Maybank

Macro | FX Research & Strategy

Global

Global Markets Daily

Pockets of EM Pressure

Brazilian Real Sold

The Brazilian Real was sold yesterday, down -1.1% vs. the USD in a session which saw the outperformance of almost every EM currencies against the greenback. It seems that the real is the next currency deemed vulnerable in the backdrop of rising US rates. This is in spite of the central bank's offer of U$1.5bn extra swap contracts to support the currency. UST 10y yield continued to climb, last seen around 2.98%. Insofar, the EM currencies that have been affected have been supported by rate actions from their respective banks including RBI (in line with our out-of-consensus call) last evening. A combination of twin deficits (current account and fiscal) and USD debt seems to be a lethal one in the absence of strong global recovery. EM Asian FX including INR, IDR and PHP have pared back declines after their central bank actions. However, these currencies could still be vulnerable should the US 10y rates increase pick up pace beyond the 3% or if oil price rebound (not our base case scenario).

USD Remains Broadly Softer Because of ECB Talks

USD remains broadly softer in spite of stronger data and higher rates simply because the focus is not there. Such is the fluid world of FX where "fundamentals" may not explain short-term flows and price action. Focus instead, is on those ECB officials who are talking up possible discussions of how the quantitative easing program can end. The central bank has been almost silent throughout the Italian political "crisis" but once those risks have faded as they almost always do, ECB officials seem to find it appropriate to get back to what has been on the agenda for the past year - normalization. Peter Praet had said that "ECB will have to assess next week if to unwind APP". Jen Weidmann also opined that market expectations of ending APP before the end of 2018 is "plausible".

Turkish Central Bank Has To Hike; AU Trade, EU GDP

Turkish central bank is widely expected to hike its policy rates after its inflation print surprised to the upside. Expectations for a hike seem to be priced in the lira. We do not expect this rate hike to be as dramatic as the last one though. Its goal today is probably to meet market expectations and that could be sufficient to support the lira in the near-term. Other interesting data release we watch includes Australia's trade data and EU GDP. China's FX Reserves would be out and could reflect the fall in the EUR for May and perhaps outflow pressures on the yuan.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1774	0.48	USD/SGD	1.3325	-0.16
GBP/USD	1.3413	0.15	EUR/SGD	1.5689	0.31
AUD/USD	0.7667	0.67	JPY/SGD	1.2094	-0.51
NZD/USD	0.7033	0.14	GBP/SGD	1.7872	-0.01
USD/JPY	110.18	0.36	AUD/SGD	1.0217	0.51
EUR/JPY	129.74	0.84	NZD/SGD	0.9372	-0.02
USD/CHF	0.9865	0.21	CHF/SGD	1.3509	-0.41
USD/CAD	1.2944	-0.20	CAD/SGD	1.0295	0.04
USD/MYR	3.9743	0.03	SGD/MYR	2.9799	0.09
USD/THB	31.914	-0.05	SGD/IDR	10390.76	-0.10
USD/IDR	13853	-0.19	SGD/PHP	39.3537	0.16
USD/PHP	52.456	0.05	SGD/CNY	4.7945	-0.01

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3164	1.3431	1.3697

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G7: Events & Market Closure

Date	Ctry	Event
4 Jun	NZ	Market Closure
5 Jun	AU	RBA Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
6 Jun	SK	Market Closure
6 Jun	IN	RBI Meeting

