

# Global Markets Daily

## Cautious Fed Weighs On USD

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Equities were buoyed overnight following what was deemed a “dovish” FOMC minutes. The cautious tone of the minutes sent UST yields and the USD lower. Even before that, UST yields and USD had been pressured lower by Chicago Fed Evans comments that “it’s too soon to decide on a December rate hike” as well as market whispers that Treasury Secretary Mnuchin was strongly pushing Fed Governor Jerome Powell (seen as a dove by the markets) as the next Fed chair. In addition, the EUR remained supported on easing political risks in Catalonia, which also weighed on the USD. Asian equities are likely to remain supported as well with the USD/Asians also be tracking the USD lower ahead.

### Divided Fed Sends Dovish Signal

FOMC minutes suggested a Fed divided on inflation and policy normalisation. The minutes noted that “many participants expressed concern that the low inflation readings this year might reflect not only transitory factors but also the influence of developments that could prove more persistent”. Several policymakers said their decision to raise rates this year would depend on whether the economic data in coming months increased their confidence on inflation rising towards their 2% target. Minutes also noted that some patience in removing policy accommodation while assessing trends in inflation was warranted. This may potentially scale back market expectations of Fed rate hike trajectory (which is already rather flat for 2018). Only 48.5bps of rate increase has been priced in from now to end-2018, according to 30D fed fund futures. This suggests limited USD upside pressure (from monetary impulse perspective due to softer inflation expectations).

### US PPI, Malaysia & EU IP; ECB, Fed Speaks Ahead

Up ahead today are US PPI, EU IP, ECB Draghi, Praet speaks, Singapore retail sales; Malaysia IP. Fed speakers to watch out for today include Powell and Brainard. Thailand is out for a public holiday tomorrow.

#### FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1744	↑ 0.09	USD/SGD	1.3621	↑ 0.04
GBP/USD	1.3237	↓ -0.29	EUR/SGD	1.5995	↑ 0.12
AUD/USD	0.7836	↑ 0.11	JPY/SGD	1.2069	↓ -0.05
NZD/USD	0.716	↓ -0.50	GBP/SGD	1.8028	↓ -0.26
USD/JPY	112.85	↑ 0.07	AUD/SGD	1.0671	↑ 0.13
EUR/JPY	132.53	↑ 0.17	NZD/SGD	0.9752	↓ -0.46
USD/CHF	0.9737	↓ -0.10	CHF/SGD	1.3989	↑ 0.15
USD/CAD	1.2487	↓ -0.17	CAD/SGD	1.0907	↑ 0.20
USD/MYR	4.237	↑ 0.06	SGD/MYR	3.1069	↓ -0.09
USD/THB	33.359	↓ -0.20	SGD/IDR	9927.21	↓ -0.15
USD/IDR	13542	↑ 0.01	SGD/PHP	37.4612	↓ -0.16
USD/PHP	51.105	↑ 0.03	SGD/CNY	4.8867	↑ 0.01

#### Implied USD/SGD Estimates @ 12-Oct-17, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3397	1.3668	1.3939

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#### G7: Events & Market Closure

Date	Ctry	Event
09 Oct	JP, US	Market Closure

#### Emerging Markets: Events & Market Closure

Date	Ctry	Event
09 Oct	KR	Market Closure
13 Oct	SG	MAS Meeting
13 Oct	TH	Market Closure

