

Global Markets Daily

Back To Goldilocks

Macro | FX Research & Strategy

Global

Back To Goldilocks Environment For Now

The combination of a solid NFP print and softer hourly earnings provided a goldilocks environment for equities to soar. DJI, S&P and NASDAQ closed the session around 1.7-1.8% higher. The positive risk sentiment spilled over to early Asian players as well with Kospi also 0.7% higher, at last sight. Crude rallied in tandem, giving commodity-linked currencies a boost including NOK, AUD and CAD. AUD is further buoyed by talks of trade tariff exemptions by the US.

Will The Fed Stay The Course?

The release of the NFP indicates a rather soft wage growth. This brings to mind what Fed Powell had said (two weeks ago) that “nothing is suggesting to me that wage inflation is at a point of accelerating”. Markets have been fully expecting three hikes from the Fed this year for a while now. 10y yields spiked above 2.90% at the data release and remained elevated last week, buoyed by the combination of risk-on (that saw some de-risking of USTs to equities) and some expectations that Fed may, in fact, raise rates four times this year. On the side, calls for FinMin Aso to resign weighed on the USDJPY this morning.

Quiet Week Ahead

It is a much quieter week ahead before the first Fed hike for the year on 22nd Mar. Data that we watch include SG retail sales today, MY IP and mfg sales, US CPI for Feb, AU RBA Bullock speaks, home loans for Jan and NAB business survey on Tue. Wed has CH activity data, US retail sales, PPI for Feb, ECB Draghi and Constancio speaking, BOJ Minutes and RBA Kent speaking. Thu should see the release of Empire Mfg, Philly Fed, NZ GDP on Thu. Fri has EC CPI, JP IP and Capacity Utilization, RBA Debelle speaking and NZ Mfg PMI. Australia is off on Monday (12 Mar).

| FX: Overnight Closing Prices | | | | | |
|------------------------------|------------|---------|----------|------------|---------|
| Majors | Prev Close | % Chg | Asian FX | Prev Close | % Chg |
| EUR/USD | 1.2307 | ↓ -0.04 | USD/SGD | 1.3166 | ↓ -0.07 |
| GBP/USD | 1.385 | ↑ 0.28 | EUR/SGD | 1.6202 | ↓ -0.12 |
| AUD/USD | 0.7844 | ↑ 0.71 | JPY/SGD | 1.2329 | ↓ -0.60 |
| NZD/USD | 0.728 | ↑ 0.22 | GBP/SGD | 1.8226 | ↑ 0.16 |
| USD/JPY | 106.82 | ↑ 0.56 | AUD/SGD | 1.0331 | ↑ 0.65 |
| EUR/JPY | 131.46 | ↑ 0.51 | NZD/SGD | 0.9585 | ↑ 0.17 |
| USD/CHF | 0.9513 | ↑ 0.02 | CHF/SGD | 1.3839 | ↓ -0.10 |
| USD/CAD | 1.2812 | ↓ -0.65 | CAD/SGD | 1.028 | ↑ 0.63 |
| USD/MYR | 3.9115 | ↑ 0.08 | SGD/MYR | 2.9679 | ↓ -0.09 |
| USD/THB | 31.328 | ↓ -0.15 | SGD/IDR | 10461.42 | ↓ -0.35 |
| USD/IDR | 13797 | ↓ -0.14 | SGD/PHP | 39.4886 | ↓ -0.35 |
| USD/PHP | 52.063 | ↓ -0.14 | SGD/CNY | 4.8139 | ↓ -0.04 |

Implied USD/SGD Estimates @ 12 Mar-18, 9.00AM

| Upper Band Limit | Mid-Point | Lower Band Limit |
|------------------|-----------|------------------|
| 1.2983 | 1.3246 | 1.3509 |

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G7: Events & Market Closure

| Date | Ctry | Event |
|--------|------|----------------|
| 12 Mar | AU | Market Closure |

AXJ: Events & Market Closure

| Date | Ctry | Event |
|---|------|-------|
| No Significant Data/Event in The Region | | |

