality (hence these risks are viewed as short term hurdles to EUR's uptrend)**. Our tactical EUR short (established at spot ref 1.2465) has met our first objective at 1.2320 overnight with a +1.2% profit. We are side-lined for now awaiting for fresh opportunity. Pair was last seen at 1.2380 levels. Daily momentum is mild bearish while stochastics is falling from overbought conditions. Next support at 1.2330 (23.6% fibo retracement of Dec low to Jan-Feb double top), 1.2210 (38.2% fibo). Resistance at 1.2540 (double top). Week ahead brings ECB's Nouy, Lautenschlaeger speak on Wed; ECB's Weidmann, Villeroy, Mersch and Praet speak on Thu.
- **GBPUSD - 2Day Meeting on UK's Stance on Brexit.** GBP fell sharply but rebounded overnight, in line with our call. We cautioned for a move towards 1.3810 levels (low yesterday at 1.3846) and suggested dips as opportunity to buy into (rebounded into the close at 1.3950 levels). We stick to our caution that signs of stress re-emerging on

Brexit negotiations and renewed doubts over PM May's leadership may pose temporary downside risks to GBP. **Today and Thu will see a round of meeting for UK cabinet sub-committee members on objectives the UK government will take heading into the next stage of negotiations.** Lack of clarity on UK stance, or transition agreement or political instability in UK could dampen markets' high hopes for soft brexit. Renewed fears of disorderly brexit will see GBP longs unwind. For BoE MPC meeting this Thu, focus is on Quarterly Inflation report - whether it will contain any upward revisions to growth, inflation and rates projection given that BoE Carney has recently appeared to be turning slightly hawkish especially in the testimony to the House of Lords Economics Affairs Committee last Tue. The hurdle for him to reiterate his hawkish stance this Thu is that recent economic data including, mfg, services, construction PMIs, retail sales all disappointed to the downside. Though 4Q growth surprised slightly to the upside, annual growth for 2017 slowed to the lowest level in 5 years. This validates our caution that growth momentum is decelerating amid brexit uncertainties and this could pose some downside risks to GBP. Pair was last seen at 1.3970 levels. Bearish momentum on daily chart remains intact while stochastics is falling. Support at 1.3960 (21 DMA), 1.3810 (61.8% fibo retracement of EU referendum high to Oct-2016 low). We look for opportunity to buy into. Resistance at 1.4270 (76.4% fibo). Week remaining brings Halifax House Price (Jan) on Wed; BoE Meeting, Quarterly Inflation Report on Thu; IP, Construction Output, Trade (Dec) on Fri.

- **USDJPY - *Lacking Conviction.*** USDJPY rebounded back above the 109-levels as global risk aversion abated following gains in US stock markets and the Nikkei rebounded. The move upmove came after the pair had slipped after the Nikkei fell by 10.9% from its high on 23 Jan yesterday after lunch as the sell-off in the global equity markets intensified, spurring safe-haven plays. Pair's losses though was pared after BOJ Governor Kuroda reiterated the BOJ's commitment to continue with its powerful monetary easing in Parliament, rebutting a lawmaker's push to raise interest rates as the 2% inflation goal remains far away. The improvement in sentiment though is weighing on the USD, pushing UST yields lower and in turn is weighing on the pair this morning. Last seen around the 109.45 levels. Pair now shows mild bullish bias, while stochastics continue to climb higher. Momentum indicators and stochastics on the weekly chart remains bearish bias. Support is around 108.80 (50% fibo retracement of the 2016 low to 2017 high), 108.30 (2018 low on 26 Jan), 107.30 (2017 low). Resistance is around 109.50 levels, 110.00 (21DMA), 110.70. Week ahead has labor cash earnings (Dec) today; current account (Dec), BOJ Suzuki to speak on Thu; tertiary industry index (Dec) on Fri.
- **NZDUSD - *Downside Pressure Waning.*** Kiwi firmed on the back of stronger dairy prices at GDT auction (+5.9% from previous auction; 3<sup>rd</sup> back to back increase) and lower unemployment rate. Key focus next on RBNZ meeting tomorrow (4am SG/KL time 8 Feb). It is widely expected that RBNZ will keep rate unchanged at 1.75% but the **Monetary Policy Statement (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, recent NZ Treasury’s monthly Economic Indicators report showed inflation will fall to around 1% in 1Q before picking up. Pair was last seen at 0.7330 levels. Bearish momentum on daily chart shows tentative signs of waning. Resistance at 0.74, 0.7440 levels. Support at 0.7290 (23.6% fibo retracement of Dec double-bottom low to Jan-Feb double-top), 0.7250 (yest low). Golden cross pattern (50 DMA cuts 200 DMA to the upside) appears to be in the making - bullish signal. Week ahead brings RBNZ meeting; RBNZ Spencer press conference/ parliament on Thu; QV House Prices (Jan) on Fri.