## G7 Currencies

■ **DXY - *Soft on Divided Fed.*** USD remains on a retreat as FOMC minutes suggested a divided Fed on views relating to inflation and policy normalisation. The minutes noted that “many participants expressed concern that the low inflation readings this year might reflect not only transitory factors but also the influence of developments that could prove more persistent”. Several policymakers said their decision to raise rates this year would depend on whether the economic data in coming months increased their confidence on inflation rising towards their 2% target. Minutes also noted that some patience in removing policy accommodation while assessing trends in inflation was warranted. Earlier in an interview with CNBC, Fed’s Evans said there would be room for “honest discussion” later in the year on whether it was the right time to raise interest rates. He added he is “really nervous” about low inflation expectations and that it was too early to make a call on Dec. Recent development highlighted policymakers’ concerns (and perhaps growing impatience) on slow pick-up in inflation towards target despite unemployment rate falling to 16-year lows of 4.3%. This may potentially scale back market expectations of Fed rate hike trajectory (which is already rather flat for 2018). Only 48.5bps of rate increase has been priced in from now to end-2018, according to 30D fed fund futures. This suggests limited USD upside pressure (from monetary impulse perspective due to softer inflation expectations). And remains in line with our technical call for USD downside risks in the short term. As we had shared USD can be driven by monetary impulse and/or fiscal impulse - the latter is still missing for now (and may provide a jolt to USD upside when enactment of tax reforms come into focus). DXY was last seen at 92.90 levels. Bullish momentum on daily chart is waning while stochastics is falling from near overbought conditions. We continue to caution for downside pressure in the near term. Sustained price action below 92.90 levels (21, 50 DMAs) may suggest more downside could be in play, possibly towards 92-levels. Resistance at 94 levels (23.6% fibo retracement of 2017 high to low). Week remaining brings PPI (Sep); Fed’s Powell, Brainard speak on Thu; Retail sales, CPI (Sep); Uni of Mich sentiment (Oct P); Fed’s Evans, Kaplan, Powell speak on Fri.

■ **EURUSD - *Upside Risks.*** EUR shrugged off political concerns in Spain and traded higher overnight. To be sure, the mess in Spain has not gone away. Spanish PM Rajoy had asked the Catalan regional government to clarify whether or not it had declared independence (Puigdemont has 5 days to respond). It was understood that Catalan leaders have signed a declaration of independence (unclear if this has any legal status) on Tue but stopped short of implementation to allow for talks. If Puigdemont confirms he has declared independence, he will be given 3 days to withdraw the declaration before Article 155 (not activated yet) of the Constitution kicks in. This allows the central government to suspend a region’s autonomy and to impose direct rule. Leader of opposition Socialists said his party and the government had agreed to examine the possibility of using constitutional reform to end the crisis. EU had made clear that should Catalonia split from Spain, the region would cease to be part of the EU. A handful of companies and banks have also announced plans to move its HQs out of the region in response to the crisis. We

had shared that Catalonia's potential breakaway from Spain does brings back reminiscence of UK's exit from EU. Though Catalan's case maybe of a much smaller scale (relative to an entire country breaking away from EU), it could potentially bring about contagion effect and trigger other European cities or nations to breakaway. This weekend brings Austrian elections (15 Oct). Polls still shows voters are undecided. Startfor's 4Q forecast states that the *GE in Austria will reveal the popularity of the far right in the country. It predicts that should the far-right enter Austria's next government, Vienna will be more willing to confront the European Union on issues such as migration, the future of the Schengen Agreement and efforts to revamp the bloc to address southern members' concerns.* Putting all together, we should not underestimate the return of political risks in Europe (which can have a negative bearing on EUR). German election has already saw the rise of right-leaning AfD party in Germany (3<sup>rd</sup> largest party in Bundestag) which campaigned on anti-immigration, anti-EURO. Matter of politics is fluid and sentiment-driven and we caution that the return of populism policies could undermine the stability of the Euro-club and pose risks to financial markets. EUR was last seen at 1.1860 levels. The move higher overnight is consistent with our technical cautious for upside risks. Daily momentum has turned mild bullish while stochastics is rising from oversold levels. These signals continue to suggest upside risks. Resistance at 1.1880 (50% fibo retracement of Sep high to Oct low) and 1.1930 (61.8% fibo). Support at 1.1830 (38.2% fibo), 1.1770 (23.6% fibo), 1.1670 (Oct low). Week remaining brings ECB's Draghi, Praet speaks; IP (Aug) on Thu.

- **GBPUSD - Caution for Rebound Risks.** GBP continued to trade higher despite *Brexit* uncertainties and IMF's caution that Brexit uncertainty will hit UK in 2017 and 2018. In Chancellor Hammond's comments to Parliament's Treasury Committee, he said UK needs to be prepared for a no-deal Brexit; prepared to spend when need to against the contingency of no-deal outcome and such money would come from reserve funds. While Brexit uncertainties and speculation about May's future as PM remain, focus remains on BoE MPC meeting decision (2 Nov). Firmer production data and upside pressure on inflation (persistently above BoE's 2% inflation target), labor costs add to pressure for the BoE to raise rates at the Nov meeting. GBP was last seen at 1.3240 levels. Bearish momentum on daily chart is waning while stochastics is showing signs of rising from oversold conditions. **Caution remains for risk of rebound.** Resistance at 1.3320 (38.2% fibo retracement of Aug low to Sep high). Support at 1.3210 (50% fibo), 1.3110 (61.8% fibo). Week remaining brings RICS House Price Balance (Sep) on Thu.

