

Global Markets Daily

Eyes on China Data This Week

Partial US-China Trade Deal a Positive Start

Partial deal, agreed in-principle between US and China last Fri should temporarily boost sentiments, remove some of the depreciation pressure on CNH and provide relative support for AXJ FX, including KRW and TWD. However actual signing of the agreement is still 4 - 5 weeks away and past experience suggests there is still room for disappointment (i.e. breakdown while drafting agreement). Markets' "provision" for such disappointment could still see "half-hearted" gains in AXJ FX. Sustained gains in AXJ FX would require clearer signs of growth stabilisation or rebound. China's 3Q GDP and activity data on Fri will provide those cues.

MAS Ease Slightly as Expected

MAS "reduce the slope of the SGD NEER 'slightly' from the current +1% appreciation path to +0.5%, but keep the width and centre of the policy band unchanged" this morning. We expect USDSGD to take cue from USDCNH in the interim, but further downsides for the pair could be limited, especially as SGD NEER is now seen at around +1.4% above mid-point of the policy band. Next support at 1.3650 (200 DMA).

Global Growth, Activity and Inflation in Focus This Week

Data of interests this week include EU IP on Mon. For Tue, US empire manufacturing; EU ZEW survey; UK labor report; China CPI. For Wed, US retail sales; EU, UK and NZ CPI reports; BoK MPC - we expect 25bps cut to bring policy rate down to 1.25% on persistent domestic growth concerns and deflation risks. For Thu, US Philly Fed Business outlook; AU employment change; UK retail sales; SG NODX. For Fri, China 3Q GDP, IP, FAI, retail sales; JP CPI.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1042	↑ 0.34	USD/SGD	1.3733	↓ -0.17
GBP/USD	1.2668	↑ 1.81	EUR/SGD	1.5167	↑ 0.19
AUD/USD	0.6794	↑ 0.49	JPY/SGD	1.2662	↓ -0.61
NZD/USD	0.6337	↑ 0.27	GBP/SGD	1.738	↑ 1.55
USD/JPY	108.29	↑ 0.29	AUD/SGD	0.9327	↑ 0.28
EUR/JPY	119.71	↑ 0.74	NZD/SGD	0.8705	↑ 0.15
USD/CHF	0.9974	↑ 0.04	CHF/SGD	1.3772	↓ -0.18
USD/CAD	1.3203	↓ -0.66	CAD/SGD	1.0398	↑ 0.50
USD/MYR	4.1865	↓ -0.07	SGD/MYR	3.0468	↑ 0.13
USD/THB	30.4	↓ -0.13	SGD/IDR	10282.45	↑ 0.14
USD/IDR	14138	↓ -0.08	SGD/PHP	37.5452	↑ 0.09
USD/PHP	51.595	↓ -0.20	SGD/CNY	5.1693	↓ -0.06

Implied USD/SGD Estimates at 14-Oct-19, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3634	1.3912	1.4190

