

Global Markets Daily

USD Rebound

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A confluence of factors sent the USD rebounding overnight, including rising sentiments that the tax reforms is unlikely to stall corporate profits (which sent the Dow above 26,000 levels); Apple's plans to repatriate overseas cash holdings and create 20,000 jobs in the US; and expectations that a US government shutdown can be avoided. Unsurprising, the risk-on sentiments have spilled over into Asian equities, led by gains in Korean and Hong Kong bourses. The USDJPY advanced for the first time in a week back above the 111-levels yesterday on USD rebound. The AXJs though are mostly lower this morning as long-USD/AXJs positions are re-established. We could also see inflows into debt markets slow as global yields rise, weighing particularly on the IDR and THB. Key risk events ahead that could send vols higher include German SPD party conference on Sun to decide the fate of the grand coalition government; BOJ meeting on Tue (23 Jan) and ECB meeting on Thu (25 Jan).

BI To Maintain Monetary Policy Steady For Now

We have BI's first policy meeting of 2018 later today. We do not expect any fireworks at this meeting with the central bank likely to hold its policy steady for now to support growth. Growth has so far been stuck at around the 5.0% levels (2017: 5.05%) and BI is expecting growth to pick up between 5.1-5.5% in 2018. A rate cut to stimulate private consumption though is unlikely given rising prices, particularly those of rice. Headline inflation was up 3.6% y/y in Dec, while rice prices had risen 6.1% in the Nov-Dec period. Moreover, in an environment where most of the G7 economies are tightening or intending to tighten policy, BI's ability to cut rates is constrained.

BI Policy Meeting in Focus Today

Some of the key data/events eyed today include US Housing Starts, Building Permits, Philly Fed Business Outlook; ECB's Weidmann, Coeure speak; NZ RICS House Price Balance; JP Industrial Production, Capacity Utilization; BI Policy Meeting.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2186	↓ -0.60	USD/SGD	1.3246	↑ 0.30
GBP/USD	1.3831	↑ 0.28	EUR/SGD	1.6142	↓ -0.31
AUD/USD	0.797	↑ 0.11	JPY/SGD	1.1904	↓ -0.46
NZD/USD	0.7273	↑ 0.07	GBP/SGD	1.8319	↑ 0.57
USD/JPY	111.29	↑ 0.76	AUD/SGD	1.0556	↑ 0.41
EUR/JPY	135.63	↑ 0.16	NZD/SGD	0.9632	↑ 0.33
USD/CHF	0.9659	↑ 0.67	CHF/SGD	1.3712	↓ -0.39
USD/CAD	1.2438	↑ 0.02	CAD/SGD	1.0649	↑ 0.25
USD/MYR	3.9535	↓ -0.10	SGD/MYR	2.9861	↓ -0.16
USD/THB	31.952	↑ 0.07	SGD/IDR	10089.89	↑ 0.10
USD/IDR	13359	↑ 0.16	SGD/PHP	38.3499	↑ 0.49
USD/PHP	50.771	↑ 0.55	SGD/CNY	4.8649	↓ -0.05

Implied USD/SGD Estimates @ 18 Jan-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3064	1.3229	1.3594

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G7: Events & Market Closure

Date	Ctry	Event
15 Jan	US	Market Closure
17 Jan	CA	BoC Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
18 Jan	KR	BoK Meeting
17 Jan	ID	BI Meeting

G7 Currencies

■ **DXY - Bolstered by Apple's Planned Repatriation.** USD was given a boost after Apple's decision to repatriate hundreds of billions of USD from overseas back to the US and ramp up spending in US on creating jobs, and investments in manufacturing and data centres. Apple is the first major US tech firm that has acted on the new tax reforms approved last month and if more companies were to follow suit, Trump's plans of creating jobs in US could indeed materialise and should translate into higher headline growth. Repatriated earnings from overseas to US should also lend a boost to the USD but the jolt is likely to be a one-off factor amid broader downtrend. Underlying macro fundamentals and shifts (USD as a countercyclical play; expansionary fiscal policies to weigh on USD, global central banks' reserve diversification away from the USD, lesser reliance on USD as settlement currency, etc.) should continue to underpin broad USD downtrend while potentially more news on US companies repatriating earnings could moderate the sharp decline in the USD or even see sporadic rebounds as overstretched positioning. We caution if ECB talks down the recent sharp rise in the currency or political risks in Germany/Italy acts up again, USD rebound may be amplified. We expect more choppy price action in coming days as vols may pick up further in the lead up to various event risks - potential US government shutdown risks (tomorrow) but chance of stopgap measures could help with USD rebound; German SPD party conference (21 Jan) on deciding whether to move coalition government formation talks to the next stage; BoJ meeting (23 Jan) and ECB meeting (25 Jan). DXY was last seen at 90.90 levels. Bearish momentum on daily and weekly chart remains intact though stochastics is in oversold conditions. Support remains at 90.20, 89.30 levels. Resistance at 91.70, 92 (21 DMA). Week remaining brings Housing Starts, Building Permits (Dec); Philly Fed Business Outlook (Jan) on Thu; Uni of Mich Sentiment (Jan); Fed's Quarles to speak on Fri. In overnight data release, TIC reports showed that China's holdings of USTs fell to 4-month low, somewhat confirming the FT report last week that China may be planning to slow the purchase of USTs. Report also showed that Japan's holdings of USTs also fell. If decline is to persist, US cost of funding may increase especially with US planned tax cuts and increase in spending (Trump expected to announce infrastructure spending plans end-Jan).

