

Global Markets Daily

AXJs Driven by CNY and USD

CNY Matters for AXJs

Asian equities opened in positive territory this morning, taking the lead from US equities' extension of its rebound overnight while VIX eased back towards 25 levels. Slightly calmer markets weighed on the USD as the inverse correlation between DXY and S&P500) continues to hold. Looking ahead we expect markets to be stuck in a holding pattern ahead of the long weekend in Asia starting Thu (for CN, KR, TW) which could see market liquidity thin and US CPI data release tomorrow. Apart from US inflation and UST yields, CNY is a key risk to watch as it seems to affect AXJs in a similar direction. The relatively sharp jump this morning from 6.32 to 6.3350, led USDAXJs to trade near their intraday high while the sharp appreciation in CNY last month saw most AXJs appreciating. In the short term, we caution that USD could be mixed between G7 and AXJs. In an environment of risk-on sentiment, USD could trade softer vs. G7 but may not necessarily be so against AXJs if CNY depreciates (counter-balancing factor in the broad scheme of things).

UK CPI a Key Driver for GBP Today

It was a yo-yo day for GBP, driven by fears of hard Brexit and hawkish BoE rhetoric. In particular BoE Vlieghe said there was increased evidence that "tight labour markets are finally starting to have some upward effect on wages... abit more than 3 hikes over BoE's 3-year forecast period will be necessary to get rid of excess demand in the economy" while McCafferty said that "rates will need to go up earlier... but decisions are going to be based on how the economy evolves". These comments reinforced the more hawkish BoE Quarterly Inflation Report last week. Inflation today a key focus (consensus expects +2.9%) - if turned out to be stronger, could add to upside pressure on GBP but a softer than expected data could silence the BoE hawks and re-exert downside pressure on GBP.

Relatively Quiet Day Ahead with Focus on UK Inflation

Some of the key data/events we watch today include UK CPI, PPI, RPI; Fed's Mester to speak.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2292	↑ 0.33	USD/SGD	1.3231	↓ -0.35
GBP/USD	1.3838	↑ 0.08	EUR/SGD	1.6264	↓ -0.01
AUD/USD	0.7862	↑ 0.63	JPY/SGD	1.2178	↓ -0.27
NZD/USD	0.7264	↑ 0.12	GBP/SGD	1.8309	↓ -0.32
USD/JPY	108.66	↓ -0.13	AUD/SGD	1.0403	↑ 0.29
EUR/JPY	133.56	↑ 0.20	NZD/SGD	0.9611	↓ -0.22
USD/CHF	0.9393	↑ 0.07	CHF/SGD	1.4088	↓ -0.37
USD/CAD	1.2577	↓ -0.03	CAD/SGD	1.0521	↓ -0.30
USD/MYR	3.9385	↓ -0.03	SGD/MYR	2.9697	↑ 0.34
USD/THB	31.645	↓ -0.18	SGD/IDR	10289.28	↑ 0.48
USD/IDR	13639	↑ 0.08	SGD/PHP	39.1583	↑ 1.20
USD/PHP	51.926	↑ 0.83	SGD/CNY	4.7737	↑ 0.64

Implied USD/SGD Estimates @ 13 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3022	1.3287	1.3552

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G7: Events & Market Closure

Date	Ctry	Event
12 Feb	JP	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
13 Feb	IN	Market Closure
15 Feb	CN, KR, TW	Market Closure
	ID	BI Meeting
16 Feb	CN, HK, ID, KR, MY, PH,SG, TW	Market Closure

