

Global Markets Daily

ASEAN FX Tracks CNY Lower

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USD performance overnight was mixed. USD gains were seen vs. commodity-linked currencies such as NZD, AUD and lower yielders including CHF and JPY, but were weaker vs. KRW and TWD. ASEAN FXs though were mostly weaker vs. the USD, tracking the CNY moves lower following the PBoC's cut to the RRR. Still, downside moves in the AXJs could be limited given the gains in equities this morning amid rising optimism over better-than-expected earnings results in the banking and tech sectors in the US that could see greater foreign portfolio inflows.

China's RRR Cut Not An Easing Move

USDCNH is climbing higher, buoyed by the 100bps cut to the RRR that was announced yesterday. This cut was meant for mostly larger banks to repay their MLF loans. We do not see this as an easing move given the fact that they had raised the MLF rates by 5bps yesterday, while 14-day reverse repo rate was also adjusted 5bps higher to 2.7% on Mon that would be in line with the hike in 7-day reverse repo in Mar, post Fed hike. This seems more like a one-off technical move to ensure adequate liquidity in the interbank market as PBOC warned that "China needs relatively high RRR to prevent risks". This move is meant to maintain a healthy level of interbank liquidity and also to "better support small companies", according to the central bank. About CNY900bn will be released for the repayment of MLF loans effective 25 Apr and an additional CNY400bn will be unleashed to cater to small and medium sized businesses, to smooth liquidity demand ahead of tax season into the end of Apr.

EU, UK, MY CPI Due

Key data/events eyed today include EU, UK and Malaysia CPI; JP trade. Japan-US summit ends today.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.237	↓ -0.08	USD/SGD	1.3114	↑ 0.09
GBP/USD	1.4288	↓ -0.36	EUR/SGD	1.6222	↑ 0.01
AUD/USD	0.7766	↓ -0.19	JPY/SGD	1.2256	↑ 0.20
NZD/USD	0.7342	↓ -0.29	GBP/SGD	1.8737	↓ -0.27
USD/JPY	107	↓ -0.11	AUD/SGD	1.0184	↓ -0.11
EUR/JPY	132.37	↓ -0.18	NZD/SGD	0.9628	↓ -0.20
USD/CHF	0.9663	↑ 0.66	CHF/SGD	1.3572	↓ -0.56
USD/CAD	1.2551	↓ -0.13	CAD/SGD	1.0449	↑ 0.20
USD/MYR	3.8902	↑ 0.06	SGD/MYR	2.9691	↑ 0.15
USD/THB	31.211	↓ -0.01	SGD/IDR	10515.28	↑ 0.12
USD/IDR	13766	↓ -0.10	SGD/PHP	39.7966	↑ 0.24
USD/PHP	52.118	↑ 0.09	SGD/CNY	4.7926	↑ 0.15

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.2960	1.3222	1.3484

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AXJ: Events & Market Closure