■ **EURUSD - More ECB Speaks Ahead.** EUR fell following a string of recent comments from ECB officials. Most recently, Nowotny said that Euro's recent strength against the USD "is not helpful" while Constancio said he did not rule out that monetary policy would still continue to be "very accommodative for a long time". Recall that Villeroy's earlier commented that *recent euro appreciation is a source of uncertainty and requires monitoring as it could damp inflation*. These comments are in line with our caution that excessive EUR moves in short span of period may see profit-taking on EUR longs ahead of ECB meeting (25 Jan) - ECB/Draghi may take the opportunity to clarify policy direction and monetary stance (we do not rule out the likelihood of ECB talking down the currency as Euro-area financial conditions are likely to have tightened). We also cautioned that German Social Democrats (SPD) party conference on 21 Jan will be a key focus - if party members agree to move coalition talks to the next stage - and that could keep EUR volatile

in coming sessions. Berlin branch of SPD has already voted against forming a coalition with Merkel's CDU/SDU. However Berlin branch represents only 23 of the 600 delegates. Focus on the largest stronghold from North Rhine-Westphalia which will send 144 delegates. Failure to get a vote to move coalition talks could dampen EUR's recent gains. Italy election on 4 Mar is also another risk factor and caution is warranted. That said we believe these are short term hurdles to slow the pace of EUR appreciation if any. Medium term, reserve diversification out of USD into EUR and other majors including AUD, CNY; economic growth broadening in Euro-area and ECB withdrawal of monetary stimulus remain the main drivers supporting EUR. Pair was last seen at 1.2190 levels. Bullish momentum on daily chart remains intact but shows tentative signs of waning while stochastics is near-overbought conditions. Support at 1.2125 (all-time average), 1.2090 (previous double top resistance not-turned support). Resistance at 1.2320 (previous high), 1.2598 (61.8% fibo retracement of 2014 high to 2017 low). Week remaining brings ECB's Weidmann, Coeure speak on Thu; ECB Current Account (Nov) on Fri.

■ **GBPUSD - Pullback Risks but Bias to Buy Into.** GBP continued to rally to post-Brexit highs with overnight high seen near 1.3942. The move was in line with our call for en-route to 1.40. Talks of stop-buy orders triggered. We believe the recent GBP strength was due to some clarity (positive development) on Brexit: Spain and Netherlands' preference for soft Brexit, influential lawmakers in EU parliament reportedly considering watering down legislative proposals relating to clearing houses (helps to dissipate fears of negative impact on London's financial centre) and potentially policymakers' greater tolerance for GBP appreciation to do the job to bring down imported inflation (recall that post-Brexit GBP depreciation saw a surge in inflation). Pair was last seen at 1.3810 levels. Bullish momentum on daily chart remains intact. Resistance at 1.3880, 1.3940 before 1.40. Support at 1.3610, 1.3560 levels (21 DMA). Though we are bullish, we do not rule out the risks of pullback especially with news of Apple planning to repatriate offshore earnings which can be timely for USD reprieve in the near term. Nonetheless we will look for opportunities on pullback to buy into. Week remaining brings RICS House Price Balance (Dec) on Thu; Retail Sales (Dec) on Fri.