G7 Currencies

- **DXY - Inflation A Focus This Week.** Asian equities opened in positive territory this morning, taking the lead from US equities' extension of its rebound overnight while VIX eased back towards 25 levels. Slightly calmer markets weighed on the USD as the inverse correlation between DXY and S&P500 (coeff. of -0.53) continues to hold. We highlighted yesterday that "*Sustained rebound in S&P E-mini contract could continue to weigh on USD*". Having said that the reverse is also true. Looking ahead we expect markets to be stuck in a holding pattern ahead of the long weekend in Asia starting Thu (for CN, KR, TW) which could see market liquidity thin and US CPI data release tomorrow. Consensus is expecting +1.9% y/y for headline CPI and +1.7 for core CPI. Sequential pick-up in inflation will add to worries of faster than pick-up in inflation (recall US wages last rose more than expected in the last payrolls report) could reinforce the bond sell-off and spill-over to equity sell-off again. Apart from US inflation and UST yields, CNY is a key risk to watch as it seems to affect AXJs in a similar direction. The relatively sharp jump this morning from 6.32 to 6.3350, led USDAXJs to trade near their intra-day high while the sharp appreciation in CNY last month saw most AXJs appreciating. In the short term, we caution that USD could be mixed between G7 and AXJs. In an environment of risk-on sentiment, USD could trade softer vs. G7 but may not necessarily be so against AXJs if CNY depreciates (counter-balancing factor in the broad scheme of things). DXY was last seen at 90.20 levels. Bullish momentum on daily chart shows early signs of waning while stochastics is entering near overbought conditions. Support seen at 89.80 (23.6% fibo), 88.40 (double-bottom low). Resistance at 90.70 (38.2% fibo retracement of Dec high to Jan-Feb double bottom low), 91.40 (50% fibo). Week ahead brings Fed's Mester speaks on Tue; Retail Sales, CPI, Avg weekly earnings (Jan) on Wed; PPI, IP, Capacity Utilisation (Jan); Empire Mfg, Philly Fed Business (Feb) on Thu; Housing Starts, Building Permits (Jan); Import, Export prices (Jan); Uni. Of Michigan Sentiment (Feb) on Fri.
- **EURUSD - Consolidate.** EUR firmed amid calmer markets overnight. Trading range for EUR was relatively subdued as markets eye US inflation data tomorrow. Political development in Germany and Italy has taken a step back but caution remains warranted - German SPD members (about 440,000 members) are scheduled to vote on the coalition deal with results made known on 4 Mar. This is also the same day as Italy General Elections. We had cautioned that opinion polls released in the lead up to GE could swing sentiments. Polls are currently suggesting a hung parliament outcome. EUR could drift lower if the balance is tilted towards Berlusconi's centre-right coalition or Five Star Movement party. EUR was last seen at 1.2290 levels. Bearish momentum on daily chart remains intact though stochastics is in oversold conditions. Key support still seen at 1.2210 (38.2% fibo retracement of Dec double-bottom low to Jan-Feb double top). Decisive break puts next support at 1.2120 (50% fibo). Resistance at 1.2330 (23.6% fibo), 1.2540 (double top). Day ahead could see the pair trade 1.2210 - 1.2330 range. Week ahead brings ECB's Mersch, Weidmann to speak; IP (Dec); GDP (4Q) on Wed; ECB's Mersch and Praet speak; Trade (Dec) on Thu; ECB's Coeure to speak on Fri.

- **GBPUSD - Focus on Inflation Data Today.** It was a yo-yo day for GBP, driven by fears of hard Brexit and hawkish BoE rhetoric. In particular BoE Vlieghe said there was increased evidence that “tight labour markets are finally starting to have some upward effect on wages... a bit more than 3 hikes over BoE’s 3-year forecast period will be necessary to get rid of excess demand in the economy” while McCafferty said that “rates will need to go up earlier... but decisions are going to be based on how the economy evolves”. These comments reinforced the more hawkish BoE Quarterly Inflation Report last week. On the other side of the spectrum, fear of Brexit hard landing and Mifid2 authorisation voiding (in the event of no Brexit deal) should act to counter GBP strength in the interim. GBP was last seen at 1.3840 levels. Bearish momentum on daily chart remains intact while stochastics is falling. Support at 1.3810 (61.8% fibo retracement of EU referendum high to Oct-2016 low), 1.3670 (50 DMA). Resistance at 1.3970 (21 DMA), 1.4270 (76.4% fibo). We expect a tug of war to keep GBP trading between 1.3760 - 1.3930 range. Inflation today a key focus (consensus expects +2.9%) - if turned out to be stronger, could add to upside pressure on GBP but a softer than expected data could silence the BoE hawks and re-exert downside pressure on GBP. Week ahead brings CPI, PPI, RPI (Jan) on Tue; Retail Sales (Jan) on Fri.