- **USDJPY - Bearish Bias; Bias To Buy On Dips.** As we have cautioned, the USDJPY remains under pressure as short-JPY and long USD bets are unwound following the dovish tone of both Chicago Fed Evans' speech and the FOMC minutes that weighed on UST yields and USD. Lingering in the background as well that is feed risk aversion is market concerns that tax reforms could be stalled by the bickering between Trump and GOP Senator Corker. Narrowing yield differentials between UST and JGB is weighing on the pair. 10Y UST yield slipped to below the 2.30% levels overnight to 2.28% this morning, while 10Y JGB yield had edged higher to 0.061%. Still, higher Nikkei 225 futures suggest that equities should remain

buoyed, putting upside pressure on the pair intraday. Some downside risks to the USDJPY is emerging from political risk over the Lower House election. Lower House election is scheduled for 22 Oct and PM Abe is attempting to win a historic third term. An Abe victory with a sizeable majority would mean policy continuity for Abenomics and the BOJ's ultra-loose monetary policy, which would continue to support for equities and the USDJPY. But should the LDP lose substantial seats to the upstart Party of Hope led by Tokyo Governor Yuriko Koike, then PM Abe's days could be numbered (LDP presidency election is scheduled for Sep 2018). This scenario could see a sell-off in equities with flows going into bonds and this could weigh on the USDJPY. Last seen around 112.41-levels, daily momentum and stochastics are bearish bias. Weekly momentum and stochastics remains bullish bias though. This suggests risk remains to the upside but in the near term there is some room for the pair to move lower towards the 112.20 (21DMA), 111.90 (200DMA), 111-handle. Resistance around 113-handle.

- **NZDUSD - Potential Delay in NZ First Decision.** NZ First party leader has ruled out a public announcement about the results of talks to form a new government on his self-imposed deadline of Thu night (12 Oct). He expects discussions to go on and the decision to be ratified by NZ First Board possibly even as late as on Sun (instead of tonight). We caution for risk of an extended delay as detailed coalition takes time to discuss. Much remains unknown which party NZ First will choose but it could be one of these three scenarios: (1) coalition involving Labour, Green and NZ First will likely point to a more inward looking, nationalist-focused agenda and may weigh further on the NZD and its economy outlook. Extended move towards 0.70, 0.6820 levels should not be ruled out on this outcome; (2) coalition government involving National and NZ First is less negative on NZD outlook as National party is known to pursue an outward-looking trade policy and is perceived to be business-friendly. But differing views between National and First Party on immigration policies may cloud NZD outlook. That said this scenario could see temporary relief rebound for NZD; (3) that NZ First leader Peters could elect to sit on cross benches and support a minority National government on confidence and supply rather than enter a coalition with either party. Such an arrangement will see support party (NZ First) backing the government on key legislation such as the Budget and in return, the government will agree to back the support party on specific policies. Such an agreement will benefit the smaller party as it has freedom to criticize the government and to oppose specific policies while getting ministerial roles and key policies onto Government's agenda. Though this scenario may still present uncertainties with regards to government policies in the medium term, we believe this scenario may still support a temporary relief rebound in the NZD as National Party retains its influence as a ruling party. We this fairly good chance that NZ First leader may support a minority National government on confidence and supply. NZD was last seen at 0.7090 levels. Bearish momentum on weekly and daily chart remains intact. But we caution for the risk of temporary rebound as stochastics is in oversold conditions. Rebound may revisit 0.71 (61.8% fibo retracement of May low to Jul high) before 0.7190 (50% fibo, neckline of head and shoulders pattern). Bias remains to lean against strength. We do not rule out declines towards 0.70 (76.4% fibo), 0.6820 (May low, complete text-

book decline of head & shoulders pattern). We reckon a coalition involving Labour, Green and NZ First could see this materializing. Week remaining brings Mfg PMI (Sep) on Fri. NZ First decision expected between now and Sun.

