

# Global Markets Daily

## Caution Ahead

### EM in Focus

Overnight sentiment was a tad jittery. The CBRT lifted policy rates by 125bps across the board, more than what market expected, causing the Lira to strengthen almost 3% (vis-à-vis the USD) after the decision before retracing to around 4.48 as we write this morning. In the meantime, the BCB did not do as well in defending its currency after its second FX intervention in 3 days failed to prevent the currency from falling another 1.4% against the greenback within the session. Despite the running headlines that warned of real, we noticed that Brazilian real was not the worst hit yesterday. Rand was. The currency was down 2.1% vs. the USD in the session.

### Risk Dampens And Cautious Trading Likely Ahead

Risk appetite was dampened overnight with UST 10y yield coming off sharply to touch a low of 2.8838% before hovering around 2.935% as we write. Apart from the pressure points in pockets of EM, there were some concerns arising from Trump's threat (not again) of a list of 300 additional sanctions against North Korea if the talks do not go well in terms of getting the dictator to denuclearize. The Summit is set on 12 Jun in Singapore. Expect some position adjustments before the weekend ahead of risk events like this apart from the G7 Leaders Summit that starts today, FOMC and ECB meeting next week and not forgetting, a risk of the US releasing the final list of Chinese imports that could be slapped with tariffs on 15 Jun. Expect market players to prefer to err on the side of caution.

### China Trade Watched

China is due to release its trade numbers today. Any upside surprise could be taken positively in the region and provide an additional buffer for EM Asian FX against the EM contagion that has been in focus. As we have stated before, we should not look at EM indiscriminately. Some are more vulnerable than the rest and that provides opportunities for relative value plays such as taking a long position in SGD, KRW (current account surplus) against PHP (current account deficit).

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.18	↑ 0.22	USD/SGD	1.3338	↑ 0.10
GBP/USD	1.3423	↑ 0.07	EUR/SGD	1.5739	↑ 0.32
AUD/USD	0.7624	↓ -0.56	JPY/SGD	1.2159	↑ 0.54
NZD/USD	0.7028	↓ -0.07	GBP/SGD	1.7904	↑ 0.18
USD/JPY	109.7	↓ -0.44	AUD/SGD	1.0167	↓ -0.49
EUR/JPY	129.43	↓ -0.24	NZD/SGD	0.9376	↑ 0.04
USD/CHF	0.9805	↓ -0.61	CHF/SGD	1.3604	↑ 0.70
USD/CAD	1.2972	↑ 0.22	CAD/SGD	1.0284	↓ -0.11
USD/MYR	3.977	↑ 0.07	SGD/MYR	2.9857	↑ 0.19
USD/THB	32.005	↑ 0.29	SGD/IDR	10418.12	↑ 0.26
USD/IDR	13875	↑ 0.16	SGD/PHP	39.4303	↑ 0.19
USD/PHP	52.51	↑ 0.10	SGD/CNY	4.797	↑ 0.05

Implied USD/SGD Estimates @ 8 Jun-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3178	1.3444	1.3711

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### G7: Events & Market Closure

Date	Ctry	Event
4 Jun	NZ	Market Closure
5 Jun	AU	RBA Meeting
8-9 Jun	G7	G7 Summit