G7 Currencies

- **DXY – *Back-Pedalling Prior Gains*.** USD remains on the back foot overnight despite UST yields rising. This somewhat resembled a case of de-coupling where rise in yields does not correspond with USD rising. And this can be attributed to the environment markets are operating in. Recall back in Apr where rapid rise in 10Y UT yield hit a multi-year high of 3.11% while the USD index rose sharply by about 6%. Back then the environment was a case of (1) only US data was strong; (2) only the Fed is tightening – a case of data and monetary policy divergence in favour of US and the dollar and (3) pretty much risk-off (USD strength was subsequently given another boost by fears of Italy falling out of Euro and the EM sell-off in Argentina and Turkey). Fast forward, the current environment is a case of (1) receding concerns with Italy's political mess (but a case of fiscal management); (2) slowing pace of EM sell-off (though BRL seems to be the most recent casualty overnight) as central banks in Turkey, Indonesia, India stepped up on tightening; (3) data in other parts of the world including UK, EU, AU are starting to look better; (4) ECB recently talked about potentially removing monetary stimulus as soon as at the upcoming next week. Long story short, the current environment is less risk-off, more promising and data/policy divergence is slowing. This reinforced our prior view that USD strength as a result of data and monetary policy divergence is temporary. Higher energy and commodity prices globally as well as tightness in labour markets in other majors should feed through to inflation and brings back the case of monetary stimulus removal for other majors at some stage and that should see USD strength tapering. In addition, USD is a countercyclical currency – when global growth momentum picks up, USD tends to weaken. DXY was last seen at 93.50 levels. Bearish momentum on daily chart remains intact while stochastic is falling. Technical continues to suggest downside pressure but potential market developments/events coming up in the next week or so may well see sticky price action to the downside. Some of these market development/events next week include (1) lingering trade war concerns with focus now shifting to ongoing talks between US and China (a fallout could negatively impact sentiment and result in support for safe haven FX proxies such as JPY, CHF); (2) Turkey central bank meeting today given core inflation jumped to multi-month high yesterday (re-intensification of sell-off in TRY asset could spill-over to other EM FX); (3) G7 Leaders Summit in Canada this weekend; (4) US-North Korea Summit in Singapore on 12th Jun (risk of cancellation or postponement could weigh on sentiment) and (5) FoMC and ECB meetings next Thu. For Fed meeting, markets may remain cautious for fear of Fed quickening its pace of tightening, we however think stronger data last week only reinforce the view for another 25bps hike at the upcoming FoMC meeting (14 Jun) but may not necessary imply that the Fed will quicken its pace of tightening. We believe the current pace of normalisation remains appropriate and the Fed is likely to monitor further data flow before committing to a quicken pace. Any positioning for Fed to quicken its pace of normalisation may be premature and disappointment could see USD ease off recent highs.

- **EURUSD – *ECB-Inspired Rally*.** EUR continued to trade higher overnight. ECB officials Praet, Hansson and Weidmann are the latest few to weigh in on potential stimulus withdrawal amid rising inflation at the upcoming ECB Governing Council meeting in Latvia next week. This comes off the back of a news report that ECB is said to see 14 Jun as live meeting to debate QE exit. And ECB speaks of late seem to echo the thought that ECB is potentially gearing for an exit. We still think ECB may not commit to a decision on exit prematurely before inflation shows signs of reacceleration but the narrative out of the debate could still be supportive of EUR. A discussion on QE exit amid the release of quarterly ECB assessment on growth and inflation is a step forward towards monetary stimulus withdrawal and should remain supportive of the EUR in the lead up to ECB meeting unless political risks in Italy re-escalated. We do not rule out subsequent unwinding on market disappointment (a risk to watch next week) but eventual removal of stimulus (announcement at a later date) will still switch market bias to buy EUR on dips. EUR was last seen at 1.1790 levels. Bearish momentum on weekly chart shows signs of waning while momentum on daily chart is turning bullish. Stochastics is rising from oversold conditions. Sustained price action above 1.1750 (21 DMA) could see an extension of the rebound towards 1.1860. Support at 1.1710, 1.1650. Week remaining brings GDP (1Q) on Thu.

