

# Global Markets Daily

## Xi-Trump Bromance Lifts Risk Sentiments

### Easing Trade Tensions Support Risk Sentiments

Safe-haven plays continue to unwind as trade tensions eased following conciliatory remarks/comments by both Trump and Xi. With risk sentiments positive, market attention is now on upcoming key economic data, including US and China CPI. Stronger US inflation print in particular could lift UST yields and the USD. The de-escalation of trade tensions is lifting commodity currencies higher including AUD, CAD and MYR. Further support should come from upside pressure on oil prices after it was reported that Saudi Arabia signaled it wanted oil prices near USD80/bbl ahead of the Aramco IPO next year. Brent crude oil is now hovering above USD71/bbl and WIT above USD65/bbl.

### Xi-Trump Bromance

USDCNH found further relief yesterday on conciliatory moves by both Xi and Trump to ease trade tensions. President Xi in his keynote address to the Boao Forum did not ratcheted up tensions but instead pledged to cut vehicle import tariffs, ease foreign equity restrictions in the car industry, open shipping, aviation, financial sectors for more foreign investment, strengthen property-right protection, oppose monopolies, and use dialogue to resolve disputes. In turn, Trump praised his counterpart's "kind word" on tariffs and car barriers and "enlightenment on intellectual property and technology transfers". This should allow trade negotiations between the two sides to move forward and help de-escalate trade tensions and lift risk sentiments.

### Eyes On ECB Speakers; US, China CPI; Japan, China PPI.

Some of the key data/events we eye today include US CPI; ECB Hakkarainen, Angeloni speak; UK trade and IP; Australia Westpac consumer confidence; RBA Governor Lowe speaks; Japan PPI, China CPI, PPI; Malaysia IP and IN wholesale prices. Note that Thailand is out for a holiday on Fri.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2356	↑ 0.28	USD/SGD	1.3092	↓ -0.19
GBP/USD	1.4176	↑ 0.32	EUR/SGD	1.6177	↑ 0.09
AUD/USD	0.7761	↑ 0.83	JPY/SGD	1.2213	↓ -0.59
NZD/USD	0.7362	↑ 0.77	GBP/SGD	1.856	↑ 0.13
USD/JPY	107.2	↑ 0.40	AUD/SGD	1.0162	↑ 0.64
EUR/JPY	132.46	↑ 0.70	NZD/SGD	0.9641	↑ 0.59
USD/CHF	0.9569	↑ 0.07	CHF/SGD	1.3682	↓ -0.26
USD/CAD	1.2602	↓ -0.75	CAD/SGD	1.0392	↑ 0.59
USD/MYR	3.869	↓ -0.05	SGD/MYR	2.951	↑ 0.19
USD/THB	31.195	↓ -0.22	SGD/IDR	10495.31	↑ 0.18
USD/IDR	13751	↓ -0.07	SGD/PHP	39.6628	↑ 0.07
USD/PHP	51.971	↓ -0.17	SGD/CNY	4.7951	↓ -0.31

### Implied USD/SGD Estimates @ 11 Apr-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2955	1.3217	1.3479

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### G7: Events & Market Closure

Date	Ctry	Event
12 Apr	OPEC, Russia	International Energy Forum
13 - 14 Apr	US, CA, MX	Summit of the Americas in Lima, Peru

### AXJ: Events & Market Closure

Date	Ctry	Event
9 Apr	PH	Market Closure
10 Apr	CN	President Xi gives key note address at BOAO Forum
12 Apr	KR	BOK Meeting
13 Apr	SG	MAS Meeting
	TH	Market Closure