G7 Currencies

- **DXY - Of CPI, Retail Sales and IP This Week.** Payrolls report last Fri somewhat suggested a return of “goldilocks” play with 313k jobs being added - much larger than consensus expectation of +205k. Even Jan number was revised upwards to +239k (vs. 200k). Wage growth, previously the catalyst triggering fears that faster than expected pick-up in inflation could lead to more aggressive pace of Fed tightening, disappointed to the downside (Hourly earning slowed to 2.6% y/y vs. 2.9% prior vs. 2.8% expected). Risk-on proxies including AXJs (KRW, MYR) as well as antipodeans (AUD, NZD) firmed while JPY and CHF fell. DXY was last seen at 90.10 levels. Mild bullish momentum on daily chart remains intact. Resistance as previously highlighted around 90.50 still holds. Support at 89.60 (21 DMA, 23.6% fibo), 88.25 (previous low). Week ahead brings CPI, Real Avg Weekly earnings (Feb) on Tue; Retail sales, PPI (Feb) on Wed; Empire Mfg, Philly Fed (Mar) on Thu; Net TIC Flows (Jan), Housing Starts, building permits, IP, Cap Util. (Feb) on Fri.
- **EURUSD - Tactical Upside Play.** EUR rose modestly post-US payrolls report last Fri. Slowing pace of wage growth curtailed USD gains. Pair was last seen at 1.2305 levels. Bias for tactical upside play (24-48hour time frame) targeting 1.2360, 1.2380, 1.24 levels. SL below 1.2270 (Thu low). Spot ref at 1.2305. Elsewhere on Italian politics, coalition talks are still ongoing with the usual deadlock - Northern League leader Salvini said he will not support any candidate for Prime Minister other than himself while Five Star Movement party leader told the President that they should be allowed to form the government as they are the only single party that secured the highest support but the right-wing coalition (Northern League, Forza Italia, etc.) said the job to form a coalition government should be theirs as their combined total was higher. While not all is clear, it does appear that the PM would either be Salvini or Di Maio and the probability of Northern League forming a coalition government with 5 Star Movement should also be small given different agendas and a common ambition for their respective leaders (which is the Prime Minister role and there can only be one candidate). If Right-wing coalition is given the go-ahead to form a coalition government, it is likely PD (Democratic) maybe included. This could help to diffuse a government lead by populists. What these means is there are signs of clarity and receding political risks should support EUR. That said matters of politics remain fluid we only highlighted one possible scenario (which may be deemed as optimistic by some). Week ahead brings ECB Draghi speaks, IP (Jan), ECB Constancio speaks on Wed; CPI (Feb) on Fri.
- **GBPUSD - Spring Statement Tomorrow.** GBP was a touch firmer amid broad USD softness on the back of US payrolls report. Pair was last seen at 1.3850 levels. Bearish momentum on daily chart shows signs of waning. Resistance at 1.3910 (21 DMA). Support at 1.3790. Bias remains for upside play. Hammond will deliver the Spring Budget Statement tomorrow. Week ahead is relatively quiet in terms of data release. External events expected to drive the currency.
- **USDJPY - Domestic Scandal Weighs.** USDJPY, which has been on the uptick towards the end of last week amid easing geopolitical

tensions on the Korean peninsula, is under pressure this morning as the Abe school scandal appear to engulf DPM and Finance Minister Aso. He is under pressure to resign after it was revealed that the MoF had altered documents pertaining to the sale of government-owned land to educational foundation. PM Abe's popularity has also taken a hit as a result and could lower his chances for a third term as PM could be endangered. *BOJ governor Kuroda did not disappoint in his post-meeting press conference on Fri. Following the BOJ's decision to keep its key policy settings unchanged, Kuroda emphasised that the central bank was not thinking about adjusting its easy policy before hitting the 2%R inflation target and that achieving the target may not necessarily trigger an immediate exit from policy stimulus. Kuroda also reiterated his optimism that 2% inflation will be achieved around FY2019 and that the central bank will continue with its ultra-loose monetary easing until then. He also warned that the BOJ will make any need policy adjustments to maintain momentum if necessary. There was little reaction from the JPY to the BOJ policy decision and Kuroda's press conference. Still, we believe that Kuroda's comments should provide underlying support for the pair ahead.* Last seen around 106.95-levels. Momentum indicators on the daily chart are becoming increasingly bullish, while stochastics continues to climb higher. Weekly momentum and stochastics remains bearish bias. Should the break above the 21DMA resistance level be sustained, this could be a bullish signal for further upside towards 107.25 levels (38.2% fibo retracement of the Feb high to Mar low), 107.90 levels (50% fibo). Failure to do so could see the pair head back towards 105.25 (2018 low) support levels. Interim support at 106-levels. Week ahead has machine tool orders (Feb P) on Mon; PPI (Feb), tertiary industry index (Jan) on Tue; core machine orders (Jan), BOJ minutes of Jan policy meeting on Wed; industrial production, capacity utilisation (Jan) on Fri.

■ **NZDUSD - Supported.** NZD firmed amid broad USD softness. Pair was last seen at 0.7305 levels. Bearish momentum on daily chart is waning while stochastic is rising. Short term upside pressure expected towards 0.7340 (61.8% fibo retracement of Feb high to Mar low), 0.7380 (76.4% fibo). Interim support at 0.7280 (50 DMA), 0.7245 levels. Week ahead brings Food Prices (Feb) on Tue; REINZ house sales (Feb), Current account balance (4Q) on Wed; GDP (4Q) on Thu; BusinessNZ Mfg PMI (Feb) on Fri.

■ **AUDUSD - Risks To the Upside.** AUDUSD rallied above the 21-DMA and was last seen around 0.7860. Momentum indicators are turning higher and the 21-DMA has turned into a support level. Resistance at 0.7900 (50-DMA). Support at 0.7770. Our mildly bullish medium term view for AUD remains, as domestic and external demand continues to strengthen and we look for the AUDUSD pair to break above 0.80 within this half of the year. According to the RBA on 6 Mar, the economy is now projected to "grow faster in 2018 than it did in 2017" - a change from its previous statement of "GDP to pick up, a bit above 3 per cent over the next couple of years". However, we see some signs that RBA is poised to hike this Aug after it added that "rate of wage growth appears to have troughed". This is something that we have been observing for the past few months and back our call for RBA to raise cash rate in May (now in Aug). Week ahead brings RBA's Bullock Speaks, home loans (Jan), NAB Business Survey

(Feb) on Tue; RBA Kent speaks (Wed) on Wed; Consumer inflation expectations (Mar) on Thu; RBA Debelle Speaks on Fri.