- **GBPUSD – *Upside Risk*.** GBP continued to inch higher amid USD softness. Pair was last seen at 1.3430 levels. Daily momentum is mild bullish bias while stochastics is rising from oversold conditions. Immediate resistance at 1.3460 (61.8% fibo retracement of May high to low). An extension of the rally towards 1.3520 (76.4% fibo), 1.3590 (200 DMA) should not be ruled out on a decisive break above resistance. Support at 1.3410 (50% fibo, 21 DMA), 1.3360 (38.2% fibo). Bias remains to buy on dips. Week ahead brings Halifax house prices (May) on Thu. The lead up to next Tue could be choppy for GBP as EU withdrawal bill returns to the House of Commons for debate on 12 Jun. Commons then need to debate 15 amendments and over 200 concessions (made by the House of Lords). PM May had stated her preference to leave the customs union when they leave the single-market and to negotiate new trade deals with other nations but is faced with different voices. So far the upper house (House of Lords) have voted to retain a customs union (and inflicted 15 defeats on the EU Withdrawal Bill so far) while the lower house is expected to vote next week ahead of the EU Summit (28-29 Jun). The government will need to overturn these amendments. Pro-EU Conservative members may prefer to stay in Customs Union and rebel against PM May. This would expose the awkward divide within her party and pose a threat to her leadership. **An un-united stand within the UK government would make weaken PM May's stance when negotiating with the EU. And these could expose GBP's vulnerability to further downside**. However GBP may see further support if PM May manages to convince her party of standing in the same line (i.e. to leave customs union and to overturn the amendments from the House of Lords). At least this suggests her leadership is not under threat and shows some unity in UK government.

- **USDJPY - *Watching Break Of 200DMA*.** USDJPY attempted but failed to take out our resistance level at the 200DMA (110.20-levels) amid risk-on sentiments that saw reduction for safe-haven asset demand including the JPY. At the same time, continuing rise in UST yields had led to the widening of yield differentials between 10Y UST and JGB overnight which was supportive of the pair. Since then, rising 10Y JGB yields to 0.053% this morning has narrowed the yield differentials between the two and putting downside pressure on the pair. Trades though should remain cautions ahead of key events, namely G7 leaders' summit 8-9 Jun; Trump-Kim summit in Singapore on 12 Jun; ECB and FOMC meeting on 14 Jun. Pair was last seen around 110.12-levels, pair has lost most of its bearish momentum on the daily chart and stochastics is climbing higher. Look for topside to remain capped by the 200DMA around 110.20-levels. A clean break here could spur further bullish bets and exposer next resistance around the 111-handle. Support around 109.80-levels (38.2% fibo retracement of the Mar-May rally, 21DMA). GDP (1Q F); Current Account (Apr) are due tomorrow.

- **NZD - *0.70 - 0.7080 Range Intra-day*.** NZD remains supported near yesterday's levels. Last seen at 0.7040 levels. Bullish momentum on daily chart remains intact while weekly chart shows a bullish divergence. Upside risks remain though daily stochastics is running into overbought conditions. Key resistance at 0.7060 (38.2% fibo retracement from Apr high to May low). Decisive break above this puts next resistance at 0.7120 (50% fibo). Immediate support at 0.6980 (23.6% fibo) before 0.6950 (21 DMA). Expect range of 0.70 – 0.7080 intra-day.

- **AUDUSD - *Upside Bias*.** AUDUSD headed higher on the back of broad USD weakness and higher copper prices. Last seen around 0.7670, it is just 30pips away from our month-end forecast. Momentum on the daily chart is increasingly bullish, never mind the stochs in overbought conditions. 21-dma is cutting 50-dma, another bullish sign. We continue to see upside risks to this pair in this environment unless FOMC meeting surprises next week. Drivers of the AUD are mixed as the softer USD could continue to support the AUD along with the rise in copper prices. However, the fall in iron ore price could still crimp on gains. With RBA the laggard in terms of monetary policy normalization, AUDUSD bulls could still be on leash for now. Support seen around 0.7606 (50-dma) before the next at 0.7530. Next resistance is seen at 0.7710. Week ahead brings Trade (Apr); FX Reserves (May) on today. Eyes are also on China's trade data tomorrow. Any improvement in the imports figure could boost the AUD.

