

Global Markets Daily

Be Careful of What Comes After “Buy The Rumor”

Data Lifts

US empire manufacturing soared to 22.5 for Mar from 13.1, beating the median estimate of 13.1. Initial jobless claims came in better than expected as well at 226k vs. the previous 230k (revised). The combination of the US data lifted the greenback and equities overnight. However, stock gains were crimped by news of US sanctions on Russian on charges of meddling with the 2016 US presidential election. USD remained on the upmove however, as market players decided to go with the “I would buy King dollar and sell gold” comment made by the new US Secretary of State.

USD Move-Up

Asian players are catching up on the USD move in early trades. USDCNH has rallied enough to entirely reverse out its recent down-move. USDSGD is last seen around 1.3150. Apart from the comment made by Kudlow on the “King USD”, this could also be an excuse for positioning ahead of any upside surprise at the Fed meeting next Thu. Buying into the Fed could be the trade of the moment but what comes after is normally “sell the fact”. With inflation still subdued, we see opportunities for USD rallies to sell into. We stick to our view that the FOMC decision next week and a no-change to dots plot could be the trigger for USD bears to take over and nudge the greenback back into the broad downtrend in play before Feb.

Watch EC CPI

Data and events that we watch today include EC CPI, JP IP and Capacity Utilization, RBA Debelle speaking and NZ Mfg PMI. Any upside surprise in the Euro-area CPI, due this later today, could inspire EUR bulls and crimp on the current USD bulls. Consensus expects the final print to be 1.0%/y for Core, no revision from the previous estimates.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2305	↓ -0.51	USD/SGD	1.3135	↑ 0.32
GBP/USD	1.3937	↓ -0.18	EUR/SGD	1.6162	↓ -0.18
AUD/USD	0.7798	↓ -1.00	JPY/SGD	1.2353	↑ 0.32
NZD/USD	0.7278	↓ -0.74	GBP/SGD	1.8303	↑ 0.13
USD/JPY	106.34	↑ 0.02	AUD/SGD	1.0243	↓ -0.69
EUR/JPY	130.85	↓ -0.49	NZD/SGD	0.9559	↓ -0.42
USD/CHF	0.9514	↑ 0.69	CHF/SGD	1.3804	↓ -0.37
USD/CAD	1.3052	↑ 0.75	CAD/SGD	1.0065	↓ -0.41
USD/MYR	3.9177	↑ 0.30	SGD/MYR	2.9917	↑ 0.44
USD/THB	31.212	↑ 0.18	SGD/IDR	10492.29	↑ 0.10
USD/IDR	13749	↑ 0.11	SGD/PHP	39.6482	↓ -0.21
USD/PHP	51.94	↓ -0.25	SGD/CNY	4.8233	↑ 0.02

Implied USD/SGD Estimates @ 16 Mar-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2956	1.3218	1.3480

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G7: Events & Market Closure

Date	Ctry	Event
12 Mar	AU	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
No Significant Data/Event in The Region		

G7 Currencies

- **DXY - Supported in the Lead Up to FoMC Next Week.** USD strengthened overnight, tracking the rise in UST yields. Talks of geopolitical tensions on the rise - this time with Russia as US sanctioned Russia over election meddling. There was also a “joint condemnation” from Germany, France and US on the use of nerve agents, poisoning two people in UK. Separately there was also news that Special Counsel Muller has subpoenaed the Trump Organisation for business documents, including those related to Russia. This suggests that investigation on Trump is still ongoing and may have picked up pace but it remains uncertain if Trump will remove him for crossing the red line. On data release, Empire Mfg data surprised to the upside overnight. In the lead up to FoMC meeting on 22 Mar, we expect USD to remain supported. While a rate hike has been priced in for the upcoming meeting, much uncertainty remains on whether the dots plot will be changed. Some speculation includes revising the dots to 4 hikes for this year or even a shift up in terminal rate. Our house view continues to call for 3 rate hikes this year. Recent price-related data including CPI and PPI (overnight) showed little signs of price pressures picking up aggressively and that should suggest that Fed’s gradual pace of normalisation should stay the course. With growth momentum still intact (which we believe Fed will acknowledge and even sound optimistic on outlook) and inflation showing little signs of material pick, Fed policy normalisation could proceed at a gradual pace. A continuation of goldilocks thematic play and a weaker USD could resume post-FoMC. DXY was last seen at 90.16 levels. Mild bullish momentum on daily chart is intact. Resistance as previously highlighted around 90.50 still holds. Support at 89.60 (23.6% fibo of Dec high to Jan-Feb double bottom), 88.25 (previous low). Day ahead brings Housing Starts, building permits, IP, Cap Util. (Feb).
- **EURUSD - Eyes on CPI.** EUR fell overnight amid broad USD rebound. Move lower was in line with our caution yesterday that near term risks are skewed to the downside. Pair was last seen at 1.23 levels. Daily momentum and stochastics indicators are turning mild bearish. Support at 1.2290 (50 DMA), 1.2250, 1.2150 levels. Resistance at 1.2340, 1.2405 (61.8% fibo retracement of 2018 high to low). We continue to see with risks skewed to the downside on a combination of factors including Draghi’s recent speech on Wed, recent development on Italian politics and supported USD in the lead up to FoMC meeting next week. Day ahead brings CPI (Feb). A higher than expected print (headline CPI at 1.2%; core at 1%) may mitigate EUR downside pressures temporarily. On Italy elections, we shared yesterday that center-right alliance has taken the first step towards negotiating with Five Star Movement. This raises the prospect of a populist-led coalition government. Such a formation would risk spooking investor sentiments. But matters of politics remain very fluid - there are reports of arguments/conflicting statements within the center-right alliance. Salvini’s office (Northern League party) said the 3 parties in the alliance ruled out an accord to govern with the ruling democrats but Berlusconi’s spokesman (Forza Italia) said only Salvini has ruled out such as accord. At the ECB Conference in Frankfurt on Wed, Draghi said “still need to see further evidence that inflation dynamics are moving in the right direction... so monetary policy will remain patient, persistent and prudent”. He