- **AUDUSD - Near Term Upside Risk.** Dollar weakness continues to reign in on major currencies, pushing through previous day's intra-day resistance of 0.7800. Pair was last seen at 0.7807 levels. Strength in the AUD is expected to gain momentum in the near term as market sentiment in Australia turns more bullish than expected. Consumer inflation expectation, credit card purchases, and investment lending all turned out higher than previous readings, while m/m home loans exceeded estimates. The result of dollar weakness from FoMC minutes also reigns in on the AUDSGD. The cross is likely to continue its momentum in the near term. However, watch out for policy reforms in China that might spur a further weakening demand of iron ore which will result in a the weakening of the AUD. Resistance at 0.7820 (38.2% fibo), 0.7930 (21, 50 DMAs). Support at 0.7730 (50% fibo retracement of May low to Sep high), 0.7670 (200 DMA). Week ahead brings RBA Financial Stability Review on Fri.
- **USDCAD - Buy on dips.** USDCAD was last seen at 1.2448. CAD is seen to have weakened across major currencies other than the weaker dollar. The cross is seen to have weakened on the back of dollar weakness and technical pullback from a strong resistance at around 1.25. Canada's prime minister, Justin Trudeau, seems to be accommodative with Trump's initiative in renegotiation on NAFTA. Trump is seeming to be unlikely to retrace his rhetoric on remaining in NAFTA, however both parties has agreed to renegotiate "in good faith" on the 23 year old NAFTA agreement. A breakaway from NAFTA would certainly support the USDCAD. Support at 1.24-handle. Week ahead brings Housing Price Index on Thurs.

## Asia ex Japan Currencies

- **SGD trades around 0.21% above the implied mid-point of 1.3668.** The top is estimated at 1.3397 and the floor at 1.3939.
- **USDSGD - *Near-Term Bearish; Bias To Buy On Dips.*** USDSGD remained supported below the 1.36-handle underpinned by UST yields and USD pullback following dovish Fed speaks and FOMC minutes. Weighing on the pair as well is the lower USDJPY. 3-month SOR, which had risen by 2.2% to 0.91% overnight on higher UST yields, is expected to retrace should UST yields and USDSGD softness persist. **Key event risk ahead is the MAS policy decision tomorrow (8am SG time).** There is a risk that market is underpricing a MAS move as reflected in the SGD forward points. Our house view is for the MAS to normalise policy with a shift to a 'slight appreciation bias' from its current neutral policy amid accelerating domestic growth and creeping core inflation. Our Taylor Rule estimates suggests SGD NEER strengthening ahead (see our report *SGD-Time To Normalise Policy* dated 6 Oct 2017) that reinforces our view that an adjustment is appropriate. A shift to a tightening policy is positive for the SGD and we could see the USDSGD weighed. Pair was last seen around 1.3533-levels, pair has lost most of its bullish momentum on the daily chart, while stochastics continues to fall from overstretched conditions. Weekly momentum and stochastics remains bullish bias. Pair continues to trade within its bearish trend channel (formed since the beginning of 2017), a bearish signal. Risks remain to the upside but in the near term there is room for the pair to move lower towards the 1.34-handle. In the interim, the 1.35-handle should be supportive. Resistance is around 1.3560 (50DMA) ahead of 1.3630 levels (23.6% fibo retracement of the 2017 high to low). Bias to buy on dips. Retail sales (Aug) is on tap today; GDP (3Q Adv.), MAS Bi-annual meeting tomorrow
- **AUDSGD - *Buy on Dips.*** AUDSGD firmed this morning; last seen at 1.0570 levels. Bearish momentum on daily chart remains intact but shows tentative signs of waning while stochastics is in oversold conditions. 100 DMA looks on track to cut 200 DMA to the upside. Bias to buy dips. Support seen at 1.0570 (50% fibo retracement of Jun low to Jul high), before 1.0480 levels. Resistance at 1.0750 (23.6% fibo, 21, 50 DMAs), 1.0840 levels.
- **SGDMYR - *Upside Risks.*** SGDMYR rebounded amid SGD outperformance ahead of MAS policy meeting tomorrow. Cross was last seen at 3.1130 levels. Daily momentum has turned mild bullish. Resistance at 3.1180 (100 DMA), 3.1260 (200 DMA) levels. Key support remains at 3.1010 (23.6% fibo of 2016 low to 2017 high). Expect 3.1050 - 3.12 today.
- **USDMYR - *Downside Pressure.*** USDMYR was little changed; last seen at 4.2150 levels. Bullish momentum on daily chart shows signs of waning while stochastics is falling from overbought condition. Technical signals suggest downside risks. Support remains at 4.20, 4.1720 (50% fibo retracement of 2016 low to 2017 high). Resistance at 4.2470 (50 DMA). Expect 4.18 - 4.23 range this week.