- **USDJPY - Trade The Range Still.** USDJPY is trading bid this morning as onshore markets re-opened after closing for a public holiday yesterday as the Nikkei climbed higher, tracking the overnight gains in global equities as equity markets. Nevertheless, market remains on edge ahead of US CPI and retail sales print tomorrow. Upbeat data prints could spur expectations of more aggressive Fed rate hikes, triggering a further sell-off in bonds that could spill-over into the equity markets. The sell-off is likely trigger demand for safe-havens and keep both the USD and JPY supported. Last seen around 108.67 levels. Momentum indicators and stochastics on the weekly chart remains bearish bias but shorter-term technical lack conviction. Support is around 108.05 (2018 low on 9 Feb). Resistance is around 109.30 (23.6% fibo retracement of the 2018 high to low), 109.60 (21DMA). Range trades should continue for now and we suggest trading recent ranges - buying on dips below 108.50 and selling above 110. Week ahead has machine tool orders (Jan) today; GDP (4Q P) tomorrow; core machine orders, industrial production, capacity utilisation (Dec) on Thu. In the news, it was reported by the Nikkei news agency that the Financial Services Agency is studying a proposal to lower the maximum leverage allowed on FX trading by individuals.

- **NZDUSD - Rising Wedge Pattern?** NZD was little changed overnight; last seen at 0.7255 levels. Bearish momentum on daily chart remains intact though showing signs of waning while stochastics is falling into near-oversold conditions. Resistance at 0.7290, 0.7440 levels. We caution that price pattern suggests a potential rising wedge in the making - a bearish reversal. Support at 0.72 levels (38.2% fibo retracement of Dec double-bottom low to Jan double-top high). Decisive close below this puts next support at 0.7130 - 40 levels (50, 200 DMAs, 50% fibo). Week ahead brings NZ Govt 6-month Financial Statement on Tue; Food prices (Jan); 2Y Inflation expectations on Wed; REINZ House Sales (Jan) on Thu; BusinessNZ Mfg PMI (Jan) on Fri.