- **AUDUSD - Buy on dips towards 0.7820.** This pair reached a low of 0.7836 and was last seen around 0.7891. The reversal seen yesterday was owed to the USD which saw a broad retreat. As we have indicated, we are not fundamentally bearish on the AUDUSD and we continue to look for opportunities to buy on dips. Pair seems to be on the retreat this morning. Support is seen at 0.7820 and resistance at 0.7990 (23.6% Fibonacci retracement of the Dec-Jan rally), RBA held cast target rate at 1.50% yesterday and stated its inflation forecast of 2% for 2018. However, most of the words in the statement were largely unchanged, still looking for wage and price pressure growth to remain subdued and growth to rise. Markets will look for more details in the upcoming Statement on Monetary Policy this Fri. Week ahead brings Foreign Reserves (Jan) on Wed; RBA Governor Lowe speaks; NAB Business Confidence (4Q) on Thu; RBA Statement of Monetary Policy on Fri.
- **USDCAD - Upside Bias.** USDCAD drifted lower and was last seen around 1.2510. Bullish momentum persists though and this pair might see upside bias. Wider-than-expected trade deficit (-CAD3.19bn actual vs -CAD2.32bn est.) underpins. Support levels now at 1.2413, 1.2062 levels. Resistance is seen around 1.2588 (50% Fibonacci retracement of the Dec-Jan fall). The labour report is due this Fri. Consensus expects an addition of 10k hires in Jan vs. the previous 64.8k. Our call for correction towards 1.2510 (38.2% Fibonacci retracement of the Dec-Feb sell-off) was met. Hence, upside risks now should see pair trade towards next level of 1.2588 (50% fibo). Week ahead brings building permits on Wed, housing starts on Thu and Jan jobs report on Fri.

## Asia ex Japan Currencies

- **SGD trades around 0.34% above the implied mid-point of 1.3225.** The top is estimated at 1.2961 and the floor at 1.3489.
- **USDSGD - *Sideways*.** USDSGD is trading mildly softer this morning as market unwound long-USD positions as sentiments improved. Pair is now trading back below the 1.32-levels. Softer UST yields yesterday weighed on the 3-month SOR, which fell 2.4% to 1.02%, extending losses for the second consecutive session. Further softness in UST yields should keep 3-month SOR weighed intraday. Last seen around 1.3180 levels. Daily chart shows bullish bias, while bearish momentum on the weekly chart remains intact. This suggests risks remain to the upside and this could limit further downside to pair intraday and see the pair trade sideways intraday. Support is around 1.3130, 1.3070 levels. Resistance at 1.3260 levels, 1.3325 (50DMA). Foreign reserves (Jan) is due for release later today.
- **AUDSGD - *Sideways*.** This cross broke below the 1.0390-support (50% fibo retracement of the Dec-Jan rally, 55-SMA) at one time before hovering sideways, last seen around 1.0410. As we have stated yesterday, there is a pause in its downmove. 1.0330 (61.8%) is seen as the next firm support.
- **SGDMYR - *Lean against Strength*.** SGDMYR remains little changed near recent lows. Last seen at 2.9600 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 - *Bias to Fade*.** USDMYR eased off recent highs of 3.9175 amid pause in global equity sell-off. Pair was last seen at 3.8990 levels. Mild bullish momentum remains intact while stochastics is rising from oversold conditions. Resistance still seen at 3.92 levels. **Bias remains to fade.** 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 - *Upside Pressure Wanes*.** 1m USDKRW NDF fell as risk sentiment recovered. Most equities in the region are rebounding this morning. 1m USDKRW NDF was last seen at 1080 levels. Bullish momentum on daily chart shows signs of waning while stochastics shows signs of falling. Upside pressure seems to be easing. Support at 1078 levels (23.6% fibo retracement of Oct high to Jan low), 1075 (50 DMA), 1070 (21 DMA). Resistance at 1092 (38.2% fibo).