- **USDCAD - *Trade the Trend Channel*.** USDCAD remains within the upward sloping trend channel and the pullback yesterday to a low of 1.2859 that meets the lower bound continues to validate this trend channel. Next support for today is seen around 1.2880 and resistance (upper bound) at 1.3030. One may be able to trade this range. Forget the Nafta (even though it may not be the same), PM Trudeau commented yesterday that a bill will be introduced to ratify the CPTPP pact this month. Trade deficit narrowed significantly due to the drop in imports to C$1.9bn from previous C$3.93bn. On the charts, this pair remains within the middle of the upward sloping trend channel, last seen around 1.2940. We do not rule out a breakout to the downside should Trump say yes to Mnuchin and a break of support at around 1.2880 could open the way easily towards 1.2668 (200-dma). Momentum bias is still neutral at this point. Week ahead has housing starts, labour report on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.88% above the implied mid-point of 1.3431 with the top estimated at 1.3164 and the floor at 1.3697.**

- **USDSGD - *Grinding Lower*.** USDSGD continues to trade to the downside amid a softer USD tone. Downside though could be limited given the firmer USDCNH this morning. The pair's move lower remains in line with our call (in FX Weekly) for an interim top and that moves could point for further downside. Still, key events ahead, including G7 leaders' summit 8-9 Jun; Trump-Kim summit in Singapore on 12 Jun; ECB and FOMC meeting on 14 Jun could slow further downside ahead. Last seen around 1.3315-levels. Momentum on the daily chart is increasing bullish with stochastics fast approaching oversold conditions. Support around 1.33-levels, 1.3250 levels (50% fibo retracement of the Jan-May rally). Resistance at 1.3380 levels (23.6% fibo). Biased is still for further downside. Foreign reserves (May) is on tap later today.

- **AUDSGD - *Bullish Bias*.** Cross is pressing against the 100-dma and was last seen around 1.0200. Given the higher lows in the past 3 sessions, we think risks are to the upside. MACD forest is indicating rising bullish momentum. Break of the 1.0220 (100-dma) could open the way towards 1.0300 (50% Fibonacci retracement of the Jan-Apr sell off). Support at 1.0120. 21-dma remains on the upmove and crossed above the 50-dma. The 21-dma could continue to move higher to cut the 100-dma and 200-dma, bullish signals. Worth noting that this cross is typically negatively correlated with the USD. Continue to add longs.

- **SGDMYR - *Interim Upside Risks*.** SGDMYR continue to inch slightly higher this morning amid divergence in performance. SGD outperformed while MYR weakened. Move higher in consistent with our caution for interim upside risks. Cross was last seen at 2.9860 levels. Daily momentum is mild bullish while stochastics is rising into near overbought conditions. Next resistance at 2.9880 (50% fibo retracement of 2018 high to low) before 3.0020 961.8% fibo). Reiterate interim upside risks. Support at 2.96 (21, 50 DMAs), 2.93 levels.

- **USDMYR - *Bearish Bias*.** USDMYR rose despite decline in other USD/AXJs. Slight decline in oil prices and the overnight selloff in BRL may have partially contributed to the softness in MYR. Pair was last seen at 3.9780 levels. Daily momentum is mild bearish while stochastics is falling from overbought conditions. Downside risks remain. Support seen at 3.9620 (23.6% fibo retracement of Mar low to May high). Resistance at 4.00. Suggest 3.97 – 3.9850 range intra-day.

- **1m USDKRW NDF - *Stay Short*.** 1m USDKRW NDF remains near recent lows amid an environment of supported risk sentiment, "feel good" factor emanating from confirmed Summit between US and North Korea in Singapore on 12th Jun amid USD softness. Pair was last seen at 1067 levels. Daily momentum is bearish bias while stochastics is falling. Further downside play not ruled out. Support at 1064 before 1060. Resistance at 1072 (50 DMA), 1075.