Date	Ctry	Event
16 Apr	TH	Market Closure
19 Apr	ID	BI Meeting

G7 Currencies

- **DXY - *Lean against Strength***. USD performance overnight was mixed. Gains were seen vs. commodity-linked currencies such as NZD, AUD and lower yielders including CHF and JPY but was weaker vs. KRW and TWD. US data - housing starts, building permits and industrial production all surprised to the upside. US equities were also firmer overnight on better than expected earnings report in the banking and tech sectors. The latter is a boost to KRW and TWD. UST yields were broadly firmer with 2Y yield hitting 2.4% this morning for the first time since 2008. We shared that hawkish rhetoric from Fed speakers this week would reinforce expectations for faster pace of Fed normalisation and pose some upside risk to UST yields and USD. Indeed Williams retained his hawkish talk - expects US inflation to rise to 2% target this year and continue to at that goal for another couple of years. DXY was modestly firmer overnight; last seen at 89.55 levels. Daily momentum remains mild bearish while stochastics is falling. Support levels seen at 89.28 (61.8% fibo retracement of Feb low to Mar high) before 88.25 (2018 low). Resistance at 90.50 before 90.96 (61.8% fibo retracement of 2018 high to low), 91.60 (76.4% fibo). Bias remains to lean against strength. Week remaining brings Fed's Dudley, Quarles, Brainard speak; Philly Fed (Apr) on Thu; Fed's Mester, Evans speak on Fri.
- **EURUSD - *Trade the Range***. EUR gains this week paused overnight. Last seen at 1.2370 levels. Daily momentum and stochastics indicators show a mild bullish bias. Next resistance at 1.2410 before 1.2450. Support seen at 1.2320 (21, 50 DMAs), 1.2235 (38.2% fibo retracement of Dec low to 2018 high), 1.22. We stick to our call to play intra-day range of 1.2320 - 1.2420 (which held well yesterday). Week remaining brings CPI (Mar); Construction Output (Feb) on Wed; Current Account (Feb) on Thu; Consumer Confidence (Apr) on Fri. While we remain constructive of EUR outlook in the medium term, lack of progress on government formation in Italy is another source of volatility that could undermine EUR in the short term. Moreover ECB policy normalisation is expected to be gradual as inflation remains soft for now and ECB sequencing of stimulus removal sees no rate hike before APP ends. Slower than expected pick-up in inflation should continue to reinforce expectations for gradual pace of policy normalisation and see a slower pace of gains for EUR.
- **GBPUSD - *CPI on Tap***. GBP gains petered out post-release of labour report yesterday. Average weekly earnings disappointed but still kept pace with prior number at +2.8% y/y. Markets were expecting a pick-up to 3%. Pent-up excitement and GBP-long positioning ahead of data release led to the unwinding of positions. Focus next on headline CPI today. Consensus is looking for +2.7% (unchanged from prior) and retail sales data tomorrow. Inflation data will be tricky to interpret - stronger number should fuel expectation for BoE to tighten (GBP positive) but that dent hopes of real wage turning positive while slower than expected CPI could lead to easing expectations for BoE to tighten soon (GBP negative) but supports the case for wage squeeze to ease. Perhaps a number in line with estimate may be more neutral of GBP. Nonetheless, we view any dips as opportunity to buy into. We retain our broadly "more optimistic" outlook than street consensus for GBP on the back of our expectation for orderly Brexit (boost to sentiment), continued

improvement in labor market (upward pressure for wage growth providing room for BoE to tighten) and potentially greater tolerance (from policymakers) for GBP appreciation (to help curb imported inflation) and rising market expectation for BoE rate increase to come earlier than expected. That said we do not expect a one way trade and still see a great deal of variability on GBP, driven by headlines on Brexit progress (which can be improvement or deterioration). GBP was last seen at 1.4290 levels. Bullish momentum on daily chart remains intact while stochastics is rising into overbought conditions. Objective at 1.4345 has been met. We do not rule out some short term downside pressure towards 1.4270/80 before 1.4190. Resistance remains at 1.4345 levels (2018 high). This has now materialised. Next resistance at 1.4440 before 1.45 levels. Week remaining brings CPI, PPI, RPI (Mar) on Wed; Retail sales (Mar) on Thu. Talks between EU and UK on future trade relationship are expected to conclude today - topics on Ireland/North Ireland and future relationship. According to various media outlets, the EU has offered the UK an extensive free trade agreement for their future deal but that fell short of the “bespoke” deal the Brits have wished for. Other matters such as the Irish border remains unresolved. We expect talks to be preliminary and inconclusive at this stage. We do not rule out the risks of negative headlines on Brexit that could pose temporary downside pressure on GBP.

- **USDJPY - Consolidating.** USDJPY is on the uptick possibly on profit-taking activities after slipping lower in the past three sessions. Optimism in the equity markets after better-than-expected earnings results in the US, and China’s RRR cut yesterday are lifting risk sentiments. Still, upside could be capped on market cautiousness ahead of the post-Abe-Trump summit announcement that may not produce any substantial concessions from the US but renewed Trump attack on Japan’s trade and currency practices, especially after Japan posted a larger-than-expected trade surplus of JPY797.3bn in Mar. In addition, the ongoing political scandals surrounding PM Abe, which has so far resulted in a drop in the cabinet’s popularity lower as reflected in recent opinion polls, is also weighing on the risk sentiments and the pair. Failure to bounce back from the scandals is likely to undermine PM Abe and embolden a challenge to his leadership of the ruling LDP in Sep, potentially putting Abenomics and BOJ’s massive stimulus programme in doubt. This scenario should put downside pressure on the pair. Last seen at 107.17-levels. Momentum indicators on the daily chart remain bullish bias but waning, while stochastics is turning lower from overbought conditions. Look for the pair to remain in consolidative mode ahead of any post-summit announcements. Resistance remains around 107.50 levels (50% fibo retracement of the Feb-Mar downswing), 108.20 levels (61.8% fibo). Support is at 106.80 levels (38.2% fibo), 106-handle (23.6% fibo). Remaining week has CPI (Mar), tertiary industry index (Feb) on Fri. Japan-US summit ends today.