### AXJ: Events & Market Closure

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

## G7 Currencies

- **DXY - Downside Sticky.** USD decline moderated as concerns on Emerging Markets (BRL and ZAR came under pressure) appear to show signs of return (though decline in TRY stabilised and saw gains overnight after CBRT hiked rates unexpectedly by 125bps) while Trump's comments on Summit raises uncertainty. Trump said there will be no deal if North Korea does not give up nuclear program. But he also added that he expects a "fruitful" meeting. We had highlighted that there are many events coming up over the next 5 - 10 days including G7 Leaders' Summit and Swiss referendum on Sovereign Money plan this weekend; US-North Korea Summit in Singapore on 12th Jun (risk of cancellation or no deal could weigh on sentiment); lingering trade war concerns with focus now shifting to ongoing talks between US and China which could be finalised on 15 Jun (a fallout could negatively impact sentiment and result in support for safe haven FX proxies such as JPY, CHF); EM sell-off if it intensifies or is contagion; FoMC and ECB meetings next Thu. **These events and market development could see choppy price action for the markets. A risk-off environment tends to support safe-haven plays including USD, JPY and CHF while current EM sell-off could continue to punish the weakest links (twin deficits at risk of turning worse and those heavily reliant on USD funding).** DXY was last seen at 93.45 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. For FoMC meeting (14 Jun), markets may remain cautious for fear of Fed quickening its pace of tightening. To be sure, **focus will be on the dots plot for guidance on any potential shift from 3 hikes this year to 4 hikes** (key risk to watch). Stronger US data in the past week (payrolls, personal spending, Chicago PMI, both ISM manufacturing and non-manufacturing) reinforce the case for 25bps hike at the upcoming FoMC meeting (14 Jun) but **does not necessary imply that the Fed will quicken its pace of tightening.** We believe the **current pace of normalisation remains appropriate.** The last FoMC minutes was perceived to be slightly dovish leaning. Fed is likely to monitor further data flow before committing to a quickened pace of tightening. Market positioning for Fed to quicken its pace of normalisation may be premature and disappointment could see USD ease off recent highs. Economic release for the day ahead is relatively light for US amid blackout period for Fed speaks with focus on Wholesale Trade Sales, Inventories (Apr).
- **EURUSD - Intra-day Dip Not Ruled Out.** EUR remains broadly supported on hopes of ECB possibly announcing QE exit at its Governing Council meeting next Thu. 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 (in the context of a hawkish hold). EUR was last seen at 1.1810 levels. Bullish momentum on daily chart remains intact while stochastics is rising into near overbought conditions. Next resistance at 1.1860 (38.2% fibo retracement of Apr high to May low). Support at 1.1750 (21 DMA). Could see an intra-day dip towards those levels as we head into a busy weekend.

- **GBPUSD - Range-Bound Play Ahead of Weekend.** GBP remains well supported, following the footsteps of EUR. Pair was last seen at 1.3420 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 but heading into the weekend of event risks, we favor range-bound trades between 1.3360 - 1.3460. Looking ahead 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 - Range-Trades.** USDJPY slipped to an overnight low of 109.48 amid risk-off sentiments that spurred haven asset demand. Since then, pair has rebounded slightly amid a rebound in USD yields and USD. Mildly firmer UST yields with UST yield bouncing back above the 2.94% levels is leading to a widening in the yield differential between 10Y UST and JGB yields, supportive of the pair. Also supportive of the pair is the disappointing final 1Q18 GDP print. GDP came in at -0.2% seasonally-adjusted q/q (-0.6% annualised) in the final estimates for 1Q18, the same pace as in the preliminary estimates. Market had been expecting a slightly better print but the final estimates saw household consumption printing decline of -0.1%

vs. consensus estimates of 0% that mitigated the better-than-expected business spending of 0.3% vs. consensus' +0.2%. This Still, key event risks ahead, namely G7 leaders' summit this weekend; Trump-Kim summit in Singapore on 12 Jun; ECB and FOMC meeting on 14 Jun, are capping the pair's upside. Pair was last seen around 109.76-levels, pair has lost most of its bearish momentum on the daily chart and stochastics is climbing higher. Cautious trades could see the pair trade in familiar ranges for now. Look for topside to be capped by the 200DMA around 110.20-levels. A clean break here could spur further bullish bets and expose next resistance around the 111-handle. Support around 109.30 levels before 108.80-levels (38.2% fibo retracement of the Mar-May rally, 21DMA).