## G7 Currencies

- **DXY - Focus on CPI and FoMC Minutes.** FOMC minutes for the March meeting will be released early morning at 2am tomorrow and that may offer some insights into Fed's rate hike trajectory - in particular if the pace of tightening will pick up pace this year. Markets (via 30D fed fund futures) are somewhat implying about 1.5 hikes this year as opposed to Fed's dots plot projection of another 2 hikes while some Economists are looking for another 3 hikes. Our house view continues to call for 2 more hikes this year. **Any hint of faster than gradual pace of Fed tightening and higher CPI print later this evening (830pm) could lend some temporary support to the USD in the interim.** Overnight, USD was softer, in line with our expectations for risk proxies to be supported at the expense of a weaker USD (we shared in our GM Daily yesterday). The move lower can be attributed to EUR's rise after ECB GC member Nowotny said that he was ready to move deposit rates higher to -0.2% from current -0.4% and easing trade tensions following Xi's speech at the Boao Forum yesterday. Our base case remains for a compromised trade deal between US and China at some stage but in the meantime, on-off trade tensions should continue to drive sentiment and markets. DXY was last seen at 89.56 levels. Daily momentum shows signs of turning bearish while stochastics is falling from overbought conditions. Support levels seen at 89.28 (61.8% fibo retracement of Feb low to Mar high) before 88.25 (2018 low). Resistance at 90.50 before 90.96 (61.8% fibo retracement of 2018 high to low), 91.60 (76.4% fibo). We reiterate our bias to sell USD on rallies. Week remaining brings CPI, Weekly earnings (Mar) on Wed; FoMC Meeting Minutes; Import, Export Price Index (Mar) on Thu; Fed's Kashkari, Rosengren, Bullard and Kaplan speak; Moody's rating of US debt; Uni of Michigan Sentiment (Apr) on Fri.
- **EURUSD - Testing Resistance.** EUR jumped on comments from ECB Governing Council member Nowotny. In a speech at a SUERF economics conference, he said that now is time for a gradual normalisation of monetary policy... requires a delicate balancing of measures as well as careful sequencing in time. **Most importantly, the line that got market carried away is that he was ready with raising deposit rate by 20bps from -0.4% to -0.2% as a first step and then to include the main refinancing policy rate as a second step.** He however added that the timing remains too early to communicate. Subsequently ECB released a press statement to say that Governor Nowotny's comments are his owns and they do not represent the view of the Governing Council. With trade war tensions lingering in the background since Mar, markets appear to have forgotten that ECB policy normalisation is underway and the central bank is expected to communicate its plans in due course (possibly in Jun or Jul) on further steps after APP ends in Sep. Re-focus back on ECB normalisation could see EUR gains pick up pace again. Though we are optimistic on EUR outlook (still looking for a move towards 1.25-1.30 in 2H), we caution against excessive optimism on ECB normalisation plans (disappointment can cause setbacks and we favor buying on EUR dips). Firstly inflation remains soft for now, have yet to show signs of re-acceleration and remains well below ECB's inflation target - ECB is unlikely to tighten ahead of inflation upticks. Second the ECB has previously communicated the sequencing of stimulus removal (i.e. no rate hike before end of

APP) and this is unlikely to change out of a sudden - this stresses the point that Nowotny's comments on raising deposit rates are purely personal and premature. Third ECB's Draghi has said at a ECB conference in Frankfurt that he "still need to see further evidence that inflation dynamics are moving in the right direction... so monetary policy will remain patient, persistent and prudent". He emphasized that adjustments to monetary policy will be predictable and measured; reiterated that sequencing of monetary stimulus removal (as stated in forward guidance) will remain and that rates will still remain low for a long time; and warned that Euro strength could weigh on inflation down the line. We believe that slower than expected pick-up in inflation should continue to reinforce expectations for gradual pace of policy normalisation and see a slower pace of gains for EUR. In addition, lack of certainty on government formation in Italy is another source of volatility that could undermine EUR in the short term. That said, on a broader term perspective, we remain constructive of EUR's outlook on (1) receding political risks in Europe (Germany managed to form coalition government with Merkel elected as Chancellor again for the 4th term though Italy government formation remains a source of uncertainty); (2) sustained signs of economic recovery broadening in Europe, supported by private consumption, business sentiment, construction investment, sizeable current account surplus (3.5% of GDP) and export recovery; (3) signs of growing demand for EUR as a share of world FX reserves amid ongoing reserve diversification and (4) ECB's gradual pace of policy normalisation is expected to proceed as planned. EUR was last seen at 1.2360 levels. Daily momentum turned mild bullish while stochastics show signs of turning higher from oversold conditions. Key resistance at 1.2340 - 60 levels (23.6% fibo retracement of Dec low to 2018 high, 50 DMA). An extension towards 1.2450 levels should not be ruled out if the pair manages a decisive move above 1.2360. Support seen at 1.2235 (38.2% fibo retracement of Dec low to 2018 high), 1.22. Week remaining brings ECB's Hakkorainen, Angeloni speak on Wed; ECB's Coeure speaks; Industrial Production (Feb) on Thu; ECB's Weidmann speaks; Trade (Feb) on Fri. On Italy politics development, second round of consultations of government formation will start tomorrow starting with the right-wing coalition before ending with Five Star Movement.

