

# Global Markets Daily

## USD Rebounds

### Higher UST Yields Weigh On AXJs

USD rallied overnight amid a rebound in UST yields past the 2.90% levels, helped by hawkish comments from Fed speakers and better-than-expected US data. AXJs were mostly weaker against the USD consequently with the IDR falling to a new 2018 low of 13821 this morning. It also did not help that the AXJs that oil prices remained elevated with Brent crude still climbing above the USD70/bbl levels and WTI edging towards USD70/bbl. Still, the pullback in metal prices is weighing on commodity currencies like the AUD and NZD.

### IDR Slips Lower

A confluence of factors sent the 1m USDIDR NDF higher this morning with the 1m NDF briefly breaking above its 2018 high at 13876 overnight. The move higher coincided with BI's decision to hold its benchmark policy rate steady at 4.25% yesterday evening (as expected) amid anchored inflationary expectations. It also did not help that higher UST yields could suggest a sell-off in Indonesian debt intraday. Foreign investors have already sold off USD110.4mn in debt on 18 Apr (latest data available). In addition, elevated oil prices could translate into a greater financial burden on the government's fiscal position on higher subsidies on fuel. Given this confluence of factors, market appears to have increased their long-USDIDR positions. This has led spot USDIDR to gap higher at the opening to 12795 this morning from yesterday's close of 13785 and to continue to climb higher to a new high of 13821 this morning. Since then, spot USDIDR has eased off, possibly on official agent activities, and was last seen around 13813 levels. Similarly, 1m NDF briefly touched a new 2018 high at 13880 this morning and was last seen around 13868-levels.

### Fed Speaks; JP CPI On Tap

Some the key data/events we watch today include US Mester, Evans speak; EU consumer confidence; JP CPI; Malaysia and Thailand FX reserves.

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### AXJ: Events & Market Closure

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

### FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2345	↓ -0.23	USD/SGD	1.3116	↑ 0.13
GBP/USD	1.4087	↓ -0.82	EUR/SGD	1.6192	↓ -0.10
AUD/USD	0.773	↓ -0.69	JPY/SGD	1.2216	↑ 0.01
NZD/USD	0.7272	↓ -0.64	GBP/SGD	1.8476	↓ -0.69
USD/JPY	107.37	↑ 0.13	AUD/SGD	1.0139	↓ -0.56
EUR/JPY	132.55	↓ -0.11	NZD/SGD	0.9538	↓ -0.52
USD/CHF	0.9713	↑ 0.27	CHF/SGD	1.3504	↓ -0.14
USD/CAD	1.2672	↑ 0.33	CAD/SGD	1.0352	↓ -0.19
USD/MYR	3.891	↑ 0.04	SGD/MYR	2.9707	↑ 0.17
USD/THB	31.236	↑ 0.13	SGD/IDR	10525.21	↑ 0.23
USD/IDR	13785	↑ 0.07	SGD/PHP	39.7763	↑ 0.13
USD/PHP	52.08	↓ -0.04	SGD/CNY	4.7944	↑ 0.09