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G7: Events & Market Closure

Date	Ctry	Event
14 Oct	US	Market Closure
	CA	
	JP	

AXJ: Events & Market Closure

Date	Ctry	Event
14 Oct	TH	Market Closure
16 Oct	KR	BoK Meeting

G7 Currencies

- **DXY Index - Market Closure Today.** Feels like sell-on-rumor, buy-on-fact on the outcome of US-China partial trade deal as USD's decline since last Tue reversed on confirmation on partial deal late into Fri. The partial deal (agreed in-principle) between US and China (11th Oct) should temporarily boost sentiments, remove some of the depreciation pressure on CNH and provide relative support for AXJ FX, including KRW and TWD. The actual signing of the agreement is still 4 - 5 weeks away and past experience suggests there is still room for disappointment (i.e. breakdown while drafting agreement). This is especially so as Trump said details still must be ironed out. Markets' "provision" for such disappointment could still see "half-hearted" (or cautious) gains in AXJ FX in the lead up to the actual signing, which may take place at the sidelines of the APEC leaders' summit in Chile on 17th Nov 2019 when Both President Xi and Trump are expected to meet. Elsewhere Fed announced monthly purchase of \$60bn Treasury bills starting 15th Oct and to last into 1H 2020. Fed said that this is targeted at maintaining bank reserves in the system and does not represent policy easing. We think it can help to ease funding pressures in the near term and do not rule out the case of Fed turning dovish (either via forward guidance at the upcoming FoMC on 31st Oct and/or further rate cuts). US and JP market closures today may see muted, range-bound trades. But we hold to our bias looking for further downside. Continued USD appreciation and slowing global growth will result in tighter financial conditions, resulting in the need for Fed to turn more dovish. This could take the USD lower, especially when USD long positions are stretched at 30-month high. DXY was last seen at 98.45 levels. Daily momentum is mild bearish while stochastics is falling. Immediate support at 98.40 (50 DMA), 97.80 (100 DMA) before 97.30 (200 DMA). Resistance at 98.80 (21 DMA), 99.60 (2019 high) levels. Data/Events of focus this week include Empire Mfg (Oct); Fed's Bostic, Bullard, Daly speak on Tue; Retail sales (Sep); NAHB Housing Market Index (Oct); Fed's Evans speak; Fed's Beige Book on Wed; Building Permits, Housing Starts, IP (Sep); Philly Fed (Oct); Fed's Evans speaks on Thu; Fed's Williams speaks on Fri. US markets are closed for Columbus Day holiday on Mon.
- **EURUSD - Buy Dips Preferred.** EUR continues to trade a relatively stable range of 1.10 - 1.1060, given the development of multiple events ranging from US-China partial deal to brexit twists and Fed's announcement to purchase T-bills. EUR was last seen at 1.1030 levels. Bullish momentum on daily chart remains intact while stochastics is rising. Key resistance at 1.1050 (50 DMA). Upside break could see further gains towards 1.1080, 1.1140 (100 DMA). Support at 1.0980 (21 DMA), 1.0950 levels. Focus next week on IP (Aug); ECB's Guindos, Hernandez speak on Mon; ZEW Survey expectations (Oct) on Tue; CPI (Sep); Trade (Aug); ECB's Knot, Lane, Weidmann, Villeroy speak on Wed; Construction output (Aug); ECB's Villeroy, Visco, Knot, De Cos speak on Thu; Current account (Aug) on Fri.

- **GBPUSD - 2-Way Trades Continue.** Brexit development proved fluid with warning coming from EU negotiators that BoJo's plans were not yet good enough to form the basis of exit agreement. GBP took a dip below 1.26-handle on this. Much earlier, GBP rose 4% on Thu-Fri following positive progress on brexit negotiations. Joint statement (10 Oct) from PM BoJo and Irish Premier Varadkar said they see "pathway to a possible deal" and subsequent meetings between EU and UK brexit negotiators on Fri were described as "constructive". Despite notable progress, we cautioned that the timeline to reach a tentative deal by the upcoming EU Summit (17 - 18 Oct) may still be too tight to meet. A technical extension beyond 31st Oct (brexit day) to ratify the withdrawal agreement is likely. Developments will remain fluid and should likely intensify in the days leading up to EU summit (17-18 Oct) and 31st Oct brexit-day. In the midst of headline "noises", the key focus is whether BoJo manages to get a modified deal with the EU and if this gets passed through UK parliament. With GBP volatility escalated (1m vol near 13-handle) and likely to rise further in an environment of possibly thinner than usual market liquidity, we do not rule out abrupt price movements either direction. Our bias remains for GBP to trend higher on the back of our base case assumption that calls for a smooth, orderly exit (i.e. either UK to leave EU with a modified deal by 31st Oct or another brexit extension). GBP was last seen at 1.2595 levels. Momentum and stochastic indicators on weekly, daily chart are bullish bias. Bullish divergence on weekly MACD is underway. Next resistance at 1.2880 (38.2% fibo retracement of 2018 high to 2019 low), 1.3170 (50% fibo) and 1.3450 (61.8% fibo). Support at 1.2530 (23.6% fibo), 1.2410 (100 DMA). We emphasize that not all is one-way positive for GBP as brexit discussions are known to flip-flop and UK is still grappling with growth issues at home. Downside surprise to economic data and/or less-positive comments coming from UK or EU on brexit proposal could still dampen GBP gains. Focus next week on BoE's Cunliffe speech on Mon; BoE's Carney, Vlieghe speak; Labor report (Aug) on Tue; CPI, PPI, RPI; BoE's Carney speaks on Wed; Retail sales (Sep) on Thu.