emphasized that adjustments to monetary policy will be predictable and measured. He added that Euro strength could weigh on inflation down the line. He reiterated that sequencing of monetary stimulus removal (as stated in forward guidance) will remain and that rates will still remain low for a long time - we expect EUR gains to slow in the interim with risks slightly skewed to the downside.

- **GBPUSD - Some Downside Pressure; Buy Dips.** GBP slipped amid broad USD rebound. Our bias for upside play may have to be put on hold as FoMC meeting next week could see continued USD strength in the interim. GBP was last seen at 1.3930 levels. Mild bullish momentum on daily chart remains intact but stochastics shows signs of turning lower. Support at 1.3920 (50 DMA), 1.3850 (38.2% fibo retracement of Nov low to 2018 high). Resistance at 1.4040 (23.6% fibo). We look for opportunity to buy on dips. recent positive development including an optimistic tone (on growth outlook and real wage growth) from Chancellor Hammond in his Spring Statement and signs of conciliatory tone/steps towards a compromised deal from UK (reports from the Sun saying Brexit Committee agreed to open borders until 2021 instead of 2019 and brexit financial settlement at GBP37.1bn) should remain supportive of GBP gains.
- **USDJPY - Tracking 10Y UST Yield Lower.** USDJPY remained pressured to the downside, tracking the moves in 10Y UST yields on positioning ahead of FOMC meeting on 22 Mar. Underscoring the support for the JPY as well as safe-haven plays on weak risk sentiments underpinned by rising geopolitical tensions over Russia and US special counsel investigations into the Trump Organisation. In addition, simmering domestic political scandal engulfing both PM Abe and his deputy FinMin Aso is also supportive of the JPY. Meanwhile, financial year closing at end-Mar by corporates has seen USD-selling to hedge against sudden volatility towards month-end has also been supportive of the JPY, though this should wane as the year-end close approaches. While the domestic political uncertainty and financial year-end padding could further embolden JPY bulls and result in bouts of JPY strength ahead, we believe that these could be short-lived with the pair rebounding back towards the 107-108 levels in the near term. Dips could be opportunities to accumulate. Last seen around 106.03-levels. Momentum indicators on the daily chart remain bullish bias. Weekly momentum and stochastics though remains bearish bias. Support nearby is around the 106-levels before 105.25 levels (2018 low). Immediate resistance around 106.50 (23.6% fibo retracement of the Feb high to Mar low) levels ahead of 107.25 levels (38.2% fibo). Industrial production, capacity utilisation (Jan) are on tap tomorrow. Note that Upper House of the Diet has approved Kuroda's re-appointment and Wakatabe and Amamiya as Deputy governors this morning.
- **NZDUSD - Downside Risks.** NZD fell on softer than prior manufacturing PMI amid broad USD rebound overnight. Move lower was in line with our caution for potential rising wedge - typically a bearish reversal. Expect the pair to drift lower. The lead up to FoMC meeting could still see NZD long positions unwind slightly and this is likely to keep Kiwi under pressure. Pair was last seen at 0.7270 levels. Mild bullish momentum is waning while stochastics

turned lower. Next support at 0.7245, 0.7220, 0.7190 (200 DMA). Resistance seen at 0.73 (50 DMA), 0.7340 (61.8% fibo retracement of Feb high to Mar low).