### Implied USD/SGD Estimates @ 20 Apr-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2976	1.3238	1.3501

## G7 Currencies

- **■ DXY - *Rebound Risks but Bias to Fade.*** USD rebounded overnight, with 10Y yields once again pushing higher (last seen at 2.92% vs. 2018 high of 2.95%). US data this week has been better than expected (from housing -related data to industrial production and Philly Fed Mfg as well as initial jobless claims) while Fed speakers retained their hawkish rhetoric. In particular Williams expects US inflation to rise to 2% target this year and continue to at that goal for another couple of years (Tue) while Mester said (early this morning) that rate increases will keep economy from overheating; expects jobless rate to fall under 4% this year and next; economy to grow over 2.5% this year and inflation to be back at 2% target over next year or two. We shared this week 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 - this has somewhat materialised. DXY firmed; last seen at 89.90 levels. Price action shows that USD attempts lower this year have not managed to pierce below its upward sloping trend-line support (from the lows in Feb, Mar, Apr) on 3 occasions. But the subsequent recovery on each episode did not manage to make a subsequent high. This reinforces our bias to sell USD on rallies. Meantime rebound risks not ruled out. Key area of resistance at 90.50 (50% fibo retracement of 2018 high to low) - 90.76 (100 DMA). We would turn cautious if DXY managed to make a weekly close above this area of resistance as that may imply a potential sharper than expected rebound towards 90.96 (61.8% fibo) and 91.60 (76.4% fibo). Our bias remains to lean against strength. Support levels seen at 89.28 (61.8% fibo retracement of Feb low to Mar high) before 88.25 (2018 low). Fed's Evans speaks today.
- **■ EURUSD - *Still Trade the Range In Absence of Fresh Catalyst.*** EUR slipped amid broad USD rebound overnight. Pair was last seen at 1.2340 levels. Mild bullish momentum remains intact but shows signs of waning while stochastics shows signs of turning from near-overbought conditions. Support seen at 1.2320 (21, 50 DMAs), 1.2235 (38.2% fibo retracement of Dec low to 2018 high), 1.22. Resistance at 1.2410 before 1.2450. Suggest intra-day range of 1.2310 - 1.2390 range intra-day. Day ahead brings 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 - *Struck by Dovish Carney and Disappointing Data.*** GBP remains under pressure this week on weaker than expected wage growth, inflation print and retail sales data. BoE Carney in an interview with BBC overnight said that Brexit uncertainty could slow the pace of interest rate rises. He also acknowledged the "mixed" economic data released this week - softer retail sales and faster than expected decline in inflation in Feb. But he did add that interest rate increase is likely this year but increases will be gradual

as major decision are taken on Brexit. Disappointing set of data this week and Carney's comments somewhat saw markets pare back expectations for May rate hike. The move lower was also partially amplified by USD rebound overnight. GBP was last seen at 1.4080 levels. Daily momentum has turned mild bearish while stochastics is falling. Downside pressures not ruled out. Support seen at 1.4020-40 levels before 1.3960. We respect the momentum but maintain our bias to buy on dips. Resistance at 1.4120, 1.4220. 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).

- **USDJPY - *Watching Breakout Of 107.50 Levels.*** USDJPY continues to tick higher amid improving global risk sentiments as geopolitical and trade tensions ease as well as higher UST yields. In particular, the lack of pressure on Japan from the Abe-Trump summit added to the positive sentiments. Also, the lack of sustained inflationary pressures suggested that the unwinding of the BOJ massive stimulus program is unlikely anytime soon and this is adding to the pair's upward pressure. This comes as Mar inflation print showed core (headline inflation less fresh food) and core-core (core inflation less energy) inflation rising by 0.9% and 0.5% y/y respectively in Mar vs. 1.0% and 0.5% in Feb. However, downside pressure to the pair remains given 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. 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. Last seen at 107.49-levels. Momentum indicators on the daily chart remain bullish bias but waning, while stochastics continues to fall from overbought conditions. Upside continues to be capped around the 107.50-levels (50% fibo retracement of the Feb-Mar downswing). We need to see a sustained break of that level to confirm bullish extension towards 108.20 levels (61.8% fibo). Failure to do so could see the pair remain in its recent 106.80-107.50 range.
- **NZDUSD - *Bias to Retain NZD Short vs. long AUD.*** NZD fell amid softer appetite for risk assets. Last seen at 0.7250 levels. Daily momentum is mild bearish while stochastic is falling. Further downside towards 0.7217 (100 DMA), 0.72 levels not ruled out. Resistance at 0.7290 (50 DMA). Maintain our bias to stay short NZD vs. long AUD. Our call for AUDNZD to trade higher has met its first objective of 1.0630 (23.6% fibo retracement of 2018 double top to 2018 low). Cross traded a high of 1.0673 yesterday; last seen at 1.0650 levels. Momentum indicators remain bullish bias. Falling wedge pattern indicated bullish reversal. Resistance seen at 1.0670 (50 DMA), 1.0710 and 1.0780 (50% fibo). Trade was SL below 1.05. Trade idea was imitated on Mon at 1.0565. We moved our SL higher towards 1.06 from 1.05. Retain long AUDNZD position.