- **USDJPY - Key Resistance at 108.45.** The pair moved up by ~50pips last Friday evening when news of the partial trade deal between US and China broke. Intraday high on Friday was at 108.60. Pair has pared some gains since, as cautiousness crept in among market participants. Pair last seen at 108.25. We note that it will take another 4-5 weeks for the actual "partial deal" agreement to be inked, and pair could remain volatile in the interim. Brexit developments also remain fluid, with European negotiators warning that BoJo's current plan wasn't good enough. Further gains for the pair could be an upward grind. Momentum on daily chart is mildly bullish and stochastic indicators are inching towards near-overbought territory. Resistance at 108.45 (Sep high), 109. Support at 107.50 (23.6% Fibonacci retracement from Aug low to Sep high), 106.90 (38.2% fibo), then 106.50 (50% fibo).

- **NZDUSD - Cautiously Bullish.** NZD slipped on buy-rumor, sell-fact on confirmation of US-China partial trade deal. While a partial deal

(agreed in-principle) between US and China (11th Oct) could temporarily boost sentiments, actual signing of the agreement is still 4 - 5 weeks away. Past experience suggests there is still room for disappointment (i.e. breakdown while drafting agreement). Markets' "provision" for such disappointment could restraint NZD gains. Pair was last seen at 0.6310 levels. Daily momentum turned mild bullish while stochastics is rising. Immediate resistance at 0.6360 (50 DMA) needs to be decisively broken for gains to extend towards 0.6430 (38.2% fibo retracement of Jul high to Oct low) Support at 0.63 (21 DMA), 0.6250 levels. Focus this week on Services PMI (Sep) on Mon; Net Migration (Aug) on Tue; CPI (3Q) on Wed.

- **AUDUSD - Capped in spite of a mini-deal.** AUDUSD touched a high of 0.6811 before tapering off again, weighed by the slide in the NZD and the EUR. Price was last seen around 0.6777. Although MACD shows increasing bullish bias for this pair, price action is capped by the 0.6810-resistance. We have China's trade numbers out sometime today and expectations are for another contraction in both exports and imports leg. That could be keeping AUD on the backfoot this morning. Stronger imports growth could swing this pair higher towards 0.6810\, 0.6840. That could add to the mini US-China trade deal that will keep the tariffs at status quo for now. Support at 0.6760/25. Week ahead has China's trade data today, RBA Minutes tomorrow, labour report for Sep on Thu, China's activity numbers on Fri.
- **USDCAD - Biased Downside.** USDCAD dropped under the 1.3230 last Fri and touched a low of 1.3203. Last seen around 1.3220, bringing to fruition our suspicion for a breakout lower that we wrote about here last week. Labour report was solid with a 53.7K hires (70k full-time far outweighs the -16.3k decline of part-time hires) added in Sep and jobless rate dropping to 5.5% from 5.7%. Hourly wage rate picked up pace towards 4.3%/y from previous 3.8%. From this point, support is seen around 1.3165 before the next at 1.3145. Bias is to the downsides for now. Retracements to meet resistance at 1.3230 before 1.3290. Week ahead has existing home sales for Sep tomorrow, Sep CPI on Wed, Aug manufacturing sales for Thu and ADP payroll on Thu.