- **USDCNH - 6.21 Next.** USDCNH dropped and was last seen around 6.26. This pair is anchoring Asian FX. The stock markets at home were not as insulated as what we have anticipated but given the fact that the world has not seen a fundamental shift, the recovery in the domestic equity markets should be in tandem with the US as well. Already, the futures are seen gaining. **PBoC fixed the USDCNY reference rate at 6.2882, 190 pips lower than the previous 6.3072. CNYMYR was fixed 38 pips higher at 0.6226 vs. previous at 0.6188.** The CFETS RMB index rose above the 96-figure. At home, PBOC skips OMO for the ninth 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 - RBI Rate Decision.** 1m USDINR NDF traded lower this morning. The 1m NDF was last seen at 64.31. RBI meets today at 5pm (SG/KL time). 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. Pair was last seen at 64.31 levels. On the daily chart, momentum indicators seem to be gaining. Resistance at 64.45 (38.2% fibo). The pair needs to break above 64.50 before heading to 64.78 (50% fibo retracement of the Sep-Jan). Support at 64.00 (23.6% fibo), 63.37 (2018 low). In news, at a banking conference, RBI Deputy Governor said that banks need to ensure “good credit quality”.
  
- **1m USDIDR NDF - Bullish Tilt.** 1m USDIDR trades mildly bid this morning after whipsawing yesterday. Markets may be concern that BI may be behind the curve on inflation following yesterday’s comments by BI governor Agus Martowardojo that BI will retain its overall neutral stance, though further easing is limited. In addition, the rise in vols makes carry trade plays less enticing and could weigh on Indonesian debt ahead and hence keep the 1m NDF supported. Waning risk appetite yesterday saw foreign investors sell USD129.2mn in equities. Meanwhile, they had purchased USD164.5mn in debt on 5 Feb (latest data available). Last seen around 13555 levels. Momentum indicators on the daily chart remain bullish bias, while stochastics is at overbought conditions. Weekly chart shows waning bearish bias still and stochastics climbing higher. This suggests risks could be tilting higher. Resistance remains around 13600 (23.6% fibo retracement of the Sep-Oct upswing), 13660 levels. Support nearby is around 13510 levels (38.2% fibo), 13440 (50% fibo, 200DMA). JISDOR was fixed at 13578 yesterday; 80 pips higher than the fixing on Mon. Foreign reserves (Jan) is on tap today. In the news, Finance Minister Sri Mulyani said that the government and BI will together on fiscal and monetary policies to maintain market stability and to ensure investment growth is above 7%.



exports at more than 8% and household consumption growth of at least 5%. At the same time.

■ **1m USDPHP NDF - *Expectations Of BSP Rate Adjustment Weighs.***

1m USDPHP NDF continues to correct lower, tracking its regional peers. Weighing on the 1m NDF as well is increasing speculation that the BSP could hike its benchmark interest rate at its policy meeting tomorrow to anchor inflationary expectations after headline inflation rose faster than expected in Jan by 4.0% y/y. This is at the upper bound of the BSP inflation target of 2-4% for 2018. Our house view is for the BSP is for two rate hikes of 25bp each this year. Our economic team now thinks that the first rate hike can come as early as tomorrow's policy meeting. Mitigating downside to the 1m NDF though is the sell-off in the equity market on risk aversion with foreign investors selling USD28.0mn yesterday. Further sell-off in equities is likely to keep further 1m NDF downside in check. Last seen around 51.36 levels. Momentum indicators on the daily chart remains intact but waning, while stochastics is still at overbought conditions. Weekly chart remains bullish bias. With our support level at 51.60 levels (23.6% fibo retracement of the Apr-Oct 2017 upswing) taken out overnight, next support is at 51.15 (38.2% fibo). Rebounds should meet resistance around 51.60 levels (23.6% fibo) ahead of the 52-handle. Remaining week has foreign reserves (Jan) today; BSP meeting on Thu, trade (Dec) on Fri.

■ **USDTHB - *Weighed But Risks Still To The Upside.***

USDTHB is trading softer this morning amid possibly on profit-taking. As well, improvement in global sentiments could see a return of foreign portfolio inflows to Thai assets. Yesterday, foreign investors had sold USD69.7mn and USD106mn in equities and debt. Last seen around 31.417 levels. Momentum indicators are now shows bullish bias, while stochastics is climbing higher from oversold conditions. Weekly momentum indicators though remain bearish bias and stochastics at oversold conditions. This suggests risks are still to the downside though in the near term risks remains to the upside. Resistance remains around 31.675 levels (21DMA). Support at 31.256 (2018 low). Foreign reserves (2 Feb) is on tap this Fri.

## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.37	*3.40/37	Not traded
5YR MI3/22	3.58	3.60	+2
7YR ML9/24	3.92	3.92	Unchanged
10YR MO11/27	3.95	3.95	Unchanged
15YR MX4/33	4.41	*4.43/38	Not traded
20YR MX4/37	4.64	4.63	-1
30YR MZ3/46	4.85	*4.88/83	Not traded
<b>IRS</b>			
6-months	3.70	3.70	-
9-months	3.72	3.72	-
1-year	3.77	3.76	-1
3-year	3.84	3.83	-1
5-year	3.92	3.92	-
7-year	4.03	4.01	-2
10-year	4.14	4.12	-2

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Source: Maybank KE

\*Indicative levels

- In govies market, 7.5y Islamic GII 8/25 auction saw good demand with bid/cover of 2.28x and participation mostly coming from local real money accounts. After the auction, GII 8/25 traded lower at 4.11%. Notwithstanding the volatility in global equity markets yesterday, local govvy yield curve remained within recent range.
- Malaysian rates were relatively resilient compared to the global equity movements. MYR IRS curve shifted 1-2bps lower. Trades done include the 3y at 3.82%, and 5y at 3.89% then 3.88% then later back up at 3.91%. 3M KLIBOR unchanged at 3.69%.
- Another quiet day for the domestic corporate bond market. Decent sizes of AAA credits traded slightly above their MTMs. Multiple Edra Energy tranches were also dealt near MTM levels. Otherwise, GG space mostly saw sellers, while AAAs were still well in demand.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.58	1.55	-3
5YR	1.95	1.92	-3
10YR	2.31	2.25	-6
15YR	2.61	2.56	-5
20YR	2.64	2.60	-4
30YR	2.75	2.71	-4

Source: Maybank KE

- SGS opened highly volatile, with yields -9bps at the long end but PDs were mostly selling. Long end SGS yields whip back higher to -5bps from previous close. Thereafter, price movement was relatively subdued. In the afternoon, persistent bidding on the 10y benchmark supported SGS despite UST retreating strongly from its highs. The recovery in equity markets also pushed yields back higher. SGS curve mildly bull-flattened with yields 3-6bps lower. SGD IRS also declined by 2-4bps. Risk off sentiment may continue over the next few days.
- Asian credits opened wider, with spreads 5-7bps higher. Investors were generally wary after the overnight moves in global rates and equity markets. Sovereigns rose up about 0.25-0.50pts in cash. PETMK bonds saw some dip buying, and good 2-way flows were seen on AUD FRNs.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.36	5.38	2.28
5YR	5.77	5.77	0.69
10YR	6.32	6.34	1.42
15YR	6.75	6.84	9.07
20YR	7.04	7.04	(0.34)
30YR	7.13	7.14	1.64

\* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Tuesday trading session as selling pressure persists. We see the recent slide in IGB prices as a healthy correction on the note that recent fundamental data released domestically (ie: CPI and GDP data) still looks healthy and in favour of the IGB. We reiterate our strategy “to buy the high yielder on weakness” while our target range for 10y IGB yield is 6.2%-6.6%. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.772%, 6.338%, 6.839% and 7.041% while 2y yield moved higher to 5.380%. During the day, FR0066 (3mo) yield decline the most by 4bps while FR0071 (11y) yield increase the most by 15bps. 10y15y G-Spread is the widest on YTD basis currently (10y15y current spread: 50bps). Trading volume at secondary market was noted heavy at government segments amounting Rp26,613b with PBS016 (2y sukuk) as the most tradable bond. PBS016 total trading volume amounting Rp3,061b with 37x transaction frequency.
- Indonesian government conducted their bi-weekly sukuk auctions today and received heavy incoming bids worth of Rp20.15t versus its target issuance of Rp8.00t or oversubscribed by 2.52x. However, DMO only awarded Rp10.08t bids for its 5mo, 2y, 4y, 8y and 14y sukuk. Incoming bids were clustered at the 5mo sukuk. 5mo SPN-S was sold at a weighted average yield (WAY) of 4.21979%, 2y PBS016 was sold at 5.69577%, 4y PBS002 was sold at 6.00641%, 8y PBS017 was sold at 6.43954% while 14y PBS012 was sold at 7.11488%. PBS004 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.05X - 3.28X. Till the date of this report, Indonesian government has raised approx. Rp100.26t worth of debt through bond auction which represents 51.5% of the 1Q18 target of Rp194.5t.
- Foreign ownership stood at Rp864.3t or 41.1% of total tradable government bond as of Feb 1<sup>st</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp26.2t from begin month Jan 18.
- Corporate bond traded heavy amounting Rp970b. ADHI02CN1 (Shelf registration II Adhi Karya Phase I Year 2017; Rating: <sub>id</sub>A-) was the top actively traded corporate bond with total trading volume amounted Rp180b yielding 8.216%.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2495	110.41	0.7958	1.4092	6.3357	0.7411	136.9333	87.7760
R1	1.2436	109.99	0.7932	1.4021	6.3088	0.7376	136.2667	87.1990
<b>Current</b>	<b>1.2380</b>	<b>109.46</b>	<b>0.7892</b>	<b>1.3952</b>	<b>6.2709</b>	<b>0.7329</b>	<b>135.5100</b>	<b>86.3840</b>
S1	1.2316	108.80	0.7858	1.3857	6.2654	0.7282	134.4567	85.5190
S2	1.2255	108.03	0.7810	1.3764	6.2489	0.7223	133.3133	84.4160
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3254	n/a	13663	51.6893	31.8250	1.6478	0.6272	2.9748
R1	1.3222	n/a	13602	51.5607	31.6700	1.6402	0.6249	2.9699
<b>Current</b>	<b>1.3189</b>	<b>3.9055</b>	<b>13542</b>	<b>51.3200</b>	<b>31.4730</b>	<b>1.6328</b>	<b>0.6236</b>	<b>2.9616</b>
S1	1.3173	n/a	13498	51.3677	31.4070	1.6267	0.6200	2.9570
S2	1.3156	n/a	13455	51.3033	31.2990	1.6208	0.6173	2.9490

