

Global Markets Daily

Partial Deal in Sight?

A Washington Accord?

News that US is considering a currency pact as part of a partial deal with China and Trump to allow some US companies to supply Huawei reignited risk-on sentiment. Most currencies including CNH, KRW, AUD rose at the expense of a softer USD. Focus today remains on the outcome of US-China trade talks. The idea of a currency pact reconciles with the inclusion of PBoC Governor in Liu He's entourage to Washington. No detail is available at this point beyond considerations of a currency pact and what does that entails. Possibly it may include CNY as a steady anchor, limiting USD gains. Even though there are hopes for a partial deal, details remain sketchy as senior level officials from both sides will only meet later today. Sceptics could still keep bulls leashed in the interim. Question remains if tariff on 15th Oct could be rolled back or suspended. As such pending outcome, we still look for range-bound trades with bias to lean against USD strength.

China - Significant Compromise

News of Huawei and currency pact was released together with the strong fix, underscores the fact that PBoC is in to give a strong guidance for the CNY as a potential pact with the US could be at hand. Overnight, China is said to be open to a partial deal that includes no additional tariffs (including Oct tariff hike and another round of tariff in mid-Dec) imposed. This is quite a significant compromise vs. its earlier request for a partial rollback. In return, the official said that China would purchase additional agricultural products.

FoMC Minutes in Focus

Focus today on US CPI (Sep); Fed's Mester, Bostic, Kashkari speak; ECB meeting Minutes; German trade, current account (Aug); UK Monthly GDP, IP, Construction output, Trade (Aug).

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.0971	↑ 0.13	USD/SGD	1.3808	↓ -0.12
GBP/USD	1.2206	↓ -0.11	EUR/SGD	1.5149	↔ 0.00
AUD/USD	0.6725	↓ -0.04	JPY/SGD	1.2849	↓ -0.48
NZD/USD	0.6293	↓ -0.08	GBP/SGD	1.6855	↓ -0.23
USD/JPY	107.48	↑ 0.36	AUD/SGD	0.9286	↓ -0.17
EUR/JPY	117.93	↑ 0.51	NZD/SGD	0.869	↓ -0.20
USD/CHF	0.9959	↑ 0.32	CHF/SGD	1.3866	↓ -0.41
USD/CAD	1.3333	↑ 0.06	CAD/SGD	1.0356	↓ -0.18
USD/MYR	4.1965	↑ 0.11	SGD/MYR	3.0392	↑ 0.04
USD/THB	30.339	↓ -0.21	SGD/IDR	10263.25	↓ -0.01
USD/IDR	14173	↑ 0.08	SGD/PHP	37.4891	↓ -0.05
USD/PHP	51.767	↑ 0.03	SGD/CNY	5.1656	↓ -0.04

Implied USD/SGD Estimates at 10-Oct-19, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3676	1.3955	1.4234

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G7: Events & Market Closure

Date	Ctry	Event
7 Oct	AU	Market Closure
10 - 11 Oct	US, China	High-level trade talks in Washington

AXJ: Events & Market Closure

Date	Ctry	Event
7 Oct	CH	Market Closure
7 Oct	HK	Market Closure
8 Oct	IN	Market Closure
9 Oct	SK	Market Closure
10 - 11 Oct	TW	Market Closure