- **NZD - Risk of Pullback Intra-day.** NZD rebound since late-May shows signs of wearing out. Pair was last seen at 0.7030 levels. Bullish momentum on daily chart remains intact but shows signs of waning while stochastics is rising 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 0.6980 - 0.7060 intra-day.
- **AUDUSD - Retracements.** AUDUSD swivelled within the 0.76-0.77 range. This pair was dampened at first by the narrower trade surplus recorded for Apr, at A\$977mn, vs the previous A\$1.7bn. This was released a day after GDP surprised to the upside with strong contribution from net exports and household consumption. USD also bounced on the back of safe-haven demand amid concerns on EM pressure points. These factors have negated the positive copper supply conditions that have lifted the price another 1.6% yesterday. AUDUSD is still supported by the 50-dma at 0.7605 before the next at 0.7530. Momentum on the daily chart remains rather bullish. We take heed that the stochs are in overbought conditions and with plenty of risk events ahead, AUD bulls could continue to struggle. That said, we still like to monitor the 21-dma which is on its way to cut the 50-dma to the upside. We expect upside to be an eventuality and dips against the USD remain opportunities to buy into. Resistance is seen at 0.7710. Week ahead brings Eyes are on China's trade data soon. Any improvement in the imports figure could boost the AUD.
- **USDCAD - Trade the Trend Channel.** USDCAD edged higher yesterday and was last seen around 1.2970. BoC Governor Poloz said yesterday that risks that stemmed from high consumer debt and home prices are easing even though the "vulnerabilities are expected to persist for some time". However, what really moved the USDCAD a tad higher overnight are concerns on Canada's alliance with the US. PM Trudeau had a joint press conference with France's Macron, voicing his disappointment on US' departure from the Iran deal. That could be one item on the agenda for the G7 leader summit. Noteworthy is Macron's words that "we don't mind being six" in light of the recent steel and aluminium tariff slapped on Canada and EU. On the charts, USDCAD was last seen around 1.2980. Resistance (upper bound of the upward sloping trend

channel) at 1.3070 while support is seen around 1.2890 (lower bound). One may be able to trade this range. 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 0.84% above the implied mid-point of 1.3444.** We estimate the top at 1.3178 and the floor at 1.3711.
- **USDSGD - *Holding Pattern.*** After trading lower for the past few sessions, USDSGD appears to be in a holding pattern ahead of key risk events, including G7 leaders' summit 8-9 Jun; Trump-Kim summit in Singapore on 12 Jun; ECB and FOMC meeting on 14 Jun. In addition, EM risks emanating from Brazil could impact some of its regional peers and spur quasi-safe haven assets in SGD assets, putting downside pressure on the pair. Also supportive of the SGD is the strong foreign reserves, which rose to USD287.92bn in May. Last seen around 1.3331-levels. Momentum on the daily chart remains bearish bias with stochastics now at oversold conditions. Support is around 1.3306-levels (38.2% fibo retracement of the Jan-May rally), 1.3250 levels (50% fibo). Resistance at 1.3380 levels (23.6% fibo). Biased is still for further downside.
- **AUDSGD - *Some retracements ahead.*** Similar to our view for the AUD, we are also looking for AUDSGD to head a bit lower with some signs of bearish divergence here. Even so, we expect dips to be rather shallow. A 50% Fibonacci retracement could bring this cross towards 1.0100. A 38.2% retracement brings this cross easily towards the 21-dma around 1.0130. The week ahead could represent the last chance to buy as we anticipate some USD strength into FOMC. Again, reminder that this cross is typically negatively correlated with the USD. Expect some market players to bet on a shift in the dots plot, for a number of reasons - stronger US data warrants aggressive tightening? Or to prevent the yield curve for tightening? In any case, a more aggressive tightening is not our baseline scenario and that is why we think this cross could head higher beyond the FOMC meeting. We are basing this on Fed's speaks as well as technical signals where the 21-dma remains on the upmove to cut the 100-dma and 200-dma to the upside, bullish signals.