- **AUDUSD - Sentiments Weigh For Now.** AUDUSD slipped from the 0.78-figure (again) in post-lunch Asian hours after weaker TSMC earnings weighed on sentiments. The pair was hammered as risk appetite dried up on Wall Street overnight. UST 10y yields swung back towards 3% on the back of a series of stronger US data that was released insofar this week, raising bets of four instead of three hikes projected by the Fed this year. This bet was also underpinned by rising base metal prices, in particular aluminium that emanated from US sanctions on Russia which in turn, raised inflation concerns. Rising price pressure could also stem from possibly higher crude prices should OPEC remain committed to restraining supply even after OPEC and non-OPEC crude producers said that the supply glut has somewhat cleared. The move lower in the last session left AUDUSD around 0.7720 as we write. This puts the pair back within the falling wedge and we may even see another dip towards 0.76-figure before an eventual breakout to the upside from the falling wedge. As we have noted before, 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).
  
- **USDCAD - Moving Higher Towards 1.2720-Resistance.** USDCAD made rebounded in NY session, underpinned by weaker risk appetite and small disappointment that PM Trudeau did not state a timeline for NAFTA. Doubts on a near-term NAFTA deal seems to have set in as Foreign Minister Freeland reiterated “good progress on the rules of origin” for NAFTA without commenting on a possible timeline. USDCAD made another leg up overnight and was last seen around 1.2666. This pair remains sensitive to the equity performances and Canada is due to release its Mar CPI numbers. Consensus expects the print to be around 0.4%*m/m* (non s.adj), slowing from the previous 0.6%. Retail sales (ex auto) is also expected to slow to 0.4%*m/m* from previous 0.9%. Any disappointment on that front could lift the USDCAD could fade rate hike speculation and lift the USDCAD towards the 1.2720, a firm resistance level to watch. We watch NAFTA developments and oil prices. Next support at 1.2259 (2018 lows).

## Asia ex Japan Currencies

- **SGD trades around 0.87% above the implied mid-point of 1.3238.** We estimate the top at 1.2976 and the floor at 1.3501.
- **USDSGD - *Watching Breakout.*** USDSGD continues to edge higher amid higher UST yields, breaking out of the upper bound of the symmetrical triangle pattern that had formed since Oct 2017. Last seen around 1.3128-levels, pair has lost most of its mild bullish momentum on daily chart, while stochastics shows tentative signs of turning higher. A break of the 1.3120-levels (downward sloping trend-line resistance) on a weekly close could see a squeeze higher towards 1.3175 (23.6% fibo of the Oct 2017 to Jan 2018 downswing) and then 1.3280 (38.2% fibo). This could signal a potential trend reversal. Support at 1.3090-levels (upward sloping trend-line support from the lows of Jan and Mar).
- **AUDSGD - *Last Pullback?*** AUDSGD waffled around 1.0130, above to break the 21-DMA to the downside. This cross was still unable to break above the area of resistance at 1.0240/50. With stochs and MACD turning lower on the daily chart, this pair may see momentary pullback before heading higher (possibly last chance to buy). We continue to look for a breakout of the area of resistance at 1.0240 (50 DMA) - 1.0250 (50 DMA, 38.2% fibo retracement of 2018 high to low) for 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 remains little changed near recent highs. Last seen at 2.9650 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 - *Subdued Range amid Cautious Trading.*** USDMYR remains little changed in subdued range; last seen at 3.8910 levels. Daily momentum is turning mild bullish while stochastics is rising into overbought conditions. Technical indicators suggest further rebound towards 3.90 possible. Bias remains to lean against strength. 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.