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

## Equity Indices and Key Commodities

	Value	% Change	Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
<b>Dow</b>	24,912.77	2.33	MAS SGD 3-Month	1.1269	Apr-18	Neutral
<b>Nasdaq</b>	7,115.88	2.13	SIBOR			
<b>Nikkei 225</b>	21,610.24	-4.73	BNM O/N Policy Rate	3.25	7/3/2018	Neutral
<b>FTSE</b>	7,141.40	-2.64	BI 7-Day Reverse Repo Rate	4.25	15/2/2018	Neutral
<b>Australia ASX 200</b>	5,833.34	-3.20	BOT 1-Day Repo	1.50	14/2/2018	Tightening Bias
<b>Singapore Straits Times</b>	3,406.38	-2.20	BSP O/N Reverse Repo	3.00	8/2/2018	Tightening Bias
<b>Kuala Lumpur Composite</b>	1,812.45	-2.19	CBC Discount Rate	1.38	22/3/2018	Neutral
<b>Jakarta Composite</b>	6,478.54	-1.69	HKMA Base Rate	1.75	-	Tightening
<b>Philippines Composite</b>	8,550.42	-0.76	PBOC 1Y Lending Rate	4.35	-	Tightening Bias
<b>Taiwan TAIEX</b>	10,404.00	-4.95	RBI Repo Rate	6.00	7/2/2018	Neutral
<b>Korea KOSPI</b>	2,453.31	-1.54	BOK Base Rate	1.50	27/2/2018	Easing Bias
<b>Shanghai Comp Index</b>	3,370.65	-3.35	Fed Funds Target Rate	1.50	22/3/2018	Tightening
<b>Hong Kong Hang Seng</b>	30,595.42	-5.12	ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
<b>India Sensex</b>	34,195.94	-1.61	BOE Official Bank Rate	0.50	8/2/2018	Neutral
<b>Nymex Crude Oil WTI</b>	63.92	0.77	RBA Cash Rate Target	1.50	6/3/2018	Neutral
<b>Comex Gold</b>	1,326.90	-1.15	RBNZ Official Cash Rate	1.75	8/2/2018	Neutral
<b>Reuters CRB Index</b>	194.75	-0.47	BOJ Rate	-0.10	9/3/2018	Easing
<b>MBB KL</b>	10.00	-0.20	BoC O/N Rate	1.25	7/3/2018	Tightening