- **1m USDKRW NDF - Range-Bound.** 1m USDKRW NDF remain supported despite USD weakness. Last seen at 1135 levels. Daily momentum is mild bearish while stochastics shows signs of turning lower. May continue to see some downside pressure. Support at 1131 levels. Bias to buy on dips. Expect 1132 - 1140 range to hold.
- **USDCNH - Bid.** USDCNH is trading bid despite the softer UST yields and USD. This could be possibly due to profit-taking activities after the move lower in the previous two sessions. Eyed will be the 7<sup>th</sup> plenary session of the 18<sup>th</sup> CPC Central Committee that started yesterday in Beijing. During the session, delegates will discuss reports to be delivered at the upcoming 19<sup>th</sup> National Congress that begins on 18 Oct, including the one to be delivered by President Xi, as well as discussing amendment to the party's constitution. More importantly, the plenary session's main goal is to achieve consensus on major policies before the national congress. Last seen around 6.5827 levels. Daily momentum and stochastics is now bearish bias. Bearish momentum on the weekly chart remains intact but waning, and stochastics is climbing higher from oversold conditions. This suggests that there is some room for the pair to move lower towards 6.4500 levels (200WMA). Resistance around 6.6000, 6.7000 levels (21&100WMAs). The CGB-UST 10y yield spread was last seen around 131 bps. USDCNH trades at a discount of around 74pips to USDCNY, suggesting that there could room for the pair to climb higher. **PBOC fixed USDCNY reference rate at 6.5808, 33 pips lower than the previous 6.5841. CNYMYR was fixed 5 pips lower at 0.6403 vs. previous at 0.6408.**
- **1m USDIDR NDF - Consolidation.** 1m USDIDR NDF remains in consolidation after climbing higher from its 2017 low of 13135 (11 Sep). 1m NDF is under-pressure this morning amid a pullback in UST yields and USD following dovish Fed speaks and FOMC minutes. With risk supported, we could see foreign inflows into Indonesian assets intraday, which would be supportive of the IDR and weigh on the 1m NDF. In contrast, foreign investors had sold USD59.3mn in equities yesterday that weighed on the IDR. Meanwhile, they had purchased USD23.7mn in debt on 10 Oct (latest data available). Last seen around 13555 levels. Momentum on the daily chart remains bullish bias but waning and stochastics is falling from overbought conditions. Weekly momentum and stochastics remain bullish bias. This suggests that in the near-term risks are to the downside. We look for the 1m NDF to remain in consolidation within the confines of 13500-13600. JISDOR was fixed at 13509 yesterday, 18 pips higher than the fixing on Tue.
- **1m USDPHP NDF - Consolidate, Bias To Buy On Dips.** 1m USDPHP NDF is holding steady this morning after slipping lower overnight amid a pullback in UST yields and USD. 1m NDF had tested the 2017 high of 51.85 briefly yesterday before easing, possibly on foreign buying back debt after the sell-off the previous day. Yield movement data (in the absence of foreign flows information) showed yields lower by 0.005-59.34bp (except for the 1Y, 2Y, 10Y and 20Y) yesterday. With risk appetite improving, further net foreign inflows into Philippine

asset today should weigh on the 1m NDF. Last seen at 51.62-levels. Daily and weekly momentum and stochastics are bullish bias. This suggests risks are to the upside. We could thus see the 1m NDF consolidate around current levels for now. Support is around 51.50 (23.6% fibo retracement of Aug low to high). Resistance is around 51.85 (2017 high). Bias to buy on dips.