- **GBPUSD - Bias to Buy on Dips.** GBP rose following BoE MPC member McCafferty's comments that BoE should not delay interest rate increase amid broad USD softness. He was one of the dissenters at the BoE MPC meeting back in Mar. His justification for tightening is there is no slack left in the labor market and wages could climb faster than officials are expecting and there are also potential modest upside risks to the forecasts for inflation. We maintain our bias to buy dips - We are broadly "more optimistic" outlook than street consensus for GBP on the back of our expectation for orderly Brexit (boost to sentiment), continued improvement in labor market (upward pressure for wage growth providing room for BoE to tighten) and potentially greater tolerance (from policymakers) for GBP appreciation (to help curb imported inflation) and rising market expectation for BoE rate increase to come earlier than expected. That said we do not expect a one way trade and still see a great deal of variability on GBP, driven by headlines on Brexit progress (which can be improvement or deterioration). GBP was last seen at

1.4180 levels. Daily momentum is turning mild bullish while stochastic is rising from oversold conditions. This continues to suggest rebound risks. Resistance at 1.4190 before 1.4240 levels. Support at 1.41, 1.4030 levels. Week remaining brings Trade, Industrial Production, Construction Output (Feb) on Wed; RICS House Price Balance (Mar) on Thu.

- **USDJPY - *Temporary Retracement***. USDJPY is giving up some of its gains from yesterday amid possible profit-taking activities. Still, easing trade tensions should see further unwinding of safe-haven trade plays, supportive of the USDJPY. Still, further upside could be capped given the ongoing political scandal surrounding PM Abe that is simmering in the background. The scandal so far resulted in a drop in the cabinet's popularity lower as reflected in recent opinion polls. Further slippage in support could undermine PM Abe and embolden a challenge to his leadership of the ruling LDP in Sep, potentially putting Abenomics in doubt. This scenario is likely to weigh on the pair. Last seen at 107.10-levels. Momentum indicators on the daily chart remain bullish bias but waning, while stochastics is at overbought conditions. Weekly chart continues to indicate a bearish bias but waning with stochastics showing tentative signs of climbing higher from oversold conditions. Support is around 106.80 levels (38.2% fibo retracement of the Feb high to Mar low), 106.30 levels (21DMA), 106-handle (23.6% fibo). Upside continues to be capped around 107.50 levels (50% fibo). Remaining week has BOJ Kuroda speak (Thu).
- **NZDUSD - 0.7280 - 0.7340 Range Intra-day**. NZD remains supported amid USD softness overnight. But range remains confined to recent range. Pair was last seen at 0.7310 levels. Mild bullish momentum on daily chart remains intact. Area of resistance at 0.7290 - 0.7310. Close above this could trigger further upside towards 0.7355 (Mar high). Support seen at 0.7250 (21 DMA), 0.7230. Suggest 0.7850 - 0.7340 range intra-day. Relatively quiet week ahead with focus on Card Spending (Mar) on Thu and BusinessNZ Mfg PMI (Mar) on Fri.
- **NZDUSD - 0.7310 - 0.7410 Range, with Bias to Buy Dips**. NZD firmed after breaking above its area of resistance at 0.7290 - 0.7310. Move came amid recovery in risk appetite while USD sags. Pair traded a high of 0.7376 before easing off. Last seen at 0.7365 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising. Sustained price action above 0.7355 could point to further upside towards 0.7410 levels. Key area of support at 0.7290 - 0.7310. Suggest trading the range of 0.7310 - 0.7410 with bias to buy on dips. Week ahead brings Card Spending (Mar) on Thu and BusinessNZ Mfg PMI (Mar) on Fri.
- **AUDUSD - *Bullish Bias***. AUD firmed overnight, following a recovery in risk appetite (owing to US-China trade tensions easing). The move higher remains in line with our call in FX Weekly (sent last Fri) for the pair to trade higher. Pair was last seen at 0.7750 levels. Daily momentum is bullish while stochastics is rising. MACD bullish divergence as previously flagged out appears to be coming into play. Next resistance at 0.7760 (23.6% fibo retracement of 2018 high to low). Break above this could trigger further up-move towards 0.7820

(200 DMA). Support at 0.7710 (21 DMA), 0.7640. Bias remains to buy on dips. Week remaining brings Inflation Expectations on Thu; RBA Financial Stability Review on Fri.