- **NZDUSD - Focus on CPI Data Tomorrow.** NZD slipped despite the rebound in GDT auction overnight. The move lower for Kiwi is in line with our call. We shared that we see limited room for gains; possibly capped at 0.7390 - 0.7410 area of resistance. Preference to short NZD vs. AUD long. We still hold to our above calls. For the latter, we look for AUDNZD to trade higher towards 1.0630 (23.6% fibo)

retracement of 2018 double top to 2018 low), 1.0710, 1.0780 (50% fibo). SL below 1.05. Trade idea imitated at 1.0565; last seen at 1.0582. Falling wedge pattern indicated bullish reversal. For NZDUSD, bullish momentum on daily chart remains intact but shows tentative signs of waning while stochastics is in overbought conditions. Next support at 0.7290 (21, 50 DMAs). Resistance at 0.7390. Focus for the week on CPI (1Q) on Thu (645am SG/KL time). Consensus is looking for +1.1% (vs. +1.6% prior). Slower than expected number could pare back expectations for RBNZ to tighten and that should weigh on Kiwi.

- **AUDUSD - *Upside Compels***. AUD chopped around in a rather tight range last session, still poised for a break out to the upside. Last seen around 0.7770, this pair was at first dragged by the softer-than-expected industrial production before reversing higher in late Asian hours on better risk sentiments. Despite pretty strong earnings results yesterday, there was an underlying sense of caution (or maybe it was just the softer copper prices) as AUD pulled back from the 0.78-figure. With iron ore trading sideways now, AUDUSD is a little more sensitive to copper prices. The weekly chart is getting increasingly compelling for AUD bulls and we await a break of the resistance at 0.7820 (200 DMA) - 0.7830 (38.2% fibo retracement of 2018 high to low. Break above this puts next resistance at 0.7890 (50% fibo), 0.7950 (61.8% fibo). Support seen at 0.7760 (23.6% fibo). We stick to our call for further upside. We think risk assets including FX proxies such as AUD and NZD could continue to enjoy another leg up. Week ahead brings Westpac Leading Index (Mar) on Wed; Labor Report (Mar); NAB Business Confidence (1Q) on Thu.
- **USDCAD - 1.2560 supports**. USDCAD remained pressed against the 1.2560-support level. An imminent break there opens the way towards 1.2470 before 1.2259 (2018 lows). In addition to NAFTA hopes, markets are repricing BoC to hike again and the rise in crude is weighing on USDCAD. On the USDCAD daily chart, 21-DMA is about to cut the 50,100 and 200-DMA to the downside, signalling bearish risks. The OIS implied probabilities of a hike are almost a 72% of a rate hike in Jul. This is amid strong hiring momentum, housing starts and firmer-than-anticipated inflation numbers. CAD is one that benefits from risk rally and a spike in oil prices. Risks are for USDCAD to head lower.

Asia ex Japan Currencies

- **SGD trades around 0.84% above the implied mid-point of 1.3222.** The top is estimated at 1.2960 and the floor at 1.3484.

- **USDSGD - Consolidation.** USDSGD is trading little changed this morning, but is still firmer from its session low of 1.3086 yesterday. Underlying downside pressure from MAS move last Fri to normalise policy with a shift back to a “modest and gradual appreciation” path for the SGD NEER by increasing slightly the policy slope remains intact that should be supportive of the SGD. Last seen at 1.3111-levels, pair has lost most of its mild bullish momentum on daily chart, while stochastics is fast approaching oversold conditions. Price action though remains consolidative within the symmetrical triangle pattern that had formed since Oct 2017. Support at 1.3080-levels (upward sloping trend-line support from the lows of Jan and Mar). Resistance is around 1.3120-levels (downward sloping trend-line resistance). Watch for a break in either direction for directional cues.