- **AUDUSD - *Still Bullish Bias.*** AUDUSD slammed lower on a combination of USD rally and weaker risk appetite. The concomitant fall in commodities also weighed on the antipodes. Support is seen around 0.7770. Momentum has lost some bullishness and is rather flat. This pair could remain within the range of 0.7730-0.7900. We think dips are still opportunities to buy into. Our mildly bullish medium term view for AUD remains, as domestic and external demand continues to strengthen and we look for the AUDUSD pair to break above 0.80 within this half of the year. According to the RBA on 6 Mar, the economy is now projected to “grow faster in 2018 than it did in 2017” - a change from its previous statement of “GDP to pick up, a bit above 3 per cent over the next couple of years”. However, we see some signs that RBA is poised to hike this Aug after it added that “rate of wage growth appears to have troughed”. This is something that we have been observing for the past few months and back our call for RBA to raise cash rate in May (now in Aug). Just this morning, RBA Dep Governor Debelle warned of higher volatility as rates uncertainty has not been priced in by global investors.
- **USDCAD - *Up And Away.*** USD strength and commodity weakness lifted the USDCAD above the 1.30-level, last seen around 1.3070. We stick to our view that this pair could remain supported amid underlying fears that the latest development could harden US’ stance on NAFTA. In comments made this morning, PM Trudeau assured that Canada is willing to speed up NAFTA talks and that Trump “has been consistent” with him. CAD remains weakened both by concerns on the NAFTA and recent dovish comments by BoC Poloz. Recently, the governor had said that NAFTA uncertainty has curbed Canada’s investment and pointed out that the economy has room to expand without fuelling inflation which suggests that the next rate hike is unlikely to be soon. BoC “will remain cautious” on future rate moves. **The 1.3130-resistance level still holds and could be threatened.** Support at 1.2870 before 1.2760 (21-DMA). Week ahead has existing home sales and ADP payrolls on Thu, mfg sales on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.73% above the implied mid-point of 1.3252 with the top estimated at 1.2989 and the floor at 1.3515.**

- **USDSGD - *Risks Tilting Higher*.** After breaking below its symmetrical triangle over the past two sessions, the USDSGD is back within that triangle amid USD strength as market re-position ahead of FOMC meeting next week.. Weighing on the SGD this morning was the dip in Feb's NODX by 5.9% y/y - coming in way below market expectation of +4.8%. This print should not be a cause for concern at the moment as the dip was likely due to baser effects as Chinese New Year was celebrated in Feb this year while it was in Jan in 2017. On a brighter note, non-oil retain imports (NORI) held steady at SGD5.8mn in Feb, while non-oil re-exports (NORX) saw flat growth in Feb after a 5% rise in Jan. Still, speculation that MAS will normalise policy with a shift to a 'slight gradual appreciation' at its Apr meeting from its current neutral policy amid healthy economic growth should be supportive of the SGD and cap the pair's upside. Softer UST yields overnight pushed the 3-month SOR lower by 4 pips to 1.375% levels, and continuing softness in UST yields today could weigh on the 3-month SOR. Last seen at 1.3158-levels. Daily momentum indicators are remain bearish bias but waning, while stochastics shows tentative signs of turning higher at oversold conditions. Weekly chart shows no strong bias in either direction. Resistance at 1.3175 (50% fibo retracement of the 2018 low to high, 21DMA), 1.3215 levels (38.2 fibo). Support remains around the 1.3090 levels (76.4% fibo).

- **AUDSGD - *Bullish Momentum Intact*.** AUDSGD slammed dunk along with the AUD, last seen at 1.0230 as we write this morning. Strength in the USD has brought down this pair. Support at 1.0200, 1.0146 (Dec low). Resistance is seen now at 1.0300 opens the way towards 1.0380 (100-DMA) before the 50-DMA at 1.0420. **Hold our tactical buy (date 6 Mar 2018) at 1.0254 for a target of 1.0450. Stop-loss at 1.0200.**

- **SGDMYR - *Upside Risk amid Central Bank Divergence*.** SGDMYR was a touch softer this morning amid SGD underperformance. Last seen at 2.9820 levels. Daily momentum remains bullish bias while stochastics is showing signs of turning. Support at 2.9740 (50 DMA), 2.9670 (21 DMA). Bigger area of support seen at 2.94 - 2.95 levels. Resistance seen at 3.0060 (38.2% fibo retracement of Nov high to Jan low). Sustained price action above 3.0060 could see the cross head higher towards 3.0260 (50% fibo). We continue to caution for upside risk. The risk of MAS "Normalisation" vs BNM "On Hold" suggest potential monetary policy divergence (or catch-up) play and this could present risks for SGDMYR to head higher in the lead-up to MAS meeting, which is likely to be held in second or third week of April (actual date to be announced closer to April).