G7 Currencies

- **DXY Index - Focus on US CPI and Trade Talks.** News that US is considering a currency pact as part of a partial deal with China and Trump to allow some US companies to supply Huawei reignited risk-on sentiment. Most currencies including CNH, KRW, AUD rose at the expense of a softer USD. The idea of a currency pact reconciles with the inclusion of PBoC Governor in Liu He's entourage to Washington. No detail is available at this point beyond considerations of a currency pact and what does that entails. Possibly it may include CNY as a steady anchor, limiting USD gains. Even though there are hopes for a partial deal, details remain sketchy as senior level officials from both sides will only meet later today. Sceptics could still keep bulls leashed in the interim. Question remains if tariff on 15th Oct could be rolled back or suspended. As such pending outcome, we still look for range-bound trades with bias to lean against USD strength. DXY was last seen at 99 levels. Daily momentum is mild bearish while stochastics is falling. Immediate support at 98.80 (21 DMA), 98.40 (50 DMA) before 97.30 (200 DMA). Resistance at 99.60 (2019 high), 100.15 (76.4% fibo retracement of 2016 high to 2018 low). On overnight headlines, there were quite a few "noises" which can be misleading. Fox and SCMP reported that Chinese trade negotiators will cut short their trip in Washington and will leave 1 day after talks while White House refuted those reports as incorrect. There were also reports of China having lower expectations for talks, and accepting a limited trade deal as long as US do not impose any more tariffs. On FoMC minutes, most participants deemed that the 25bps rate cut in Sep was appropriate while Bullard preferred 50bps cut as a larger cut will be consistent with Fed's objectives over time. Minutes also showed there was debate on when policy should end. Earlier on Tue, Powell touched on the topics of resuming balance sheet growth and yield curve control. This sets some motion into expecting potential announcement of asset purchases (in small amount as opposed to large scale QE done previously) at the upcoming meeting on 31st Oct and this could weigh on USD. Data/Events of focus this week include CPI (Sep); Fed's Mester, Bostic, Kashkari speak on Thu; Fed's Kashkari, Kaplan, Rosengren speak; Uni. Of Michigan Sentiment (Oct P) on Fri.
- **EURUSD - Buy Dips.** EUR continued to trade relatively subdued range; last seen at 1.0990 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising. Key resistance at 1.10 (21 DMA) needs to be broken for further gains to materialise. Next resistance at 1.1050 (50 DMA). Support at 1.0930, 1.0860 levels (76.4% fibo retracement of 2017 low to 2018 high). Focus this week on ECB meeting Minutes; German trade, current account (Aug) on Thu; German CPI (Sep) on Fri.
- **GBPUSD - 2-Way Trades amid Brexit Noises.** GBP was little changed in absence of fresh development out of Brexit negotiations. EU chief Brexit negotiator told EU parliament that "time is pressing" to get Brexit deal but both sides are not in a

position to reach a deal. Elsewhere Times reported that EU is ready to make a major concession over Irish backstop. Brexit “noises” are expected to intensify and will provide 2-way choppy trades. GBP was last seen at 1.2220 levels. Bearish momentum on daily chart remains intact while stochastics is falling into oversold conditions. Immediate support at 1.22, 1.2105. Resistance at 1.2260 (50 DMA), 1.2370 (21 DMA). Focus this week on Monthly GDP, IP, Construction output, Trade (Aug) on Thu.

- **USDJPY - Range.** The two-way swings in sentiments yesterday seem likely to continue for the week. News yesterday that China was ready for a partial deal despite the prior hiccups (i.e., US adding Chinese entities to its trade blacklist over human rights issues, possible capital flow restrictions by US pension funds into China, US visa bans on Chinese officials, China’s visa bans, and China’s vow to retaliate to the blacklist issue etc.) boosted sentiments and sent the pair upwards, just past the upper end of our suggested 106.50 to 107.50 range, but subsequent bouts of cautiousness erased part of the gains. This morning, news of a potential currency pact with China, coupled with a stable yuan fixing at 9.15am, rejuvenated market optimism again. So did news of Trump allowing some US companies to supply parts to Huawei. Pair last seen at 107.50. Domestically, core machine orders came in at -14.5%/y for Aug, worse than the -8.4% expected. Momentum on daily chart is modestly bearish and stochastics are hovering near oversold territory. Support at 107.50 (23.6% Fibonacci retracement from Aug low to Sep high), 106.90 (38.2% fibo), then 106.50 (50% fibo), then 106. Resistance at 108, then 108.45 (Sep high).
- **NZDUSD - Resilient.** NZD firmed on hopes of partial US-China trade deal. Pair was last seen at 0.6310 levels. Mild bullish momentum remains intact while stochastics is rising. Area of resistance at 0.6325 (21 DMA) - 0.6350 needs to be broken for further gains to materialise. Support at 0.6280, 0.6250. Mfg PMI, Card Spending (Sep) data of interests tomorrow.
- **AUDUSD - Bulls Revived.** AUDUSD touched a high of 0.6757 this morning on another strong and steady USDCNY fix as well as news that US and China could come to a currency accord. Along with that, Trump also promised to allow some US companies to supply to Huawei and that probably added to the risk-on mood. That news was released together with the strong fix, underscoring that PBoC is in to give a strong guidance for the CNY as a potential pact with the US could be at hand. Overnight, China is said to be open to a partial deal that includes no additional tariffs (including Oct tariff hike and another round of tariff in mid-Dec) imposed. This is quite a significant compromise vs. its earlier request for a partial rollback. In return, the official said that China would purchase agricultural products. The AUDUSD was last seen around 0.6744, this pair was weighed earlier by weaker-than-expected home loans at +0.7m/m vs. estimated 2.3% for Aug. Investment lending picked up pace to 5.7m/m from previous 4.2% and owner-occupied loan value slipped more than expected to 1.9m/m from previous 5.4%. Soft credit demand suggests potential for RBA to