- **USDCAD - Bearish.** Pair slumped on a combination of soft USD and firmer crude. Last seen around 1.2810. This pair is also weighed by the fall in jobless rate to 5.8% from previous 5.9%. Momentum is bearish and this pair risks heading lower. Support is now seen at 1.2725 (200-DMA, 100-DMA). That said, the fate of the CAD remains tied to the developments on the NAFTA agreement. Rebounds to meet resistance at 1.2930. Week ahead has existing home sales and ADP payrolls on Thu, mfg sales on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.71% above the implied mid-point of 1.3246.** The top is estimated at 1.2983 and the floor at 1.3509.
- **USDSGD - Sideways.** USDSGD move higher mid-last week proved to be short-lived with the pair headed lower towards the end of the week as geopolitical risk eased on the agreement of Trump to meet with North Korea's Kim Jung Un in May. Speculation that MAS will normalise policy with a shift to a 'slight gradual appreciation' at its Apr meeting from its current neutral policy amid healthy economic growth is proving supportive of the SGD. In addition, firmer CNY is also putting downward pressure on the pair. Slightly firmer UST yields on Fri evening lifted the 3-month SOR by 0.8% to 1.41%. Continuing upticks in UST yields the week ahead should be supportive of the 3-month SOR ahead. Last seen at 1.3154-levels, pair has lost most of its bullish momentum on the daily chart, though stochastics is fast approaching oversold conditions. Weekly chart still shows no strong bias in either direction, though stochastics continues to climb higher from oversold conditions. We look for the pair to remain in sideways trades within 1.3125 (23.6% fibo retracement of the Feb high to low) -1.3200 (50% fibo, 50DMA) range in the absence of fresh catalyst. Break out in either direction, could see the pair trade in a wider 1.3085-1.3232 range. Week ahead brings retail sales (Jan) on Mon; NODX (Feb) on Fri.
- **AUDSGD - Stay Long.** AUDSGD rallied and is last seen testing resistance at 1.0330. USD weakness has allowed this cross to head higher. Support at 1.0200, 1.0146 (Dec low). Break of the 1.0330 opens the way towards 1.0380 (100-DMA) before the 50-DMA at 1.0420. **Hold our tactical buy (date 6 Mar 2018) at 1.0254 for a target of 1.0450. Stop-loss at 1.0200.**
- **SGDMYR - Central Bank Divergence.** SGDMYR was last seen at 2.9690 levels. Daily momentum and stochastics continue to indicate a mild bullish bias. Though medium term bias remains to sell on rally, we caution that the cross could head higher in the short term first. Resistance seen at 2.98 (50 DMA, 23.6% fibo retracement of Nov high to Jan low) and 3.0060 (38.2% fibo). Sustained price action above 3.0060 could see the cross head higher towards 3.0260 (50% fibo). Area of support seen at 2.94 - 2.95 levels. The risk of MAS "Normalisation" vs BNM "On Hold" suggest potential monetary policy divergence (or catch-up) play and this could present risks for SGDMYR to head higher in the lead-up to MAS meeting, which is likely to be held in second or third week of April (actual date to be announced closer to April).
- **USDMYR - Bias to Lean against Strength Remains.** USDMYR slipped this morning amid supported risk sentiment and softer USD. Pair was last seen at 3.9040 levels. Mild bullish momentum remains intact but shows signs of waning. Resistance at 3.92, 3.9510 levels (38.2% fibo retracement of Jan high to low). Our bias remains to lean against strength. Support at 3.88, 3.8660 (previous low). Our medium term bias for MYR strength remains 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) General election could lend further support for Ringgit. Typically Malaysian equities, MYR tend to strengthen in the lead-up to elections due to rising confidence; (5) 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 - Testing Key Support.** 1m USDKRW NDF fell amid broad weakness in USD and supported risk sentiment. US payrolls report last Fri - strong job creation and slower pace of wage growth painted a "goldilocks play" favoring risk-on proxies. With sentiment supported and geopolitical tensions in Korea peninsula receding, the pair could possibly test the area of support at 1055 -1060 levels in the near term. We believe a decisive move lower towards 1050 is possible if trade tensions unwind further. Meanwhile resistance at 1065, 1072 (21, 50 DMAs).
- **USDCNH - Back in Range.** USDCNH inched lower, still within the 6.28-6.35 range. We like to stick to our tactical short CNH trade against the USD with a target of 6.42. Spot ref at 6.3357, stoploss at 6.3152. PBoC fixed the USDCNY reference rate at **6.3333, 118 pips lower than the previous 6.3451.** CNYMYR was fixed at **0.6170, 10 pips higher than 0.6160.** EURCNY was fixed **133 pips lower at 7.7956 vs. the previous at 7.8089.** China legislature abolished term limits for the President, allowing President Xi to remain in power indefinitely. According to the Global Times, the removals of term limits help the President face a series of major challenges to its development. Week ahead has retail sales, industrial production and urban FAI on Wed.
- **1M USDINR NDF - Bearish Divergence.** 1M struggles to make headway and was last seen around 65.30. The daily chart shows a likely turn lower. Support is seen around 65.10. Resistance at 65.50. We have warned of a bearish divergence with the MACD forest so we look for the break of this support level for bears to take firmer control. Week ahead has Feb CPI today and Jan IP. WPI is due on Wed before trade numbers on Thu. Eyes also on current account balance for 4Q due 15-28th of Mar. **We caution that the rupee could benefit from an upgrade in the Fitch rating agency. Economic Affairs Secretary Subhash Chandra Garg said that the rating agency is "extremely positive" of the "economy, reforms and path forward".** Investors sold U\$93.1mn of equities on Wed and U\$30.7mn of bonds. In news, FinMin Jaitley announced that the inter-state e-way bill will be rolled out 1 Apr while intra-state e-way bill will start in Apr in phases. Exporter tax exemptions will be extended for 6 months (BBG).