- **USDMYR - *Interim Upside Risk*.** USDMYR firmed amid broad USD strength overnight. We do not rule out further downside in the interim, especially in the lead-up to FoMC meeting on 22 Mar. While a rate hike has been priced in, uncertainty on dots plot revision remains Upward adjustment could lead to USD strength. Pair was last seen at 3.9230 levels. Mild bullish momentum on

daily chart seems intact. Interim upside risks but bias to lean against strength. Resistance at 3.9280 (50 DMA), 3.9510 levels (38.2% fibo retracement of Jan high to low). Support at 3.88, 3.8660 (previous low). Our medium term bias for MYR strength remains on the back of improving domestic factors amid favourable external environment. Some of these factors include (1) sustained growth pick-up backed by consumption, investment and exports; (2) BNM initiatives (Apr-2017) to deepen and broaden domestic financial markets were positive steps to restore foreign investors' confidence; (3) BNM's pre-emptive move in Jan described the hike as pre-emptive to ensure that the stance of monetary policy is appropriate to prevent the build-up of risks that could arise from interest rates being too low for a prolonged period of time; (4) General election could lend further support for Ringgit. Typically Malaysian equities, MYR tend to strengthen in the lead-up to elections due to rising confidence; (5) Sustained current account surplus and rising FX reserves to retained imports & short-term debt should also provide an anchor for Ringgit. Current external environment of monetary policy continuity, relative oil price stability and still subdued inflationary pressures in US amid synchronous global economic recovery should continue to bode well for exports recovery and benefit countries that are trade-dependent including the MYR.

- **1m USDKRW NDF - *Risks Skewed to the Upside.*** 1m USDKRW NDF firmed amid broad USD rebound. Pair was last seen at 1069 levels. Bearish momentum on daily chart is waning while stochastics is showing signs of turning higher from near-oversold conditions. Resistance at 1072 (21, 50 DMAs), 1077. Support at 1065, 1062. Bias to trade range of 1065-1075, with bias to buy on dips. Lead up to FoMC meeting next Thu could see USD remaining broadly supported in the interim.
- **USDCNH - *Stuck in Range.*** USDCNH reversed out the bearish candle the day before and was last seen at 6.3300. This pair is led higher by the strong USD. Still, this pair seems determined to remain within the 6.28-6.35 range. We remain wary of upside as recent White House recruits, including the new Chief Economic Advisor, Lawrence Kudlow, seem to be taking a hard-line on China. Recall that US may charge on more than US\$30bn of Chinese imports as punishment for the country's alleged intellectual property theft (Politico, BBG). PBoC fixed the USDCNY reference rate at **6.3340, 199 pips higher than the previous 6.3141. CNYMYR was fixed at 0.6188, 6 pips higher than 0.6183. EURCNY was fixed 205 pips lower at 7.7926 vs. the previous at 7.8131.** No reverse repo is said to have been done today. PBOC is said to have conducted CNY327bn of MLF operations. New PBOC Governor will be announced on Mon (19th Mar).
- **1M USDINR NDF - *Short The Pair?*** 1M hovered around 65.26 this morning, supported by the 21-DMA as we write. Resistance at 65.50. The rebound in the pair was underpinned by the weakness in risk appetite and the USD strength. Feb WPI softened to 2.48%/y from previous 2.84%, largely in line with the median forecast. Headline was weighed by cheaper food costs. We have warned of a bearish divergence with the MACD forest so we look for the break of the support level at 65.10 for bears to take firmer control. Trade deficit narrowed in Feb with exports slowing to 4.5%/y from previous 9.1%

while imports also decelerating to 104%y/y in the month vs the previous 26.1%. Eyes also on current account balance for 4Q due before 28th Mar. **We caution that the rupee could also benefit from an upgrade in the Fitch rating agency. Economic Affairs Secretary Subhash Chandra Garg said that the rating agency is “extremely positive” of the “economy, reforms and path forward”.** Investors sold US\$7.6mn of equities on Wed and bought US\$116.1mn of bonds. **We see opportunity to short the pair at the break of 65.10 towards 64.45. Stoploss at 65.50.**