AUDSGD - Area of Resistance at 1.0240-50 Needs to be Broken. AUDSGD hovered around 1.0180. Daily momentum is bullish bias though stochastics shows signs of entering overbought conditions. Hence, upmove could be a grind for now, especially heading into the area of resistance at 1.0240 (50 DMA) - 1.0250 (50 DMA, 38.2% fibo retracement of 2018 high to low). Break above this could see an extension of the up-move towards 1.0320 (50% fibo, 100 DMA). Support at 1.0160 (23.6% fibo), 1.0120 (21 DMA).

- **SGDMYR - Upside Risk but Bias to Fade.** SGDMYR was little changed near recent highs. Last seen at 2.9670 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising into near-overbought conditions. Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high). We continue to caution for rebound risks but bias to lean against strength. With MAS decision (mild tightening) out of the way, we believe the balance could be tilted towards the downside as Malaysia GE draws near (potentially a positive factor for MYR). Support at 2.94 (interim double bottom). Need a decisive break below the interim double bottom at 2.94 to open way for further downside towards 2.92, 2.90.

- **USDMYR - Mild Rebound Risks.** USDMYR inched higher, in line with our call for rebound risks. Pair was last seen at 3.8910 levels. Daily momentum is turning mild bullish while stochastics is rising. Technical indicators suggest further rebound towards 3.90 possible. Key area of support at 3.84 - 3.85 remains. Decisive break below this area of support puts next key support at 3.82 (50% fibo retracement of late 2013-14 double bottom to 2015-2017 double top). **While our study of past General elections since 1980 shows that MYR typically appreciates up to 2% (vs. the USD) between parliament dissolution day and polling day, the current period may be slightly unique.** For the current episode, MYR has appreciated around 6% vs. the USD in the 90 days prior to the dissolution of parliament. This is the largest magnitude of gains in the same period (90D before dissolution date) relative to previous episodes of Malaysia GEs since 1982. **We caution that excessive optimism might already be in the price and the MYR could potentially trade**

cautiously in the lead up to polling day. External environment of trade tensions between US and China and/or fresh concerns of US-Syria conflict could heighten geopolitical risks are some factors that may pose risks to MYR outlook. That said we maintain our medium term bias for MYR strength 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) 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. Malaysia CPI on tap on Wed and FX reserves on Fri.

- **1m USDKRW NDF - Fade.** 1m USDKRW NDF traded lower amid supported sentiment owing to 2 key factors: (1) overnight gains in US equities in particular banking and tech shares; and (2) news that US-North Korea talks have already begun. This latter adds to confidence and conviction that UK-NK Summit to be held before end-May is progressing on track or may even be ahead of schedule. This should help to ease geopolitical tensions further and support gains in KRW in the broader term. Pair traded a low of 1063 this morning and was last seen at 1065 levels. Mild bullish momentum on daily chart remains intact while stochastics is showing signs of turning from near-overbought conditions. We retain our bias to lean against strength. Next resistance at 1072 (50 DMA) before 1075. Immediate support at 1162. Bigger area of support at 1050 - 1055.
- **USDCNH - One-off Liquidity Boost but Not Easing.** USDCNH swung higher, buoyed by the RRR cut that was announced after Asian hours yesterday. The RRR cut of 100bps was meant for banks (larger ones mostly) to repay their MLF loans. We do not see this as an easing move given the fact that they had raised the MLF rates by 5bps yesterday, 14-day reverse repo rate was also adjusted 5bps higher to 2.7% on Mon, that would be in line with the hike in 7-day reverse repo in Mar, post Fed hike. This seems more like an one-off technical move to ensure adequate liquidity in the interbank market as PBOC warned that "China needs relatively high RRR to prevent risks". This move is meant to maintain a healthy level of interbank liquidity and also to "better support small companies", according to the central bank. About CNY900bn will be released for the repayment of MLF loans with effect on 25 Apr and then an additional CNY400bn will be unleashed to cater to small and medium sized businesses, to smooth liquidity demand ahead of tax season into the end of Apr. USDCNH rose towards the 21-DMA and hovered around 6.2840, still capped by the moving average. Two-way risks are seen for this pair with action likely to remain within 6.2360-6.3085. Upper bound is marked by the 50-DMA. **PBoC fixed the USDCNY reference rate at 6.2817, 46 pips firmer than the previous**