- **1m USDIDR NDF - *Slow Grind Higher.*** 1m USDIDR NDF hit a new 2018 high at 13875 on 8 Mar amid USD strength and rising UST yields. Carry trade plays continue to unwind as UST yields rise and vols remain elevated with foreign holding of Indonesian assets pared. Foreign investors have sold USD328mn in equities last week. Meanwhile, they had sold USD785.8mn in debt on 5-8 Mar (latest data available). Further paring of foreign holdings look likely and this should see further reduction in short-USDIDR positions ahead, keeping the 1m NDF supported. Still, further upside could be a slow grind on possible BI intervention in the FX market to guard against volatility. Note though that spot USDIDR has started the week by gapping lower at the opening to 13773 from Fri's close of 13797 amid the sell-off in the USD against the AXJs. Last seen around 13817. Bullish bias on the daily remain intact but is waning, while stochastics shows tentative signs of turning lower from overbought conditions. Weekly chart remains bullish bias. Resistance remains at the 2018 high at 13875. Support is around 13750 levels. JISDOR was fixed at 13794 on Fri, 20 pips higher than the fixing on Thu. Quiet week ahead with just trade (Feb) on Thu.

- **1m USDPHP NDF - *Stuck-In-Range.*** 1m USDPHP NDF is trading softer amid easing geopolitical tensions after ticking higher since the beginning of last week on jawboning by BSP and government officials over the need for any policy rate adjustment (next BSP meeting on 22 Mar). The transitory nature of the current spell of inflation was cited for the central bank's likely unchanged stance, though the BSP expects inflation to come in at 4.3% (2006 based year) in 2018 - above its upper bound of its 2-4% inflation target. That said, foreign sell-off of equities continues to weigh on the 1m NDF. In the past week, foreign investors had sold USD50.2mn in equities. Further deterioration in risk sentiments could equities sell-off again this week, lifting the 1m NDF higher. Last seen around 52.12 levels. MACD shows bearish bias intact but waning while stochastics is falling. Weekly chart remains bullish bias. 50DMA cuts the 200DMA and 100DMA to the upside, a bullish signal. This suggests further downside could be limited and 1m NDF could trade range-bound for now. Support nearby is around the 52-handle (23.6% fibo retracement of the Jan low to Feb high), 51.80 levels. Resistance is around around 52.50 ahead of 52.70 (2018 high). Quiet week ahead with just overseas remittances (Jan) on Thu.

- **USDTHB - *Still Consolidating.*** USDTHB appears in consolidation after slipping back towards the 31.270 levels mid-week as market took Trump's tariffs on steel and aluminium in stride. Paring of Thai assets appear to have moderated during the week and foreign portfolio inflows could return should positive risk appetite remain. In the past week, foreign investors have sold USD122.4mn and USD44.2mn in equities and debt. Last seen around 31.306 levels. Bullish bias on the daily chart remains intact but is dissipating, while stochastics continues to fall. Weekly chart shows bearish bias waning while stochastics remains in oversold conditions. Look for the pair to remain in consolidation in the absence of fresh catalyst. Support remains around 31.240 levels (27 Feb low) before 31.190 (2018 low). Immediate resistance is around 31.410 levels (21DMA) ahead of 31.480 levels (38.2% fibo retracement of the Feb high to low). Quiet week ahead with just foreign reserves (9 Mar) on tap on Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

| MGS | Previous Bus. Day | Yesterday's Close | Change (bps) |
|--------------|-------------------|-------------------|--------------|
| 3YR MH2/21 | 3.40 | *3.40/37 | Not traded |
| 5YR MI3/22 | 3.58 | 3.58 | Unchanged |
| 7YR ML9/24 | 3.87 | 3.87 | Unchanged |
| 10YR MO11/27 | 3.99 | 3.98 | -1 |
| 15YR MX4/33 | 4.41 | 4.42 | +1 |
| 20YR MX4/37 | 4.55 | 4.55 | Unchanged |
| 30YR MZ3/46 | 4.78 | *4.78/75 | Not traded |
| IRS | | | |
| 6-months | 3.71 | 3.71 | - |
| 9-months | 3.73 | 3.72 | -1 |
| 1-year | 3.76 | 3.75 | -1 |
| 3-year | 3.82 | 3.81 | -1 |
| 5-year | 3.90 | 3.89 | -1 |
| 7-year | 4.01 | 4.02 | +1 |
| 10-year | 4.14 | 4.15 | +1 |