- **1m USDKRW NDF - Rebound Risks but Lean against Strength.** 1m USDKRW NDF was a touch firmer amid softer appetite for risk assets. This was due to sell-off in tech shares triggered by TSMC's profit warning (cut in full year revenue estimate) on weaker smartphone demand. KRW and TWD led losses against USD this morning. 1m USDKRW was last seen at 1067 levels. Mild bullish momentum on daily chart remains intact. Rebound risks possible but likely to be capped at 1072, 1075. We retain our bias to lean against strength. Immediate support at 1062 before bigger area of support at 1050 - 1055.
- **USDCNH -Stuck in Range.** USDCNH remains within the 6.20-6.35 range, last seen around 6.2809, lifted by the broad USD upmove overnight. Price action remains capped by the 21-DMA. Two-way risks are seen for this pair with action likely to remain within the narrower 6.2360-6.3085 range. Upper bound is marked by the 50-DMA. PBoC fixed the USDCNY reference rate at **6.2897, 65 pips firmer** than the previous **6.2832**. CNYMYR was fixed at **0.6183, steady** from the previous. EURCNY was fixed **146 pips lower** at **7.7611** vs. the previous at **7.7757**. PBoC is said to keep neutral position in OMO. PBOC Governor Yi Gang met with BoE Governor Carney, Singapore Deputy PM Tharman, Argentine Central Bank President Federico Sturzenegger to discuss on financial cooperation. Separately, the US official says that the US may evoke an emergency law, outlined by the International Emergency Economic Powers Act, against China. This is said to be a "crackdown on Chinese investments in technologies in the US deemed sensitive" (BBG).
- **1M USDINR NDF - The Oil-Lift As Well As RBI's.** 1M NDF rose towards the 66.40, lifted by oil. Resistance is seen around 66.50 (50% Fibonacci retracement of the Jan-May sell off in 2017). INR is diving like a falling knife and could risks heading higher towards the 67-figure. Support at 65.47. Risks are to the upside. We like to stick to 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. This pair remains buoyed by the rise in oil prices as investors remain concerned about India's current account



deterioration. RBI was perceived to be more hawkish than expected in its Minutes released yesterday. That has drove a sell-off in the domestic bonds. MPC members remained focused on upside risks to inflation. Foreign investors sold U\$133.6mn of equities and U\$375.3mn of bonds. The sell off in the domestic bonds lifted the 10y yields towards 7.65% yesterday and was last seen around 7.63%. In the past two sessions, the 10y yield has risen around 9.4bbps. The sovereign curve is hit at the longer end and with Brent possibly heading towards U\$80/bbl, this curve could bear steepen further.

- **1m USDIDR NDF - *Pressured Higher*.** 1m USDIDR NDF briefly broke above its 2018 high at 13876 overnight amid higher UST yields. The move higher coincided with BI's decision to hold its benchmark policy rate steady at 4.25% yesterday evening (as expected) amid anchored inflationary expectations. It also did not help that higher UST yields could suggest a sell-off in Indonesian debt intraday. Foreign investors have already sold off USD110.4mn in debt on 18 Apr (latest data available). This is even though foreign investors had purchased USD15.5mn in equities yesterday. In addition, elevated oil prices could translate into a greater financial burden on the government's fiscal position on higher subsidies on fuel. Given this confluence of factors, market appears to have increased their long-USDIDR positions. This has led spot USDIDR to gap higher at the opening to 12795 this morning from yesterday's close of 13785 and to continue to climb higher to a new high of 13821 this morning. Since then, spot USDIDR has eased off, possibly on official agent activities, and was last seen around 13813 levels. Similarly, 1m NDF briefly touched a new 2018 high at 13880 this morning and was last seen around 13868-levels. Daily chart now shows mild bullish bias, while stochastic is fast approaching overbought conditions. A clean break of the 13876-levels (previous 2018 high) on a weekly close could confirm bullish bias towards 13900 levels, 14000-levels. Watch for further official agent activities to smooth out IDR volatility though. Support at 13790-levels (21DMA), 13730 levels (23.6% fibo retracement of the Jan to Mar upswing). JSDOR was fixed at 13778 yesterday, 8 pips higher than Wed's fixing.
- **1m USDPHP NDF - *Edging Higher Within Range*.** 1m USDPHP NDF trades little change amid higher UST yields. 1m NDF was pressured higher yesterday amid a sell-off of USD51.1mn in equities - the largest sell-off by foreign investors since 20 Mar. Expectations of a further sell down by foreign funds today should put upside pressure on the 1m NDF. 1m NDF remains hovering above the 52-handle though on concerns about its deteriorating current account deficit. BSP Governor Espenilla defended the central bank's decision not to hike its policy rate, saying that the BSP's moves remain appropriate. He noted though that the central bank signal could be further reinforced by other BSP actions as needed. Last seen around 52.25 levels, 1m NDF has lost most of its bearish momentum, while stochastics is fast approaching overbought conditions. Risks remains to the upside but 1m NDF should still trade well-within the 51.90-52.40 range for now. A break of the 52.40 resistance level though could see bullish extension towards 52.70 (2018 high).
- **USDTHB - *Mild Bullish Bias*.** USDTHB bounced higher amid higher UST yields this morning. Pair though continues to trade within its current trading range of 31.090-31.320. Pair was weighed yesterday