## Asia ex Japan Currencies

- **SGD trades around 0.83% above the implied mid-point of 1.3217 with the top is estimated at 1.2955 and the floor at 1.3479.**
- **USDSGD - *Still In Consolidation.*** USDSGD is mildly bid this morning, possibly on profit-taking activities after coming off the previous two sessions. Price action shows the pair still trading within its symmetrical triangle - a consolidation pattern before a breakout. It remains too soon to tell the direction of break out but MAS policy meeting decision on Fri may well be the catalyst. Our house view is for the MAS to shift away from its current neutral policy to a “slight appreciation bias”. The pick-up in UST yields yesterday early evening saw 3-month SOR climbed higher 25-pips to 1.389%. Softer UST yields intraday though could weigh on 3-month SOR today. Last seen at 1.3094 levels, pair has lost most of its mild bullish momentum on daily chart, while stochastics continues to fall. Resistance around 1.3120 (downward sloping trend-line support from the highs in Feb and Mar). A break above the trend-line resistance though could see a squeeze higher towards 1.3175 (23.6% fibo retracement of Oct high 2018 low), 1.3280 (100 DMA, 38.2% fibo). This could signal a potential trend reversal. We watch price action for further confirmation. Support at 1.3060, 1.3010.
- **AUDSGD - *Buy Dips Preferred.*** AUDSGD rose amid AUD outperformance. Move remains in line with our call in FX Weekly sent last Fri that rebound is underway. Cross was last seen at 1.0150 levels. Daily momentum and stochastics are bullish bias. Resistance at 1.0160 (21 DMA), 1.0190 (upper bound of the bearish trend channel). Need to break above the upper bound for further up-moves towards 1.0260 and 1.0330 to gain momentum. Meanwhile support seen at parity.
- **SGDMYR - *Rebound Risks but Bias to Fade.*** SGDMYR rebounded off its recent lows. Last seen at 2.9480 levels. Bearish momentum on daily chart remains intact but shows signs of waning while stochastics is showing signs of rising from near over-sold conditions. Cautious of rebound risks. Upcoming MAS monetary policy decision on 13 Apr is a key event risk to watch - tightening could lend strength to SGD crosses. Resistance at 2.97 (21, 50 DMAs). But bias to fade. Support at 2.94 (interim double bottom). Need a decisive break below the interim double bottom at 2.94 to open way for further downside towards 2.92, 2.90.
- **USDMYR - *Mild Signs of Rebound Risks.*** USDMYR continues to trade near recent lows amid softer USD and rebound in oil prices. Polling day has been announced and it falls on 9 May. Pair was last seen at 3.8680 levels. Bearish momentum on daily chart remains intact but shows tentative signs of waning while stochastics is showing signs of turning from near-oversold conditions. Rebound risks not ruled out. Resistance at 3.90 (21, 50 DMAs) and 3.95 levels. But underlying momentum remains intact as indicated on monthly chart while pair continues to trade within the bearish trend channel formed since Sep 2017. Key area of support at 3.84 - 3.85 remains a key level to watch. Decisive break below this area of support puts next key support at 3.82 (50% fibo retracement of late 2013-14 double bottom

to 2015-2017 double top). We maintain our medium term bias for MYR strength on the back of improving domestic factors amid favourable external environment. Some of these factors include (1) sustained growth pick-up backed by consumption, investment and exports; (2) BNM initiatives (Apr-2017) to deepen and broaden domestic financial markets were positive steps to restore foreign investors' confidence; (3) BNM's pre-emptive move in Jan described the hike as pre-emptive to ensure that the stance of monetary policy is appropriate to prevent the build-up of risks that could arise from interest rates being too low for a prolonged period of time; (4) Sustained current account surplus and rising FX reserves to retained imports & short-term debt should also provide an anchor for Ringgit. Current external environment of monetary policy continuity, relative oil price stability and still subdued inflationary pressures in US amid synchronous global economic recovery should continue to bode well for exports recovery and benefit countries that are trade-dependent including the MYR.

- **1m USDKRW NDF - *BoK Meeting Tomorrow***. We retain our view for policy rate to be kept on hold at 1.5%. Although inflation rebounded in Mar, its level remains well below BoK's 2% inflation target. We are still expecting BoK to raise policy rate by another 25bps sometime between May and Aug 2018 from 1.5% if demand-induced price pressures picks up pace amid reacceleration in growth momentum. We believe BoK is monitoring if inflationary pressures from the demand side picks up. Minimum wage will increase by 16% this year, its largest magnitude of increase since 2001. Wage pass-through should have positive impact on consumption spending, growth and lead to inflationary pressures. 1m USDKRW started the session on a low this morning on the back of receding concerns of US-China trade war (supportive of risk appetite) but has since traded higher. Pair was last seen at 1066 levels. Daily momentum has turned mild bullish while stochastics is rising. Price action on the weekly chart shows a falling wedge pattern potentially forming. This is typically associated with a bullish reversal in the near term. We do not rule out rebound risks in the near term but bias remains to sell into. Next resistance at 1072 (50 DMA) before 1075. Unwinding of geopolitical tensions, receding fears of trade war and commitment from China to improve CN-KR relations are some of the factors supporting a more optimistic outlook on KRW. Key area of support remains at 1050 - 1055 levels. Decisive close below the area could trigger further downside play towards 1040 levels.
- **USDCNH - *Inching Higher***. USDCNH is inching higher this morning, last seen around 6.2807 levels. Pair had found further relief yesterday on conciliatory moves by both US and Trump to ease trade tensions. President Xi in his keynote address to the Boao Forum did not ratcheted up sentiments but instead pledged to cut vehicle import tariffs, ease foreign equity restrictions in the car industry, open shipping, aviation, financial sectors for more foreign investment, strengthen property-right protection, oppose monopolies, and use dialogue to resolve disputes. In turn, Trump praised his counterpart's "kind word" on tariffs and car barriers and "enlightenment on intellectual property and technology transfers". This should allow trade negotiations between the two sides to move forward and help de-escalate trade tensions and lift risk sentiments. Momentum on the daily chart is increasingly bullish. Until then,