- **AUDUSD - Accumulate Long.** AUD turned higher and was last seen around 0.7860. Bearish momentum on daily chart has been waning. We stick to our tactical bias to buy AUD on dips towards 0.7770 for move towards **0.7890 objective**; SL below 0.7740. Week ahead brings NZB Business Confidence (Jan); RBA's Ellis speaks; on Tue; Westpac Consumer Confidence (Feb) on Wed; Labour Report (Jan); Inflationary Expectations on Thur; RBA Gov testimony to parliamentary committee on Fri. On news, RBA Assistant Governor Luci Ellis said that the central bank is "conscious of the fact that at low interest rates, a 25bps move matters more for the percentage change in the repayment than it does when interest rates are higher". This underscores their hesitance to lift rates given the high household debt. However we are not ruling out a hike in May as he also indicated that mortgage rates and cash rate are not dictated by any economic or statutory law to move in sync.
- **USDCAD - Toppish.** USDCAD hovered around the 55-DMA, last seen around 1.2590. This could be the pause in its upmove for now though a retracement lower would gain more traction should crude show more evidence of recovery. Support is seen at 1.2510 (38.2% Fibonacci retracement of the Dec-Feb sell off) before the next at 1.2410 (23.6% fib). Week ahead has ADP payroll report for Jan, existing home sales on Thu, Dec Mfg sales on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.35% above the implied mid-point of 1.3287. We estimate the top at 1.3022 and the floor at 1.3552.**
- **USDSGD - *Upside Risks; Bias To Fade.*** USDSGD traded lower overnight amid a pullback in UST yields and USD but has since rebounded, tracking the moves in the USDCNY. Key risks ahead are US CPI and retail sales tomorrow, where data outperformance is likely to trigger a sell-off in bonds and possibly even in equities, keeping USD supported on safe-haven plays and put downside pressure on the SGD. Softer UST yields yesterday evening weighed on the 3-month SOR, which fell by 8.2% to 1.12%. Further weakness in UST yields today should weigh on the 3-month SOR intraday. Last seen around 1.3243 levels. Daily momentum indicators show bullish bias but waning, while stochastics shows tentative signs of turning lower from overbought conditions. Bearish momentum on the weekly chart is dissipating, while stochastics shows signs of climbing higher from oversold conditions. Resistance is around 1.3310 (50DMA), 1.3370 (23.6% fibo retracement of the 2014 low to 2017 high), 1.3440 (100DMA). Bias to lean against strength. Support is around 1.3180 (21DMA) before 1.3010 (2018 low). Remaining week has GDP (4Q17 F) tomorrow; NODX (Jan) on Thu. **Note that onshore markets are closed on Fri for Chinese New Year celebrations and re-opens the following Mon.**
- **AUDSGD - *Buy Dips.*** AUDSGD was last seen at 1.0400 levels, making a slow grind upward. Bearish momentum is decelerating with stochastic turning higher from oversold conditions. Support at 1.0330 (61.8% fibo retracement of Dec low to Jan high) before 1.0260 (76.4% fibo). Potential falling wedge pattern in the making - an indication of bullish reversal. Bias to buy dips for a move back up to 1.0450 (100 DMA < 38.2% fibo), 1.0520 (21, 200 DMAs, 23.6% fibo).
- **SGDMYR - *Lean against Strength.*** SGDMYR rebounded amid SGD relative outperformance this morning. Cross was last seen at 2.97 levels. Daily momentum and stochastics indicators are turning mild bullish bias. Rebound risks on the horizon but underlying momentum stays bearish. Bias to lean against strength. Resistance at 2.9750 (21 DMA), 2.99 levels. Support at 2.95, 2.93 levels.
- **USDMYR - *Bias to Fade.*** USDMYR was little changed. Last seen at 3.9320 levels. Daily momentum is mild bullish bias while stochastics is rising into near-overbought conditions. Resistance at 3.9510 levels (38.2% fibo retracement of Jan high to low). Bias to lean against strength. Support seen at 3.92 (23.6% fibo), 3.8660 (previous low), 3.88 levels. We continue to reiterate our bias for MYR strength to continue in early part (next few months) of 2018 amid expectations for announcement for Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, widening current account surplus against supporting external environment - synchronous global economic recovery benefitting Asian exports including Malaysia and possibly see this extending into investment recovery in 2018. Furthermore there are also signs of stabilising commodity prices amid OPEC production cut extension and steady

demand for oil prices. And we expect these drivers - both external and domestic to provide the near term support for MYR.

- **1m USDKRW NDF - *Fade*.** 1m USDKRW was little changed from yesterday's levels. Last seen at 1083 levels. Bullish momentum on daily chart shows signs of waning while stochastics is near overbought conditions. Next support seen at 1078 levels. Resistance at 1092. Bias to sell on rallies amid geopolitical tensions easing and supported risk sentiment.
- **USDCNH - *Two-way Moves*.** USDCNH starts the day rather bid at around 6.3317 as the pair continues to extend its choppy moves into the Chinese New Year break. This pair could continue to head higher and resistance is seen around 6.3510 before the next at 6.3646. Onshore markets will break from 15-22 Feb. The upmove in the USDCNH saw the USDCNH-USDCNY premium narrowed into discount. **PBoC fixed the USDCNY reference rate at 6.3247, 246 pips lower than the previous 6.3001. CNYMYR was fixed 26 pips lower at 0.6224 vs. previous at 0.6251.** At home, PBOC skips OMO for the 14th session. **Quiet week ahead in terms of data release as onshore markets prepare to break of the Chinese New Year holidays.** In news, PBoC has asked banks to maintain the outstanding new yuan denominated lending at the 11 Feb level until 15 Feb, possibly anticipating an increase in liquidity demand ahead of Chinese New Year holidays. Separately, 5y CDS has been creeping higher, last seen at 64.20. This could be in tandem with the equity decline.
- **1M USDINR NDF - *Choppy*.** 1M NDF remained whippy and was last seen around 64.50. This pair is seen around 64.51, supported by the support at 64.45 (38.2% Fibonacci retracement of the Sep-Jan sell-off). Next support at 55-DMA, 64.20. Prices may continue to remain choppy but upside might be limited as stochs show signs of turning lower from overbought conditions and bullish momentum is weakening. Jan WPI is due tomorrow, trade on Thu. Jan CPI decelerated to 5.07%/y/y from previous 5.21%. Much of the deceleration in price pressure was due to the slower rise in food costs. Industrial production also slowed to 7.1%/y/y from 8.8%, weighed by the softer output growth from the manufacturing sector.
- **1m USDIDR NDF - *Watching BI Moves*.** 1m USDIDR NDF trades bid this morning after slipping lower over the past two sessions amid central bank intervention to stabilise the IDR. Further BI moves to stabilise the IDR cannot be ruled out. The rise in vols, UST yields and waning risk appetite continues to weigh on Indonesian assets. Foreign investors continued their sell-off of equities, selling USD42.7mn yesterday, while they had sold USD16.1mn in debt on 9 Feb (latest data available). Further risk-off sentiments and rising vols should spur further reallocation away from Indonesian assets and keep the 1m NDF supported. Aside from US CPI and retail sales, a key risk is BI meeting on Thu where rising prices amid IDR weakness is putting pressure on the central bank to adjust its benchmark policy rate to anchor inflationary expectations. Our house view is that such a move is unlikely for now as the bias is still tilted towards growth. Any move to adjust its policy rate should come in 2Q. Last seen around 13662 levels. Momentum indicators on