- **USDTHB - Near-Term Downside Risk; Bias To Buy On Dips.** USDTHB continues to trade heavy amid a pullback in UST yields and USD underpinned by a cautious Fed following dovish Fed speaks and FOMC minutes. Lingering positive sentiments from the military government's plans to hold general elections in Nov 2018 are also weighing on the pair. This lifted foreign inflows into Thai assets yesterday with foreign funds buying USD48.2mn and USD90.6mn of equities and debt. Further net foreign inflows should weigh on the pair. Firmer gold prices are also putting downside pressure on the pair (given the negative correlation between gold prices and the USDTHB). Last seen around 33.156 levels. Daily momentum indicators and stochastics are bearish bias. Weekly momentum and stochastics remain bullish bias though. Pair is now trading back within its downward trend channel that had formed since the beginning of the year) - a bearish signal. Support is at 33.035 (2017 low on 7 Sep). Resistance at 33.220-230 region (21 & 50DMAs). We remain bias to buy on dips. Foreign reserves (6 Oct) is due later today and note that **onshore markets are closed tomorrow for a public holiday.**



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	3.39	Unchanged
5YR MI3/22	3.60	*3.60/57	Not traded
7YR ML9/24	3.89	3.89	Unchanged
10YR MO11/27	3.90	*3.92/89	Not traded
15YR MX4/33	4.31	*4.36/31	Not traded
20YR MX4/37	4.51	*4.57/52	Not traded
30YR MZ3/46	4.78	*4.81/76	Not traded
IRS			
6-months	3.46	3.46	-
9-months	3.48	3.48	-
1-year	3.51	3.51	-
3-year	3.63	3.64	+1
5-year	3.75	3.75	-
7-year	3.87	3.86	-1
10-year	3.99	3.98	-1

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Source: Maybank KE

\*Indicative levels

- MGS yields settled flat to previous done levels. Another day of light activity with the most trades on 7y benchmark MGS 9/24 at a total volume of MYR399m. Thursday will see the reopening of 20y GII 8/37 in an aggregate size of MYR2.5b. Participation is likely to come from local end investors and lifers, we think.
- MYR IRS rates moved sideways on the back of good two-way interest. There was only a 5y IRS trade reported. Things to look out for on Thursday are domestic industrial and manufacturing data. Near term, IRS likely to stay in very tight range. 3M KLIBOR unchanged at 3.43%.
- In corporate bonds, trading activity picked up slightly though the tone remained generally cautious. GG curve's front end outperformed the belly and long end as Cagamas 2018s traded 4-5bps tighter in decent sizes. AA and AAA levels generally stood pat while market was active in the belly and long end sectors with names such as Tenaga, TTPC, Kesturi and TBEI exchanging hands.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.32	1.31	-1
5YR	1.57	1.57	-
10YR	2.09	2.09	-
15YR	2.37	2.38	+1
20YR	2.37	2.38	+1
30YR	2.46	2.47	+1

Source: Maybank KE

- SGS held on to most gains from previous day with yields little changed amid USTs showing resilience overnight and steady USDSGD remaining under the 1.36 level. SGD IRS levels also closed pretty much unchanged.
- In Asian credit, market was bullish with INDONs and PHILIPs bid up and MALAYS and PETMK sought after. New GENTMK traded 3bps tighter than reoffer. China SOE spreads tightened on news of a planned sovereign USD2b issuance at month-end or early next month, a first since 2004. Korean credits saw increased buy flows after spreads had widened on headline news.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.06	6.10	4.93
5YR	6.22	6.24	2.42
10YR	6.55	6.55	(0.20)
15YR	7.15	7.15	(0.28)
20YR	7.34	7.34	(0.44)
30YR	7.43	7.43	(0.10)

\* Source: Maybank Indonesia

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- Indonesia bond market moved mixed amid lack of catalyst and ahead of Fed minutes release. Yield curve bear flattened with 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.243%, 6.548%, 7.152% and 7.337% while 2y yield moved higher to 6.105%. Trading volume at secondary market was noted thin at government segments amounting Rp12,187bn with FR0059 (10y benchmark series) as the most tradable bond. FR0059 total trading volume amounting Rp1,497bn with 42x transaction frequency.
- Corporate bond trading traded heavy amounting Rp1,449bn. PPGD03ACN1 (Shelf Registration III Pegadaian Phase I Year 2017; A serial bond; Rating: <sub>id</sub>AAA) was the top actively traded corporate bond with total trading volume amounted Rp792bn yielding 6.519%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CHF	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1808	113.32	0.7892	1.3312	0.9788	0.7230	133.1300	88.8620
R1	1.1776	113.09	0.7864	1.3274	0.9763	0.7195	132.8300	88.6440
<b>Current</b>	1.1758	112.78	0.7836	1.3238	0.9754	0.7165	132.6000	88.3680
S1	1.1724	112.47	0.7819	1.3217	0.9711	0.7136	132.2400	88.2680
S2	1.1704	112.08	0.7802	1.3198	0.9684	0.7112	131.9500	88.1100