■ **USDJPY - Rebound Risks.** USDJPY traded to an overnight high of 111.35, tracking the rebound in the USD. In addition, there is rising speculation that BOJ Governor Kuroda, whose term ends in Apr, would be re-appointed to another term following a Bloomberg news report that a senior LDP official was quoted as saying he stood "a good chance" of re-appointment. Pair has regained most of the losses of the week yesterday. Market is trading cautious in the Asian trade ahead of China data dump this morning that includes 4Q17 GDP. That said, market remained fixated with the possibility of a change in BOJ stance following the central bank's cut in purchases of 10-25 year bonds and bonds over 25 year maturity by JPY10bn each last week that sent the JPY into a tailspin. Market's perception was clouded by BOJ Governor Kuroda's comments on "reversal rate" theory in Nov 2017 that suggested that the central bank was mulling plans to raise interest rate. Every word from central bank is now under even more intense scrutiny as a result. Note that our house

view is for the central bank to continue with its ultra-loose monetary policy for the time being as the deflation mindset of the Japanese public has yet to be defeated. BOJ's first meeting of the year on 23 Feb will be closely watched. Last seen at 111.29-levels. Bearish bias on the daily chart remains intact but waning, and stochastics is showing tentative signs of turning higher from oversold conditions. Momentum indicators and stochastics on the weekly charts remain bearish bias. As we had cautioned, the failure of the pair to move towards the 110-handle have seen the pair rebound above the 111-levels. Next resistance is at 111.70-levels (200DMA), 112.30 (21,100DMAs). Support at the 111-levels (50% fibo retracement of the Sep-Nov upswing). Industrial production, capacity utilization (Nov) is due to be released later today.

- **NZDUSD - Further Pullback Risks.** NZD slipped in line with our caution for risk of pullback. Pair was last seen at 0.7260 levels. Bullish momentum on daily chart is showing signs of waning while stochastics is showing signs of turning from overbought conditions. We continue to caution for risk of pullback. Support at 0.7260 (61.8% fibo) if broken should test lower towards 0.7170 (50% fibo). Resistance at 0.7320, 0.7375 levels (76.4% fibo retracement of Jul high to Nov low). Week remaining brings BusinessNZ Mfg PMI (Dec) on Fri.
- **AUDUSD - Correction coming.** AUDUSD had brief rally above the 0.80-figure at one point before the USD resurgence brought the pair to mid-0.79. Last seen at 0.7975, the pair was bought into labour report release. Australia added 34.7k of jobs in Dec. Participation rate rose to 65.7% from 65.5% and that has nudged the jobless rate to 5.5% from previous 5.4%. The doji candlestick for AUDUSD suggests that bears seem to be taking over for a correction. We eye initial 0.7940-support, before the next at 0.7888 (61.8% fibo retracement of the Sep-Dec pullback). Eyes are on China's GDP next. AUDNZD double bottom formation is still playing out with a high of 1.10-figure achieved. This cross needs to have a convincing break above 21-DMA (with a daily close or two) at 1.0964 before it could reach towards 1.1050.
- **USDCAD - A Dovish Hike?** The BoC raised overnight lending rates by 25 bps last night to 1.25%, mostly anticipated by markets. The decision was based on stronger data in the last three months since it moved in Oct. That said, the monetary policy statement indicated that more slack is noted than expected in the labour market as "wage pressures remain modest". That lifted the USDCAD to 1.2520 as markets pare expectations that the central bank may not be in a rush to make its next move, especially with uncertain outcomes of ongoing NAFTA discussions. The USDCAD traded slightly higher this morning, at 1.2457 levels. Possible to see some upside risks today amidst some USD strength. Double bottom seen with support around 1.2380. Multiple resistances ahead at 1.2540, 1.2588 and upmove may be a grind. Momentum is lacking as well. Support remains at 1.2264-level (76.4 fibo retracement from Sep low to Oct high). Mfg sales is due on Fri.