the daily chart remain bullish bias, while stochastics remains at overbought conditions. Weekly chart now shows mild bullish bias and stochastics continues to climb higher. Risks are thus pointing to the upside. Resistance is around 13700-levels ahead of 13740 levels (2017 high). Support is around 13600 levels (23.6% fibo retracement of the 2017 low to high). JISDOR was fixed at 13609 yesterday; 34 pips higher than the fixing on Fri. Remaining week has trade (Jan), BI meeting on Thu. **Note that onshore markets are closed on Fri for Chinese New Year celebrations and re-opens the following Mon.**

- **1m USDPHP NDF - Limited Downside.** 1m USDPHP NDF traded to a new 2018 high of 52.12 yesterday following the 10Y UST yield spiking towards recent highs at the 2.89% levels. Similarly, spot USDPHP touched a new 2018 high of 51.960 not seen since Aug 2006. 1m NDF is easing off, possibly on profit-taking activities and a pullback in UST yields and USD. It also did not help that equities were sold off yesterday with USD24.5mn sold. The better risk appetite today though is likely to see foreign portfolio inflows and weigh on the 1m NDF. Still, 1m NDF should continue to come under upside pressure given concerns over the deteriorating current account deficit. Overseas remittances data due on Thu will be closely watched. An underperformance here could reignite concerns about its current account deficit and lift the 1m NDF higher. Last seen around 52.09 levels. Momentum indicators on the daily chart is mildly bullish, while stochastics remains at overbought conditions. Weekly chart remains bullish bias. Support is at 51.85 levels before 51.70 (76.4% fibo retracement of the 2017 high to 2018 low). Any rebound should meet resistance around the 52.30 levels (2017 high). Quiet week ahead with just overseas remittances (Dec) on tap this Thu. **Note that onshore markets are closed on Fri for Chinese New Year celebrations and re-opens the following Mon.**

- **USDTHB - Slow Grind Lower.** USDTHB continues on its slide lower for the third consecutive session amid pullbacks in UST yields and USD. Risk appetite improved slightly for debt, which saw foreign investors purchasing USD45.6mn yesterday but could not fully mitigate the sell-off of USD162mn in equities. This limited the downside moves in the pair yesterday. Improving sentiments today could see foreign portfolio inflows intraday and weigh on the pair. Aside from US CPI and retail sales tomorrow, key event risk ahead is BoT policy meeting tomorrow. We do not expect the central bank to adjust its policy rate for now to support the nascent economic recovery. Any moves to normalise policy should come in 2H 2018. Last seen around 31.602 levels. Momentum indicators and stochastics are bullish bias. Weekly momentum indicators though remain bearish bias though waning and stochastics at oversold conditions. This suggest further moves lower could be a slow grind. Support is around 31.400, 31.277 (2018 low). Resistance is around 31.960 (9 Feb high), 32.130 (50DMA). Remaining week has BoT meeting tomorrow; foreign reserves (9 Feb) on Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.40	3.42	+2
5YR MI3/22	3.60	3.59	-1
7YR ML9/24	3.91	3.92	+1
10YR MO11/27	3.94	3.97	+3
15YR MX4/33	4.42	4.44	+2
20YR MX4/37	4.60	4.58	-2
30YR MZ3/46	4.87	4.89	+2
IRS			
6-months	3.70	3.70	-
9-months	3.72	3.72	-
1-year	3.77	3.77	-
3-year	3.83	3.82	-1
5-year	3.91	3.91	-
7-year	4.01	4.01	-
10-year	4.13	4.13	-