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Source: Maybank KE

*Indicative levels

- MGS continued to see steady buying at the belly of the curve, with the 10y yield inching 1bp lower. Decent trading volume considering market was awaiting the US NFP data release. BNM announced a MYR3b auction size for the new 7y MGS 3/25 and an additional MYR1b private placement, totalling MYR4b issuance size as expected. There were no trades in WI and was last quoted at 3.94/85%.
- MYR IRS curve steepened as short end rates came off about 1bp, with the 3y given at 3.81% early in the session. There were no other trades for the rest of the session. Recent softening in Ringgit could cause rates curve to move higher. 3M KLIBOR remained at 3.69%.
- Quiet end for corporate bonds. There was selling interest in Danga curve with the belly trading 2 bps wider. For GGs, Danainfra and Jambatan Kedua widened 3-4bps as off-the-run bonds repriced higher against newer GG issuances. AA curve remained quiet and was unchanged, with SPG and JEP long end bonds being dealt.

Singapore Fixed Income

Rates Indicators

| SGS | Previous Bus. Day | Yesterday's Close | Change (bps) |
|------|-------------------|-------------------|--------------|
| 2YR | 1.75 | 1.77 | +2 |
| 5YR | 2.07 | 2.10 | +3 |
| 10YR | 2.42 | 2.44 | +2 |
| 15YR | 2.72 | 2.75 | +3 |
| 20YR | 2.74 | 2.77 | +3 |
| 30YR | 2.90 | 2.94 | +4 |

Source: Maybank KE

- Selloff in SGS continued at the open despite steady USD rates and local money market rates. Selling interest was strong in the 30y tenor which soon spread to other parts of the curve. Yields rose quickly as dealers were defensive ahead of the US NFP report. At the peak, the curve was up 5bps. Market later calmed down and SGS recovered slightly to close 2-4bps higher in yields, while SGD IRS was up 1-2bps.
- Asian credits mainly traded unchanged as most players stayed on the sidelines ahead of the US payroll data. New HAOHUA bonds continued to trade tighter. EM sovereigns also mostly unchanged. On primary updates, Indian credit Rural Electrification will be doing a roadshow for its upcoming 10y USD issuance and this moved its existing curve wider.

Indonesia Fixed Income

Rates Indicators

| IDR Gov't Bonds | Previous Bus. Day | Yesterday's Close | Change (bp) |
|-----------------|-------------------|-------------------|-------------|
| 2YR | 5.68 | 5.80 | 11.18 |
| 5YR | 6.22 | 6.22 | (0.32) |
| 10YR | 6.70 | 6.73 | 2.98 |
| 15YR | 7.07 | 7.12 | 5.05 |
| 20YR | 7.37 | 7.40 | 3.13 |
| 30YR | 7.40 | 7.40 | (0.27) |

* Source: Maybank Indonesia

- Indonesia bond market closed lower during Friday trading session. Almost entire IndoGB series yield moved higher during the day between 1 - 11bps. We reiterate statements given by Central Bank official which are “room for rate cut is narrowing”, “CPI in March seen at 3.31% yoy” (higher compared to Feb 18), “Feb trade deficit seen at \$230m” (expectation of three consecutive month of trade balance deficit) and “state budget still has room for wider fiscal deficit to cover energy subsidy” (implies potential increase of Govvy supply in 2018) had affected negatively towards IndoGB market. Market players were also waiting for U.S. Feb labor data which was set to release post market close. A better than expected release would supplement the already Fed rate hike expectation (on upcoming FOMC) and may potentially result in weakening IndoGB market on Monday trading session. Moreover, DMO scheduled conventional auction plan on Tuesday is seen augmenting pressure toward IndoGB yield movement. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.217%, 6.730%, 7.121% and 7.398% while 2y yield moved higher to 5.796%. During the day, FR0074 (14y) yield decline the most by 1bps while FR0059 (9y) yield increased the most by 11bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 28bps). Trading volume at secondary market was noted moderate at government segments amounting Rp16,149b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp3,698b with 110x transaction frequency.
- Foreign ownership stood at Rp831.8t or 38.7% of total tradable government bond as of Mar 8th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp10.8t from begin month of Mar 18.
- Corporate bond traded heavy amounting Rp1,948b. ADHI02CN1 (Shelf Registration II Adhi Karya Phase I Year 2017; Rating: *id*A-) was the top actively traded corporate bond with total trading volume amounted Rp478b yielding 9.249%.

Foreign Exchange: Daily Levels

| | EUR/USD | USD/JPY | AUD/USD | GBP/USD | USD/CNH | NZD/USD | EUR/JPY | AUD/JPY |
|----------------|---------|---------|---------|---------|---------|---------|----------|---------|
| R2 | 1.2366 | 107.56 | 0.7902 | 1.3943 | 6.3667 | 0.7324 | 132.5400 | 84.7160 |
| R1 | 1.2336 | 107.19 | 0.7873 | 1.3897 | 6.3486 | 0.7302 | 132.0000 | 84.2670 |
| Current | 1.2320 | 106.58 | 0.7865 | 1.3859 | 6.3239 | 0.7317 | 131.3000 | 83.8150 |
| S1 | 1.2275 | 106.31 | 0.7796 | 1.3796 | 6.3165 | 0.7254 | 130.8100 | 83.0060 |
| S2 | 1.2244 | 105.80 | 0.7748 | 1.3741 | 6.3025 | 0.7228 | 130.1600 | 82.1940 |