6.2771. CNYMYR was fixed at 0.6192, 4 pips higher vs. the previous 0.6187. EURCNY was fixed 18 pips lower at 7.7682 vs. the previous at 7.7700. In other news, China made good what President Xi had promised at the Boao Forum by removing limits on limits on foreign FV in commercial car, passenger car joint venture in 2022. NDRC also announced that foreign limits in aircraft manufacturing will be removed this year.

- **1M USDINR NDF - *Buoyed By Oil***. 1M NDF bounced towards the 66-figure, buoyed by the rise in oil prices as investors remain concerned about India's current account deterioration. This pair is en-route towards the 2017-high of 66.20. Support at 65.47. Risks are to the upside. We like our long CADINR in an environment of elevated crude prices. Initiate a buy CADINR trade at 52.30 towards the 54-figure. Support (stoploss) at 51.00. Week ahead has few data on taps. At home, India has requested compensation stemming from the Trump administration's tariffs on steel and aluminium imports according to WTO. Foreign investors sold US\$53.3mn of equity and US\$167mn of bonds on Mon (16 Apr).
- **1m USDIDR NDF - *Stuck-In-Range***. 1m USDIDR NDF trades little changed this morning but remains trap in its recent 13730-13875 range. Foreign selling of USD53.7mn worth of equities yesterday was supportive of the 1m NDF. Still, foreign purchases of USD26.9mn of debt on 16 Apr (latest data available) - the third straight session of foreign purchases - suggests improved sentiments for Indonesian debt that should be weigh on the 1m NDF intraday. Focus this week will be on BI meeting this Thu, though expectations (including our house view) are that BI will stand pat on its policy rate for now amid benign inflationary pressures. We do not expect any significant impact on the currency as a result. Spot USDIDR gapped higher at the opening this morning to 13773 from yesterday's close of 13766 amid a firmer USD tone. 1m NDF was last seen around 13806-levels. Daily chart shows waning very mild bearish bias, while stochastic shows no clear bias. This suggests that sideway trades are likely to hold in the absence of fresh catalyst. We look for the 1m NDF to still trade within its recent 13730-13875 range. Watch for official agents' activities to smooth out IDR volatility. JISDOR was fixed at 13770 yesterday, 4 pips higher than the fixing on Mon. Focus will be on BI meeting tomorrow. In the news, BI said that it saw room for the IDR to appreciate following Moody's credit rating upgrade and a surprised trade surplus in Mar. Still, market is likely to remain cautious amid concerns over trade tensions and geopolitical risks as well as ongoing central bank actions to smooth out IDR volatility.
- **1m USDPHP NDF - *Edging Higher Within Range***. 1m USDPHP NDF trades mildly bid amid a firmer USD tone. Upside pressure remains as well on concerns over soft overseas remittances (up by just 4.5% y/y in Feb vs. consensus' +10.6%) that together with the trade deficit of USD3.07bn in Feb suggested that the nation's current account deficit is unlikely to show any significant improvement. This should keep the 1m NDF supported above the 52-levels. Still, 1m NDF continues to trade within its recent 51.90-52.40 range. In addition, foreign sell-off of equities weighs on the PHP. Yesterday, foreign investors sold USD8.7mn of equities. Further sell-off should put upside pressure on the 1m NDF intraday. Last seen around 52.25 levels, 1m NDF has lost most of its bearish momentum, while

stochastics continues to climb higher from oversold conditions. Price action should remain in the 51.90-52.40 range for now. A break of the 52.40 resistance level could see bullish extension towards 52.70 (2018 high). Eyes will be on BoP overall (Mar) tomorrow.