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3650	4.2407	13561	51.1723	33.4390	1.6045	0.6366	3.1134
R1	1.3636	4.2388	13552	51.1387	33.3990	1.6020	0.6368	3.1102
<b>Current</b>	1.3629	4.2320	13482	51.0070	33.3750	1.6025	0.6361	3.1054
S1	1.3596	4.2288	13496	50.9887	33.3080	1.5977	0.6361	3.1044
S2	1.3570	4.2207	13449	50.8723	33.2570	1.5959	0.6351	3.1018

\*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	1.1238	Oct-17	Neutral
BNM O/N Policy Rate	3.00	9/11/2017	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/10/2017	Neutral
BOT 1-Day Repo	1.50	8/11/2017	Tightening Bias
BSP O/N Reverse Repo	3.00	9/11/2017	Tightening Bias
CBC Discount Rate	1.38	15/12/2017	Neutral
HKMA Base Rate	1.50	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	6/12/2017	Neutral
BOK Base Rate	1.25	19/10/2017	Easing Bias
Fed Funds Target Rate	1.25	2/11/2017	Tightening
ECB Deposit Facility Rate	-0.40	26/10/2017	Easing Bias
BOE Official Bank Rate	0.25	2/11/2017	Neutral
RBA Cash Rate Target	1.50	7/11/2017	Neutral
RBNZ Official Cash Rate	1.75	9/11/2017	Neutral
BOJ Rate	-0.10	31/10/2017	Easing
BoC O/N Rate	1.00	25/10/2017	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	22,641.67	0.37
Nasdaq	6,531.71	0.23
Nikkei 225	20,614.07	1.05
FTSE	7,468.11	0.39
Australia ASX 200	5,701.44	-0.49
Singapore Straits Times	3,246.08	-0.49
Kuala Lumpur Composite	1,759.67	0.28
Jakarta Composite	5,939.45	0.43
Philippines Composite	8,312.93	0.69
Taiwan TAIEX	10,465.16	0.78
Korea KOSPI	0.00	#DIV/0!
Shanghai Comp Index	3,339.64	#DIV/0!
Hong Kong Hang Seng	28,173.21	2.25
India Sensex	31,497.38	0.68
Nymex Crude Oil WTI	50.42	-0.32
Comex Gold	1,274.60	-0.09
Reuters CRB Index	180.90	-0.01
MBB KL	9.56	0.10

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2012 3.314% 31.10.2017	3.314%	31-Oct-17	42	3.043	3.043	3.043
MGS 2/2003 4.24000% 07.02.2018	4.240%	7-Feb-18	134	2.979	3.042	2.947
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	8	3.077	3.077	3.077
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	29	3.056	3.095	3.056
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	48	3.102	3.102	3.102
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	1	3.331	3.331	3.331
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	3	3.291	3.291	3.291
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	37	3.302	3.321	3.283
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	59	3.372	3.385	3.372
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	53	3.386	3.386	3.386
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	20	3.405	3.405	3.405
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	10	3.392	3.392	3.392
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	10	3.548	3.548	3.533
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	3	3.57	3.57	3.562
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	22	3.617	3.617	3.617
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	41	3.597	3.597	3.597
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	61	3.668	3.713	3.667
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	5	3.706	3.717	3.706
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	103	3.875	3.91	3.875
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	399	3.892	4.049	3.877
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	1	3.977	3.977	3.977
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	10	4.058	4.058	4.058
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	3.985	3.985	3.985
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	3	3.895	3.895	3.895
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	4.374	4.377	4.374
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	10	4.349	4.349	4.349
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	41	4.477	4.481	4.477
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	10	4.846	4.846	4.826
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	10	3.022	3.022	3.022
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	30	3.137	3.137	3.137
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	7	3.025	3.073	3.025
PROFIT-BASED GII 1/2009 13.08.2019	3.910%	13-Aug-19	80	3.398	3.403	3.398
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	40	3.487	3.491	3.487
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	80	3.565	3.565	3.558
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	10	3.753	3.753	3.753
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	20	3.986	3.986	3.984
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	60	4.011	4.011	4.011