| | USD/SGD | USD/MYR | USD/IDR | USD/PHP | USD/THB | EUR/SGD | CNY/MYR | SGD/MYR |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| R2 | 1.3221 | n/a | 13826 | 52.1837 | 31.4427 | 1.6271 | 0.6419 | 2.9760 |
| R1 | 1.3194 | n/a | 13812 | 52.1233 | 31.3853 | 1.6236 | 0.6297 | 2.9719 |
| Current | 1.3148 | 3.9045 | 13764 | 52.0200 | 31.3210 | 1.6198 | 0.6170 | 2.9699 |
| S1 | 1.3142 | n/a | 13777 | 52.0153 | 31.2703 | 1.6171 | 0.6076 | 2.9652 |
| S2 | 1.3117 | n/a | 13756 | 51.9677 | 31.2127 | 1.6141 | 0.5977 | 2.9626 |

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

Equity Indices and Key Commodities

| | Value | % Change |
|-------------------------|-----------|----------|
| Dow | 25,335.74 | 1.77 |
| Nasdaq | 7,560.81 | 1.79 |
| Nikkei 225 | 21,469.20 | 0.47 |
| FTSE | 7,224.51 | 0.30 |
| Australia ASX 200 | 5,963.23 | 0.34 |
| Singapore Straits Times | 3,485.57 | 0.15 |
| Kuala Lumpur Composite | 1,843.92 | 0.23 |
| Jakarta Composite | 6,433.32 | -0.15 |
| Philippines Composite | 8,372.51 | -0.11 |
| Taiwan TAIEX | 10,864.82 | 0.38 |
| Korea KOSPI | 2,459.45 | 1.08 |
| Shanghai Comp Index | 3,307.17 | 0.57 |
| Hong Kong Hang Seng | 30,996.21 | 1.11 |
| India Sensex | 33,307.14 | -0.13 |
| Nymex Crude Oil WTI | 62.12 | 2.97 |
| Comex Gold | 1,324.00 | 0.11 |
| Reuters CRB Index | 195.15 | 0.77 |
| MBB KL | 10.44 | -0.19 |