upside pressure on the pair should continue. Momentum indicators are increasingly bullish. Recent price moves are also showing more upside risks with an upward trend channel forming. Key resistance around 6.3344, ahead of 6.3910 levels (50% fibo). Key support remains at 6.24 before the next at 6.2130. PBoC fixed the USDCNY reference rate at 6.2911, 160 pips lower than the previous 6.3071. CNYMYR was fixed at 0.6146, 15 pips higher than previous 0.6131. EURCNY was fixed 35 pips higher at 7.7766 vs. the previous at 7.7731. CPI rose by a more modest 2.1% y/y in Mar vs. Feb's 2.9%, coming in below consensus estimates of 2.6% as the Chinese New Year effects fade. PPI also moderated by 3.1% y/y in Mar compared to 3.7% in Feb and below the 3.3% projected by market.

- **1m USDIDR NDF - *Stuck-In-Range*.** 1m USDIDR NDF is little changed this morning amid possible profit-taking activities that is limiting downside. Market remains stuck in range in the absence of fresh catalyst. US & China CPI today and FOMC meeting minutes could provide the catalyst for a break out in either direction. Improving risk sentiments yesterday saw foreign investors buying USD0.7mn in equities yesterday. Meanwhile, they had purchased USD12.3mn in debt on Mon (latest data available). Further net portfolio inflows should weigh on the 1m NDF intraday. The IDR also found support yesterday from the better-than-expected bond auction where sold IDR21.85tn in bonds. This exceeded the IDR17tn target set by the Finance Ministry. Last seen around 13775-levels. Daily chart shows no strong bias in either direction, though stochastics is climbing higher. This suggests that the 1m NDF continues to lack directional cues, trapped within the recently traded range of 13730-13875. Expect official agent action in the market to cap 1m NDF from moving higher. JISDOR was fixed at 13759 yesterday, 12 pips lower than the fixing on Mon. Week ahead has no tier-one data.
- **1m USDPHP NDF - *Capped*.** 1m USDPHP NDF trades mildly bid this morning, possibly on profit-taking activities after the slippage yesterday. Still, positive risk sentiments this morning has allowed the 1m NDF to attempt a brief break of the 52-handle this morning. Comments by BSP governor regarding the recent appreciation of the PHP suggested that the PHP was competitive, aligned to fundamentals, also helped to provide support for the PHP. Easing trade tensions between China and the US suggests improving risk sentiments that should be supportive of Philippine equities and hence the PHP. Unlike yesterday where foreign funds sold USD9.0mn in equities, we could see a rebound intraday. Foreign portfolio inflows should put downside pressure on the 1m NDF. Spot USDPHP gapped lower at the opening to 51.896 this morning from yesterday's close of 51.971 amid improving risk sentiments as the USD was again sold off against the AXJs. 1m NDF was last seen around 52.04-levels. Daily momentum indicators show very mild bearish bias, while stochastics is now at oversold conditions. Weekly chart shows bullish bias intact but waning, while stochastics shows tentative signs of turning lower from overbought conditions. This suggests risks are to the downside. Resistance is around 52.30 levels ahead of 52.50. Support at 51.80 levels.