Asia ex Japan Currencies

- **SGD trades around 0.58% above the implied mid-point of 1.3229 with the top estimated at 1.3064 and the floor at 1.3594.**
- **USDSGD - *Risks Tilting Higher.*** USDSGD rebounded from its three year and 2018 low of 1.3184 back above the 1.32-levels overnight amid USD strength. Pair has pared all of its losses of this week, touching a weekly high of 1.3275 briefly this morning. Softer UST yields yesterday evening weighed on the 3-month SOR, which dipped 2.1% to 1.03%. Further softness in UST yields should put downside pressure on the 3-month SOR intraday. Last seen around 1.3253 levels. Bearish bias on the daily chat remains intact but waning, and weekly charts remain intact, while stochastics shows signs of turning higher from oversold conditions. Weekly chart continues to show bearish momentum. This suggests risks to the pair are tilting to the upside in the near term. Further rebounds should meet resistance at 1.3310, 1.3370 levels. Support at 1.3184 (2018 low on 17 Jan).
- **AUDSGD - *Pulling Back.*** AUDSGD is sold to levels around 1.0540 (50% fibo retracement of 2017 high to low, 200 DMA). Though bullish momentum remains intact, stochastics is in overbought conditions. We do not rule out the risk of a pullback, possibly towards 1.0490 (100 DMA), 1.0450 (38.2% fibo). Bias remains to buy on pullback.
- **SGDMYR - *En-route to 2.9750?*** SGDMYR continues to trade near recent lows; last seen at 2.99 levels. Bearish momentum on daily chart shows signs of waning while stochastics is in oversold conditions. Next support at 2.9750. Resistance at 3.0020 (23.6% fibo retracement of Dec high to Jan low), 3.0100 (38.2% fibo). Broader term bias remains for further downside.
- **USDMYR - *Maintain Bearish Bias.*** USDMYR slipped to fresh multi-month lows amid broad USD weakness. Last seen at 3.9460 levels. Bearish momentum on daily chart remains intact while stochastics is in oversold conditions. Next support at 3.9350 levels. Resistance at 3.9840 levels. We maintain our positive outlook on the MYR. We still expect MYR strength continue in early part (next few months) of 2018 amid Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, hawkish tilt in BNM rhetoric, 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 - *Rebound Risks Offset by USD Weakness.*** Pair continues to hold above recent 1060 lows amid risk-off sentiment. Last seen at 1064 levels. Daily momentum is mild bullish while stochastics on the weekly chart shows signs of turning from oversold conditions. Caution on rebound is warranted on risk-off sentiment and *leaning against the wind* activities while broader USD downtrend and lower USDCNY offset upside pressures. Resistance at 1070 (21

DMA). Support remains at 1060 before 1045. BoK meets tomorrow. We expect BoK to keep policy rate unchanged at 1.5% but do not rule out further tightening in 2Q-3Q if demand-induced price pressures picks up pace amid reacceleration in growth momentum. We believe BoK is monitoring if inflationary pressures from the demand side picks up. So far the jump in headline CPI above 2% for 3Q (and has since eased) was due to seasonal factors (heavy rain, summer heatwave and recent incident relating to contaminated eggs) while core inflation has so far remained subdued at 1.2% for Nov. But into 2018, minimum wage will increase by 16%, its largest magnitude of increase since 2001. Wage pass-through may have positive impact on consumption spending and growth.

- **USDCNH - Eye GDP.** USDCNH had been choppy overnight, swung by the USD moves overnight after Apple announced its US\$38bn tax bill. USDCNH is also weighed by the confirmation by PBoC that the RRR cut announced last year for some banks (with a portion of loans for small business and agricultural sector) will take effect on 25 Jan, just before the lunar new year seasonal liquidity squeeze. Estimates show 4Q GDP at 6.7% y/y, well above China's GDP target for 2018 at 6.5% y/y. Pair was last seen at 6.4215 levels. On the daily charts, momentum is bearish while stochastics flags oversold conditions. Resistance is now at 6.4440 (2017 Sep low), 6.4800 (23.6% fibo from Oct 2017 high to Jan 2017 low), 6.5200 (38.2% fibo, 21DMA) levels. Support is seen at 6.4152 (2018 low) levels. **PBoC fixed the USDCNY reference rate at 6.4401, 66 pips higher than previous 6.4335. CNYMYR was fixed 2 pips lower at 0.6140 vs. previous at 0.6138.** We have 4Q GDP, Retail sales, IP, Urban FAI (Dec), Property prices due today. PBoC is said to inject CNY80bn into the banking system via 7-day reverse repo agreement, CNY70bn via 14-day reverse repos, CNY10bn using 63-day. Holdings of US bonds fell US\$1.18trn in Nov, underscoring speculations that China is cutting their UST purchases. UST yields rose overnight with 10yrs at 2.5867%. The CGB-UST 10y spread fell to 138bps as a result, also giving some boost to USDCNH with some carry trades unwinding. Separately, China's CBRC Chief Guo Shuqing has pledged more clamps on shadow banking to reduce excess leverage. Also on other news, China aims to cut the average debt-to-asset ratio by another 2 percentage points for its centrally administered, SOEs by 2020 (China Daily).
- **1m USDINR NDF - Upside Bias.** 1m USDINR NDF traded above the 64-figure as risk-off mood could weaken appetite for the rupee. Pair has reversed slightly to levels around 64.10. 1m USDINR NDF was last seen at 64.11 level. On the daily charts, momentum is still bullish. Resistance is at 64.45(38.2% fibo), 64.8 (50% fibo). Support is now at 64.00 (23.6% fibo from Sep 2017 high to Jan 2018 low), 63.37 levels (2018 low). At home, the Congress urged the inclusion of petroleum products and real estate under the GST. The Party would raise the issue at the GST council meeting today.
- **1m USDIDR NDF - Awaiting BI Decision.** 1m USDIDR NDF continues to trade bid amid a firmer USD tone. Spot USDID gapped mildly higher at the opening to 1.3365 this morning from yesterday's close of 13359 amid the USD rebound. Despite concerns of a slowdown in foreign portfolio inflows into the debt market, foreign investors purchased USD416.5mn in debt on Tue (latest data available). As for equities, foreign investors had purchased USD8.4mn yesterday.