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Source: Maybank KE

*Indicative levels

- Local government bonds traded somewhat weak amid a relatively quieter trading session as most players stayed on the sidelines ahead of the CNY holidays. The biggest yield movement yesterday was the 10y benchmark MGS 11/27 which moved +3bps higher from previous trade level.
- MYR IRS curve was unchanged and though the market had some 2-way interest, no trades were concluded. Expect a quiet week ahead of the festive season. 3M KLIBOR was unchanged at 3.69%.
- Short end corporate bonds were active with AAAs outperforming AAs as the latter widened 2-4bps while the former was unchanged. Buying interest remain shy at the belly and long end sectors after the movements in global rates and upcoming CNY holidays. There was selling pressure noted at the long end of the GG and AA curves with no interested bidders.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.59	1.58	-1
5YR	1.93	1.92	-1
10YR	2.25	2.26	+1
15YR	2.57	2.59	+2
20YR	2.61	2.66	+5
30YR	2.72	2.77	+5

Source: Maybank KE

- SGS was resilient, outperforming UST even though Japan market was out, as it saw buying at the open with bonds around the 10y getting lifted. Yields lowered 1-2bps with market covering shorts. But SGS then turned bearish on intensified selling in the long end due to the upcoming 30y benchmark reopening weighing on risk appetite. Moderate selling interest in the 15y-30y sector and market segmentation remained wide. Yields ended 1-5bps higher from the 10y onwards, bear steepening the curve as most PDs unloaded risks around the 30y. SGD IRS mixed ending -3bps to +2bps. SGS may be supported if front end rates continue to ease.
- Asian credit market had a quiet session yesterday as Japan market was closed. Sovereigns traded wider by about 2-3bps. IGs saw mild selling on AMC and financial names, weakening by 2-4bps. Given the Lunar New Year holiday ahead and the choppy UST market, trading volume likely to remain thin and may see more selling interest in the coming days.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.31	5.34	2.95
5YR	5.75	5.73	(1.15)
10YR	6.32	6.33	0.35
15YR	6.78	6.79	1.49
20YR	7.07	7.08	0.74
30YR	7.11	7.10	(0.75)