- **1m USDIDR NDF - *Stuck-In-Range*.** 1m USDIDR NDF uptick extended into the Asian session this morning amid USD strength amid re-positioning ahead of FOMC next week. It also did not help that the trade balance remain in deficit of USD116mn in Feb, though this was a moderation from Jan's deficit of USD756mn, putting upside pressure on the 1m NDF. Weak risk appetite yesterday saw foreign investors sell USD46.3mn in equities yesterday. Meanwhile, they had purchased USD25.4mn in debt on 14 Mar (latest data available). Further waning of risk appetite could see foreign holdings of Indonesia assets pared further that could lead to a reduction in short-USDIDR positions ahead, keeping the 1m NDF supported. Market though remains wary of BI intervention in the FX market (as they have in the past week) to smoothen volatility and that should be supportive of the IDR, capping upside to the 1m NDF. Spot USDIDR gapped higher at the opening to 13768 this morning from yesterday's closes of 13749 possibly amid USD strength. Last seen around 13776 levels. MACD remains bearish bias on the daily chart, while stochastics continues to fall from overbought conditions. Weekly chart remains bullish bias. This suggests risks remains to the downside in the near term and this could cap upside to the pair intraday. Continue to look sideways trades to continue within the current trading range of 13730 (23.6% fibo retracement of the Jan-Mar upswing) -13815. Break out in either direction could see the 1m NDF trade in a wider trading range of 13645 (38.2% fibo) - 13875 (2018 high). JISDOR was fixed at 13748 yesterday, 9 pips lower than the fixing on Thu. Trade (Feb) is on tap this afternoon.

- **1m USDPHP NDF - *Weighed By Strong Overseas Remittances Print*.** 1m USDPHP NDF is trading softer after ticking higher overnight amid USD strength. 1m NDF though continues to trade within its recent 52.00-52.50 range. Focused appears to be on the strong overseas remittances print in Jan, which rose by 9.7% y/y vs. market expectations of 5.0%. This should be supportive of the consumer spending ahead and keep growth supported ahead, increasing the likelihood that the economy could go into overdrive and lifting inflation even higher. This should increase pressure on the BSP for a rate hike at its 22 Mar meeting to anchor inflationary expectations even as BSP and government officials continue to pour cold water on any need to hike policy rates. Still downside to the 1m NDF could be limited should risk appetite continues to wane as they did yesterday. Foreign investors had sold USD27.0mn in equities yesterday, putting upside pressure on the 1m NDF. Spot USDPHP gapped higher at the opening to 52.131 this morning from yesterday's closes of 51.940 possibly amid USD strength. Last seen around 52.18 levels. Momentum indicators on the daily chart remain bearish bias but waning, while stochastics shows tentative signs of turning higher. Weekly chart remains bullish bias. 50DMA cuts the

200DMA and 100DMA to the upside, a bullish signal. This suggests that the 1m NDF could remain supported above the 52-handle for now and to still trade within its current ranges. Resistance is around around 52.50 levels, 52.70 levels (2018 high). Support around the 52-handle (23.6% fibo retracement of the Jan low to Feb high), 51.80 levels.

- **USDTHB - *Rebound***. USDTHB rebounded for the second straight session amid USD strength and warning from the BoT governor of rising FX volatility risk. The BoT governor had warned that the central bank is unable to fight THB appreciation trend but could tackle excessive vols in the FX, suggesting BoT intervention in the market to smooth out volatility. This follows earlier warnings by Deputy PM Somkid that the BoT is monitoring THB. Nevertheless, foreign investors continue to favor Thai assets, particularly debt on current political climate and healthy macroeconomic environment. They had purchase of USD34.3mn and USD124.1mn in equities and debt yesterday. Continuing improving risk sentiments and healthy economic fundamentals vis-à-vis its regional peers should fuel net foreign portfolio inflows to Thai assets and keep the THB supported ahead and cap upside to the pair. Last seen around 31.230 levels, pair has lost most of its bullish bias on the daily chart, while stochastics is now at oversold conditions. Weekly chart though shows bearish bias dissipating while stochastics remains in oversold conditions. Resistance is around the 31.290 levels (23.6% fibo retracement of the Feb-Mar downswing) ahead of 31.370 (21DMA). Support around the 31.086 levels (2018 low) still .Foreign reserves (9 Mar) data is on tap later today.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.39	*3.40/37	Not traded
5YR MI3/22	3.57	3.55	-2
7YR ML9/24	3.82	3.81	-1
10YR MO11/27	3.94	3.93	-1
15YR MX4/33	4.40	4.41	+1
20YR MX4/37	4.54	*4.56/53	Not traded
30YR MZ3/46	4.78	*4.78/75	Not traded
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.72	-1
1-year	3.75	3.74	-1
3-year	3.80	3.80	-
5-year	3.87	3.86	-1
7-year	3.98	3.97	-1
10-year	4.12	4.11	-1