- **USDTHB - Sideways.** USDTHB is little changed this morning amid profit taking activities following the dip yesterday. The sell-off in Thai debt yesterday of USD197.7mn by foreign investors did not deter THB bulls yesterday THB bulls instead continue to position for THB strength ahead underpinned by its strong economic fundamentals, including persistent double-digit current account surpluses. Foreign investors though did purchased USD16.0mn in equities yesterday. Further inflows should keep the THB supported. Last seen around 31.195-levels. Momentum on the daily chart remains very mild bullish bias but waning, and stochastics shows signs of turning lower. Weekly chart shows no strong bias in either direction, while stochastics remain in oversold conditions. Expect sideways trades within 31.090 (2018 low) to 31.300 range to hold intraday. Quiet week ahead with just foreign reserves (6 Apr) on Thu. **Note that onshore markets are closed for a public holiday on Fri.**

## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.46	3.47	+1
5YR MI3/22	3.57	3.58	+1
7YR MK3/25	3.86	3.86	Unchanged
10YR MO11/27	3.95	3.96	+1
15YR MX4/33	4.41	4.41	Unchanged
20YR MX4/37	4.55	4.52	-3
30YR MZ3/46	4.80	4.80	Unchanged
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.76	3.76	-
3-year	3.81	3.81	-
5-year	3.87	3.88	+1
7-year	3.98	3.98	-
10-year	4.10	4.10	-

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Source: Maybank KE

\*Indicative levels

- Government bond market had some interest on off-the-run govies given attractive yield pick-up over benchmarks. Nonetheless, overall activity was still somewhat low as many participants prefer to remain on the sidelines. Auction size for the retap on 20y GII 8/37 was announced at a slightly larger than expected MYR2.5b. It was offered at 4.68% in WI.
- IRS had another quiet day with no trades concluded. Few quotes in the market were primarily on the 5y IRS. Rates likely to see rangebound trading for the remaining week as market remains cautious amid election jitters. 3M KLIBOR the same at 3.69%.
- Local corporate bonds saw fairly decent trading, though skewed towards better selling in the GG space. Prasarana 2020 traded 2bps wider, while the long end was unchanged. Slight widening at the belly of the AAA curve by about 2bps, led by Plus 2024 and Danga 2026. The AA curves were largely unchanged.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.90	1.90	-
5YR	2.08	2.08	-
10YR	2.38	2.39	+1
15YR	2.66	2.66	-
20YR	2.72	2.72	-
30YR	2.84	2.84	-

Source: Maybank KE

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- SGD rates started the day flat absent catalysts. Yields edged up after China President Xi's speech and amid softer UST. But at the close, SGS yield curve still largely the same, while SGD IRS rates ticked up by less than 1bp. With lower USDSGD spot/forwards as well as short term funding rates, SGS may perform better relative to UST and SGD IRS.
- For Asian credit, market was weak in the morning before sentiment improved after China President Xi's speech. The risk-on tone led spreads to tighten 1-3bps across China/HK IGs, Malaysia corporates and India IGs, reckon driven by short covering and real money buying. Sovereigns were firmer, with INDONs trading 0.30pts higher across the curve with the belly outperforming. HY credits also higher. To highlight, Bank of China looking to issue FRNs in AUD, USD and Euro. The USD notes appear more attractive in the 5y space compared to AUD notes.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.50	5.56	5.97
5YR	5.93	5.95	1.88
10YR	6.59	6.56	(3.72)
15YR	6.82	6.80	(1.98)
20YR	7.24	7.23	(1.36)
30YR	7.36	7.37	0.23

\* Source: Maybank Indonesia

- Indonesia bond market closed slightly higher during Tuesday trading session amid moderate demand during the auction while awarded WAY came in near to previous day close. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.952%, 6.555%, 6.803% and 7.226% while 2y yield moved higher to 5.562%. During the day, FR0071 (11y) yield decline the most by 7bps while FR0069 (1y) yield increased the most by 3bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 42bps). Trading volume at secondary market was noted heavy at government segments amounting Rp25,475b with FR0063 (5y benchmark series) as the most tradable bond. FR0063 total trading volume amounting Rp6,657b with 42x transaction frequency.
- Indonesian government conducted their bi-weekly conventional auctions yesterday and received heavy incoming bids worth of Rp37.72t versus its target issuance of Rp17.00t or oversubscribed by 2.22x. However, DMO only awarded Rp21.85t bids for its 3mo, 1y, 5y, 10y and 15y conventional offered series. Incoming bids were more clustered on money market and FR0064 series. 3mo SPN was sold at a weighted average yield (WAY) of 4.18995%, 1y SPN was sold at 5.06980%, 5y FR0063 was sold at 5.92978%, 10y FR0064 was sold at 6.58989% while 15y FR0065 was sold at 7.80995%. No bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.27X - 2.89X.
- Foreign ownership stood at Rp871.6t or 39.9% of total tradable government bond as of Apr 9<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp4.9t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp1,294b. PPLN02ACN2 (Shelf Registration II PLN Phase II Year 2017; A serial bond; Rating: idAAA) was the top actively traded corporate bond with total trading volume amounted Rp180b.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2421	107.85	0.7815	1.4229	6.3189	0.7419	133.3600	84.1940
R1	1.2388	107.53	0.7788	1.4202	6.2980	0.7391	132.9100	83.7000
<b>Current</b>	1.2358	107.09	0.7753	1.4179	6.2818	0.7363	132.3400	83.0170
S1	1.2313	106.75	0.7714	1.4135	6.2658	0.7319	131.7200	82.3900
S2	1.2271	106.29	0.7667	1.4095	6.2545	0.7275	130.9800	81.5740