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	110	3.18	3.265	3.18
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	123	3.205	3.205	3.079
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	302	3.132	3.196	3.056
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	155	3.279	3.296	3.26
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	97	3.341	3.341	3.231
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	14	3.393	3.393	3.393
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	46	3.402	3.402	3.402
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	5	3.48	3.48	3.48
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	8	3.621	3.621	3.613
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	1	3.492	3.492	3.492
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	36	3.61	3.61	3.603
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	51	3.807	3.807	3.745
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	14	3.794	3.794	3.766
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	2	3.806	3.806	3.804
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	48	3.84	3.851	3.824
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	1	3.888	3.888	3.888
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	90	3.924	3.924	3.92
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	63	3.993	4.007	3.97
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	4	4.101	4.101	4.101
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	1	4.049	4.049	4.049
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	102	3.948	3.961	3.923
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	4	4.412	4.425	4.412
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	20	4.492	4.513	4.492
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	47	4.427	4.432	4.399
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	5	4.578	4.578	4.578
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	55	4.619	4.627	4.611
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.806	4.806	4.806
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	212	3.279	3.291	3.272
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	70	3.29	3.301	3.29
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	83	3.599	3.609	3.575
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	40	3.737	3.737	3.723
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	225	3.9	3.908	3.892
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	10	4.032	4.032	4.032
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	22	4.133	4.133	4.133
GII MURABAHAH 1/2018 15.08.2025	4.128%	15-Aug-25	701	4.119	4.138	4.109
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	10	4.201	4.201	4.201
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	10	4.595	4.595	4.595
GII MURABAHAH 6/2015 4.786% 31.10.2035	4.786%	31-Oct-35	20	4.777	4.79	4.777

**Total****2,808**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PTPTN IMTN 4.190% 27.08.2021	GG	4.190%	27-Aug-21	5	4.049	4.049	4.049
GB SERVICES MTN 3651D 08.11.2019 - MTN 1	AAA (S)	5.300%	8-Nov-19	2	4.478	4.484	4.478
IESB MTN 2555D 27.11.2020	AAA (FC)	4.750%	27-Nov-20	10	4.717	4.721	4.717
TELEKOM IMTN 4.820% 21.03.2024	AAA	4.820%	21-Mar-24	50	4.387	4.39	4.387
F&N Capital MTN 4.24% 05/10/2018	AA1 (S)	4.240%	5-Oct-18	10	4.014	4.03	4.014
UNITAPAH 5.01% Series 07 12.06.2019	AA1	5.010%	12-Jun-19	5	4.175	4.183	4.175
YTL CORP MTN 1826D 25.6.2019	AA1	4.468%	25-Jun-19	10	4.329	4.351	4.329
SCC IMTN 05.05.2022	AA1	4.770%	5-May-22	5	4.668	4.671	4.668
UOBM 4.650% 08.05.2025	AA1	4.650%	8-May-25	1	5.2	5.2	5.2
TMSB Senior Sukuk Murabahah 23.10.2026 (Tranche 5)	AA1	5.000%	23-Oct-26	5	4.821	4.821	4.821
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	2	4.92	4.921	4.92
TMSB Senior Sukuk Murabahah 22.10.2027 (Tranche 6)	AA1	5.050%	22-Oct-27	10	4.9	4.901	4.9
TMSB Senior Sukuk Murabahah 23.10.2029 (Tranche 8)	AA1	5.250%	23-Oct-29	5	4.988	4.988	4.988
EONBANK TIER-1 8.25% 09.09.2039	AA2	8.250%	9-Sep-39	1	5.045	5.045	5.045
PBFIN 7.500% 05.06.2059 - Tranche No.1	AA2	7.500%	5-Jun-59	1	5	5	5
BGSM MGMT IMTN 4.900% 27.12.2018 - Issue No 7	AA3	4.900%	27-Dec-18	2	4.148	4.16	4.148
KT KIRA IMTN 0% 15.07.2020	AA3 (S)	5.720%	15-Jul-20	5	5.487	5.496	5.487
EDRA ENERGY IMTN 5.790% 03.01.2025 - Tranche No 7	AA3	5.790%	3-Jan-25	5	5.349	5.349	5.349
EDRA ENERGY IMTN 5.820% 04.07.2025 - Tranche No 8	AA3	5.820%	4-Jul-25	10	5.38	5.38	5.38
RHBBANK MTN 3652D 27.9.2027	AA3	4.820%	27-Sep-27	10	4.816	4.821	4.816
MMC CORP IMTN 5.950% 12.11.2027	AA- IS	5.950%	12-Nov-27	15	5.359	5.37	5.359
EDRA ENERGY IMTN 6.120% 05.07.2030 - Tranche No 18	AA3	6.120%	5-Jul-30	5	5.68	5.68	5.68
EDRA ENERGY IMTN 6.150% 03.01.2031 - Tranche No 19	AA3	6.150%	3-Jan-31	5	5.71	5.71	5.71

**Total****178**

Sources: BPAM

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