* Source: Maybank Indonesia

- Indonesia bond market closed lower during Monday trading session however with several IGB yield declining sharply. The continuation correction occurred amid minimal market catalyst and ahead of scheduled bi-weekly conventional auction today. We see the main highlight of the week would be the U.S. Jan CPI reading on upcoming Valentine's Day. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.734%, 6.328%, 6.792% and 7.081% while 2y yield moved higher to 5.342%. During the day, FR0066 (3mo) yield decline the most by 7bps while FR0074 (14y) yield increase the most by 6bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 39bps). Trading volume at secondary market was noted moderate at government segments amounting Rp13,373b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp2,167b with 61x transaction frequency.
- DMO will conduct their bi-weekly conventional auction this Tuesday with five series to be auctioned which are SPN03180514 (Coupon: discounted; Maturity: 14 May 2018), SPN12190214 (Coupon: discounted; Maturity: 14 Feb 2019), FR0064 (Coupon: 6.125%; Maturity: 15 May 2028), FR0065 (Coupon: 6.625%; Maturity: 15 May 2033) and FR0075 (Coupon: 7.500%; Maturity: 15 May 2038). We believe that the auction will be oversubscribing by 2.0x - 3.0x from its indicative minimal target issuance of Rp17t while our view on the indicative yield are as follows SPN03180514 (range: 4.170% - 4.300%), SPN12190214 (range: 5.000% - 5.200%), FR0064 (range: 6.290% - 6.390%), FR0065 (range: 6.750% - 6.850%) and FR0075 (range: 7.040% - 7.140%).
- Foreign ownership stood at Rp862.0t or 40.9% of total tradable government bond as of Feb 9th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp5.1t from begin month Feb 18.
- Corporate bond traded moderate amounting Rp884b. ADMF03ACN5 (Shelf registration III Adira Finance Phase V Year 2017; A serial bond; Rating: _{id}AAA) was the top actively traded corporate bond with total trading volume amounted Rp200b yielding 4.530%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2337	109.18	0.7907	1.3917	6.3686	0.7303	134.1200	85.8953
R1	1.2314	108.92	0.7884	1.3877	6.3461	0.7283	133.8400	85.6607
Current	1.2293	108.67	0.7851	1.3843	6.3281	0.7259	133.5800	85.3090
S1	1.2252	108.42	0.7819	1.3797	6.2989	0.7238	133.0900	84.9747
S2	1.2213	108.18	0.7777	1.3757	6.2742	0.7213	132.6200	84.5233

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3331	n/a	13689	52.2587	31.8577	1.6356	0.6276	2.9816
R1	1.3281	n/a	13664	52.0923	31.7513	1.6310	0.6250	2.9757
Current	1.3243	3.9350	13641	51.9330	31.6270	1.6280	0.6229	2.9720
S1	1.3205	n/a	13607	51.6273	31.5763	1.6222	0.6200	2.9614
S2	1.3179	n/a	13575	51.3287	31.5077	1.6180	0.6175	2.9530

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

Equity Indices and Key Commodities

	Value	% Change
Dow	24,601.27	1.70
Nasdaq	6,981.96	1.56
Nikkei 225	21,382.62	-2.32
FTSE	7,177.06	1.19
Australia ASX 200	5,820.70	-0.39
Singapore Straits Times	3,384.98	0.23
Kuala Lumpur Composite	1,830.17	0.57
Jakarta Composite	6,523.45	0.28
Philippines Composite	8,487.91	-0.19
Taiwan TAIEX	10,371.75	-1.49
Korea KOSPI	2,385.38	0.91
Shanghai Comp Index	3,154.13	0.78
Hong Kong Hang Seng	29,459.63	-0.15
India Sensex	34,005.76	-1.13
Nymex Crude Oil WTI	59.29	0.15
Comex Gold	1,326.40	0.81
Reuters CRB Index	189.08	0.30
MBB KL	10.06	0.40