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Source: Maybank KE

*Indicative levels

- Malaysian government bonds market opened on a bullish note with buying at the belly driving the MGS yield curve 2bps lower from previous day. But profit taking later set in. Trading still mostly concentrated at the belly of the curve, especially on 7y benchmark MGS 3/25 again. The MGS yield curve ended 1-2bps lower with decent trading volume.
- IRS curve lowered further amid plenty of bids, with the 5y given at 3.85%. Later in the day, sentiment weakened as USDMYR rose closer to the 3.92 handle and govies gave up some of early gains. If this persists, reckon IRS levels could move back up in the coming week. 3M KLIBOR unchanged at 3.69%.
- Local corporate bonds remained active. GG and AAA credits traded firmer, tightening 1bp at the long end alongside the rally in MGS. Active names include Danainfra, PASB and Plus. AA credits continued to trade sideways. GGs seem to be offering somewhat better yields at the moment. Putrajaya Bina raised MYR600m via sukuk maturing in 3y, 5y, 7y and 10y in equal sizes of MYR150m each and at yields of 4.34%, 4.50%, 4.56% and 4.77% respectively (MGS+75-95bps). Cagamas sold MYR525m of 3y Islamic MTNs at 4.17%/MGS+78bps.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.77	1.76	-1
5YR	2.05	2.04	-1
10YR	2.41	2.37	-4
15YR	2.72	2.68	-4
20YR	2.75	2.72	-3
30YR	2.90	2.87	-3

Source: Maybank KE

- SGS yields started lower in line with the decline in USD rates. As UST curve bull-flattened overnight, SGS saw good bidding interest for long dated issues, including the 30y benchmark. Yield curve flattened, with the front end down 1bp and the 10y point onwards down 3-4bps. Long end could continue to outperform as SGS curve remains steep and short end will see supply and a likely US rate hike later this month. SGD IRS lowered 1-3bps.
- Asian credit market stayed on the sidelines given the volatility in UST. In sovereign space, Indonesia bonds traded higher in cash terms. China IGs continued to trade wider as flows were skewed to the selling side, widening 2-3bps. In primary, RECLIN is issuing 10y USD bond with guidance at T10+215bps, and this led the Indian space to move 5-8bps wider.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.66	5.66	(0.09)
5YR	6.14	6.10	(4.67)
10YR	6.68	6.63	(5.72)
15YR	7.06	6.96	(9.35)
20YR	7.35	7.27	(7.98)
30YR	7.40	7.39	(1.50)

* Source: Maybank Indonesia

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- Indonesia bond market closed higher during Wednesday trading session. Slower Feb U.S. CPI, heavy demands during Tuesday auction and Indonesia Central Bank official statement that would use reserve to stabilize currency is seen to be the positive catalyst for IndoGB market during the day. Indonesia trade balance (Feb) will be highlighted today particularly after the trade have been running deficit for two consecutive month. Economist consensuses are expecting a \$124m deficit or narrowing compared to \$677m deficit in the Jan. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.097%, 6.626%, 6.963% and 7.268% while 2y yield moved lower to 5.660%. During the day, FR0068 (16y) yield decline the most by 15bps while FR0066 (2m) yield increased the most by 1bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 31bps). Trading volume at secondary market was noted heavy at government segments amounting Rp29,571b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp10,177b with 203x transaction frequency.
- Foreign ownership stood at Rp826.3t or 38.9% of total tradable government bond as of Mar 13th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp16.3t from begin month of Mar 18.
- Corporate bond traded heavy amounting Rp522b. BFIN03ACN4 (Shelf Registration III BFI Finance Indonesia Phase IV Year 2018; A serial bond; Rating: AA⁻_(idm)) was the top actively traded corporate bond with total trading volume amounted Rp100b yielding 6.345%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2414	106.80	0.7916	1.4016	6.3498	0.7360	131.9567	84.2040
R1	1.2359	106.57	0.7857	1.3977	6.3397	0.7319	131.4033	83.5650
Current	1.2297	106.03	0.7779	1.3923	6.3300	0.7255	130.3800	82.4730
S1	1.2275	105.95	0.7767	1.3910	6.3095	0.7252	130.4333	82.4940
S2	1.2246	105.56	0.7736	1.3882	6.2894	0.7226	130.0167	82.0620