Asia ex Japan Currencies

- **SGD trades around 1.4% above the implied mid-point of 1.3912 with the top estimated at 1.3634 and the floor at 1.4190.**
- **USDSGD - *Downsides Likely Limited; Look for Mild Rebound.*** House view for MAS to “reduce the slope of the SGD NEER ‘slightly’ from the current +1% appreciation path to +0.5%, but keep the width and centre of the policy band unchanged” was realized this morning. USDSGD dropped momentarily from around 1.3720 to 1.3680 after the decision, but quickly rebounded to hover around 1.3710. Notably, most of the USDSGD down-move from last Friday morning’s -1.38-level was on trade policy optimism out of US-China talks, and the influence of these developments is expected to continue early this week. We expect USDSGD to take cue from USDCNH in the interim, but further downsides for the pair could be limited, especially as SGD NEER is now seen at around +1.4% above mid-point of the policy band. We continue to look for a downward bias in SGD NEER (to below +1.0% relative to policy mid) in the next few weeks given its elevated level. Momentum on the USDSGD daily chart is mildly bearish, while stochastics are inching down towards near-oversold conditions. Next support at 1.3650 (200 DMA). Resistance at 1.3790/1.3820 (21, 50 DMA), 1.3840 (23.6% Fibonacci retracement from Jul low to Sep high).
- **AUDSGD - *Still Capped.*** In the midst of the positive risk sentiment, AUDSGD was still unmoved, stuck in a tug of war between AUD and SGD bulls. Last seen around 0.9292. Stochastics are in oversold condition and rising. Support is seen at 0.9250. Resistance at 0.9333, 0.9385 before 0.9430. MAS was a non-event with a technical recession avoided and a mild easing effected on the SGDNEER. On the weekly chart, the downtrend is very much intact. Watch if the 0.9250-support go, the next support at 0.9060 comes into view.
- **SGDMYR - *Bullish Crossovers in Play.*** SGDMYR jumped, in line with our caution for bullish crossovers. Cross was last seen at 3.0520 levels. Daily momentum is mild bullish while stochastics is rising. 50 DMA looks on track to cut 200 DMA to the upside while 21 DMA has just cut 100 DMA to the upside. Near term upside risks in the interim. Resistance at 3.0520, 3.0550 levels. Support at 3.0420, 3.0350 (21, 100 DMAs).
- **USDMYR - *Near Term Upside Pressure Eases.*** Malaysia’s budget announcement last Fri was largely in line with expectation with no major surprises. 2020 budget deficit is projected to improve to 3.2% of GDP, from 3.4% in 2019, though projection is wider than previous target of 3%. We do not expect much impact on MYR to come through via Malaysia budget. External drivers such as US-China trade talk progress, Fed policy, FTSE-Russell review decision in Mar-2020, cross asset movements in global equities and oil prices will more than likely drive direction for MYR. In particular positive mood from US-China phase-1 deal could support equity sentiment and oil prices; and these are supportive of MYR gains. Market “provision” for disappointment and expectations of BNM rate cut at its next MPC meeting (5th Nov) could however keep MYR gains leased. Pair

was last seen at 4.18 levels. Daily momentum is showing tentative signs of turning bearish while stochastics is falling. Upside pressure has faded for now. Key support at 4.16 (neckline of the head & shoulders pattern) before 4.14, 4.10 levels (objective of bearish reversal). Resistance at 4.20, 4.22 levels.

- **1m USDKRW NDF - Range.** 1m USDKRW NDF fell amid positive sentiment arising out of US-China trade talk progress. Pair was last seen at 1182 levels. Bearish momentum and stochastics remain intact. Support at 1177 (61.8% fibo retracement of Jul low to Aug high) before 1166 (76.4% fibo). Resistance at 1185, 1195 levels. While external development may be supportive of risk-on play, domestic growth concerns, deflation risks, ongoing Japan-Korea trade spat and potential BoK rate cut (16th Oct) could limit gains in KRW. Intra-day we look for pair to trade 1177 - 1185 range. On BoK, We expect the central bank to cut policy rate by 25bps at the upcoming MPC on 16th Oct. Though Korea may have averted a technical recession in 2Q, ongoing trade disputes and rising concerns of slowing global growth have resulted in shifts in supply chain network and had dented demand. With Sep inflation slowing to -0.4% y/y, S. Korea may be at risk of entering into a few months of deflation. If this is not quickly addressed and becomes longer than expected, investments, asset values and incomes could be affected and this can lead to lower consumption and further weigh on its currency.