Further net foreign portfolio inflows should weigh on the 1m NDF and cap further upside. Focus today is BI's first policy meeting of 2018 where no fireworks are expected with the central bank likely to hold its policy steady for now to support growth. Growth has so far been stuck at around the 5.0% levels (2017: 5.05%) and BI is expecting growth to pick up between 5.1-5.5% in 2018. A rate cut though is unlikely given rising prices, particularly those of rice. Headline inflation was up 3.6% y/y in Dec, while rice prices had risen 6.1% in the Nov-Dec period. Moreover, in an environment where most of the G7 economies are tightening or intending to tighten policy, BI's ability to cut rates is constrained. Last seen around 13380 levels. Daily chart shows bearish bias intact but waning, while stochastics shows tentative signs of turning higher from oversold conditions. Weekly momentum indicators and stochastics remain bearish bias. With risks tilting to the upside, upmoves should meet resistance around 13440 (50% fibo retracement of the Sep-Oct upswing). Support at around 13280 (76.4% fibo). JISDOR was fixed at 13323 yesterday, 10 pips lower than the fixing on Tue.

- **1m USDPHP NDF - Consolidation Likely.** 1m USDPHP NDF traded to a high of 50.94 yesterday, a level not seen since Nov 2017, amid ongoing concerns about the Philippines' deteriorating current account deficit. 1m NDF has since eased off from those high but remains on the upmove amid a firmer USD tone. Mitigating some of these gains have been the still healthy foreign inflows into equities with USD24.8mn purchased yesterday. Further foreign portfolio inflows should moderate the 1m NDF's climb higher intraday. Last seen around 50.80 levels. Momentum indicators on the daily chart are still mildly bullish bias, while stochastics is at overbought conditions. Weekly charts show bearish momentum intact but waning and stochastics shows tentative signs of turning higher from oversold conditions. We look for the 1m NDF to consolidate around current levels for now, taking a breather after two consecutive sessions of upmoves. Support is at 50.50 (50DMA). Resistance at 50.90 (100DMA), 51.15 (38.2% fibo retracement of the Apr-Oct 2017 upswing). BoP overall (Dec) is on tap tomorrow.
- **USDTHB - Consolidative Mode.** USDTHB trades mildly bid this morning amid USD rebound. Pair though remains in consolidative mode after slipping to a new multi-year lows this week amid strong inflows into the domestic debt market. THB continues to find support from foreign portfolio inflows with USD69.5mn and USD337.8mn of equities and debt purchased yesterday. Continuing net foreign portfolio inflow into Thai assets should keep the THB supported. Still, we caution of risks of against-the-wind activities and this is likely to keep the pair in sideways trades ahead. Last seen around 31.959 levels. Daily momentum indicators remain bearish bias but waning, while stochastics shows signs of turning higher from oversold conditions. Weekly momentum indicators and stochastics remain bearish bias. Resistance remains around the 32.100 levels. Support at 31.840 (2018 low on 15 Jan), 31.740 (Jul 2014 low). Foreign reserves (12 Jan) is due for release tomorrow.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.30	*3.33/30	Not traded
5YR MI3/22	3.53	3.54	+1
7YR ML9/24	3.82	3.86	+4
10YR MO11/27	3.84	3.88	+4
15YR MX4/33	4.38	4.39	+1
20YR MX4/37	4.59	4.60	+1
30YR MZ3/46	4.84	4.84	Unchanged
IRS			
6-months	3.55	3.55	-
9-months	3.60	3.60	-
1-year	3.64	3.64	-
3-year	3.76	3.77	+1
5-year	3.84	3.84	-
7-year	3.95	3.95	-
10-year	4.06	4.06	-