**Total****1,503**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.760% 02.05.2036 - Tranche No 46	GG	4.760%	2-May-36	10	4.939	4.94	4.939
CAGAMAS MTN 4.200% 22.10.2018	AAA	4.200%	22-Oct-18	85	3.617	3.617	3.617
CAGAMAS MTN 3.90% 16.11.2018	AAA	3.900%	16-Nov-18	40	3.624	3.624	3.624
DANGA IMTN 4.100% 09.04.2020 - Tranche 5	AAA (S)	4.100%	9-Apr-20	5	4.091	4.091	4.091
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	110	5.099	5.11	5.099
SABAHDEV MTN 2556D 09.2.2018	AA1	4.750%	9-Feb-18	10	4.289	4.351	4.289
YTL CORP MTN 1826D 25.6.2019	AA1	4.468%	25-Jun-19	20	4.286	4.31	4.286
TTPC IMTN 4.590% 29.01.2021 - Series 15	AA1	4.590%	29-Jan-21	15	4.331	4.354	4.331
TTPC IMTN 4.630% 30.07.2021 - Series 16	AA1	4.630%	30-Jul-21	15	4.371	4.394	4.371
TTPC IMTN 4.670% 31.01.2022 - Series 17	AA1	4.670%	31-Jan-22	15	4.413	4.423	4.413
CIMBI 5.850% 25.09.2024 - Issue No 1	AA+ IS	5.850%	25-Sep-24	4	4.315	4.32	4.315
UNITAPAH 5.87% Series 24 10.12.2027	AA1	5.870%	10-Dec-27	5	4.78	4.78	4.78
UNITAPAH 6.05% Series 28 12.12.2029	AA1	6.050%	12-Dec-29	15	4.901	4.901	4.901
UNITAPAH 6.28% Series 33 11.06.2032	AA1	6.280%	11-Jun-32	10	5.04	5.04	5.04
SEB IMTN 5.180% 25.04.2036	AA1	5.180%	25-Apr-36	10	5.299	5.312	5.299
KESAS IMTN 4.650% 08.10.2021	AA2	4.650%	8-Oct-21	10	4.401	4.401	4.398
UMWH IMTN 5.220% 02.10.2026	AA2	5.220%	2-Oct-26	10	4.948	4.949	4.948
MAYBANK 6.300% 25.09.2068	AA2	6.300%	25-Sep-68	10	4.44	4.493	4.44
GAMUDA IMTN 21.03.2018	AA3	4.170%	21-Mar-18	10	4.065	4.065	4.065
BESRAYA 4.560% 27.07.2018	AA3	4.560%	27-Jul-18	2	4.058	4.058	4.058
GAMUDA IMTN 0% 26.10.2018 - ISSUE NO 4	AA3	5.250%	26-Oct-18	5	4.144	4.144	4.144
GAMUDA IMTN 13.03.2019	AA3	4.620%	13-Mar-19	20	4.206	4.228	4.206
KESTURI IMTN 4.25% 02.12.2021 - IMTN 3	AA- IS	4.250%	2-Dec-21	5	4.549	4.552	4.549
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	10	4.625	4.627	4.625
IJM IMTN 4.600% 17.10.2024	AA3	4.600%	17-Oct-24	10	4.661	4.673	4.661
TBEI IMTN 5.950% 14.09.2029	AA3	5.950%	14-Sep-29	10	4.949	4.95	4.949
TBEI IMTN 6.150% 15.09.2031	AA3	6.150%	15-Sep-31	3	5.081	5.082	5.081
JEP IMTN 6.240% 04.06.2032 - Tranche 23	AA- IS	6.240%	4-Jun-32	1	5.106	5.107	5.106
S POWER IMTN 6028D 19.11.2021 ClassA(T1)	A1	22.180%	19-Nov-21	10	5.188	5.19	5.188
AFFINBANK SUBORDINATED MTN 3650D 05.2.2027	A1	5.450%	5-Feb-27	10	4.887	4.89	4.887
AMMB HLDG MTN 3652D 15.3.2027 (SUB-NOTES)	A1	5.200%	15-Mar-27	10	4.927	4.929	4.927
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	2	4.82	4.853	4.82
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.462	6.486	6.462
<b>Total</b>				<b>508</b>			

Sources: BPAM

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