- **SGDMYR - *Interim Upside Risks.*** SGDMYR continue to inch higher this morning amid divergence in performance - SGD outperformed while MYR weakened. Move higher remains 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 - *Range-Bound.*** USDMYR was a touch firmer amid sell-off in BRL and ZAR (fears of EM sell-off returning). Pair was last seen at 3.98 levels. Daily momentum is mild bearish while stochastics is showing signs of turning. Support 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 - *Turn Neutral***. 1m USDKRW NDF rebounded off recent lows of 1065 following softer sentiment arising out of the recent sell-off in other EM FX (BRL and ZAR) and recent comments from Trump on the Summit. He said there will be no deal if North Korea does not give up nuclear program. But he also added that he expects a “fruitful” meeting. Pair was last seen at 1070 levels. Bearish momentum is showing signs of waning. Support at 1064 before 1060. Resistance at 1072 (50 DMA), 1075. Suggest range of 1065 - 1075 with bias to stay neutral in terms of positioning heading into the weekend.
- **USDCNH - *21-dma intact***. USDCNH bounced from the 21-dma, a tentative support and was last seen around 6.3910. 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. However, given our view for next week which is mild USD resurgence into FOMC, this pair could still see another move higher before making the next move down. Resistance is seen around 6.4320. Support around 6.3794 (21-dma) before 6.3570 and 6.3340. Eyes are on the US which had threatened with a final list of Chinese imports to be taxed, out by 15 Jun. **PBoC fixed the USDCNY reference rate at 6.4003, 84 pips higher than the previous 6.3919. CNYMYR was fixed at 0.6217 steady from the previous. EURCNY was fixed 180 pips higher at 7.5496 vs. the previous at 7.5316.** FX reserves came out a tad higher than expected at U\$3.11bn, easing from previous U\$3.12bn in line with our expectations that the fall in the EUR had some significant valuation impact on the total FX reserves and that yuan weakness also likely cause some of the deterioration in the reserves.
- **1m USDINR NDF - *EM pressure***. This pair rebounded this morning, last seen around 67.70. Rupee was weighed by concerns on EM. Retracements ahead amid jittery risk sentiments. Resistance at 67.90. Support around 66.99 (50-dma). MACD is losing bearish momentum and stochs are turning higher from oversold conditions. Week ahead could see some upsides towards 68.40. That could continue until FOMC meeting and ECB meeting. Expect USDINR to come down after that. On the day of RBI hike, foreign investors added U\$2.8mn of equities and sold U\$4.5mn of bonds.
- **1m USDIDR NDF - *Mildly Bearish Bias Ahead Of “Golden Week” Holidays***. 1m USDIDR NDF climbed backed above the 14000-handle overnight to 14009 amid concerns over the impending G7 leaders’ summit this weekend and re-emergence of emerging market (this time from Brazil). The rise in oil prices has also re-focused attention on to its twin deficits. Elevated oil prices are putting a greater financial burden on the government’s fiscal position on higher subsidies on fuel as well as weigh on its external balances. Weakness in the current account as well as fiscal account should continue to put upside pressure on the 1m NDF. Since then, some reversal is taking place possibly on profit-taking activities ahead of its “Golden Week” onshore markets closure starting Mon (and which re-open on 20 Jun). Though Indonesia remained vulnerable to higher oil prices and emerging market rise (due to their twin deficits), lingering