ease further and could crimp on the recovery of the AUD. Dominant driver for now is still the US-China trade talks that could determine investor and consumer sentiments. To be sure, SCMP also reported that officials may plan to cut short their trip but according to a tweet by Global Times editor the delegation plans to leave on Fri night which would mean that the delegation would complete the scheduled agenda. Moves now are biased to the upside, meeting resistance at 0.6757 before the next at 0.6783. The 0.6725-support is broken and next support is seen at 0.67 and then at 0.6672.

- **USDCAD -Overbought.** Overnight moves for the USDCAD lifted this pair to 1.3340 on the back of USD strength and softer oil but price action has since reversed on an improvement in risk sentiment upon the emergence of news that there could be a US-China (or rather USDCNY) currency accord in Washington. Bias is to the upside at this point but stochastics flag overbought conditions. Failure to break the 1.3340-resistance could leave this pair within the 1.3140-1.3340 range and there is more room for downside at this point. New housing prices for Aug due on Thu and then Sep labour report will be watched on Fri.

Asia ex Japan Currencies

- **SGD trades around 1.0% above the implied mid-point of 1.3955 with the top estimated at 1.3676 and the floor at 1.4234.**
- **USDSGD - *Interim Downward Pressure From Yuan Move.*** Pair largely saw swings between 1.3785 and 1.3825 yesterday and this morning, due to volatile trade talk sentiments. News of a potential currency pact with China being discussed as part of a partial deal, coupled with a stable yuan fixing at 9.15am this morning, had sent the USDCNH and other USD-AxJs downwards. A short while later, news broke that Trump could allow some US companies to supply components to Huawei, nudging USD-AxJs down even further. Last seen at 1.3792. MAS easing expectations may take a backseat today, as markets focus their attention on trade talk developments. AxJs, especially those closely linked to yuan movements such as SGD, should follow yuan direction for now. House view for MAS policy next Mon is a reduction of the slope of the SGD NEER “slightly” from the current +1% appreciation path to +0.5%, but keeping the width and centre of the policy band unchanged. A lower 20% probability is assigned to a more aggressive easing move, i.e., adoption of neutral slope, especially if a technical recession occurs in 3Q. We still look for SGD NEER to fall from its current estimated +1.0% above mid, nearer to +0.5% above mid in the lead-up to and post policy decision, which could translate to an upward bias for USDSGD, barring sharp USD declines. Risk to this view is sudden announcement of positive outcomes from trade talk. Momentum on the USDSGD daily chart is largely neutral, while stochastics are inching down towards near-oversold conditions. Pair is currently still hovering near the 1.3790/1.3820 (21, 50 DMA) support/resistance area. Next support at 1.3730 (100 DMA), 1.3650 (200 DMA). Resistance at 1.3840 (23.6% Fibonacci retracement from Jul low to Sep high), then 1.3940 (Sep high). Retail sales due Fri.
- **AUDSGD - *Tracking the AUD higher.*** AUDSGD tracked the AUDUSD higher and was last seen around 0.9295. Stochastics are in oversold condition and rising. Support is seen at 0.9250. Resistance at 0.9333m 0.9385 before 0.9430. On the weekly chart, the downtrend is very much intact. Watch if the 0.9250-support go, the next support at 0.9060 comes into view. Eyes on the MAS MPC policy where we see greater scope for SGDNEER to fall (and AUDSGD to rise) and the US-China trade talks in Washington on 10-11 Oct.
- **SGDMYR - *Bullish Crossovers.*** SGDMYR rose amid SGD outperformance. Cross was last seen at 3.0420 levels. Daily momentum turned mild bullish while stochastics is rising. Near term upside risks not ruled out in the interim. Resistance at 3.0430 before 3.0520 levels. Support at 3.0350 (21, 100 DMAs), 3.03 (50, 200 DMAs).
- **USDMYR - *Near Term Upside Pressure Eases.*** USDMYR was last seen at 4.1930 levels. Daily momentum and stochastics are not providing a clear bias. We retain our caution for near term upside risks ahead of event risks - US-China trade talks (Thu - Fri). Potential head & shoulders pattern (bearish reversal) intact for now. Caution that a

break above its second shoulder puts next resistance at 4.22. Failing which pair could test lower. Support at 4.18 levels (50 DMA) before 4.16 (H&S neckline). On the data front, Aug industrial production is due for released tomorrow.