- **USDTHB - Range.** USDTHB is mildly bid amid a rebound in the USD. Pair though continues to trade within its current trading range of 31.090-31.320. Foreign investors sold USD122.3mn and USD64.4mn in equities and debt yesterday when markets re-opened after the Songkran holidays. Further sell-off today could put further upside pressure on the pair intraday. Last seen around 31.221-levels. Daily momentum indicators and stochastics show no clear bias. In the absence of fresh directional cues, we look for the current narrow range of 31.090-31.320 to hold intraday. Foreign reserves (13 Apr) is due on Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.51	3.52	+1
5YR MI4/23 WI	-	*3.70/62	-
7YR MK3/25	3.90	3.89	-1
10YR MO11/27	4.00	4.00	Unchanged
15YR MX4/33	4.48	4.47	-1
20YR MX4/37	4.60	*4.62/59	Not traded
30YR MZ3/46	4.83	*4.87/82	Not traded
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.75	3.75	-
3-year	3.82	3.81	-1
5-year	3.88	3.87	-1
7-year	3.98	3.98	-
10-year	4.10	4.10	-

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Source: Maybank KE

*Indicative levels

- Another lackluster session for local govies, with yields hovering around previous done levels. Trading volume still limited as players remained defensive ahead of GE14 in early May. New 5y benchmark MGS 4/23 issue size was announced at an expected MYR4b. In WI, quotes were within the range of 3.70/62% but nothing got dealt.
- Onshore IRS curve lowered 1bp at the belly due to keen selling interest, but no trades were reported. Market sentiment remained cautious and activity likely to be muted for the rest of the week. 3M KLIBOR remained at 3.69%.
- Corporate bonds market was somewhat quiet absent catalyst. GG curve unchanged with notable trade on the ultra-long Prasarana 2047. AA long end credits traded 1bp tighter, such as TBEI 2031s, while short end credits dealt unchanged. AAA space saw ultra-short dated bonds exchange hands, with Putrajaya 2019 trading 3bps wider and MACB 2020 trading 1bp tighter.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.88	1.88	-
5YR	2.06	2.05	-1
10YR	2.40	2.38	-2
15YR	2.67	2.65	-2
20YR	2.72	2.70	-2
30YR	2.84	2.83	-1

Source: Maybank KE

- SGD markets started on a quiet note, with forwards a tad better bid, keeping front end rates supported. SGD IRS curve flatter as rates dipped above the 5y point. Long dated SGS also opened firmer and later saw increased buying along the 20y30y. SGS remain supported even as USTs weakened. The benchmark yield curve ended flat at the front and down 1-2bps from the 5y onwards, while SGD IRS curve closed little changed. Swap spreads generally widened.
- Asian credit market focused on new issuances. Indonesia is coming out with 10y USD bonds guiding at IPG 4.40%, which looks attractive given the recent rating upgrade by Moody's. The sovereign later announced another new EUR issuance which led to some selling in existing INDON and INDOIS with prices down by about 0.25-0.38pts. Other names in the pipeline include CHGRID with EUR and USD issuances.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.68	5.68	0.42
5YR	5.99	5.97	(1.42)
10YR	6.59	6.62	3.27
15YR	6.87	6.87	0.56
20YR	7.26	7.28	1.88
30YR	7.34	7.35	0.37