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Source: Maybank KE

*Indicative levels

- Govvies encountered some selling pressure amid weak sentiment across regional bond markets, with MGS yields rising 1-4bps higher. Locals were better sellers in the 7y-10y area, while long end sector remain muted. Government bonds likely to stay range bound heading towards the MPC meeting next Thursday (25 Jan).
- Looking like a quiet week for MYR IRS market as it was another range trading session. There was some 2-way interest, with the 5y rate given at 3.83%, the only trade concluded. 3M KLIBOR stayed the same at 3.44%.
- Still active corporate bond space which skewed towards better selling in GG and AAA curves, widening 1bp at the front end. Belly was unchanged and saw decent interest in Prasarana bonds. AA credits outperformed at the belly again with SPG tightening 2-3bps as spread against AA3 curve implies about 5-10bps pick up compared to other similarly rated credits such as JEP, TNB Nothern and TNB Western.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.43	1.43	-
5YR	1.68	1.70	+2
10YR	2.07	2.09	+2
15YR	2.34	2.36	+2
20YR	2.39	2.41	+2
30YR	2.52	2.54	+2

Source: Maybank KE

- Volatile SGD markets. At the open, buying in SGS drove yields down 1-3bps and the curve flatter, while SGD IRS was marked down by ~2bps. However, rates rebounded when USD turned around, pushing USDSDG sharply higher from morning lows. USTs also weakened and short dated forwards firmed. SGD IRS increased back with the curve steeper as long end was pressured by HDB issuance. SGS got sold off but dip buying interest put a floor to the decline. At the close, SGS yield and SGD IRS curves were flat to +3bps.
- For Asian credits, new TENCNTs traded wider but Asian players seen coming in to buy on dips. Mitsui Fudosan's new bonds priced at +62.5 and traded tighter to +55 as underallocated accounts were topping up. INDONs continued to see more sellers but generally closed unchanged to -0.25pts. MALAYS remained biddish particularly on the 2021s and 2026s but without offers.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.43	5.43	(0.05)
5YR	5.51	5.53	1.85
10YR	6.02	6.06	3.09
15YR	6.53	6.56	3.41
20YR	6.84	6.87	3.19
30YR	7.09	7.10	0.51

* Source: Maybank Indonesia

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- Indonesia bond market closed slightly positive during Wednesday trading session however with mixed movement of IGB yield across the yield curve as on-the-run series yields incline while most of the off-the-run series yields decline. IGB participants focus is now on upcoming Indonesia Central Bank Board of Governor Meeting result which is expected to be announced today. Economist consensus expects that Indonesia reference rate would remain unchanged at 4.25%. During the day, Indonesia President reshuffled his cabinet. The impact of the reshuffle seems to be minimal towards the IGB market. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.527%, 6.056%, 6.562% and 6.869% while 2y yield moved lower to 5.433%. During the day, FR0054 (14y) yield decline the most by 7bps while FR0059 (9y) yield increase the most by 6bps. 10y15y G-Spread remain the widest on YTD basis currently (10y15y current spread: 31bps). Trading volume at secondary market was noted heavy at government segments amounting Rp19,248b with FR0075 (20y benchmark series) as the most tradable bond. FR0075 total trading volume amounting Rp3,237b with 254x transaction frequency.
- Foreign ownership stood at Rp867.0t or 40.9% of total tradable government bond as of Jan 16th. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp28.8t from begin month Jan 18 or approx. half of Q117 foreign purchase worth of Rp56.1t
- Corporate bond traded heavy amounting Rp957b. BMTR01ACN1 (Shelf Registration I Global Mediacom Phase I Year 2017; A serial bond; Rating: _{id}A+) was the top actively traded corporate bond with total trading volume amounted Rp268b yielding 11.499%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2375	112.10	0.8060	1.4028	6.4589	0.7376	136.4100	89.6787
R1	1.2280	111.70	0.8015	1.3930	6.4458	0.7324	136.0200	89.1863
Current	1.2191	111.27	0.7958	1.3821	6.4377	0.7265	135.6500	88.5430
S1	1.2134	110.54	0.7933	1.3745	6.4172	0.7228	135.2000	88.0193
S2	1.2083	109.78	0.7896	1.3658	6.4017	0.7184	134.7700	87.3447