- **USDCNH - *Bearish Divergence*.** USDCNH was drawn lower towards the 21-dma like a magnet (as what we had warned yesterday) and was last seen around 6.3800. This level could be a tentative support. We are more convinced of the bearish divergence on this pair that we see vis-à-vis the MACD forest. MACD has also turned bearish. This pair could head towards the 6.3340. Latest development from the US-China trade talks is that China had offered to buy an additional U$25bn of US goods in 2018, possibly stepping up purchases of farm products, crude oil and coal if the US does not impose the tariffs (BBG). The US had said that the final list of Chinese imports to be taxed could be out on 15 Jun. Resistance at 6.42 before 6.4323 (30 May high). **PBoC fixed the USDCNY reference rate at 6.3919, 121 pips lower than the previous 6.4040. CNYMYR was fixed at 0.6217, 14 pips higher than the previous 0.6203. EURCNY was fixed 244 pips higher at 7.5316 vs. the previous at 7.5072.** Week ahead has FX reserves number on Thu, trade data on Fri and CPI, PPI for May on Sat.

- **1m USDINR NDF - *RBI hikes*.** This pair slipped after RBI decided to hike yesterday (in line with our out-of-consensus call), last seen around 67.35. RBI raised repo rate by 25bps to 6.25% and reverse repo by the same to 6.00%. We had seen compelling reasons that they should move in order to stay ahead of the curve given the fact that the latest CPI and WPI prints have surprised to the upside. The persistent rise in crude for much of the past few months have likely fanned price pressures and this is compounded by the weakness in the rupee. The strong Q1 GDP also allowed room for RBI to move and the central bank even pointed out that the output gap has “almost closed” and that could add pressure to inflation. Moving today can support the rupee and curb inflation. Even though RBI did not commit to a tightening cycle, global environment and domestic conditions could still be positive for the rupee. On the technical chart, MACD is bearish and stochs are also heading lower. We continue to look for the 1M USDINR NDF to head lower towards 66.70 and a break could possibly open the way towards the 66-figure, our end-June forecast.

- **1m USDIDR NDF - *Range-Trades*.** 1m USDIDR NDF is trading bid this morning after slipping lower overnight amid concerns that EM risks could re-emerge this time from Brazil. Indonesia is proned to EM risks still due to its twin deficit. That said, 1m NDF continues to hover in familiar ranges for the past few sessions, helped by the lingering effects from BI’s move to hike rates amongst other measures to be taken to address the currency weakness and impact of rate hike. At the same time, hawkish comments by BI governor Perry Warjiyo in his press interview with Bloomberg that the central bank was prepared to hike rates again depending on financial and economic developments should also keep the IDR supported. He reaffirmed that capital control will not be imposed but instead will conduct “foreign flow management”. He also addressed the issue of the current account deficit, indicating that the BI is formulating structural reforms for this that will be passed on to the government. All of these should effectively stemmed speculations against the IDR and limit upside to the 1m NDF. Positive risk sentiment in the region also helps. Foreign investors are once again showing interest in Indonesian assets. They had purchased USD85.3mn of debt on 5 Jun (latest data available) and had likely also bought debt yesterday. They had however sold USD36.1mn in equities yesterday. Further net foreign portfolio investment inflows should weigh on the 1m NDF intraday and cap upside. Spot USDIDR gapped mildly higher at the opening to 13868 this morning from yesterday's close of 13853 amid higher UST yields. Last seen around 13913-levels. Bearish bias on the daily chart remains intact but waning, while stochastics remains in oversold conditions. 1m NDF though remains pressured to the downside given the strong bearish momentum with the 1m NDF likely to remain in range-trades for now. Look for topside to be capped around 13950 (38.2% fibo retracement of the Jan-May upswing). Support around 13820 (50% fibo, 100DMA). JISDOR was fixed at 13875 yesterday, 12bp lower than the fixing on Tue. Remaining week has forex reserves (May) on Fri.

- **1m USDPHP NDF - *Bias Still To The Downside*.** 1m USDPHP NDF trades little changed this morning after climbing higher overnight amid higher UST yields and USD. Still risk could be to the upside given re-emerging EM risks from Brazil. PHP appears supported by expectations the BSP could hike policy rate again at its 21 Jun policy meeting to anchor inflationary expectations. Foreign investors sold off USD0.3mn in equities yesterday, mildly supportive of the 1m NDF. Further sell-off though could keep the 1m NDF supported intraday. Last seen around 52.54-levels, pair has lost most of its bullish momentum and stochastics is falling from overbought conditions. This suggests potential retracement risks ahead, though the grind lower could be gradual given re-emergence of EM risks. Support around 52.45 levels (76.4% fibo retracement of the Feb-May downswing). Resistance at 52.70 levels. Trade (Apr) is on tap tomorrow.