* Source: Maybank Indonesia

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- Indonesia bond market closed with a daily loss during Tuesday trading session amid moderate demand during sukuk auction and negative external sentiments which includes Fed Dudley statement where he sees that Fed could raise Fed rate by three or four times in total this year, Trump accusations of China and Russia manipulating their currencies and geopolitical concern. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.975%, 6.620%, 6.872% and 7.279% while 2y yield moved higher to 5.684%. During the day, FR0066 (1mo) yield decline the most by 7bps while FR0059 (9y) yield increased the most by 4bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 41bps). Trading volume at secondary market was noted moderate at government segments amounting Rp13,263b with PBS016 (2y sukuk) as the most tradable bond. PBS016 total trading volume amounting Rp1,380b with 22x transaction frequency.
- Indonesian government conducted their bi-weekly sukuk auctions in 2Q18 yesterday and received moderate incoming bids worth of Rp10.19t versus its target issuance of Rp8.00t or oversubscribed by 1.60x. However, DMO only awarded Rp6.35t bids for its 5mo, 2y, 4y, 14y and 19y sukuk offered series. Incoming bids remain clustering at SPNS and PBS016 series. 5mo SPNS was sold at a weighted average yield (WAY) of 4.32563%, 2y PBS016 was sold at 6.12653%, 4y PBS002 was sold at 6.44974%, 14y PBS012 was sold at 7.44944% while 19y PBS004 was sold at 7.65183%. PBS017 and PBS015 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.01X - 2.06X.
- Foreign ownership stood at Rp873.7t or 39.8% of total tradable government bond as of Apr 16th. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp6.9t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp1,299b. WOMF02ACN4 (Shelf Registration II WOM Finance Phase IV Year 2018; A serial bond; Rating: AA_(idn)) was the top actively traded corporate bond with total trading volume amounted Rp260b yielding 6.849%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2451	107.36	0.7803	1.4410	6.2951	0.7393	133.0767	83.5113
R1	1.2411	107.18	0.7785	1.4349	6.2885	0.7368	132.7233	83.3077
Current	1.2372	107.31	0.7762	1.4296	6.2846	0.7335	132.7500	83.2890
S1	1.2333	106.85	0.7754	1.4255	6.2696	0.7322	132.0633	82.9807
S2	1.2295	106.70	0.7741	1.4222	6.2573	0.7301	131.7567	82.8573

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3141	n/a	13786	52.2047	31.2683	1.6285	0.6219	2.9762
R1	1.3128	n/a	13776	52.1613	31.2397	1.6254	0.6205	2.9726
Current	1.3115	3.8950	13773	52.1300	31.2290	1.6226	0.6196	2.9686
S1	1.3092	n/a	13758	52.0513	31.1717	1.6182	0.6173	2.9645
S2	1.3069	n/a	13750	51.9847	31.1323	1.6141	0.6154	2.9600

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

Equity Indices and Key Commodities

	Value	% Change
Dow	24,786.63	0.87
Nasdaq	7,281.10	1.74
Nikkei 225	21,847.59	0.06
FTSE	7,226.05	0.39
Australia ASX 200	5,841.55	0.00
Singapore Straits Times	3,498.20	0.03
Kuala Lumpur Composite	1,880.49	0.09
Jakarta Composite	6,285.76	-0.02
Philippines Composite	7,723.39	-1.87
Taiwan TAIEX	10,810.45	-1.82
Korea KOSPI	2,453.77	-0.15
Shanghai Comp Index	3,066.80	-1.41
Hong Kong Hang Seng	30,062.75	-0.83
India Sensex	34,395.06	0.26
Nymex Crude Oil WTI	66.52	0.45
Comex Gold	1,349.50	-0.09
Reuters CRB Index	199.38	-0.08
MBB KL	10.62	0.19

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5041	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/4/2018	Neutral
BOT 1-Day Repo	1.50	16/5/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	10/5/2018	Tightening Bias
CBC Discount Rate	1.38	21/6/2018	Neutral
HKMA Base Rate	2.00	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	6/6/2018	Neutral
BOK Base Rate	1.50	24/5/2018	Tightening
Fed Funds Target Rate	1.75	3/5/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/4/2018	Easing Bias
BOE Official Bank Rate	0.50	10/5/2018	Neutral
RBA Cash Rate Target	1.50	1/5/2018	Neutral
RBNZ Official Cash Rate	1.75	10/5/2018	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	270	3.26	3.319	3.26
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	60	3.394	3.394	3.394
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	116	3.379	3.379	3.379
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	2	3.513	3.513	3.513
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	3	3.549	3.549	3.549
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	6	3.515	3.515	3.515
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	1	3.565	3.565	3.565
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	21	3.649	3.649	3.643
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	11	3.515	3.515	3.515
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	10	3.645	3.645	3.645
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	1	3.758	3.758	3.758
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	1	3.898	3.898	3.898
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	4	3.908	3.908	3.908
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	117	3.887	3.905	3.887
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	11	4.067	4.074	4.067
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	14	4	4.007	4
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	7	3.998	3.998	3.998
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	7	4.368	4.368	4.368
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	7	4.464	4.5	4.464
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	1	4.524	4.524	4.524
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	1	4.603	4.603	4.603
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	10	4.062	4.062	4.062
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	40	4.016	4.016	4.016
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	161	4.192	4.193	4.188