effects of the recent rate hike has stemmed speculations against the IDR somewhat and limited the upside to the 1m NDF. Positive risk sentiment in the region also helps and this is reflected in the interest foreign investors are showing in Indonesian assets. They had purchased USD94.0mn of debt on 6 Jun (latest data available). Equities though continued to be sold off with USD7.1mn sold yesterday. Further net foreign portfolio investment inflows should weigh on the 1m NDF intraday. Spot USDIDR gapped higher at the opening to 13887 this morning from yesterday's close of 13875 amid emerging market risk concerns. Last seen around 13996-levels. Bearish bias on the daily chart remains intact but waning, while stochastics shows tentative signs of turning higher from oversold conditions. Support is seen around 13950 (38.2% fibo retracement of the Jan-May upswing) before 13820 (50% fibo, 100DMA). Resistance around 14080 levels (21DMA). JISDOR was fixed at 13868 yesterday, 7bp lower than the fixing on Wed. Forex reserves (May) is on tap later today.

- **1m USDPHP NDF - *Potential Upside Risks.*** 1m USDPHP NDF continues to trade higher amid concerns over the impending G7 leaders' summit this weekend and re-emergence of emerging market from Brazil. In addition, 1m NDF was supported by the slippage in exports in Apr, which fell by 8.5% y/y vs. Mar's 6.8% - the largest drop since Jul 2016. Imports rose 22.2% y/y in Apr (up from 0.1% in Mar) and this together with declining exports saw the trade deficit widening to USD8.73bn in Apr from USD8.13bn in Mar. This should widen the current account deficit and put downside pressure on the PHP. Even expectations of a further BSP rate hike at its 21 Jun policy meeting to anchor inflationary expectations is failing to stem the sell-off in the PHP. This is reflected in the persistent sell-off of equities by foreign investors, who sold USD9.3mn in equities yesterday. Further sell-off though should keep the 1m NDF supported intraday. Spot USDPHP gapped higher at the opening to 52.560 this morning from yesterday's close of 52.510 amid emerging market risk concerns. Last seen around 52.88-levels, pair has lost most of its bullish momentum and stochastics climbing higher. This suggests risks could be turning to the upside ahead. Resistance is around the 53-handle ahead of 53.10-levels. Support around 52.60 levels (21DMA) before 52.45 (76.4% fibo retracement of the Feb-May downswing). Trade (Apr) is on tap tomorrow.
- **USDTHB - *Range.*** USDTHB climbed higher overnight amid global risk concerns over the upcoming G7 leaders' summit and emerging market risk led by Brazil. Pair though as eased from its intraday high of 32.028 to trade back below the 32-handle. THB is likely to find further support from net foreign portfolio inflows. Yesterday foreign investors purchased USD76mn in equities that were more than offset by the USD108mn in debt purchased. Pair was last seen around 31.999-levels. Momentum on the daily chart remains bearish bias but waning, while stochastics shows tentative signs of turning higher. Support is around 31.875-levels (38.2% fibo retracement of the Mar-May rally). Resistance around 32.060-levels (23.6 fibo). Foreign reserves (1 Jun) is on tap later today.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ11/21	3.71	3.71	Unchanged
5YR MI4/23	3.84	*3.84/81	Not traded
7YR MK3/25	4.03	*4.05/02	Not traded
10YR MS6/28	4.19	4.20	+1
15YR MT11/33	4.62	*4.63/60	Not traded
20YR MX4/37	4.90	4.89	-1
30YR MZ3/46	4.93	4.91	-2
<b>IRS</b>			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.75	3.75	-
3-year	3.82	3.81	-1
5-year	3.88	3.90	+2
7-year	3.98	3.99	+1
10-year	4.14	4.15	+1

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Source: Maybank KE

\*Indicative levels

- Yesterday's 20y MGS 6/38 drew decent bids and an average yield of 4.893%. After auction, there was no activity on the new bond as bid/offers remained wide in the quiet market. Government bonds market may continue to be lukewarm while awaiting the US FOMC meeting next week and more stability in the domestic political landscape. External reserves fell by USD1b MoM to USD108.5b as at end-May 2018, still able to cover 1.1x of short term external debt.
- IRS rates opened higher after global bond markets were spooked by ECB's hawkish rhetoric. A decent govvy auction and better bidding of local bonds in the afternoon helped anchor IRS rates, which largely ended 1-2bps higher. No IRS traded, and 3M KLIBOR stood at 3.69%.
- Activity picked up significantly in corporate bonds market, with buying seen in long end GG and AAA credits which traded 1bp tighter. The belly sector, however, saw mild selling and mostly widened 1bp. Outperformer was Prasarana 2047 which traded 3bps tighter at 5.21% on the back of real money buying. Front end of credit curves were largely well supported and unchanged.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.97	1.97	-
5YR	2.30	2.32	+2
10YR	2.58	2.60	+2
15YR	2.86	2.87	+1
20YR	2.89	2.90	+1
30YR	2.96	2.97	+1

Source: Maybank KE

- SGS yields started 1-3bps higher in line with the rise in SGD IRS, but recovered as dealers bought into the dip. Lower USDSGD spot and stable short dated forwards also lent support to SGS, which had good 2-way interest. But as UST yields rose back up with the 10y yield nearing 3.00% again, SGD IRS climbed further to end 1-3bps higher. SGS yield curve flattened, up 2bps around the belly and 1bp from 15y onwards. Swap spreads generally widen 1bp.
- Slight spread tightening in Asian credits sparked some buying interest with China O&G and financial names being the most sought after. Buyers also returned for AUD FRNs from the usual Big 4 banks given tighter spreads of 1-2bps. In sovereign space, INDON cash bonds were slightly lower in price.