- **USDCNH - A Hard-Earned Deal to Get Status Quo for Tariffs.** PBoC fixed USDCNY at 7.0725, 2 pips lower than the previous 7.0730, still a tad lower. We anticipate that this countercyclical adjustment factor would be in play for the next 4-5 weeks in anticipation for the official seal of the deal that could happen as soon as next month. This “first phase of the deal” would include more purchases of US agricultural commodities, some intellectual-property enforcement measures to be agreed on and concessions on financial services and currency in exchange of no tariff hike tomorrow. USDCNY touched a low of 7.705 this morning, validating our call for USDCNY spot to come towards the USDCNY fix. The sentiment channel is providing strength for the RMB but there is still some uncertainty given the fact that the agreement is only to be inked 4-5 weeks later. Given the swings markets have seen last week, there could still be some caution leading into the main APEC event in Chile on 17th Nov where both Trump and Xi Jinping would attend and where the deal is expect to sealed. In between now and then, we have China’s activity data due this Fri. The improvements in PMI-mfg prints for Sep suggest that infrastructure boosts and other fiscal stimulus in the form of fees and tax cuts might have kicked in. On the other hand, expectations are set rather low for the 3Q GDP print to be released on Fri with some analysts calling for sub-6.0% growth. To be sure, the acknowledgement by Premier Li Keqiang (in Sep) that maintaining a growth pace above 6.0% would be challenging did not help in the least. Hence, an upside surprise to growth and activity print could add on to the risk-on mood and encourage a break of the 7.07-figure. Should the head and shoulders play out for USDCNH, this could usher in the next leg of RMB gains. This leg of the RMB rally could bring the USDCNH to test the 7.0. We take partial profit on our short USDCNH here at 7.11 (25 Sep) at 7.0760. We still maintain the view that the

break of the 7.07 would open the way towards 7.0 and then at 6.95, 6.90. Stoploss at 7.19. Risk reward ratio of 1:2.63. In the near-term, support at 7.1150 (21-dma). We also hold our short SGD against the CNH as the rising wedge seems to have been violated. This cross is still supported by the 21-dma at 5.16. Break there would bring this cross towards 5.1450 before 5.1430. First target at 5.0970 before the next target at 5.0788. Spot reference at 5.1620 (25 Sep). Stoploss at 5.20 with a risk-reward ratio of 1:2.19. Week ahead has aggregate financing, money supply numbers and new yuan loans for Sep by 15th Oct. Imports and exports fell -6.2%/y for Sep and -0.7% respectively in yuan terms. Sep CPI and PPI are due tomorrow before activity data that includes 3Q GDP on Fri.

- **1M USDINR NDF - *Some Room for Downside***. This pair is seen around 71.20 with downsides from risk-on mood offset by move up in the crude prices that are typically INR-negative. Weaker industrial production for -1.1%/y for Aug vs. previous 4.6% released last Fri probably dampened sentiment and undermined the INR. MACD shows little momentum and prices are supported by 71.10. Still, stochastics show some downside bias. We see more room for downside rather than up at this point. Support at 71.10 before 70.60, 70.10. Resistance at 71.55/71.75 to cap before 72.00. Week ahead has WPI and CPI for Sep today, trade data for Sep tomorrow.
- **1M USDPHP NDF - *Consolidation***. NDF traded fairly ranged last Friday and this morning. Last seen at 51.60. Trade deal optimism notably did not impart significant downward pressures to this pair last Friday, partly because positivity had been built into the pricing earlier, and Philippines likely ranked lower in terms of extent of benefits/damage seen from swings in US-China trade talks, relative to regional peers (i.e., trade exposure is low relative to other Asian economies). Moody's recent review of PH credit profile indicates that it largely remains in a position of strength, with moderate public debt levels and improving debt servicing ability due to tax reforms. BSP Governor Diokno earlier said that there will be no more rate cut this year, but RRR could still see some reductions before year-end. On net, PHP should remain relatively supported, particularly in current mood of cautious optimism given latest trade talk developments. Momentum on daily chart is modestly bearish, while stochastics are in oversold conditions. NDF currently hovering near support at 51.60 (61.8% Fibonacci retracement from Jul low to Aug high). Next support at 51.30 (76.4% fibo). Other resistances at 52.10 (38.2% fibo, 21/200 DMA), 52.90 (Aug high).
- **1m USDIDR NDF - *Sell on Rallies***. NDF continued to see ranged trading just below the 14200 level. Last seen at 14170. We note that IDR did not benefit as much from trade talk news as its AxJ peers. The World Bank just cut Indonesia's 2019 growth forecast from 5.2% previously to 5.0% now, citing weakening global demand and heightened global trade policy uncertainty. Some trouble at home, i.e., trade union opposition to labor reforms, student protests on amendments to criminal code, stabbing of Indonesian security minister by suspected terrorist etc., could be pulling on sentiments a tad too. We still prefer to sell on rallies for the NDF, given robust fundamentals for IDR (growth ~5%, twin deficits ~2-3% of GDP each). Our previous call, i.e.,

“risk-reward still favors a downward bias (from ~14200-14300 levels)” seems to have played out well thus far, and we see room for the downward bias to persist in the interim. Momentum on daily chart is largely neutral while stochastics are inching down towards near-oversold conditions. Support at 14100 (23.6% Fibonacci retracement from Aug high to Sep low), 14000. Resistance at 14200-level (38.2% fibo), then 14300, 14430 (76.4% fibo).