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3182	n/a	13768	52.1813	31.2820	1.6251	0.6230	2.9996
R1	1.3159	n/a	13759	52.0607	31.2470	1.6207	0.6213	2.9957
Current	1.3158	3.9270	13768	52.0600	31.2340	1.6181	0.6205	2.9848
S1	1.3099	n/a	13739	51.8737	31.1490	1.6139	0.6176	2.9840
S2	1.3062	n/a	13728	51.8073	31.0860	1.6115	0.6154	2.9762

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

Equity Indices and Key Commodities

	Value	% Change
Dow	24,873.66	0.47
Nasdaq	7,481.74	-0.20
Nikkei 225	21,803.95	0.12
FTSE	7,139.76	0.10
Australia ASX 200	5,920.85	-0.24
Singapore Straits Times	3,517.73	-0.61
Kuala Lumpur Composite	1,845.27	-0.63
Jakarta Composite	6,321.90	-0.95
Philippines Composite	8,190.01	-1.90
Taiwan TAIEX	11,018.45	-0.18
Korea KOSPI	2,492.38	0.25
Shanghai Comp Index	3,291.11	-0.01
Hong Kong Hang Seng	31,541.10	0.34
India Sensex	33,685.54	-0.44
Nymex Crude Oil WT1	61.19	0.43
Comex Gold	1,316.20	-0.66
Reuters CRB Index	193.89	-0.31
MBB KL	10.36	-0.77

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.3778	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	22/3/2018	Neutral
BOT 1-Day Repo	1.50	28/3/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	22/3/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	12/4/2018	Tightening
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/4/2018	Easing Bias
BOE Official Bank Rate	0.50	22/3/2018	Neutral
RBA Cash Rate Target	1.50	3/4/2018	Neutral
RBNZ Official Cash Rate	1.75	22/3/2018	Neutral
BOJ Rate	-0.10	27/4/2018	Easing
BoC O/N Rate	1.25	18/4/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	108	3.095	3.121	3.026
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	30	3.066	3.066	3.066
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	70	3.192	3.192	3.192
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	116	3.293	3.302	3.281
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	1	3.311	3.311	3.311
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	3	3.363	3.363	3.363
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	2	3.369	3.369	3.369
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	88	3.44	3.44	3.412
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	120	3.55	3.55	3.528
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	33	3.401	3.41	3.401
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	60	3.547	3.577	3.547
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	5	3.68	3.68	3.68
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	76	3.667	3.693	3.667
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	79	3.75	3.758	3.75
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	1	3.758	3.758	3.758
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	28	3.839	3.866	3.839
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	122	3.867	3.884	3.867
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	190	3.808	3.821	3.808
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	42	3.966	3.978	3.953
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	1	4.11	4.11	4.11
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	1	4.14	4.14	4.14
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	372	3.93	3.934	3.911
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	10	3.948	3.948	3.948
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	32	4.341	4.347	4.341
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	16	4.351	4.351	4.351
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	62	4.407	4.407	4.392
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	11	4.523	4.523	4.493
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	5	4.789	4.789	4.789
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	17	3.371	3.371	3.371
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	40	3.583	3.583	3.583
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	70	3.584	3.584	3.584
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	50	3.801	3.801	3.801
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	270	3.832	3.832	3.827
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	40	3.884	3.884	3.884
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	4	4.069	4.069	4.069
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	120	4.002	4.002	3.995
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	4	4.218	4.218	4.21
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	40	4.134	4.147	4.134
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	4	4.54	4.54	4.54
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	132	4.545	4.545	4.54
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	50	4.631	4.638	4.631
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	6	4.745	4.745	4.745
GII MURABAHAH 4/2017 4.895% 08.05.2047	4.895%	8-May-47	230	4.911	4.911	4.891