## 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

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- Indonesia bond market closed with a daily loss on Thursday trading session ahead of the long holiday, rising UST 10y yield and ECB taper signal. Despite there were more negative sentiment during the day, Indonesia May 18 retail sales data was released which rose by 4.4% yoy. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.860%, 7.212%, 7.596% and 7.626% while 2y yield moved higher to 6.820%. During the day, FR0070 (6y) yield decline the most by 4bps while FR0036 (1y) yield increased the most by 12bps. Trading volume at secondary market was noted heavy at government segments amounting Rp18,219b with FR0059 (9y) as the most tradable bond. FR0059 total trading volume amounting Rp2,472b with 31x transaction frequency.
- Foreign ownership stood at Rp838.5t or 38.2% of total tradable government bond as of Jun 6<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp1.3t from begin month of Jun 18.
- Corporate bond traded heavy amounting Rp1,647b. PNMP02ACN2 (Shelf Registration II PNM Phase II Year 2018; A serial bond; Rating: idA) was the most actively traded corporate bond with total trading volume amounted Rp564b yielding 7.994%.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1871	110.54	0.7697	1.3522	6.4026	0.7070	130.6433	84.9920
R1	1.1836	110.12	0.7660	1.3472	6.3961	0.7049	130.0367	84.3080
<b>Current</b>	<b>1.1802</b>	<b>109.76</b>	<b>0.7618</b>	<b>1.3420</b>	<b>6.3942</b>	<b>0.7023</b>	<b>129.5400</b>	<b>83.6060</b>
S1	1.1769	109.38	0.7600	1.3373	6.3790	0.7015	129.0667	83.1690
S2	1.1737	109.06	0.7577	1.3324	6.3684	0.7002	128.7033	82.7140

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3363	n/a	13897	52.6227	32.1217	1.5810	0.6277	2.9919
R1	1.3351	n/a	13886	52.5663	32.0633	1.5774	0.6249	2.9888
<b>Current</b>	<b>1.3339</b>	<b>3.9810</b>	<b>13905</b>	<b>52.7110</b>	<b>32.0100</b>	<b>1.5743</b>	<b>0.6225</b>	<b>2.9847</b>
S1	1.3317	n/a	13862	52.4193	31.9043	1.5695	0.6186	2.9815
S2	1.3295	n/a	13849	52.3287	31.8037	1.5652	0.6150	2.9773

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

## Equity Indices and Key Commodities

	Value	% Change
Dow	25,241.41	0.38
Nasdaq	7,635.07	-0.70
Nikkei 225	22,823.26	0.87
FTSE	7,704.40	-0.10
Australia ASX 200	6,057.29	0.53
Singapore Straits Times	3,473.08	0.15
Kuala Lumpur Composite	1,785.81	0.49
Jakarta Composite	6,106.70	0.61
Philippines Composite	7,803.31	1.48
Taiwan TAIEX	11,251.75	0.45
Korea KOSPI	2,470.58	0.69
Shanghai Comp Index	3,109.50	-0.18
Hong Kong Hang Seng	31,512.63	0.81
India Sensex	35,463.08	0.81
Nymex Crude Oil WTI	65.95	1.45
Comex Gold	1,301.30	0.05
Reuters CRB Index	199.49	0.24
MBB KL	9.87	2.92

## 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	122	3.292	3.292	3.216
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	4	3.417	3.417	3.378
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	12	3.43	3.43	3.43
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	7	3.503	3.503	3.503
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	16	3.59	3.671	3.59
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	7	3.697	3.697	3.697
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	32	3.837	3.907	3.837
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	5	3.934	3.934	3.934
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	21	3.997	3.997	3.98
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	2	4.15	4.15	4.134
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	2	4.131	4.131	4.131
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	20	4.232	4.232	4.232
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	30	4.312	4.312	4.312
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	20	4.625	4.625	4.625
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	44	4.693	4.693	4.692
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	4	4.897	4.897	4.897
MGS 4/2018 08.06.2038	4.893%	8-Jun-38	383	4.886	4.905	4.878
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	11	4.908	4.935	4.908
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	1	3.715	3.715	3.715
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	13	3.938	3.938	3.938
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	20	3.961	3.966	3.961
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	20	4.018	4.018	4.018
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	20	4.173	4.173	4.168
GII MURABAHAH 2/2018 31.10.2028	4.369%	31-Oct-28	110	4.332	4.332	4.326