- **USDTHB - Range.** The pair traded ranged after the step-up last Thurs (on news that BoT will soon relax rules relating to capital outflow and gold trading, in a bid to curb THB strength). Positivity from partial US-China trade deal seems to be mitigated by some softening in gold prices (positive correlation between THB and gold prices). Thus far this year, the gold trade channel has contributed significantly to THB strength. With the potential changes in gold trading rules, and with possible further softening in gold prices from trade talk optimism, this channel of support could break down going forward. On net, we still look for THB to stay supported, but downsides in USDTHB could be capped for now. Momentum on daily chart is mildly positive, while stochastics remain in oversold conditions. Resistance at 30.51 (21 DMA), 30.62 (50 DMA), then 31.00 (38.2% Fibonacci retracement from May high to Sep low). Pair is hovering near support at 30.40 (longer-term 23.6% fibo retracement from 2009 high to 2013 low). Next support at 30.00.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MI 3/22	3.12	3.10	-2
5YR MI 6/24	3.20	3.20	Unchanged
7YR MK 7/26	3.35	3.36	+1
10YR MO 8/29	3.39	3.41	+2
15YR MS 7/34	3.56	3.59	+3
20YR MX 6/38	3.65	*3.70/65	Not traded
30YR MZ 7/48	3.94	3.97	+3
IRS			
6-months	3.33	3.33	-
9-months	3.27	3.28	-
1-year	3.22	3.22	-
3-year	3.21	3.21	-
5-year	3.25	3.27	+2
7-year	3.29	3.30	+1
10-year	3.37	3.38	+1

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Source: Maybank KE

*Indicative levels

- Local government bonds gave back some gains amid thin liquidity ahead of the budget announcement. The MGS curve largely rose 1-3bps higher, though better buyers were seen at the short end of the curve with the 3y yield down 2bps. In GII, benchmarks were mostly undealt as there were none or very wide bids. All eyes turn to the Budget 2020 announcement.
- Onshore IRS levels climbed higher by another 1-2bps while liquidity remained thin as most players stayed on the sidelines ahead of the Budget 2020 announcement. 3M KLIBOR stood pat at 3.38%.
- Corporate bonds market remained muted. GG yields rose 1-4bps higher with trades at the front end and belly of the curve. AAA space had only one name dealt which was Manjung 2028 trading about 1bp higher. AA credits were resilient as the long end lowered 1bp in yield and front end only up by 1bp.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.55	1.57	+2
5YR	1.58	1.59	+1
10YR	1.66	1.68	+2
15YR	1.74	1.77	+3
20YR	1.84	1.88	+4
30YR	1.96	1.99	+3

Source: MAS

- Positive headlines on the US-China trade front drove up UST yields overnight. In line with that, SGD rates opened higher and climbed 1-4bps in a bear-steepening bias. In SGS, there continued to be strong demand in the 2y to 5y sector which capped the rise in yields to 1-2bps, while long dated bonds came under pressure and yields were largely higher by 3-4bps. Short end bond-swap spreads improved slightly.
- Muted Asian USD credit space amid ongoing trade talks. CDS firmer by 1-2bps across the board which led to marginal buying in sovereign bonds at the front end, but better selling at the long end due to the overnight rates movement. Bid/offers were generally fairly wide. Chinese IGs rallied strongly in spreads, tightening 6-7bps, while prices were pretty much unchanged from previous day. The 10y space saw solid demand with tech names leading the rally. Financials and benchmark SOEs dealt 5bps tighter. India, Korea and Japanese credits tightened 2-4bps on improved risk sentiment. Malaysian USD space was quiet and saw better sellers. All eyes on the US-China trade talks.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
1YR	5.96	5.92	(0.05)
3YR	6.52	6.50	(0.02)
5YR	6.68	6.67	(0.01)
10YR	7.27	7.25	(0.02)
15YR	7.70	7.68	(0.02)
20YR	7.88	7.88	0.00
30YR	8.04	8.03	(0.01)