- **1m USDKRW NDF - *Bias to Fade*.** 1m USDKRW NDF fell this morning on news that US is considering a currency pact as part of a partial deal with China and Trump to allow some US companies to supply Huawei. These reignited risk-on sentiment. Pair was last seen at 1193 levels. Bullish momentum on daily chart waned while stochastics is falling. Immediate support at 1188 (100 DMA), 1180 levels. Resistance at 1201 (50 DMA), 1205 levels. Bias remains to lean against strength.

- **USDCNH - *Currency Pact?*** PBoC fixed USDCNY at 7.0730 vs. 7.0728 previously, just 2 pips higher. This was well below our estimate around 7.14 (without taking into account countercyclical adjustment factor) and underscores PBoC's clear desire for RMB stability. In this space, we had already noted that the USDCNY fix has been in a tight swivels around 7.0730. As PBoC continues to keep the USDCNY fix around the 7.0730-level (since 17th Sep), it is also becoming a strong signal of goodwill in terms of support for the RMB being extended for now despite the tit-for-tat exchanges recently. Overnight, there were a few conflicting reports that includes rumours of some US visa restrictions but was later denied by the Ministry of Finance. A report by SCMP that the delegation could cut short their trip could also be misconstrued according to a tweet by an editor of the Global Times who clarified that based on his knowledge, delegation plans to leave on Fri night which would mean that the delegation would complete its scheduled agenda. Fresh with the fix, Bloomberg reported that the White House looks to roll out a currency pact with China in exchange for no tariff increase on the 15th. This is put out as the first phase of agreement to be followed by more negotiations on IP and forced technology transfers. Along with the news, Trump is said to promise that some US companies to allow to supply to Huawei. USDCNH fell towards 7.1273 after the fix and this news. The move up above 7.16 had threatened the potential head and shoulders formation for the USDCNH. However, the emergence of a plausible currency accord in Washington has convinced us that the USDCNY could still collapse to 7.0730 as it had done before. A break of the head and shoulders neckline is considered to have occurred with a close below 7.09. Should the head and shoulders play out for USDCNH, this could usher in the next leg of RMB gains. This leg of the RMB rally could bring the USDCNH to test the 7.0. We hold our short USDCNH here at 7.11 (25 Sep) for first target of 7.03 before 7.0 and then at 6.95, 6.90. Stoploss at 7.19. Risk reward ratio of 1:2.63. In the near-term, support at 7.1150 (21-dma). We also like to short SGD against the CNH as we see a rising wedge for this cross. The weekly chart shows a formation of a rising wedge with an apex around Oct. We can anticipate a reversal towards 5.0970 before the next target at 5.0788 from spot which is around 5.1620 (24 Sep). Stoploss at 5.20 with a risk-reward ratio of 1:2.19. Week ahead has aggregate

financing, money supply numbers and new yuan loans for Sep by 15th Oct.

