

# Global Markets Daily

## USD Rebound Underway

### More UST Auction Tonight; USD Rebound to Extend

USD rebound extended overnight, owing to higher UST yields amid large supply of T-bills overnight which were met with softer demand (bid-to-cover ratio for 4-w notes fell to lowest level of 2.48 since 2008). Our caution for the risk of rising UST yield on the back of increase in debt issuance materialised. 2Y yield rose to 2.255%, highest level in nearly 10 years. Today's auction brings another \$35bn in 5Y debt and tomorrow brings \$29bn in 7Y notes ahead of FoMC meeting minutes (early tomorrow morning at 3am SG/KL time) and Fed's release of semi-annual monetary policy report to Congress (Sat midnight SG/KL time). We expect markets to further trim their USD shorts ahead of key event risks and this should continue to be supportive of USD strength this week. We remain cautious of the spill-over effect from bond sell-off onto equity markets. Though yesterday's weaker close on US equities was attributed to weaker than expected earnings from Walmart, we think a persistent and rapid rise in UST yields above 3.05% could weigh further on sentiment. We believe USD could stay relatively supported on dips vs. AXJs this week into the release of the report on Fri/Sat.

### Still Bias to Stay Long AUDSGD

Australia wage price index for 4Q quickened to 0.55%q/q vs. the previous 0.48%, also beating consensus at 0.5%. The latest print reinforces our view that wages are bottoming as hiring momentum remain strong. We see chances for AUDSGD to head higher, guided by the bullish cloud. 1.0450 beckons.

### UK Labor Report; BOE Testimony; BOJ Funo Speaks Today

Some of the key data/events we watch today include prelim PMIs from US and EU; UK labor report; BoE's Carney, Broadbent, Haldane and Tenreyo to speak; BoJ Funo to speak.

#### FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2337	↓ -0.56	USD/SGD	1.3187	↑ 0.40
GBP/USD	1.3996	↓ -0.03	EUR/SGD	1.6272	↓ -0.16
AUD/USD	0.7883	↓ -0.38	JPY/SGD	1.2292	↓ -0.24
NZD/USD	0.7348	↓ -0.33	GBP/SGD	1.8457	↑ 0.36
USD/JPY	107.33	↑ 0.69	AUD/SGD	1.0398	↑ 0.05
EUR/JPY	132.41	↑ 0.11	NZD/SGD	0.9692	↑ 0.09
USD/CHF	0.9361	↑ 0.71	CHF/SGD	1.4089	↓ -0.35
USD/CAD	1.2648	↑ 0.69	CAD/SGD	1.0428	↓ -0.27
USD/MYR	3.9035	↑ 0.32	SGD/MYR	2.9591	↓ -0.24
USD/THB	31.505	↑ 0.37	SGD/IDR	10321.42	↓ -0.13
USD/IDR	13615	↑ 0.41	SGD/PHP	39.6444	↓ -0.83
USD/PHP	52.27	↓ -0.34	SGD/CNY	4.8119	↓ -0.27

#### Implied USD/SGD Estimates @ 21 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2979	1.3243	1.3507

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### G7: Events & Market Closure

Date	Ctry	Event
19 Feb	US	Market Closure

### AXJ: Events & Market Closure

Date	Ctry	Event
19 Feb	CN, HK, TW	Market Closure
20 Feb	CN, TW	Market Closure
21 Feb	CN	Market Closure