- **USDTHB - *Eyeing Breakout*.** USDTHB is trading softer this morning amid softer USD tone. Pair has been trades lower amid softer USD. Supportive of the THB was the foreign inflows into Thai debt yesterday. Foreign investors had purchased USD460.8mn in debt, more than offsetting their sell-off of USD29.5n in equities. Further net foreign portfolio inflows should weigh on the pair intraday. Pair was last seen around 31.875-levels. Daily momentum indicators and stochastics shows mild bearish bias. Pair has been attempting to break support-level around 31.875-levels (38.2% fibo retracement of the Mar-May rally) which is also the neckline of the head-and-shoulder pattern that has formed. A clear break of the neckline exposes the next support level around 31.725-levels (50% fibo), 31.575-levels (61.8% fibo). Resistance remains around 32.060-levels (23.6 fibo). Foreign reserves (1 Jun) is on tap Fri.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ11/21	1.97	1.97	-
5YR MI4/23	2.29	2.30	+1
7YR MK3/25	2.57	2.58	+1
10YR MS6/28	2.84	2.86	+2
15YR MT11/33	2.88	2.89	+1
20YR MX4/37	2.95	2.96	+1
30YR MZ3/46	1.97	1.97	-
IRS	2.29	2.30	+1
6-months	2.57	2.58	+1
9-months	2.84	2.86	+2
1-year	2.88	2.89	+1
3-year	2.95	2.96	+1
5-year	1.97	1.97	-
7-year	2.29	2.30	+1
10-year	2.57	2.58	+1

Source: Maybank KE
**Indicative levels*

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- SGD rates traded rangebound as US Treasuries also moved sideways during Asian trading hours. Onshore dealers remained cautious amid some positive risk sentiment. SGS yields and SGD IRS rates closed higher by 1-2bps.

- Asian credit space generally traded on a firmer tone, with IG credits unchanged to 2bps tighter in spreads amid the movement in UST. Nonetheless, liquidity was low. Indonesia sovereign cash bonds declined in price, while in the Malaysian space, there was some selling on long end PETMK bonds which were dealt 3-5bps wider.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.95	1.97	+2
5YR	2.29	2.29	-
10YR	2.57	2.57	-
15YR	2.84	2.84	-
20YR	2.87	2.88	+1
30YR	2.95	2.95	-

Source: Maybank KE

- SGD rates inched higher about 1bp at the open. Selling interest was noted in the 20y SGS benchmark as dealers start to adjust positions ahead of the reopening auction month end. Short dated forwards traded right, exerting upward pressure on front end yields which was reflected in the higher cut off of 1.90% for 12w MAS bill auction. But SGD IRS later declined with keen interest in the 5y rate and ended roughly 1bp down. SGS yields mostly unchanged except +2bps at the 2y and +1bp at the 20y point.

- Asian credit market continued to trade with a slightly weak sentiment. Indonesia sovereign cash bonds lowered in price on the back of better selling. DBS' new bonds outperformed, last at 8bps tighter than print levels. Elsewhere, China IG space was mostly quiet with trading volume relatively limited.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.75	6.77	1.22
5YR	6.81	6.83	2.64
10YR	7.06	7.17	11.14
15YR	7.47	7.55	8.29
20YR	7.56	7.61	4.31
30YR	8.10	8.10	-

** Source: IBPA, Bloomberg, Maybank Indonesia*

- Indonesia bond market closed with a daily loss ahead of Eid Al Fitr holiday. All IndoGB series yield moved higher along the yield curve. As we expected (in our Fixed Income Monthly report), ahead of the long holiday bid-ask spread may start to widen while liquidity may decline as most of the IndoGB participant have started their holiday. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.835%, 7.170%, 7.554% and 7.607% while 2y yield moved higher to 6.767%. During the day, FR0070 (6y) yield increased the most by 25bps. Trading volume at secondary market was noted heavy at government segments amounting Rp22,380b with FR0065 (15y benchmark series) as the most tradable bond. FR0065 total trading volume amounting Rp2,980b with 145x transaction frequency.