- **1M USDINR NDF - *Some Room for Downside*.** This pair is seen around 71.26, pressed lower after the steady USDCNY fix and as most of USDAXJ fell after the fix and some news of a currency accord in Washington. Headlines of a pact which could also include Trump's permission for some companies to supply to Huawei lifted the moods in Global Markets. Momentum is mild bearish for this pair, stochastics falling overbought terrain. We see more room for downside rather than up at this point. Support at 71.10 before 70.60, 70.10. Resistance at 71.55/71.75 to cap before 72.00. Week ahead has industrial production for Aug on Fri. In news at home, RBI had rejected the application for merger of Indiabulls Housing and Indiabulls Commercial Credit with Lakshmi Vilas Bank.
- **1M USDPHP NDF - *Consolidation*.** NDF saw ranged trading yesterday before a bout of trade talk optimism this morning (e.g., Trump allowing some US companies to supply components to Huawei). Last seen at 51.73. Expect further volatility from trade talk news today, which seem to be coming in fast and furious. Meanwhile, domestic sentiments are more anchored—exports eked out mild positive growth for Aug, while imports contracted by more than expected. As a result, trade deficit came in narrower than expected (-US\$2.4bn vs. -US\$3.6bn expected). BSP Governor Diokno said that there will be no more rate cut this year, but RRR could still see some reductions before year-end. His comment reinforced views that monetary policy was probably sufficiently accommodative for now. Reforms (tax, FDI) seem to be passing through parliament at a credible pace. Momentum on daily chart is modestly bearish, while stochastics are in oversold conditions. Support at 51.60 (61.8% Fibonacci retracement from Jul low to Aug high), 51.30 (76.4% fibo). Resistance at 52.10 (38.2% fibo, 21/50/200 DMA), then 52.90 (Aug high).
- **1m USDIDR NDF - *Sell on Rallies*.** Bets on further positivity in US-China trade talks led the pair to see a step-down this morning, although losses were partly pared quickly. Last seen at 14200. Trajectory today will likely be dictated by trade talk news. We still prefer to sell on rallies, given robust fundamentals for IDR. On the infrastructure front, up to 80% of the estimated US\$33bn cost for the new capital in East Kalimantan will likely be sourced from private investors—representing significant opportunity for infrastructure plays. A friendlier FDI environment could see sustained investor flows over the medium term for the project. BI has also repeatedly assured that there will be “bold intervention” in bond markets if further outflows are seen, underscoring its commitment to IDR stability. Risk-reward still favors a downward bias (from ~14200-14300 levels), even if the pair sees short bursts of rallies on negative trade talk news. Momentum on daily chart is mildly bullish while stochastics are inching down from near-overbought conditions. Current 14200-level (38.2% Fibonacci retracement from Aug high to Sep low) is key support. Next support at 14100 (23.6% fibo), 14000. Resistance at 14240 (50, 200 DMAs), then 14300, 14430 (76.4% fibo).

- **USDTHB - THB Strongest Since 2013.** Despite some risk-taking activity in markets this morning, gold remained above US\$1500. This likely imparted some positivity to THB as well. It continues to see sustained strength, with USDTHB slipping past the 30.3 mark this morning. A recent World Bank report assessed that there was likely limited room for BoT to curb THB strength under current external conditions. BoT's suggestions for curbing THB strength—including relaxing rules on capital outflows via increasing ceilings which allow mutual funds/Thai individuals to invest abroad, or in adjustment of rules to allow exporters more flexibility in keeping foreign currencies abroad—might be implemented soon, but a low-returns external environment might not be encouraging for resident outflows. On net, we still look for THB to stay supported, but there could be a slight interim softening as its recent strength looks increasingly stretched. Momentum on daily chart is bearish, while stochastic are in oversold conditions. Resistance at 30.53 (21 DMA), 30.64 (50 DMA), then 31.00 (38.2% Fibonacci retracement from May high to Sep low). Initial support at 30.40 (longer-term 23.6% fibo retracement from 2009 high to 2013 low) has turned resistance. Next support at 30.00. Consumer confidence due today.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 3/22	3.11	3.11	Unchanged
5YR MI 6/24	3.23	3.23	Unchanged
7YR MK 7/26	3.33	3.33	Unchanged
10YR MO 8/29	3.39	3.39	Unchanged
15YR MS 7/34	3.56	*3.60/56	Not traded
20YR MX 6/38	3.60	3.70	+10
30YR MZ 7/48	3.93	3.90	-3
IRS			
6-months	3.33	3.33	-
9-months	3.28	3.27	-1
1-year	3.24	3.22	-2
3-year	3.23	3.21	-2
5-year	3.27	3.24	-3
7-year	3.30	3.28	-2
10-year	3.38	3.35	-3