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3129	n/a	13780	52.0737	31.3163	1.6260	0.6446	2.9575
R1	1.3111	n/a	13765	52.0223	31.2557	1.6219	0.6302	2.9543
<b>Current</b>	1.3096	3.8700	13748	51.9350	31.1990	1.6184	0.6162	2.9553
S1	1.3082	n/a	13738	51.9353	31.1577	1.6131	0.5999	2.9467
S2	1.3071	n/a	13726	51.8997	31.1203	1.6084	0.5840	2.9423

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

**Equity Indices and Key Commodities**

	Value	% Change
<b>Dow</b>	24,408.00	1.79
<b>Nasdaq</b>	7,094.30	2.07
<b>Nikkei 225</b>	21,794.32	0.54
<b>FTSE</b>	7,266.75	1.00
<b>Australia ASX 200</b>	5,856.97	0.83
<b>Singapore Straits Times</b>	3,466.38	0.48
<b>Kuala Lumpur Composite</b>	1,860.98	0.61
<b>Jakarta Composite</b>	6,325.82	1.28
<b>Philippines Composite</b>	7,934.68	-0.14
<b>Taiwan TAIEX</b>	10,927.18	0.31
<b>Korea KOSPI</b>	2,450.74	0.27
<b>Shanghai Comp Index</b>	3,190.32	1.66
<b>Hong Kong Hang Seng</b>	30,728.74	1.65
<b>India Sensex</b>	33,880.25	0.27
<b>Nymex Crude Oil WTI</b>	65.51	3.30
<b>Comex Gold</b>	1,345.90	0.43
<b>Reuters CRB Index</b>	197.11	1.10
<b>MBB KL</b>	10.48	0.19

**Policy Rates**

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5027	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/4/2018	Neutral
BOT 1-Day Repo	1.50	16/5/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	10/5/2018	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	6.00	6/6/2018	Neutral
BOK Base Rate	1.50	12/4/2018	Tightening
Fed Funds Target Rate	1.75	3/5/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/4/2018	Easing Bias
BOE Official Bank Rate	0.50	10/5/2018	Neutral
RBA Cash Rate Target	1.50	1/5/2018	Neutral
RBNZ Official Cash Rate	1.75	10/5/2018	Neutral
BOJ Rate	-0.10	27/4/2018	Easing
BoC O/N Rate	1.25	18/4/2018	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	1	3.244	3.244	3.244
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	256	3.146	3.192	3.146
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	124	3.319	3.319	3.313
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	148	3.327	3.371	3.262
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	5	3.446	3.446	3.446
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	2	3.462	3.462	3.462
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	48	3.46	3.46	3.46
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	9	3.583	3.583	3.583
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	64	3.466	3.466	3.462
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	41	3.575	3.583	3.569
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	24	3.731	3.731	3.694
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	2	3.743	3.743	3.743
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	364	3.708	3.731	3.625
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	36	3.799	3.799	3.766
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	28	3.868	3.899	3.868
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	81	3.874	3.877	3.874
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	10	3.86	3.86	3.86
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	26	3.95	3.955	3.95
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	3	4.019	4.019	4.019
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	64	3.962	3.962	3.962
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	191	3.962	3.968	3.952
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	10	4.402	4.402	4.402
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	53	4.418	4.418	4.413
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	4	4.523	4.523	4.523
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	15	4.795	4.795	4.795
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	25	3.596	3.596	3.59
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	405	3.824	3.827	3.824
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	30	4.074	4.074	4.056
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	160	4.053	4.053	4.053
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	22	4	4.008	4
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	3	4.226	4.226	4.226
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	241	4.162	4.162	4.154
GII MURABAHAH 9/2013 06.12.2028	4.943%	6-Dec-28	60	4.305	4.306	4.305
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	60	4.752	4.755	4.752