| Rates | Current (%) | Upcoming CB Meeting | MBB Expectation |
|----------------------------|-------------|---------------------|-----------------|
| MAS SGD 3-Month SIBOR | 1.3773 | Apr-18 | Neutral |
| BNM O/N Policy Rate | 3.25 | 10/5/2018 | Neutral |
| BI 7-Day Reverse Repo Rate | 4.25 | 22/3/2018 | Neutral |
| BOT 1-Day Repo | 1.50 | 28/3/2018 | Tightening Bias |
| BSP O/N Reverse Repo | 3.00 | 22/3/2018 | Tightening Bias |
| CBC Discount Rate | 1.38 | 22/3/2018 | Neutral |
| HKMA Base Rate | 1.75 | - | Tightening |
| PRC 1Y Lending Rate | 4.35 | - | Tightening Bias |
| RBI Repo Rate | 6.00 | 5/4/2018 | Neutral |
| BOK Base Rate | 1.50 | 12/4/2018 | Tightening |
| Fed Funds Target Rate | 1.50 | 22/3/2018 | Tightening |
| ECB Deposit Facility Rate | -0.40 | 26/4/2018 | Easing Bias |
| BOE Official Bank Rate | 0.50 | 22/3/2018 | Neutral |
| RBA Cash Rate Target | 1.50 | 3/4/2018 | Neutral |
| RBNZ Official Cash Rate | 1.75 | 22/3/2018 | 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 5/2015 3.759% 15.03.2019 | 3.759% | 15-Mar-19 | 50 | 3.099 | 3.099 | 3.099 |
| MGS 4/2014 3.654% 31.10.2019 | 3.654% | 31-Oct-19 | 51 | 3.26 | 3.322 | 3.26 |
| MGS 6/2012 3.492% 31.03.2020 | 3.492% | 31-Mar-20 | 1 | 3.369 | 3.369 | 3.369 |
| MGS 5/2017 3.441% 15.02.2021 | 3.441% | 15-Feb-21 | 1 | 3.386 | 3.386 | 3.386 |
| MGS 3/2014 4.048% 30.09.2021 | 4.048% | 30-Sep-21 | 3 | 3.536 | 3.536 | 3.536 |
| MGS 4/2016 3.620% 30.11.2021 | 3.620% | 30-Nov-21 | 42 | 3.42 | 3.42 | 3.411 |
| MGS 1/2017 3.882% 10.03.2022 | 3.882% | 10-Mar-22 | 51 | 3.584 | 3.584 | 3.584 |
| MGS 1/2012 3.418% 15.08.2022 | 3.418% | 15-Aug-22 | 139 | 3.689 | 3.711 | 3.677 |
| MGS 2/2015 3.795% 30.09.2022 | 3.795% | 30-Sep-22 | 1 | 3.698 | 3.698 | 3.698 |
| MGS 3/2013 3.480% 15.03.2023 | 3.480% | 15-Mar-23 | 41 | 3.763 | 3.763 | 3.761 |
| MGS 1/2016 3.800% 17.08.2023 | 3.800% | 17-Aug-23 | 81 | 3.779 | 3.779 | 3.769 |
| MGS 1/2014 4.181% 15.07.2024 | 4.181% | 15-Jul-24 | 5 | 3.884 | 3.884 | 3.879 |
| MGS 2/2017 4.059% 30.09.2024 | 4.059% | 30-Sep-24 | 91 | 3.883 | 3.883 | 3.874 |
| MGS 1/2015 3.955% 15.09.2025 | 3.955% | 15-Sep-25 | 4 | 3.978 | 3.978 | 3.96 |
| MGS 2/2006 4.709% 15.09.2026 | 4.709% | 15-Sep-26 | 10 | 4.084 | 4.084 | 4.084 |
| MGS 4/2017 3.899% 16.11.2027 | 3.899% | 16-Nov-27 | 561 | 3.976 | 3.99 | 3.974 |
| MGS 3/2010 4.498% 15.04.2030 | 4.498% | 15-Apr-30 | 3 | 4.396 | 4.396 | 4.396 |
| MGS 4/2011 4.232% 30.06.2031 | 4.232% | 30-Jun-31 | 57 | 4.399 | 4.402 | 4.394 |
| MGS 4/2013 3.844% 15.04.2033 | 3.844% | 15-Apr-33 | 362 | 4.414 | 4.419 | 4.406 |
| MGS 3/2017 4.762% 07.04.2037 | 4.762% | 7-Apr-37 | 4 | 4.545 | 4.545 | 4.526 |
| MGS 7/2013 4.935% 30.09.2043 | 4.935% | 30-Sep-43 | 1 | 4.782 | 4.782 | 4.782 |
| MGS 2/2016 4.736% 15.03.2046 | 4.736% | 15-Mar-46 | 15 | 4.782 | 4.782 | 4.782 |
| GII MURABAHAH 5/2015 3.508% 15.05.2018 | 3.508% | 15-May-18 | 50 | 3.183 | 3.183 | 3.103 |
| PROFIT-BASED GII 1/2011 30.08.2018 | 3.872% | 30-Aug-18 | 10 | 3.212 | 3.212 | 3.212 |
| PROFIT- BASED GII 4/2008 31.10.2018 | 4.295% | 31-Oct-18 | 120 | 3.272 | 3.272 | 3.264 |
| GII MURABAHAH 3/2017 3.948% 14.04.2022 | 3.948% | 14-Apr-22 | 102 | 3.83 | 3.83 | 3.827 |
| GII MURABAHAH 1/2015 4.194% 15.07.2022 | 4.194% | 15-Jul-22 | 70 | 3.899 | 3.902 | 3.897 |
| GII MURABAHAH 2/2017 4.045% 15.08.2024 | 4.045% | 15-Aug-24 | 20 | 4.089 | 4.089 | 4.089 |
| GII MURABAHAH 1/2018 4.128% 15.08.2025 | 4.128% | 15-Aug-25 | 31 | 4.03 | 4.032 | 4.03 |
| GII MURABAHAH 1/2017 4.258% 26.07.2027 | 4.258% | 26-Jul-27 | 1 | 4.165 | 4.165 | 4.165 |
| GII MURABAHAH 3/2015 4.245% 30.09.2030 | 4.245% | 30-Sep-30 | 20 | 4.578 | 4.579 | 4.578 |
| GII MURABAHAH 4/2017 4.895% 08.05.2047 | 4.895% | 8-May-47 | 100 | 4.9 | 4.92 | 4.878 |