by foreign portfolio inflows yesterday with USD51.6mn and USD9.9mn in equities and debt purchased yesterday. Higher UST yields though could spur a sell-off in Thai debt and keep the pair supported intraday. Last seen around 31.258-levels. Daily momentum indicators and stochastics show mild bullish bias. In the absence of fresh directional cues, we look for the current narrow range of 31.090-31.320 to hold intraday.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.53	3.54	+1
5YR MI4/23 WI	*3.72/68	3.77	-
7YR MK3/25	3.91	3.93	+2
10YR MO11/27	4.02	4.01	-1
15YR MX4/33	4.51	*4.56/51	Not traded
20YR MX4/37	4.60	4.62	+2
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	3.76	+1
3-year	3.81	3.82	+1
5-year	3.88	3.88	-
7-year	3.98	3.99	+1
10-year	4.10	4.11	+1

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Source: Maybank KE

\*Indicative levels

- In government bonds, the new 5y MGS benchmark garnered a low bid/cover of 1.563x as most players stayed on the sidelines and remained defensive ahead of the General Election on 9 May. USDMYR traded sideways though better buyers were seen on the pair. Liquidity remained thin, and MGS yields largely inched 1-2bps higher by day end.
- Onshore IRS rates tracked MGS and ended 1bp higher across the curve. There were some keen receivers, with the 7y IRS taken at 4.00%. IRS likely to stay rangebound given thin bond market liquidity and soft Ringgit. 3M KLIBOR the same at 3.69%.
- Corporate bond market saw some selling in AAA curve, with long dated Danga 2033 widening 2bps amid decent volume and Rantau 2031 and 2032 exchanging hands 2bps wider than last done levels. AA space was active, seeing trades on DUKE 3, MMC, SEB and SPG though at unchanged levels. GG space was lackluster but saw buying interest at the front end.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.89	1.92	+3
5YR	2.05	2.09	+4
10YR	2.37	2.42	+5
15YR	2.62	2.65	+3
20YR	2.65	2.67	+2
30YR	2.79	2.82	+3

Source: Maybank KE

- SGD rates opened higher tracking the USD rates which climbed overnight. Short dated bonds were pressured again on rising short term funding rates and firmer USDSGD forwards. SGD IRS and SGS yields were up by 2-3bps. Selling gathered pace in the afternoon as UST weakened further and cutting positions ahead of the 10y SGS issue size announcement added pressure to the long end. SGS yields mostly increased 3-5bps with the 20y outperforming, only up 2bps, on good demand/supply dynamics. SGD IRS curve bear-steepened, up by 2-6bps.
- Asian credit space remained fairly active, with Indonesia and Philippine sovereign bonds marginally lower in cash price on the back of the UST movement. In IG space, HAOHUA continued to see active two-way flow though spreads were slightly wider. After trading weak amid the corruption probe on Huarong's chairman, China AMCs rebounded and saw firm buying. Primary pipeline is still strong which has China Overseas Land & Investment issuing 5y and 10y USD bonds.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.65	5.65	0.12
5YR	6.03	6.04	1.30
10YR	6.61	6.67	6.36
15YR	6.89	6.92	3.53
20YR	7.29	7.33	4.30
30YR	7.35	7.33	(1.86)

\* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Thursday trading session induced by lack/absence of catalyst, increasing UST 10y yield (UST 10y yield was seen hovering near 2.90% during write-ups) and increasing selling pressure in IndoGB market. IndoGB market has been booking daily loss for five consecutive days. Indonesia Central Bank maintained its policy rate at 4.25% yesterday while maintaining neutral monetary policy stance. Central Bank also kept deposit and lending rate facility at 3.50% and 5.00% respectively. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.042%, 6.669%, 6.920% and 7.332% while 2y yield moved higher to 5.654%. During the day, FR0059 (9y) yield decline the most by 3bps while FR0036 (1.5y) yield increased the most by 6bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 41bps). Trading volume at secondary market was noted heavy at government segments amounting Rp25,066b with FR0073 (13y) as the most tradable bond. FR0073 total trading volume amounting Rp5,068b with 33x transaction frequency.
- Foreign ownership stood at Rp871.0t or 39.7% of total tradable government bond as of Apr 18<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp4.2t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp1,166b. WSKT03ACN2 (Shelf Registration III Waskita Karya Phase II Year 2018; A serial bond; Rating: A<sub>(idn)</sub>) was the top actively traded corporate bond with total trading volume amounted Rp175b yielding 7.681%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2429	107.70	0.7848	1.4311	6.2964	0.7375	133.3967	84.3497
R1	1.2387	107.53	0.7789	1.4199	6.2868	0.7323	132.9733	83.6703
<b>Current</b>	1.2343	107.67	0.7715	1.4083	6.2792	0.7250	132.8900	83.0630
S1	1.2316	107.19	0.7695	1.4022	6.2619	0.7240	132.2433	82.5863
S2	1.2287	107.02	0.7660	1.3957	6.2466	0.7209	131.9367	82.1817

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3141	n/a	13806	52.1920	31.2840	1.6267	0.6230	2.9757
R1	1.3129	n/a	13795	52.1360	31.2600	1.6229	0.6214	2.9732
<b>Current</b>	1.3129	3.8920	13814	52.1550	31.2630	1.6205	0.6196	2.9648
S1	1.3096	n/a	13774	52.0230	31.2000	1.6156	0.6176	2.9669
S2	1.3075	n/a	13764	51.9660	31.1640	1.6121	0.6155	2.9631

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

**Equity Indices and Key Commodities**

	Value	% Change
Dow	24,664.89	-0.34
Nasdaq	7,238.06	-0.78
Nikkei 225	22,191.18	0.15
FTSE	7,328.92	0.16
Australia ASX 200	5,881.00	0.33
Singapore Straits Times	3,598.73	1.15
Kuala Lumpur Composite	1,895.18	0.84
Jakarta Composite	6,355.90	0.57
Philippines Composite	7,682.24	-1.42
Taiwan TAIEX	10,971.22	1.14
Korea KOSPI	2,486.10	0.25
Shanghai Comp Index	3,117.38	0.84
Hong Kong Hang Seng	30,708.44	1.40
India Sensex	34,427.29	0.28
Nymex Crude Oil WTI	68.29	-0.26
Comex Gold	1,348.80	-0.35
Reuters CRB Index	201.86	-0.55
MBB KL	10.68	0.75

**Policy Rates**

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5060	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	17/5/2018	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	30/5/2018	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	88	3.335	3.335	3.318
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	37	3.416	3.416	3.39
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	1	3.498	3.498	3.498
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	44	3.449	3.449	3.449
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	5	3.441	3.441	3.441
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	5	3.545	3.545	3.545
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	1	3.591	3.591	3.591
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	3	3.645	3.645	3.645
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	103	3.672	3.672	3.658
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	64	3.542	3.554	3.542
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	30	3.804	3.804	3.785
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	47	3.813	3.813	3.813
MGS 2/2018 20.04.2023	3.757%	20-Apr-23	1,407	3.74	3.792	3.728
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	1	3.831	3.831	3.831
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	43	3.917	3.92	3.917
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	61	3.932	3.932	3.915
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	100	3.977	4.018	3.977
MGS 2/2006 4.709% 15.09.2026	4.709%	15-Sep-26	5	4.077	4.077	4.077
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	4.038	4.038	4.038
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	57	4.007	4.045	4.007
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	20	4.048	4.048	4.048
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	10	4.368	4.368	4.368
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	30	4.413	4.413	4.413
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	5	4.638	4.638	4.638
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	2	4.614	4.618	4.614
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.866	4.866	4.866
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	10	3.299	3.299	3.299
PROFIT-BASED GII 1/2009 13.08.2019	3.910%	13-Aug-19	2	3.5	3.5	3.5
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	20	3.622	3.622	3.622
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	20	3.877	3.877	3.877
<b>Total</b>			<b>2,226</b>			