## G7 Currencies

- **DXY - Rebound to Extend This Week.** USD rebound extended overnight, owing to higher UST yields amid large supply of T-bills overnight which were met with softer demand (bid-to-cover ratio for 4-w notes fell to lowest level of 2.48 since 2008). Our caution for the risk of rising UST yield on the back of increase in debt issuance materialised. 2Y yield rose to 2.255%, highest level in nearly 10 years. Today's auction brings another \$35bn in 5Y debt and tomorrow brings \$29bn in 7Y notes ahead of FoMC meeting minutes (early tomorrow morning at 3am SG/KL time) and Fed's release of semi-annual monetary policy report to Congress (Sat midnight SG/KL time). **We expect markets to further trim their USD shorts ahead of key event risks and this should continue to be supportive of USD strength this week.** We remain cautious of the spill-over effect from bond sell-off onto equity markets. Though yesterday's weaker close on US equities was attributed to weaker than expected earnings from Walmart, we think a persistent and rapid rise in UST yields above 3.05% could weigh further on sentiment. On Fed's report to Congress later this week, we noted that this is published ahead of incoming Fed Chair Powell's first testimony to House Financial Services Committee on 28 Feb and to the Senate Banking Committee on 1 Mar. He is expected to reiterate his recent comments - Fed to go ahead with gradual rate hikes after share rout... Fed is in the process of normalising both interest rate policy and balance sheet and will remain alert to any developing risks to financial stability. We believe USD could stay relatively supported on dips this week into the release of the report on Fri/Sat. We do not rule out the possibility that Fed could revise its dots projection slightly upwards for 2019 and for its terminal rate. The lead up to next FoMC meeting in Mar could continue to see bouts of USD strength. DXY was last seen at 89.70 levels. Daily momentum and stochastics indicators are showing tentative signs of turning mild bullish. Resistance at 90.70 (38.2% fibo retracement of Dec high to Jan-Feb double bottom low), 91.40 (50% fibo). Support seen at 88.40 (double-bottom low). Week ahead brings Prelim PMIs (Feb); Existing home sales (Jan); Fed's Harker to speak on Wed; FoMC minutes (3am SG/KL time on 22 Feb); Fed's Dudley, Quarles, Bostic, Kaplan to speak on Thu; Fed's Dudley, Rosengren and Williams to speak; Fed releases monetary policy report to Congress on Fri.
- **EURUSD - Reiterate Bias for Tactical Short.** EUR remains soft amid disappointing ZEW sentiment data. Pair was last seen at 1.2340 levels. We reiterate the triple-top pattern formed around 1.2540-levels and daily momentum show signs of turning bearish. Next support at 1.2330 (23.6% fibo). Break below this targets next level at 1.2210 (38.2% fibo retracement of Dec double-bottom low to Jan-Feb double top). Interim resistance at 1.24 before bigger area of resistance at 1.2540 - 1.2560. **Bias for tactical short targeting the first level at 1.2330 before 1.2210.** Week ahead brings prelim PMIs (Feb) on Wed; ECB Minutes on Thu; CPI (Jan); ECB's Coeure and Fed's Mester to speak in panel on Fri. The next 1 - 3 weeks should start to see more volatility for EUR, with focus on German SPD coalition vote, Italian General Elections (4 Mar) and ECB meeting on 8 Mar. Voting for coalition deal (for 440,000 SPD members) starts this week and final results will be made known on 4th Mar. On

German politics, leading SPD Mayors appear to back coalition deal with Merkel according to polls. A German coalition government appears to be priced in. We caution that no-deal surprise could trigger EUR-long unwinding as fear of re-election may resurface. On Italy politics, General Election is scheduled on 4th Mar. Polls are currently suggesting a hung parliament outcome. EUR could drift lower if the balance is tilted towards Berlusconi's centre-right coalition or Five Star Movement party.