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Source: Maybank KE

*Indicative levels

- MYR govies ended mixed with most yields unchanged while some moved in the range of +7bps to -2bps. Traded volume decreased from MYR2.8b previous day to MYR2.3b, though there was steady buying in the afternoon at the belly. Gills saw better buying interest for off-the-run bonds. Overall market was steady though with a slight bias to the weak side.
- Selling interest dominated MYR IRS market and the curve drifted 1-3bps lower. Activity centered around short tenor rates with trades reported along 2y to 4y IRS. 3M KLIBOR remained the same at 3.38%.
- In corporate bonds, GGs were under selling pressure and yields rose 1-2bps at the belly and long end, with trades on Danainfra, PTPTN and PASB. LPPSA 2028 was an exception as it traded 2bps lower in yield. AAAs also saw better sellers with Danum 2026, Danga 2026 and 2027, and Tenaga 2037 and 2038 trading 2-5bps higher in yield. AA credits were unchanged to 1bp lower in yield and saw better buying in power-related names such as SEB and YTLP. Expect selling interest to persist in the coming days absent new catalyst.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.58	1.58	-
5YR	1.58	1.58	-
10YR	1.67	1.66	-1
15YR	1.74	1.74	-
20YR	1.85	1.85	-
30YR	1.95	1.96	+1

Source: MAS

- A quiet day for SGD rates ahead of key event risks - the US-China trade talks and MAS MPC meeting. SGD IRS and SGS yield curves steepened marginally but rates and yields were overall little changed.
- Asian USD credit market was muted and skewed towards widening bias on fears of unresolved US-China tension. Chinese credits were aggressively sold off, with Tech names like Baidu, Tencent and Baba widening 5-10bps. Chinese SOE benchmarks also widened 5-8bps as market unload risk and real money was selling into UST strength. The widening momentum was seen in other credit spaces with India 3-5bps wider, Malaysia 4bps wider, Korea and Japan 1bp wider each. Chinese HYs sold off as well with most credits weakening by about 1pt given a lack of demand. The most resilient were INDONs and PHILIPs as prices were unchanged and spreads widened just marginally. Market may stay cautious in the near term.

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
1YR	5.97	5.96	(0.02)
3YR	6.53	6.52	(0.00)
5YR	6.66	6.69	0.03
10YR	7.26	7.28	0.02
15YR	7.69	7.68	(0.01)
20YR	7.86	7.87	0.02
30YR	8.09	8.09	0.00

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* Source: Bloomberg, Maybank Indonesia

- Indonesian bond market was slightly corrected yesterday. Investors took momentum for profit taking amidst silent positive sentiment from domestic side. We believe this situation will continue today although some investors still watch several government bonds that offering attractive yields and relative cheap prices. From the domestic side, it's reported a sluggish development on the consumers' side, as shown by slow pace of recent retail sales index growth. In Aug-19, Retail Sales Index (RSI) only grew 1.1% YoY, lower than the Jul-19 RSI of 2.4% YoY. The retail sales performance was still sustained by the high-growth group of Parts and Accessories, as well as Other Household Equipment commodity groups that grew, including electronic goods other than audio / video and household furniture. The survey results also indicate that upward pressure on prices at retail traders in the next six months (Feb-19) is expected to decline. Yesterday, from the global side, investors still waited for further developments on the global trade war, the latest Fed's meeting minutes, and U.S. inflation result.
- According to various sources, Chinese and American negotiators are set to start meeting again in Washington on Thursday in the latest round of their so-far fruitless talks to strike a trade deal. If no agreement is reached, the already slowing global economy will face another hurdle, with the U.S. set to raise tariffs on China on 15 Oct-19 and then on the European Union on 18 Oct-19. Both China and the U.S. have scheduled further tariff increases for December, and Europe is considering retaliation against any U.S. action. With close to US\$2 trillion in global trade flows at risk from greater protectionism. Those protectionist actions would depress trade, make businesses more cautious and further damage global demand. Meanwhile, Federal Reserve economists have warned about the rising downside risk to the economy in the year ahead, according to the minutes of its September policy meeting. The Fed noted the improved health of the consumer, but pointed out business fixed investment and exports had "weakened" since its July meeting, when it delivered the first rate cut since the financial crisis
- Furthermore, Federal Reserve Chairman Jerome Powell on a speech and question-and-answer session at conference for the National Association of Business Economists in Denver announced that the central bank would soon start expanding the size of its balance sheet, adding bank reserves to the financial system to avoid a recurrence of the unexpected strains seen in short term money markets last month. But Powell's comments have sparked a debate among market watchers as to whether the move by the Fed is another form of stimulus, or "quantitative easing," (QE).