**Total****2,613**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA IMTN 4.02% 24.03.2020 - Series 1	GG	4.020%	24-Mar-20	20	3.9	3.9	3.9
PRASARANA IMTN 4.27% 11.12.2020 - Series 1	GG	4.270%	11-Dec-20	60	3.979	3.979	3.979
PASB IMTN (GG) 4.23% 16.06.2023 - Issue No. 25	GG	4.230%	16-Jun-23	15	4.17	4.17	4.17
PRASARANA IMTN 4.67% 12.03.2024 - Tranche 2	GG	4.670%	12-Mar-24	15	4.241	4.241	4.241
DANAINFRA IMTN 4.270% 24.05.2024 - Tranche No 62	GG	4.270%	24-May-24	10	4.262	4.262	4.262
LPPSA IMTN 4.900% 05.04.2033 - Tranche No 21	GG	4.900%	5-Apr-33	50	4.899	4.899	4.899
GB SERVICES MTN 3651D 08.11.2019 - MTN 1	AAA (S)	5.300%	8-Nov-19	10	4.428	4.447	4.428
MACB IMTN 4.550% 28.08.2020 - Tranche No 1	AAA (S)	4.550%	28-Aug-20	10	4.247	4.263	4.247
SARAWAKHIDRO IMTN 4.29% 11.08.2023	AAA	4.290%	11-Aug-23	5	4.387	4.387	4.387
PLUS BERHAD IMTN 4.560% 12.01.2024 - Series 1 (8)	AAA IS	4.560%	12-Jan-24	10	4.445	4.451	4.445
CIMBBANK MTN 2556D 17.5.2024 - SERIES 1 TRANCHE 2	AAA	4.600%	17-May-24	10	4.597	4.603	4.597
DANGA IMTN 4.600% 23.02.2026 - Tranche 6	AAA (S)	4.600%	23-Feb-26	40	4.567	4.567	4.566
GENM CAPITAL MTN 3652D 31.3.2027	AAA (S)	4.980%	31-Mar-27	20	4.916	4.923	4.916
YTL CORP MTN 1826D 25.6.2019	AA1	4.468%	25-Jun-19	20	4.342	4.36	4.342
SEB IMTN 5.150% 23.06.2021	AA1	5.150%	23-Jun-21	45	4.39	4.393	4.38
YTL POWER MTN 3651D 24.3.2023	AA1	4.490%	24-Mar-23	20	4.604	4.627	4.604
CIMBBANK 4.700% 07.08.2026 - Issue No 4	AA+	4.700%	7-Aug-26	5	4.691	4.691	4.691
TMSB Senior Sukuk Murabahah 22.10.2027 (Tranche 6)	AA1	5.050%	22-Oct-27	10	4.85	4.851	4.85
AMBANK SENIOR NOTES 1461D 25.3.2019	AA2	4.300%	25-Mar-19	25	4.081	4.081	4.081
UMWH IMTN 4.830% 22.06.2022	AA2	4.830%	22-Jun-22	2	4.624	4.627	4.624
BGSM MGMT IMTN 4.900% 27.12.2018 - Issue No 7	AA3	4.900%	27-Dec-18	10	4.111	4.147	4.111
GAMUDA IMTN 4.550% 13.03.2020	AA3	4.550%	13-Mar-20	60	4.389	4.394	4.389
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	10	4.657	4.671	4.657
WCT IMTN 5.170% 23.10.2023	AA- IS	5.170%	23-Oct-23	10	5.243	5.262	5.243
KESTURI IMTN 4.75% 02.12.2024 - IMTN 6	AA- IS	4.750%	2-Dec-24	20	4.659	4.666	4.659
TANJUNG O&M IMTN 5.370% 01.07.2027	AA- IS	5.370%	1-Jul-27	20	4.85	4.86	4.85
KESTURI IMTN 4.75% 01.12.2028 - IMTN 10	AA- IS	4.750%	1-Dec-28	10	4.868	4.872	4.868
TBEI IMTN 6.050% 13.09.2030	AA3	6.050%	13-Sep-30	10	5.029	5.032	5.029
EDRA ENERGY IMTN 6.270% 05.07.2032 - Tranche No 22	AA3	6.270%	5-Jul-32	35	5.88	5.88	5.88
SPG IMTN 5.410% 29.04.2033	AA- IS	5.410%	29-Apr-33	10	5.189	5.191	5.189
CIMB 6.35% 05.04.2060 - Tranche No. 3	AA3	6.350%	5-Apr-60	20	4.795	4.806	4.795
ISLAM 5.50% 15.12.2025 - Tranche 2	A1	5.500%	15-Dec-25	10	4.519	4.523	4.519
RHBBANK HYBRID TIER 1 8.00% 31.03.2039	A1	8.000%	31-Mar-39	5	4.611	4.611	4.611
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	1	4.694	4.694	4.694
DRB-HICOM 7.500% Perpetual Sukuk - Tranche No 1	A- IS	7.500%	28-Dec-14	6	7.546	7.559	7.546
<b>Total</b>				<b>639</b>			

Sources: BPAM

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