- **GBPUSD - *Testimony to Parliament & Labor Report.*** GBP firmed despite broad USD rebound seen elsewhere. Rise in GBP was due to news that EU parliament is said to be preparing a detailed resolution calling for more flexibility in future relationship talks with Britain that would allow for privileged single-market access. A more constructive approach towards negotiating a brexit deal with UK helps support our bias for smooth and orderly exit. Such a scenario if confirmed will further support GBP strength amid BoE's explicit willingness to tighten monetary policy earlier than expected (And Carney said that this is conditional on orderly Brexit). That said the process remains tricky and fluid and could amplify GBP's downside risk amid the current environment of USD rebound (on rising yields, sentiment and the lead up to semi-annual testimony and FoMC meeting). We maintain our optimistic view on GBP outlook and look for opportunities on dips to buy into. Pair was last seen at 1.3990 levels. Bearish momentum on daily chart remains intact. We do not rule out interim downside risks. Support at 1.3810 (61.8% fibo retracement of EU referendum high to Oct-2016 low). Resistance at 1.4150, 1.4270 (76.4% fibo). Week ahead Labour Report (Dec); Public Finances (Jan); BoE's Carney, Broadbent, Haldane, Tenreiro speak on Wed; GDP (4Q); CBI Reported Sales (Feb); Brexit Away Day on Thu; BoE's Ramsden speaks on Fri.
- **USDJPY - *Supported.*** USDJPY rebounded back above the 107-levels amid higher UST yields and USD. Risks eyed ahead are further UST auctions, FOMC minutes tonight and Fed's release of semi-annual monetary policy report to Congress this Fri could keep the USD supported as short-USD positions are pared further and weigh on the JPY. Last seen around 107.43. Bearish momentum on daily chart has dissipated while stochastics shows signs of rising from oversold conditions. Weekly momentum and stochastics though remains bearish bias. Immediate resistance is at 107.50 (38.2% fibo retracement of Feb high to low) ahead of 108-handle (50% fibo). Support at 106.70 (23.6% fibo). Remaining week has BoJ Funo speaks; PMI MFG (prelim Feb) today; CPI, PPI (Jan) on Fri.
- **NZDUSD - *Near Term Pullback.*** NZD remains on the back foot amid softer than expected dairy prices at the GDT auction overnight and broad USD rebound. Move lower remains in line with our call for short term pullback towards 0.7320-30 levels. Overnight low was 0.7236. Pair was last seen at 0.350 levels. Weekly stochastics indicates that pair is near overbought conditions and could be at risk of short term pullback. Support at 0.7320 (21 DMA), 0.7290 (23.6% fibo retracement of Dec low to Jan top) and 0.72 levels (38.2% fibo). Resistance at 0.7440 (double-top). Week remaining brings Retail Sales (4Q) on Fri.

- **AUDUSD - Bulls Are Dampened.** AUDUSD was pressed lower throughout Asia yesterday, weighed by the rise in the greenback. This pair is last seen at 0.7880 before making a small bounce higher towards the 0.79-figure when the wage price index for 4Q surprised to the upside. The number came in a tad firmer at 0.55%q/q vs. the previous 0.48%, also beating consensus at 0.5%. The latest print reinforces our view that wages are bottoming as hiring momentum remain strong. The next release is scheduled on 16<sup>th</sup> of May, after the RBA meeting scheduled for that month. The central bank had reiterated that wage growth has been surprisingly slow given the strong labour conditions. From the minutes of the Feb meeting released yesterday, they expect that “the increase in inflation was likely to occur only gradually as the economy strengthened”. In Lowe’s recent speech, he also talked about a central scenario for further reduction in the jobless rate and an increase in inflation towards the mid-point of the target rate. We are still committed to our view for a hike in May as we see a chance of an upside surprise in inflation once wage prices start rising. On the daily charts, this pair seems to be capped by a dominant USD strength. AUD bulls were also dampened by the recent article IV report by the IMF which urged RBA to maintain its accommodative monetary policy until stronger domestic demand growth and inflation are evident. Bulls are only temporarily reined back and we look for this pair to head higher. Resistance is seen at 0.7990 (23.6% Fibonacci retracement of the Dec-Jan rally). Support at 0.7895 before 0.7820 (50% fib).
  
- **USDCAD - Turning Higher.** USDCAD crept to levels around 1.2650, buoyed by the rising USD. Support is seen at 1.2570 (55-DMA). With that move, this pair has arrived at the upper-bound of the area of resistance marked by the bearish ichimoku cloud 1.2560-1.2630. The kijun-sen at 1.2470 still acts as a support. Wholesale trade sales slipped -0.5%*m/m* from the previous 0.3% (which was also revised lower from 0.7%). Week remaining has retail sales for Dec on Thu and Jan CPI on Fri.