Total**880**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
LPPSA IMTN 4.170% 15.04.2022 - Tranche No 7	GG	4.170%	15-Apr-22	30	4.03	4.03	4.03
LPPSA IMTN 4.390% 17.04.2024 - Tranche No 8	GG	4.390%	17-Apr-24	10	4.291	4.291	4.291
PRASARANA SUKUK MURABAHAH 5.23% 13.09.2047 - S6	GG	5.230%	13-Sep-47	10	5.239	5.241	5.239
CAGAMAS MTN 5.71% 10.10.2018	AAA	5.710%	10-Oct-18	10	3.7	3.7	3.7
CAGAMAS MTN 4.200% 22.10.2018	AAA	4.200%	22-Oct-18	10	3.69	3.69	3.69
CAGAMAS IMTN 3.950% 26.10.2018	AAA	3.950%	26-Oct-18	20	3.73	3.73	3.69
CAGAMAS IMTN 5.270% 29.03.2019	AAA	5.270%	29-Mar-19	5	3.85	3.85	3.85
PUTRAJAYA IMTN 22.04.2019	AAA IS	5.100%	22-Apr-19	20	3.94	3.97	3.94
MACB IMTN 4.550% 28.08.2020 - Tranche No 1	AAA (S)	4.550%	28-Aug-20	60	4.245	4.256	4.245
PLUS BERHAD IMTN 4.560% 12.01.2024 - Series 1 (8)	AAA IS	4.560%	12-Jan-24	30	4.443	4.447	4.443
ALDZAHAB ABS-IMTN 14.03.2025(CLASS A TRANCHE 5 س٢١)	AAA	5.150%	14-Mar-25	5	4.978	4.978	4.978
PUTRAJAYA IMTN 26.05.2026 SERIES 14 TRANCHE 017	AAA IS	4.580%	26-May-26	45	4.569	4.572	4.569
SCC IMTN 5.100% 23.07.2021	AA1	5.100%	23-Jul-21	40	4.578	4.603	4.578
SCC IMTN 05.05.2022	AA1	4.770%	5-May-22	20	4.657	4.683	4.657
CIMBBANK 4.800% 13.09.2023 - Issue No 1	AA1	4.800%	13-Sep-23	30	4.37	4.37	4.37
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	2	4.864	4.864	4.864
YTL POWER MTN 3651D 11.10.2024	AA1	4.950%	11-Oct-24	10	4.686	4.691	4.686
NGISB MTN 2922D 29.8.2025 (SERIES 6)	AA1	4.950%	29-Aug-25	10	4.757	4.759	4.757
SAMALAJU IMTN 5.25% 26.12.2025 - Issue No. 3	AA1 (S)	5.250%	26-Dec-25	30	4.736	4.736	4.732
UMWH IMTN 5.020% 04.10.2021	AA2	5.020%	4-Oct-21	10	4.546	4.561	4.546
CIMB 4.950% 29.03.2028 - Tranche 3	AA	4.950%	29-Mar-28	3	4.949	4.949	4.949
CIMBBANK 6.70% 07.10.2038	AA	6.700%	7-Oct-38	10	4.6	4.611	4.6
MAYBANK 6.300% 25.09.2068	AA2	6.300%	25-Sep-68	10	4.219	4.266	4.219
WCT MTN 2557D 09.4.2020	AA-	4.400%	9-Apr-20	8	4.765	4.77	4.765
CMS IMTN 4.800% 05.05.2022 - Series No 1	AA3	4.800%	5-May-22	20	4.635	4.641	4.635
TBEI IMTN 6.100% 14.03.2031	AA3	6.100%	14-Mar-31	10	5.061	5.061	5.059
TBEI IMTN 6.150% 15.09.2031	AA3	6.150%	15-Sep-31	10	5.088	5.091	5.088
ISLAM 5.50% 15.12.2025 - Tranche 2	A1	5.500%	15-Dec-25	4	4.526	4.53	4.526
Total				482			

Sources: BPAM

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