* Source: Bloomberg, Maybank Indonesia

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- Indonesian bond market strengthened in the Friday of last week. The market players received positive sentiments from both global and domestic sides. On the global side, investors had strong expectation on the loosening tension of trade war between China vs U.S.. Investors also welcomed to the Fed's new initiation for maintaining short term liquidity in the U.S. financial system by purchasing Treasury Bills by US\$60 billion/ month through at least Jun-20. Therefore, it's expected to keep maintaining inflow to emerging markets, such as Indonesia.
- Meanwhile, from the domestic side, investors also took positive momentum due to manageable political condition after a friendly meeting between two of candidates in last Presidential election. Furthermore, investors also had positive expectation on incoming of the trade balances result during recent weakening of imports due to slowing domestic economic growth. According to those aforementioned conditions, we expect Indonesian bond market to get positive momentum during this week.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1097	109.04	0.6844	1.2893	7.1299	0.6374	120.7500	74.5540
R1	1.1070	108.66	0.6819	1.2780	7.1055	0.6355	120.2300	74.0560
Current	1.1028	108.36	0.6790	1.2606	7.0838	0.6322	119.5000	73.5770
S1	1.1008	107.88	0.6761	1.2482	7.0636	0.6317	118.9600	72.9620
S2	1.0973	107.48	0.6728	1.2297	7.0461	0.6298	118.2100	72.3660

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3790	4.1918	14163	51.7157	30.5227	1.5241	0.5933	3.0509
R1	1.3761	4.1892	14150	51.6553	30.4613	1.5204	0.5919	3.0489
Current	1.3708	4.1795	14140	51.5990	30.4300	1.5118	0.5909	3.0492
S1	1.3703	4.1837	14126	51.5083	30.3483	1.5125	0.5882	3.0437
S2	1.3674	4.1808	14115	51.4217	30.2967	1.5083	0.5859	3.0405

*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	1.8748	Oct-19	Easing Bias
BNM O/N Policy Rate	3.00	5/11/2019	Easing Bias
BI 7-Day Reverse Repo Rate	5.25	24/10/2019	Easing
BOT 1-Day Repo	1.50	6/11/2019	Neutral
BSP O/N Reverse Repo	4.00	14/11/2019	Easing
CBC Discount Rate	1.38	19/12/2019	Neutral
HKMA Base Rate	2.25	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	5.15	5/12/2019	Easing
BOK Base Rate	1.50	16/10/2019	Easing
Fed Funds Target Rate	2.00	31/10/2019	Easing
ECB Deposit Facility Rate	-0.50	24/10/2019	Easing Bias
BOE Official Bank Rate	0.75	7/11/2019	Neutral
RBA Cash Rate Target	0.75	5/11/2019	Easing Bias
RBNZ Official Cash Rate	1.00	13/11/2019	Easing Bias
BOJ Rate	-0.10	31/10/2019	Easing
BoC O/N Rate	1.75	30/10/2019	Neutral

Equity Indices and Key Commodities

	Value	% Change
Dow	26,816.59	1.21
Nasdaq	8,057.04	1.34
Nikkei 225	21,551.98	0.45
FTSE	7,247.08	0.84
Australia ASX 200	6,606.81	0.91
Singapore Straits Times	3,113.97	0.79
Kuala Lumpur Composite	1,556.84	0.32
Jakarta Composite	6,105.80	1.36
Philippines Composite	7,849.94	1.09
Taiwan TAIEX	10,889.96	#DIV/0!
Korea KOSPI	2,044.61	0.81
Shanghai Comp Index	2,973.66	0.88
Hong Kong Hang Seng	26,308.44	2.34
India Sensex	38,127.08	0.65
Nymex Crude Oil WTI	54.70	2.15
Comex Gold	1,488.70	-0.81
Reuters CRB Index	173.58	0.30
MBB KL	8.44	0.60