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1009	108.05	0.6760	1.2325	7.1855	0.6338	118.6367	72.7957
R1	1.0990	107.76	0.6742	1.2265	7.1617	0.6315	118.2833	72.5363
Current	1.0985	107.24	0.6718	1.2213	7.1533	0.6289	117.8000	72.0390
S1	1.0952	107.06	0.6715	1.2172	7.1202	0.6280	117.3933	71.9703
S2	1.0933	106.65	0.6706	1.2139	7.1025	0.6268	116.8567	71.6637

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3845	4.2010	14191	51.9817	30.4963	1.5187	0.5933	3.0457
R1	1.3827	4.1988	14182	51.8743	30.4177	1.5168	0.5909	3.0425
Current	1.3814	4.1990	14177	51.7790	30.3320	1.5175	0.5925	3.0398
S1	1.3791	4.1948	14167	51.7003	30.2777	1.5135	0.5856	3.0341
S2	1.3773	4.1930	14161	51.6337	30.2163	1.5121	0.5828	3.0289

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

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.8753	Oct-19	Easing Bias
BNM O/N Policy Rate	3.00	5/11/2019	Easing Bias
BI 7-Day Reverse Repo Rate	5.25	24/10/2019	Easing
BOT 1-Day Repo	1.50	6/11/2019	Neutral
BSP O/N Reverse Repo	4.00	14/11/2019	Easing
CBC Discount Rate	1.38	19/12/2019	Neutral
HKMA Base Rate	2.25	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	5.15	5/12/2019	Easing
BOK Base Rate	1.50	16/10/2019	Easing
Fed Funds Target Rate	2.00	31/10/2019	Easing
ECB Deposit Facility Rate	-0.50	24/10/2019	Easing Bias
BOE Official Bank Rate	0.75	7/11/2019	Neutral
RBA Cash Rate Target	0.75	5/11/2019	Easing Bias
RBNZ Official Cash Rate	1.00	13/11/2019	Easing Bias
BOJ Rate	-0.10	31/10/2019	Easing
BoC O/N Rate	1.75	30/10/2019	Neutral

Equity Indices and Key Commodities

	Value	% Change
Dow	26,346.01	0.70
Nasdaq	7,903.74	1.02
Nikkei 225	21,456.38	-0.61
FTSE	7,166.50	0.33
Australia ASX 200	6,546.72	-0.71
Singapore Straits Times	3,089.90	-0.67
Kuala Lumpur Composite	1,551.23	-0.48
Jakarta Composite	6,029.16	-0.17
Philippines Composite	7,681.25	-0.97
Taiwan TAIEX	11,017.31	0.75
Korea KOSPI	2,046.25	1.21
Shanghai Comp Index	2,924.86	0.39
Hong Kong Hang Seng	25,682.81	-0.81
India Sensex	38,177.95	1.72
Nymex Crude Oil WTI	52.59	-0.08
Comex Gold	1,512.80	0.59
Reuters CRB Index	173.07	-0.15
MBB KL	8.38	-0.83

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	251	3.07	3.07	3.06
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	50	3.077	3.077	3.077
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	1	3.103	3.103	3.103
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	100	3.087	3.087	3.087
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	151	3.117	3.117	3.108
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	1	3.101	3.121	3.101
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	45	3.12	3.128	3.12
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	1	3.103	3.15	3.096
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	6	3.13	3.146	3.13
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	105	3.234	3.234	3.199
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	7	3.262	3.282	3.262
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	5	3.29	3.3	3.288
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	3	3.345	3.345	3.344
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	5	3.359	3.359	3.357
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	1	3.408	3.408	3.392
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	7	3.351	3.351	3.323
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	55	3.417	3.453	3.417
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	2	3.456	3.456	3.456
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	4	3.45	3.45	3.417
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	445	3.394	3.397	3.368
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	3.614	3.614	3.567
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	9	3.683	3.685	3.65
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	10	3.688	3.688	3.688
MGS 4/2018 4.893% 08.06.2038	4.893%	08-Jun-38	68	3.661	3.698	3.637
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	5	3.931	3.947	3.931
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	4	3.882	3.897	3.882
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	40	3.13	3.133	3.13
GII MURABAHAH 4/2018 3.729% 31.03.2022	3.729%	31-Mar-22	30	3.144	3.144	3.135
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	10	3.121	3.121	3.121
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	440	3.36	3.36	3.358
PROFIT-BASED GII 1/2013 08.08.2028	3.871%	08-Aug-28	80	3.427	3.427	3.427
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	180	3.401	3.401	3.399
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	10	3.525	3.525	3.525
SPK 1/2013 3.729% 22.03.2023	3.729%	22-Mar-23	150	3.299	3.299	3.299