<b>Total</b>			<b>925</b>			
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Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
BPIMB RM500 Million 7.500% 30.10.2025	GG	7.500%	30-Oct-25	8	4.535	4.54	4.535
DANAINFRA IMTN 4.500% 16.11.2027 - Tranche No 69	GG	4.500%	16-Nov-27	10	4.658	4.665	4.658
DANAINFRA IMTN 4.800% 31.10.2033 - Tranche No 12	GG	4.800%	31-Oct-33	6	4.968	4.969	4.968
DANAINFRA IMTN 5.140% 22.07.2039 - Tranche No 24	GG	5.140%	22-Jul-39	50	5.121	5.121	5.12
LPPSA IMTN 4.900% 21.09.2046 - Tranche No 6	GG	4.900%	21-Sep-46	10	5.25	5.26	5.25
PRASARANA SUKUK MURABAHAH 5.23% 13.09.2047 - S6	GG	5.230%	13-Sep-47	20	5.205	5.205	5.204
CAGAMAS IMTN 3.780% 08.08.2018	AAA	3.780%	8-Aug-18	50	3.611	3.611	3.611
CAGAMAS MTN 4.200% 22.10.2018	AAA	4.200%	22-Oct-18	5	3.756	3.756	3.756
PLUS BERHAD IMTN 4.080% 11.01.2019 - Series 1 (3)	AAA IS	4.080%	11-Jan-19	10	4.092	4.092	4.066
GB SERVICES MTN 3651D 08.11.2019 - MTN 1	AAA (S)	5.300%	8-Nov-19	8	4.488	4.497	4.488
AMAN IMTN 4.780% 30.05.2024 - Tranche No 34	AAA IS	4.780%	30-May-24	5	4.606	4.608	4.606
AMAN IMTN 4.220% 07.03.2025 - Tranche No 29	AAA IS	4.220%	7-Mar-25	3	4.647	4.648	4.647
PLUS BERHAD IMTN 4.800% 12.01.2027 - Series 1 (11)	AAA IS	4.800%	12-Jan-27	3	4.728	4.73	4.728
PLUS BERHAD IMTN 4.960% 12.01.2029 - Series 1 (13)	AAA IS	4.960%	12-Jan-29	3	4.832	4.834	4.832
RANTAU IMTN 0% 26.03.2029 - MTN 6	AAA (S)	5.200%	26-Mar-29	6	4.778	4.779	4.778
DANGA IMTN 5.020% 21.09.2033 - Tranche 9	AAA (S)	5.020%	21-Sep-33	20	5	5.001	4.999
SAMALAJU IMTN 5.55% 28.12.2028 - Issue No. 6	AA1 (S)	5.550%	28-Dec-28	20	5.138	5.142	5.138
NGISB MTN 5477D 27.8.2032 (SERIES 13)	AA1	5.400%	27-Aug-32	5	5.241	5.241	5.241
IMTIAZ II IMTN 4.600% 22.03.2019	AA2 (S)	4.600%	22-Mar-19	5	4.343	4.357	4.343
ANIH IMTN 5.22% 29.11.2022 - Tranche 9	AA IS	5.220%	29-Nov-22	1	4.65	4.653	4.65
JEV IMTN 0% 12.05.2020	AA3	9.300%	12-May-20	4	4.425	4.436	4.425
JEV IMTN 0% 12.05.2020	AA3	9.000%	12-May-20	1	4.42	4.438	4.42
IJM IMTN 4.850% 09.04.2021	AA3	4.850%	9-Apr-21	2	4.585	4.589	4.585
GAMUDA IMTN 4.620% 23.04.2021	AA3	4.620%	23-Apr-21	3	4.621	4.625	4.621
IJM IMTN 4.830% 10.06.2022	AA3	4.830%	10-Jun-22	4	4.692	4.695	4.692
KESTURI IMTN 4.75% 02.12.2027 - IMTN 9	AA- IS	4.750%	2-Dec-27	20	4.908	4.911	4.908
UMWH Perpetual Sukuk Musharakah 6.35% - Tranche 1	A1	6.350%	20-Apr-18	2	6.048	6.049	6.048
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	5.607	5.607	5.607
<b>Total</b>				<b>285</b>			

Sources: BPAM

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