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	200	3.05	3.05	2.921
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	524	3.031	3.055	2.994
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	100	3.057	3.057	3.057
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	2	3.109	3.109	3.109
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	249	3.12	3.537	3.097
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	39	3.111	3.111	3.092
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	3	3.133	3.133	3.133
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	2	3.192	3.192	3.192
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	19	3.207	3.207	3.207
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	76	3.203	3.213	3.203
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	14	3.271	3.281	3.271
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	21	3.288	3.288	3.288
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	2	3.363	3.363	3.363
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	53	3.363	3.363	3.354
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	22	3.437	3.437	3.407
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	8	3.457	3.463	3.457
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	2	3.45	3.45	3.45
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	51	3.414	3.414	3.408
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	3.577	3.577	3.577
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	13	3.63	3.64	3.615
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	1	3.671	3.671	3.671
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	21	3.7	3.7	3.698
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	4	3.594	3.603	3.581
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	8	3.655	3.655	3.634
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	44	3.939	3.965	3.939
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	50	3.091	3.091	3.091
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	100	3.107	3.107	3.107
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	30	3.127	3.127	3.127
PROFIT-BASED GII 4/2012 15.11.2022	3.699%	15-Nov-22	40	3.163	3.184	3.163
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	2	3.299	3.299	3.299
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	50	3.255	3.278	3.255
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	100	3.396	3.396	3.387
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	72	3.429	3.436	3.423
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	2	3.691	3.691	3.691
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	04-Aug-37	20	3.82	3.82	3.82
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	100	4.01	4.015	3.976

Total**2,049**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.080% 18.08.2023 - Tranche No 79	GG	4.080%	18-Aug-23	20	3.319	3.319	3.319
LPPSA IMTN 3.830% 21.09.2023 - Tranche No 3	GG	3.830%	21-Sep-23	10	3.319	3.319	3.319
DANAINFRA IMTN 4.030% 01.04.2026 - Tranche No 85	GG	4.030%	01-Apr-26	20	3.521	3.521	3.521
MANJUNG IMTN 4.660% 24.11.2028 - Series 1 (13)	AAA	4.660%	24-Nov-28	30	3.671	3.671	3.649
YTL POWER MTN 3651D 24.3.2023	AA1	4.490%	24-Mar-23	30	3.786	3.802	3.786
TMSB Senior Sukuk Murabahah 23.10.2030 (Tranche 9)	AA1	5.300%	23-Oct-30	10	4.099	4.111	4.099
TMSB Senior Sukuk Murabahah 22.10.2032(Tranche 11)	AA1	5.500%	22-Oct-32	10	4.199	4.211	4.199
SEB IMTN 5.320% 03.12.2032	AA1	5.320%	03-Dec-32	20	3.839	3.846	3.839
SEB IMTN 4.950% 25.11.2033	AA1	4.950%	25-Nov-33	20	3.91	3.916	3.91
SEB IMTN 5.180% 25.04.2036	AA1	5.180%	25-Apr-36	20	4.12	4.126	4.12
ESSB IMTN 4.250% 11.10.2024	AA2	4.250%	11-Oct-24	5	4.245	4.248	4.245
CIMBBANK 4.770% 07.08.2026 - Issue No 4	AA2	4.770%	07-Aug-26	10	3.778	3.79	3.778
MALAKOFF POW IMTN 5.050% 17.12.2019	AA- IS	5.050%	17-Dec-19	20	3.235	3.235	3.235
MMC CORP IMTN 5.200% 12.11.2020	AA- IS	5.200%	12-Nov-20	30	3.824	3.862	3.824
BGSM MGMT IMTN 5.250% 24.12.2020 - Issue No 8	AA3	5.250%	24-Dec-20	70	3.559	3.564	3.559
SAJC IMTN 5.250% 26.01.2023 - Tranche 4	AA- IS	5.250%	26-Jan-23	5	4.131	4.131	4.131
MMC CORP IMTN 5.290% 26.04.2023	AA- IS	5.290%	26-Apr-23	10	4.457	4.473	4.457
EDRA ENERGY IMTN 6.150% 03.01.2031 - Tranche No 19	AA3	6.150%	03-Jan-31	10	4.419	4.421	4.419
EDRA ENERGY IMTN 6.190% 04.07.2031 - Tranche No 20	AA3	6.190%	04-Jul-31	10	4.449	4.451	4.449
EDRA ENERGY IMTN 6.270% 05.07.2032 - Tranche No 22	AA3	6.270%	05-Jul-32	20	4.479	4.481	4.479
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	20	4	4	3.97
Total				400			

Sources: BPAM

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