- Foreign ownership stood at Rp837.2t or 38.2% of total tradable government bond as of Jun 5th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp9.9t from begin month of May 18.

- Corporate bond traded heavy amounting Rp1,620b. ASDF04ACN1 (Shelf Registration IV Astra Sedaya Finance Phase I Year 2018; A serial bond; Rating: $AAA_{(idn)}$) was the most actively traded corporate bond with total trading volume amounted Rp315b yielding 6.017%.

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Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1844	110.57	0.7716	1.3474	6.4073	0.7078	130.6267	85.1047
R1	1.1809	110.37	0.7692	1.3444	6.3924	0.7056	130.1833	84.7943
Current	1.1791	110.06	0.7658	1.3431	6.3829	0.7043	129.7700	84.2780
S1	1.1726	109.88	0.7628	1.3382	6.3695	0.7015	128.9433	83.8833
S2	1.1678	109.59	0.7588	1.3350	6.3615	0.6996	128.1467	83.2827

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3362	n/a	13908	52.5613	32.0193	1.5767	0.6277	2.9897
R1	1.3343	n/a	13880	52.5087	31.9667	1.5728	0.6249	2.9848
Current	1.3320	3.9780	13867	52.4700	31.8840	1.5706	0.6225	2.9867
S1	1.3311	n/a	13832	52.3597	31.8597	1.5630	0.6179	2.9758
S2	1.3298	n/a	13812	52.2633	31.8053	1.5571	0.6138	2.9717

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

Equity Indices and Key Commodities

	Value	% Change
Dow	25,146.39	1.40
Nasdaq	7,689.24	0.67
Nikkei 225	22,625.73	0.38
FTSE	7,712.37	0.33
Australia ASX 200	6,025.11	0.50
Singapore Straits Times	3,467.81	-0.44
Kuala Lumpur Composite	1,777.13	1.25
Jakarta Composite	6,069.71	-0.31
Philippines Composite	7,689.14	0.04
Taiwan TAIEX	11,201.83	0.92
Korea KOSPI	2,453.76	0.25
Shanghai Comp Index	3,115.18	0.03
Hong Kong Hang Seng	31,259.10	0.53
India Sensex	35,178.88	0.79
Nymex Crude Oil WTI	65.01	-0.79
Comex Gold	1,300.60	0.02
Reuters CRB Index	199.01	-0.09
MBB KL	9.59	-0.62