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3301	3.9635	13400	50.9790	32.0760	1.6296	0.6186	3.0032
R1	1.3273	3.9585	13379	50.8750	32.0140	1.6219	0.6165	2.9946
Current	1.3254	3.9635	13364	50.7400	31.9720	1.6159	0.6158	2.9907
S1	1.3201	3.9460	13328	50.5960	31.8820	1.6094	0.6108	2.9804
S2	1.3157	3.9385	13298	50.4210	31.8120	1.6046	0.6073	2.9748

*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	1.1969	Apr-18	Neutral
BNM O/N Policy Rate	3.00	25/1/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	18/1/2018	Neutral
BOT 1-Day Repo	1.50	14/2/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	8/2/2018	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	7/2/2018	Neutral
BOK Base Rate	1.50	18/1/2018	Easing Bias
Fed Funds Target Rate	1.50	1/2/2018	Tightening
ECB Deposit Facility Rate	-0.40	25/1/2018	Easing Bias
BOE Official Bank Rate	0.50	8/2/2018	Neutral
RBA Cash Rate Target	1.50	6/2/2018	Neutral
RBNZ Official Cash Rate	1.75	8/2/2018	Neutral
BOJ Rate	-0.10	23/1/2018	Easing
BoC O/N Rate	1.25	17/1/2018	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	26,115.65	1.25
Nasdaq	7,298.28	1.03
Nikkei 225	23,868.34	-0.35
FTSE	7,725.43	-0.39
Australia ASX 200	6,015.81	-0.54
Singapore Straits Times	3,541.91	-0.23
Kuala Lumpur Composite	1,828.63	0.14
Jakarta Composite	6,444.52	0.23
Philippines Composite	8,848.99	-0.18
Taiwan TAIEX	11,004.80	0.17
Korea KOSPI	2,515.43	-0.25
Shanghai Comp Index	3,444.67	0.24
Hong Kong Hang Seng	31,983.41	0.25
India Sensex	35,081.82	0.89
Nymex Crude Oil WTI	63.97	0.38
Comex Gold	1,339.20	0.16
Reuters CRB Index	196.40	0.67
MBB KL	9.88	0.30

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2003 4.2400% 07.02.2018	4.240%	7-Feb-18	91	3.209	3.209	3.209
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	9	3.011	3.011	3.011
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	119	3.175	3.175	3.175
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	17	3.129	3.145	3.084
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	2	3.235	3.235	3.235
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	72	3.186	3.215	3.186
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	12	3.308	3.308	3.15
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	1	3.277	3.277	3.272
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	8	3.349	3.395	3.342
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	275	3.508	3.508	3.448
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	134	3.438	3.471	3.438
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	35	3.515	3.541	3.497
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	190	3.693	3.699	3.667
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	1	3.712	3.712	3.7
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	56	3.79	3.8	3.76
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	40	3.882	3.882	3.882
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	142	3.819	3.862	3.811
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	30	3.954	3.97	3.947
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	30	4.143	4.145	4.138
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	1	4.035	4.035	4.01
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	31	3.837	3.88	3.837
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	40	4.401	4.421	4.401
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	4	4.374	4.388	4.374
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	2	4.596	4.604	4.596
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	6	4.84	4.844	4.84
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	120	3.251	3.251	3.251
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	22	3.27	3.27	3.25
PROFIT-BASED GII 3/2013 30.11.2018	3.399%	30-Nov-18	1	3.262	3.262	3.262
PROFIT-BASED GII 3/2012 30.09.2019	3.704%	30-Sep-19	100	3.491	3.491	3.491
PROFIT-BASED GII 6/2010 30.11.2020	3.998%	30-Nov-20	1	3.656	3.656	3.656
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	80	3.764	3.765	3.762
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	580	3.844	3.849	3.82
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	240	3.928	3.929	3.917
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	5	3.908	3.939	3.908
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	10	4.105	4.105	4.105
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	110	4.081	4.081	4.06
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	10	4.215	4.215	4.215
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	233	4.155	4.155	4.13
GII MURABAHAH 6/2017 15.06.2033	4.724%	15-Jun-33	50	4.56	4.56	4.56