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.1323	Apr-18	Neutral
BNM O/N Policy Rate	3.25	7/3/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	15/2/2018	Neutral
BOT 1-Day Repo	1.50	14/2/2018	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
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Easing Bias
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
BOE Official Bank Rate	0.50	22/3/2018	Neutral
RBA Cash Rate Target	1.50	6/3/2018	Neutral
RBNZ Official Cash Rate	1.75	22/3/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	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	135	3.196	3.278	3.083
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	78	3.14	3.15	3.018
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	20	3.335	3.358	3.335
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	23	3.448	3.448	3.44
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	10	3.432	3.46	3.432
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	125	3.423	3.423	3.423
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	33	3.511	3.511	3.51
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	121	3.619	3.619	3.604
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	89	3.48	3.48	3.477
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	11	3.588	3.61	3.586
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	64	3.779	3.791	3.779
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	36	3.773	3.813	3.766
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	44	3.967	3.967	3.923
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	11	3.917	3.917	3.917
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	1	3.985	3.985	3.985
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	33	4.049	4.063	4.049
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	1	4.172	4.172	4.172
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	112	3.837	3.973	3.837
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	90	4.056	4.056	4.055
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	5	4.444	4.444	4.444
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	10	4.497	4.5	4.497
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	5	4.532	4.532	4.532
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	90	4.47	4.47	4.437
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	86	4.584	4.611	4.584
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	23	4.889	4.889	4.874
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	40	3.228	3.228	3.228
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	50	3.299	3.299	3.299
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	81	3.656	3.656	3.632
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	157	3.855	3.894	3.855
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	57	4.009	4.02	4.005
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	100	4.178	4.178	4.178
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	80	4.191	4.192	4.191
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	140	4.205	4.206	4.205
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	120	4.636	4.636	4.635
Total			2,081			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PLUS BERHAD IMTN 4.080% 11.01.2019 - Series 1 (3)	AAA IS	4.080%	11-Jan-19	10	4.009	4.031	4.009
AMAN IMTN 4.300% 30.05.2019 - Tranche No 32	AAA IS	4.300%	30-May-19	5	4.047	4.047	4.047
PLUS BERHAD IMTN 4.220% 10.01.2020 - Series 1 (4)	AAA IS	4.220%	10-Jan-20	10	4.083	4.089	4.083
MANJUNG IMTN 4.120% 25.11.2020 - Series 1 (5)	AAA	4.120%	25-Nov-20	20	4.222	4.222	4.222
GENTING CAP MTN 4.42% 08.6.2022 - Issue No. 1	AAA (S)	4.420%	8-Jun-22	10	4.693	4.706	4.693
AMAN IMTN 4.780% 30.05.2024 - Tranche No 34	AAA IS	4.780%	30-May-24	10	4.479	4.482	4.479
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	20	5.099	5.108	5.099
SBPC 4.300% 03.07.2018 (SERIES 4)	AA1	4.300%	3-Jul-18	10	3.912	3.912	3.912
CIMBBANK 4.800% 13.09.2023 - Issue No 1	AA1	4.800%	13-Sep-23	1	4.758	4.952	4.758
PUBLIC SUB-NOTES 4.73% 15.11.2023	AA1	4.730%	15-Nov-23	36	4.4	4.406	4.4
HLBANK 4.800% 21.06.2024 (Tranche 1)	AA1	4.800%	21-Jun-24	1	5.103	5.103	5.103
MAYBANK 4.900% 17.10.2025	AA1	4.900%	17-Oct-25	50	4.745	4.765	4.745
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	20	4.89	4.902	4.89
KESAS IMTN 4.380% 10.10.2018	AA2	4.380%	10-Oct-18	10	4.074	4.074	4.074
K-PROHAWK IMTN 4.880% 21.12.2018	AA2	4.880%	21-Dec-18	5	4.171	4.171	4.171
UMWH IMTN 4.630% 22.06.2020	AA2	4.630%	22-Jun-20	30	4.496	4.505	4.496
K-PROHAWK IMTN 5.290% 26.12.2031	AA2	5.290%	26-Dec-31	1	5.096	5.097	5.096
BUMITAMA IMTN 5.000% 02.09.2019	AA3	5.000%	2-Sep-19	10	4.545	4.559	4.545
BGSM MGMT IMTN 6.600% 27.12.2019 - Issue No 5	AA3	6.600%	27-Dec-19	20	4.341	4.355	4.341
SINAR KAMIRI IMTN 4.960% 30.01.2020	AA- IS	4.960%	30-Jan-20	5	4.932	4.932	4.932
IJM IMTN 4.830% 10.06.2022	AA3	4.830%	10-Jun-22	2	4.527	4.53	4.527
SINAR KAMIRI IMTN 5.200% 30.01.2023	AA- IS	5.200%	30-Jan-23	5	5.169	5.169	5.169
MALAKOFF POW IMTN 5.650% 17.12.2025	AA- IS	5.650%	17-Dec-25	20	4.77	4.772	4.77
SINAR KAMIRI IMTN 5.600% 28.01.2028	AA- IS	5.600%	28-Jan-28	5	5.559	5.559	5.559
CIMB 6.35% 05.04.2060 - Tranche No. 3	AA3	6.350%	5-Apr-60	1	5.233	5.233	5.233
MUMTALAKAT IMTN 5.350% 30.04.2018	A3	5.350%	30-Apr-18	2	5.46	5.508	5.46
MUAMALAT IMTN 5.800% 15.06.2026	A3	5.800%	15-Jun-26	4	5.62	5.624	5.62
Total				323			

Sources: BPAM

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