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5181	Oct-18	Modest and Gradual Appreciation
BNM O/N Policy Rate	3.25	11/7/2018	Neutral
BI 7-Day Reverse Repo Rate	4.75	28/6/2018	Tightening
BOT 1-Day Repo	1.50	20/6/2018	Tightening Bias
BSP O/N Reverse Repo	3.25	21/6/2018	Tightening Bias
CBC Discount Rate	1.38	21/6/2018	Neutral
HKMA Base Rate	2.00	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.25	1/8/2018	Tightening
BOK Base Rate	1.50	12/7/2018	Tightening
Fed Funds Target Rate	1.75	14/6/2018	Tightening
ECB Deposit Facility Rate	-0.40	14/6/2018	Easing Bias
BOE Official Bank Rate	0.50	21/6/2018	Neutral
RBA Cash Rate Target	1.50	3/7/2018	Neutral
RBNZ Official Cash Rate	1.75	28/6/2018	Neutral
BOJ Rate	-0.10	15/6/2018	Easing
BoC O/N Rate	1.25	11/7/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	237	3.292	3.292	3.193
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	12	3.423	3.423	3.351
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	100	3.401	3.401	3.401
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	20	3.464	3.529	3.464
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	53	3.588	3.593	3.547
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	92	3.653	3.675	3.653
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	88	3.724	3.775	3.724
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	28	3.793	3.814	3.773
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	2	3.787	3.787	3.787
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	19	3.706	3.734	3.697
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	33	3.895	3.895	3.866
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	1	3.927	3.927	3.927
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	76	3.908	3.926	3.908
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	20	3.943	4.027	3.943
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	16	4.152	4.18	4.143
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	21	4.158	4.158	4.149
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	29	4.245	4.293	4.245
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	8	4.326	4.326	4.326
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	27	4.291	4.291	4.289
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	90	4.195	4.195	4.195
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	5	4.664	4.669	4.63
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	12	4.707	4.707	4.691
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	80	4.752	4.752	4.752
MGS 3/2018 4.642% 07.11.2033	4.642%	7-Nov-33	20	4.623	4.623	4.623
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	13	4.846	4.905	4.846
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	35	4.909	4.934	4.897
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	200	3.304	3.304	3.304
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	92	3.927	3.936	3.919
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	270	4.022	4.03	4.016
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	1	4.297	4.297	4.297
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	4	4.365	4.432	4.365
Total			**1,707**			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PTPTN IMTN 4.670% 28.03.2024	GG	4.670%	28-Mar-24	50	4.458	4.471	4.458
PRASARANA SUKUK MURABAHAH 4.00% 06.09.2027 - T2	GG	4.000%	6-Sep-27	50	4.585	4.593	4.585
DANAINFRA IMTN 4.580% 31.10.2028 - Tranche No 11	GG	4.580%	31-Oct-28	60	4.691	4.7	4.689
PLUS BERHAD IMTN 4.080% 11.01.2019 - Series 1 (3)	AAA IS	4.080%	11-Jan-19	30	4.049	4.083	4.049
TNB WE 5.320% 28.07.2028 - Tranche 9	AAA IS	5.320%	28-Jul-28	10	4.799	4.801	4.799
TNB WE 5.370% 30.07.2029 - Tranche 11	AAA IS	5.370%	30-Jul-29	20	4.849	4.851	4.849
EKVE IMTN 5.950% 28.01.2033	AAA (BG)	5.950%	28-Jan-33	2	5.091	5.091	5.091
TMSB Senior Sukuk Murabahah 22.10.2032(Tranche 11)	AA1	5.500%	22-Oct-32	15	5.009	5.012	5.009
TMSB Senior Sukuk Murabahah 21.10.2033(Tranche 12)	AA1	5.600%	21-Oct-33	15	5.099	5.101	5.098
TMSB Senior Sukuk Murabahah 23.10.2034(Tranche 13)	AA1	5.750%	23-Oct-34	15	5.189	5.191	5.188
TMSB Senior Sukuk Murabahah 23.10.2035(Tranche 14)	AA1	5.900%	23-Oct-35	15	5.319	5.322	5.319
SEGI ASTANA MTN 1824D 06.1.2023	AA-	5.200%	6-Jan-23	5	5.227	5.227	5.227
BGSM MGMT IMTN 5.350% 09.03.2026 - Issue No 11	AA3	5.350%	9-Mar-26	10	4.889	4.892	4.889
SPG IMTN 4.970% 30.10.2026	AA- IS	4.970%	30-Oct-26	5	4.892	4.892	4.892
SPG IMTN 5.330% 30.04.2032	AA- IS	5.330%	30-Apr-32	10	5.174	5.181	5.174
SPG IMTN 5.370% 29.10.2032	AA- IS	5.370%	29-Oct-32	20	5.208	5.212	5.208
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	10	6.497	6.507	6.497
MUDAJAYA IMTN 4.800% 23.01.2019 - Tranche 2	A2	4.800%	23-Jan-19	5	5.707	5.707	5.707
MUAMALAT IMTN 5.800% 15.06.2026	A3	5.800%	15-Jun-26	1	5.603	5.603	5.603
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	5.612	5.612	5.612
Total				**350**			

Sources: BPAM

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