Total**2,912**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA IMTN 4.08% 12.03.2019 - Tranche 1	GG	4.080%	12-Mar-19	15	3.735	3.735	3.735
LPPSA IMTN 4.170% 15.04.2022 - Tranche No 7	GG	4.170%	15-Apr-22	10	4.109	4.109	4.109
DANAINFRA IMTN 3.740% 20.07.2022 - Tranche No 2	GG	3.740%	20-Jul-22	5	4.104	4.104	4.104
PRASARANA IMTN 4.53% 09.12.2022 - Series 2	GG	4.530%	9-Dec-22	20	4.119	4.119	4.119
PRASARANA IMTN 4.29% 24.02.2023 - Series 7	GG	4.290%	24-Feb-23	5	4.14	4.14	4.14
PASB IMTN (GG) 4.63% 05.02.2026 - Issue No. 23	GG	4.630%	5-Feb-26	10	4.399	4.399	4.399
PRASARANA SUKUK MURABAHAH 5.23% 13.09.2047 - S6	GG	5.230%	13-Sep-47	15	5.229	5.236	5.229
CAGAMASMB5 4.020% 29.05.2019 - Tranche 2007-1-i/5	AAA IS	4.020%	29-May-19	40	4.081	4.092	4.081
AMAN IMTN 4.300% 30.05.2019 - Tranche No 32	AAA IS	4.300%	30-May-19	20	4.034	4.046	4.034
DANGA IMTN 4.100% 09.04.2020 - Tranche 5	AAA (S)	4.100%	9-Apr-20	10	4.088	4.088	4.088
SARAWAKHIDRO IMTN 4.25% 11.08.2022	AAA	4.250%	11-Aug-22	10	4.384	4.394	4.384
AMAN IMTN 4.250% 12.04.2024 - Tranche No. 17	AAA IS	4.250%	12-Apr-24	10	4.477	4.482	4.477
RANTAU IMTN 0% 16.01.2032 - Tranche No 10	AAA (S)	5.000%	16-Jan-32	20	4.892	4.892	4.889
UNITAPAH 5.12% Series 9 12.06.2020	AA1	5.120%	12-Jun-20	10	4.236	4.236	4.232
UNITAPAH 5.17% Series 10 11.12.2020	AA1	5.170%	11-Dec-20	10	4.281	4.281	4.278
KEVSB IMTN 4.630% 05.07.2022	AA+ IS	4.630%	5-Jul-22	10	4.455	4.457	4.455
KLK IMTN 4.650% 24.04.2026 - IMTN 2	AA1	4.650%	24-Apr-26	10	4.602	4.602	4.599
DANAJAMIN IMTN 4.800% 06.10.2027	AA1	4.800%	6-Oct-27	10	4.715	4.724	4.715
SEB IMTN 5.320% 03.12.2032	AA1	5.320%	3-Dec-32	150	5.258	5.26	5.258
STAR MTN 4.80% 11.5.2018 - Issue No. 2	AA2	4.800%	11-May-18	10	4.111	4.144	4.111
UMWH IMTN 4.630% 22.06.2020	AA2	4.630%	22-Jun-20	2	4.598	4.598	4.598
ANIH IMTN 5.00% 27.11.2020 - Tranche 7	AA IS	5.000%	27-Nov-20	10	4.317	4.328	4.317
TBEI IMTN 4.870% 15.03.2019	AA3	4.870%	15-Mar-19	10	4.224	4.247	4.224
SPG IMTN 4.760% 28.04.2023	AA- IS	4.760%	28-Apr-23	10	4.687	4.692	4.687
SPG IMTN 4.790% 31.10.2023	AA- IS	4.790%	31-Oct-23	10	4.719	4.723	4.719
JEP IMTN 5.270% 04.12.2023 - Tranche 6	AA- IS	5.270%	4-Dec-23	10	4.575	4.581	4.575
SPG IMTN 4.820% 30.04.2024	AA- IS	4.820%	30-Apr-24	10	4.748	4.752	4.748
JEP IMTN 5.350% 04.06.2024 - Tranche 7	AA- IS	5.350%	4-Jun-24	10	4.605	4.612	4.605
SPG IMTN 4.850% 31.10.2024	AA- IS	4.850%	31-Oct-24	10	4.769	4.783	4.769
SPG IMTN 4.880% 30.04.2025	AA- IS	4.880%	30-Apr-25	5	4.808	4.808	4.808
SPRE IMTN 5.040% 17.07.2025	AA3	5.040%	17-Jul-25	30	4.958	4.963	4.958
BGSM MGMT IMTN 4.920% 29.08.2025 - Issue No 13	AA3	4.920%	29-Aug-25	40	4.778	4.783	4.778
GOLDEN ASSET IMTN 4.750% 03.08.2018	A1 (S)	4.750%	3-Aug-18	4	4.966	4.975	4.966
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.319	6.329	6.319
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	2-Apr-17	1	6.334	6.606	6.334
Total				563			

Sources: BPAM

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