Total
March 16, 2018

2,760

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PTPTN IMTN 4.670% 28.03.2024	GG	4.670%	28-Mar-24	10	4.358	4.361	4.358
DANAINFRA IMTN 4.580% 31.10.2028 - Tranche No 11	GG	4.580%	31-Oct-28	120	4.606	4.607	4.582
DANAINFRA IMTN 5.100% 25.05.2037 - Tranche No 65	GG	5.100%	25-May-37	160	5.04	5.04	5
MACB IMTN 4.550% 28.08.2020 - Tranche No 1	AAA (S)	4.550%	28-Aug-20	15	4.288	4.288	4.288
TELEKOM IMTN 4.500% 25.06.2021	AAA	4.500%	25-Jun-21	20	4.188	4.204	4.188
TELEKOM IMTN 4.200% 13.09.2021	AAA	4.200%	13-Sep-21	90	4.197	4.203	4.197
PASB IMTN 4.16% 11.11.2021 - Issue No. 4	AAA	4.160%	11-Nov-21	10	4.365	4.368	4.365
TENAGA IBONDS 0.00000% 13.12.2021	AAA IS	7.100%	13-Dec-21	10	4.255	4.257	4.255
MACB IMTN 4.680% 16.12.2022 - Tranche No 2	AAA (S)	4.680%	16-Dec-22	20	4.447	4.45	4.447
AMAN IMTN 4.780% 30.05.2024 - Tranche No 34	AAA IS	4.780%	30-May-24	2	4.489	4.49	4.489
PUTRAJAYA IMTN 26.05.2025 SERIES 13 TRANCHE 016	AAA IS	4.500%	26-May-25	20	4.493	4.495	4.493
SARAWAKHIDRO IMTN 4.43% 11.08.2026	AAA	4.430%	11-Aug-26	4	4.679	4.681	4.679
PBSB IMTN 4.550% 11.09.2026	AAA IS	4.550%	11-Sep-26	10	4.59	4.592	4.59
TELEKOM IMTN 4.580% 03.09.2027	AAA	4.580%	3-Sep-27	30	4.619	4.621	4.619
PLUS BERHAD IMTN 4.960% 12.01.2029 - Series 1 (13)	AAA IS	4.960%	12-Jan-29	40	4.65	4.692	4.65
PLUS BERHAD IMTN 5.000% 11.01.2030 - Series 1 (14)	AAA IS	5.000%	11-Jan-30	40	4.78	4.78	4.77
PLUS BERHAD IMTN 5.070% 10.01.2031 - Series 1 (15)	AAA IS	5.070%	10-Jan-31	30	4.81	4.831	4.81
PLUS BERHAD IMTN 5.270% 12.01.2033 - Series 1 (17)	AAA IS	5.270%	12-Jan-33	40	4.929	4.94	4.929
WESTPORTS IMTN 4.95% 03.05.2021	AA+ IS	4.950%	3-May-21	5	4.48	4.48	4.48
YTL POWER MTN 2557D 13.10.2021	AA1	4.700%	13-Oct-21	10	4.54	4.54	4.527
SCC IMTN 4.900% 16.02.2022	AA1	4.900%	16-Feb-22	2	4.659	4.661	4.659
PUBLIC SUB-NOTES 4.80% 25.9.2023	AA1	4.800%	25-Sep-23	10	4.327	4.327	4.327
PUBLIC SUB-NOTES 4.77% 27.10.2023	AA1	4.770%	27-Oct-23	20	4.329	4.362	4.329
PUBLIC SUB-NOTES 4.73% 15.11.2023	AA1	4.730%	15-Nov-23	20	4.349	4.38	4.349
PIBB SUBORDINATED SUKUK MURABAHAH 07.06.2024	AA1	4.750%	7-Jun-24	30	4.324	4.333	4.324
HLIBB IMTN 4.800% 17.06.2024	AA1	4.800%	17-Jun-24	30	4.302	4.311	4.302
CIMBI 5.850% 25.09.2024 - Issue No 1	AA+ IS	5.850%	25-Sep-24	10	4.355	4.362	4.355
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	1	4.849	5	4.849
PIBB T2 SubSukuk Murabahah 4.650% 03.08.2027	AA1	4.650%	3-Aug-27	10	4.615	4.617	4.615
TMSB Senior Sukuk Murabahah 23.10.2028 (Tranche 7)	AA1	5.150%	23-Oct-28	6	4.99	4.991	4.99
TANJUNG BP IMTN 4.540% 16.08.2019	AA2	4.540%	16-Aug-19	24	4.311	4.32	4.311
UGB IMTN 4.73% 21.06.2022 - Issue No. 1	AA2	4.730%	21-Jun-22	2	4.507	4.51	4.507
CIMB THAI 5.600% 05.07.2024 - Tranche No 1	AA3	5.600%	5-Jul-24	40	4.764	4.796	4.764
WCT IMTN 5.550% 03.01.2025	AA- IS	5.550%	3-Jan-25	2	5.458	5.46	5.458
HLA 4.500% 07.02.2025	AA3	4.500%	7-Feb-25	30	4.693	4.716	4.693
SPG IMTN 5.210% 31.10.2030	AA- IS	5.210%	31-Oct-30	20	5.059	5.061	5.059
AMMB HLDG MTN 3652D 15.3.2027 (SUB-NOTES)	A1	5.200%	15-Mar-27	1	4.996	4.996	4.996
AFFINBANK SUBORDINATED MTN 3652D 20.9.2027	A1	5.030%	20-Sep-27	20	4.85	4.87	4.85
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	5	5.256	5.256	5.249
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	1	5.286	5.286	5.28
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.262	6.273	6.262
Total				970			

Sources: BPAM

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