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.480% 20.10.2031 - Tranche No 51	GG	4.480%	20-Oct-31	2	4.85	4.851	4.85
CAGAMAS MTN 4.200% 22.10.2018	AAA	4.200%	22-Oct-18	50	3.8	3.8	3.8
CAGAMAS IMTN 3.950% 26.10.2018	AAA	3.950%	26-Oct-18	25	3.789	3.789	3.789
CAGAMAS MTN 3.90% 16.11.2018	AAA	3.900%	16-Nov-18	35	3.821	3.821	3.821
TELEKOM IMTN 4.820% 21.03.2024	AAA	4.820%	21-Mar-24	20	4.412	4.412	4.408
RANTAU IMTN 0% 12.05.2031 - MTN 5	AAA (S)	5.050%	12-May-31	10	4.847	4.848	4.847
RANTAU IMTN 0% 16.01.2032 - Tranche No 10	AAA (S)	5.000%	16-Jan-32	20	4.884	4.885	4.884
DANGA IMTN 5.020% 21.09.2033 - Tranche 9	AAA (S)	5.020%	21-Sep-33	75	5.001	5.003	4.981
CAGAMAS IMTN 5.000% 28.10.2033	AAA	5.000%	28-Oct-33	20	4.985	4.986	4.985
TNB NE 4.760% 29.05.2035	AAA IS	4.760%	29-May-35	10	5.065	5.066	5.065
PUBLIC SUB-NOTES 4.85% 23.04.2027	AA1	4.850%	23-Apr-27	60	4.678	4.692	4.678
SEB IMTN 5.500% 04.07.2029	AA1	5.500%	4-Jul-29	10	4.979	4.98	4.979
K-PROHAWK IMTN 5.340% 20.06.2031	AA2	5.340%	20-Jun-31	10	5.09	5.091	5.09
BGSM MGMT IMTN 6.600% 27.12.2019 - Issue No 5	AA3	6.600%	27-Dec-19	7	4.28	4.312	4.28
SINAR KAMIRI IMTN 5.280% 30.01.2024	AA- IS	5.280%	30-Jan-24	6	5.24	5.242	5.24
SPG IMTN 4.820% 30.04.2024	AA- IS	4.820%	30-Apr-24	20	4.668	4.681	4.668
SPG IMTN 5.020% 29.10.2027	AA- IS	5.020%	29-Oct-27	10	4.864	4.866	4.864
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	30	5.697	5.699	5.697
SPG IMTN 5.130% 31.10.2029	AA- IS	5.130%	31-Oct-29	10	4.981	4.983	4.981
CSSB IMTN 5.390% 31.01.2030	AA- IS	5.390%	31-Jan-30	20	5.133	5.134	5.133
LDF3 IMTN 5.640% 22.08.2031	AA- IS	5.640%	22-Aug-31	6	5.065	5.066	5.065
TBEI IMTN 6.150% 15.09.2031	AA3	6.150%	15-Sep-31	10	5.087	5.088	5.087
LDF3 IMTN 5.860% 23.08.2033	AA- IS	5.860%	23-Aug-33	10	5.173	5.174	5.173
AMMB HLDG MTN 3652D 15.3.2027 (SUB-NOTES)	A1	5.200%	15-Mar-27	1	5.458	5.458	5.458
HLFG Perpetual Capital Securities (Tranche 1)	A1	5.230%	30-Nov-17	10	5.123	5.123	5.11
UMWH Perpetual Sukuk Musharakah 6.35% - Tranche 1	A1	6.350%	20-Apr-18	23	6.35	6.35	6.35
ALLIANCEB MTN 3653D 18.12.2025	A2	5.650%	18-Dec-25	3	4.919	5.036	4.919
MAH SING 6.900% PERPETUAL SECURITIES - SERIES NO 1	NR(LT)	6.900%	2-Apr-17	1	6.531	6.531	6.531
<b>Total</b>				<b>512</b>			

Sources: BPAM

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