Total**2,287**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MDV IMTN 0% 28.01.2022 - TRANCHE NO 5	GG	4.370%	28-Jan-22	100	3.248	3.248	3.248
DANAINFRA IMTN 4.040% 20.07.2027 - Tranche No 4	GG	4.040%	20-Jul-27	10	3.543	3.543	3.54
LPPSA IMTN 4.390% 31.10.2028 - Tranche No 24	GG	4.390%	31-Oct-28	40	3.52	3.52	3.52
PASB IMTN (GG) 4.340% 7.2.2029 - Issue No. 37	GG	4.340%	07-Feb-29	5	3.611	3.611	3.611
DANAINFRA IMTN 4.360% 12.02.2029 - TRANCHE 6	GG	4.360%	12-Feb-29	10	3.6	3.6	3.6
DANAINFRA IMTN 4.950% 19.03.2032 - Tranche No 58	GG	4.950%	19-Mar-32	25	3.72	3.721	3.72
PTPTN IMTN 4.580% 28.02.2034	GG	4.580%	28-Feb-34	10	3.741	3.741	3.74
CAGAMAS MTN 4.100% 16.3.2020	AAA	4.100%	16-Mar-20	10	3.278	3.278	3.278
CAGAMAS MTN 3.400% 10.8.2020	AAA	3.400%	10-Aug-20	15	3.285	3.285	3.285
MACB IMTN 4.550% 28.08.2020 - Tranche No 1	AAA (S)	4.550%	28-Aug-20	10	3.42	3.42	3.42
CAGAMAS MTN 4.10% 18.11.2020	AAA	4.100%	18-Nov-20	15	3.277	3.277	3.277
DANUM IMTN 4.300% 13.02.2026 - Tranche 1	AAA (S)	4.300%	13-Feb-26	5	3.581	3.581	3.581
DANGA IMTN 4.600% 23.02.2026 - Tranche 6	AAA (S)	4.600%	23-Feb-26	5	3.581	3.581	3.581
DANGA IMTN 4.520% 06.09.2027 - Tranche 7	AAA (S)	4.520%	06-Sep-27	30	3.649	3.662	3.649
PASB IMTN 4.540% 23.02.2029 - Issue No. 12	AAA	4.540%	23-Feb-29	10	3.67	3.676	3.67
TENAGA IMTN 03.08.2037	AAA	5.180%	03-Aug-37	5	4.021	4.021	4.021
TENAGA IMTN 27.08.2038	AAA	4.980%	27-Aug-38	35	4.042	4.046	4.042
YTL POWER MTN 3651D 24.3.2023	AA1	4.490%	24-Mar-23	20	3.788	3.794	3.788
WESTPORTS IMTN 4.430% 01.04.2025	AA+ IS	4.430%	01-Apr-25	20	3.753	3.757	3.753
WESTPORTS IMTN 4.680% 23.10.2025	AA+ IS	4.680%	23-Oct-25	10	3.799	3.802	3.799
ALDZAHAB ABS-IMTN 15.09.2026 (CLASS B TRANCHE 5)	AA1	6.000%	15-Sep-26	5	4.33	4.33	4.33
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	03-May-27	10	4.028	4.033	4.028
SEB IMTN 5.040% 25.04.2031	AA1	5.040%	25-Apr-31	30	3.789	3.791	3.789
SEB IMTN 5.320% 03.12.2032	AA1	5.320%	03-Dec-32	30	3.849	3.851	3.849
BGSM MGMT IMTN 6.600% 27.12.2019 - Issue No 5	AA3	6.600%	27-Dec-19	10	3.451	3.451	3.451
MMC CORP IMTN 5.950% 12.11.2027	AA- IS	5.950%	12-Nov-27	10	4.918	4.921	4.918
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	10	4.938	4.941	4.938
TBEI IMTN 6.000% 15.03.2030	AA3	6.000%	15-Mar-30	10	3.979	3.987	3.979
TCMH MTN 2557D 24.11.2021	A1	4.700%	24-Nov-21	40	4.15	4.174	4.15
MUAMALAT IMTN 5.800% 15.06.2026	A3	5.800%	15-Jun-26	20	4.482	4.501	4.482
ECO CAPITAL MTN 6.10% 13.8.2024	NR(LT)	6.100%	13-Aug-24	1	6.098	6.098	6.098
Total				566			

Sources: BPAM

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