Total**2,096**

Sources: BPAM

MYR Bonds Trades Details

| PDS | Rating | Coupon | Maturity Date | Volume (RM 'm) | Last Done | Day High | Day Low |
|--|---------|--------|---------------|----------------|-----------|----------|---------|
| KHAZANAH 0% 24.02.2021 | GG | 0.000% | 24-Feb-21 | 100 | 4.055 | 4.063 | 4.055 |
| KHAZANAH 0% 08.03.2021 | GG | 0.000% | 8-Mar-21 | 100 | 4.07 | 4.077 | 4.07 |
| DANAINFRA IMTN 4.160% 26.11.2021 - Tranche No 26 | GG | 4.160% | 26-Nov-21 | 5 | 4.12 | 4.12 | 4.12 |
| DANAINFRA IMTN 3.740% 20.07.2022 - Tranche No 2 | GG | 3.740% | 20-Jul-22 | 70 | 4.165 | 4.165 | 4.165 |
| JAMB.KEDUA IMTN 3.910% 28.07.2023 | GG | 3.910% | 28-Jul-23 | 30 | 4.23 | 4.245 | 4.228 |
| PLUS BERHAD IMTN 4.080% 11.01.2019 - Series 1 (3) | AAA IS | 4.080% | 11-Jan-19 | 10 | 4.079 | 4.079 | 4.079 |
| CAGAMASBMS 4.020% 29.05.2019 - Tranche 2007-1-i/5 | AAA IS | 4.020% | 29-May-19 | 5 | 4.079 | 4.079 | 4.079 |
| RANTAU IMTN 0% 28.08.2019 - Tranche No 7 | AAA (S) | 4.140% | 28-Aug-19 | 25 | 4.04 | 4.04 | 4.04 |
| GASMSIA IMTN 4.290% 02.10.2020 | AAA IS | 4.290% | 2-Oct-20 | 20 | 4.25 | 4.252 | 4.25 |
| TELEKOM IMTN 4.550% 20.12.2024 | AAA | 4.550% | 20-Dec-24 | 10 | 4.439 | 4.445 | 4.439 |
| DANGA IMTN 4.600% 23.02.2026 - Tranche 6 | AAA (S) | 4.600% | 23-Feb-26 | 20 | 4.548 | 4.562 | 4.548 |
| DANGA IMTN 4.520% 06.09.2027 - Tranche 7 | AAA (S) | 4.520% | 6-Sep-27 | 20 | 4.685 | 4.685 | 4.678 |
| TNB NE 4.550% 31.05.2032 | AAA IS | 4.550% | 31-May-32 | 10 | 4.89 | 4.901 | 4.89 |
| TNB NE 4.620% 30.05.2033 | AAA IS | 4.620% | 30-May-33 | 1 | 4.951 | 4.952 | 4.951 |
| YTL POWER MTN 2556D 24.8.2018 | AA1 | 4.350% | 24-Aug-18 | 5 | 4.184 | 4.184 | 4.184 |
| YTL CORP MTN 1826D 25.6.2019 | AA1 | 4.468% | 25-Jun-19 | 5 | 4.342 | 4.342 | 4.342 |
| CTX IMTN 4.85% 29.08.2022 - Series 9 | AA+ IS | 4.850% | 29-Aug-22 | 20 | 4.669 | 4.677 | 4.669 |
| TTPC IMTN 4.790% 31.07.2023 - Series 20 | AA1 | 4.790% | 31-Jul-23 | 1 | 4.533 | 4.536 | 4.533 |
| MBSB (SCSM) IMTN 5.000% 10.12.2024 | AA1 | 5.000% | 10-Dec-24 | 1 | 4.942 | 4.944 | 4.942 |
| CIMBBANK 4.700% 07.08.2026 - Issue No 4 | AA+ | 4.700% | 7-Aug-26 | 1 | 4.879 | 4.879 | 4.686 |
| TMSB Senior Sukuk Murabahah 23.10.2026 (Tranche 5) | AA1 | 5.000% | 23-Oct-26 | 10 | 4.837 | 4.839 | 4.837 |
| TMSB Senior Sukuk Murabahah 21.10.2033(Tranche 12) | AA1 | 5.600% | 21-Oct-33 | 10 | 5.219 | 5.221 | 5.219 |
| HLFG MTN 2555D 30.11.2018 (Series 3) | AA | 4.500% | 30-Nov-18 | 20 | 4.235 | 4.264 | 4.235 |
| UMWH IMTN 4.820% 04.10.2019 | AA2 | 4.820% | 4-Oct-19 | 50 | 4.434 | 4.447 | 4.434 |
| FRL IMTN 4.850% 27.10.2021 | AA2 | 4.850% | 27-Oct-21 | 1 | 4.63 | 4.633 | 4.63 |
| CIMBBANK 6.70% 07.10.2038 | AA | 6.700% | 7-Oct-38 | 25 | 4.426 | 4.426 | 4.39 |
| BUMITAMA IMTN 5.25% 18.03.2019 | AA3 | 5.250% | 18-Mar-19 | 10 | 4.467 | 4.487 | 4.467 |
| UEMED IMTN 4.850% 26.04.2022 | AA- IS | 4.850% | 26-Apr-22 | 10 | 4.643 | 4.663 | 4.643 |
| TBEI IMTN 5.400% 15.03.2024 | AA3 | 5.400% | 15-Mar-24 | 1 | 4.666 | 4.667 | 4.666 |
| AISL IMTN 25.03.2024 | AA3 | 5.050% | 25-Mar-24 | 10 | 4.527 | 4.557 | 4.527 |
| JEP IMTN 5.420% 04.06.2025- Tranche 9 | AA- IS | 5.420% | 4-Jun-25 | 10 | 4.707 | 4.708 | 4.707 |
| SPG IMTN 4.940% 30.04.2026 | AA- IS | 4.940% | 30-Apr-26 | 10 | 4.807 | 4.809 | 4.807 |
| RHBA 4.88% 27.04.2027(Series 2) | AA3 | 4.880% | 27-Apr-27 | 20 | 4.714 | 4.717 | 4.714 |
| TADAU SRI SUKUK 5.80% 27.07.2029 (Tranche 11) | AA3 | 5.000% | 27-Jul-29 | 10 | 5.551 | 5.551 | 5.549 |
| SPG IMTN 5.450% 31.10.2033 | AA- IS | 5.450% | 31-Oct-33 | 10 | 5.284 | 5.291 | 5.284 |
| AFFINBANK SUBORDINATED MTN 3652D 20.9.2027 | A1 | 5.030% | 20-Sep-27 | 1 | 5 | 5.301 | 5 |
| DRB-HICOM 7.500% Perpetual Sukuk - Tranche No 3 | A- IS | 7.500% | 28-Dec-14 | 6 | 7.665 | 7.67 | 7.665 |
| Total | | | | 674 | | | |

Sources: BPAM

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