## Asia ex Japan Currencies

- **SGD trades around 0.37% above the implied mid-point of 1.3243 with the top estimated at 1.2979 and the floor at 1.3507.**
- **USDSGD - *Slow Grind Higher*.** USDSGD's gains stalled after rising for the past three sessions. Still there could be room for upside moves given key risks events ahead including further UST auctions, FOMC minutes tonight and Fed's release of semi-annual monetary policy report to Congress this Fri evening. Expectations of higher yields ahead of UST auctions yesterday sent 3-month SOR climbing 12.1% to 1.21% yesterday. With UST yields poised to climb higher, further upticks in the 3-month SOR can be expected ahead. Pair was last seen at 1.3198 levels. Daily momentum and stochastics are not indicating any clear bias. Weekly chart is also showing no strong bias in either direction and stochastics shows tentative signs of climbing higher from oversold conditions. Move higher could be a slow grind. Next resistance at 1.3230 (61.8% fibo retracement of Feb high to low), 1.3270 (76.4% fibo, 50DMA). Support at 1.3170 (38.2% fibo, 21DMA), 1.3125 (23.6% fibo). Remaining week has CPI (Jan) on Fri.
- **AUDSGD - *In A Bullish Cloud*.** AUDSGD hovered around 1.0400, trapped in a bullish cloud. Momentum indicators have turned higher and this cross could be guided by the bullish cloud which indicates more scope for upside. Intra-day, 1.0389 marks a rather strong support level (50% fibo retracement of Dec low to Jan high). If that fails, the next support is not far away at 1.0370. Resistance at 1.0450 (100 DMA < 38.2% fibo), 1.0520 (21, 200 DMAs, 23.6% fibo).
- **SGDMYR - *Lean against Strength*.** SGDMYR was little changed; last seen at 2.9640 levels. Bearish momentum on weekly chart remains intact. Trend is your friend; bias to stay short. Support at 2.95, 2.9270 levels (76.4% fibo). Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high), 2.9970 levels (50 DMA).
- **USDMYR - *Bearish Bias*.** USDMYR inched higher amid broad USD rebound. Pair was last seen at 3.9060 levels. Mild bullish momentum on daily chart remains intact while stochastics is falling from overbought conditions. Resistance at 3.92, 3.9510 levels (38.2% fibo retracement of Jan high to low). Support seen at 3.88, 3.8660 (previous low). Cautious of short term upside risk amid USD rebound but bias remains to lean against strength. We **reiterate our bias for MYR strength** to continue in early part (next few months) of 2018 amid expectations for announcement for Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, 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 - *Head & Shoulders Pattern?*** 1m USDKRW was last seen at 1073 levels. Mild bearish momentum on daily chart remains

intact but shows tentative signs of waning while stochastics is showing tentative signs of turning from near-oversold conditions. Price action shows a potential head and shoulders pattern in the making, with head at 1097, shoulders at 1076 and neckline at 1060 levels. It remains too early to confirm. But we watch resistance at 1076 (50% fibo retracement of 2018 low to high), 1081. Failure to break above second shoulder top could see consolidative moves lower towards 1065, 1060 support levels. We stay side-lined and will re-assess price action to establish trade bias. 1<sup>st</sup> 20days export data released this morning disappointed to the downside but this could be due to Lunar New Year (shorter working days) and base effects distortions.

- **USDCNH - Rallying with the USD.** USDCNH bounced above the 6.34-figure on the back of the strong USD as market players position themselves ahead of the risk events ahead including the FOMC minutes tonight, ECB minutes as well as the publication of the semi-annual testimony to the Congress to be delivered by Jerome Powell. The US treasury bill auction saw some of the US government's short term borrowing costs rose, fanning the short-term rates higher, and the USD as well. Onshore markets in mainland China are still out, back tomorrow. USDCNH trades at a wide discount of 400pips with the USDCNY at last sight. *As of yesterday (14 Feb), PBoC fixed the USDCNY reference rate at 6.3428, 181 pips higher than the previous 6.3247. CNYMYR was fixed 20 pips lower at 0.6205 vs. previous at 0.6224.* We continue to look for more steps to relax capital controls could mean bouts of weakness in the CNY against the USD as mainland market players, investors, merchants rush to meet their pent-up demand. That could mean more volatility in the CNY and CNH against the USD but in the medium term, we see little risk of rising depreciation expectations of the yuan against the USD.
- **1M USDINR NDF - Rising.** 1M NDF spiked past the 65-figure, last seen at 65.17. This pair has been buoyed by news of Punjab National Bank hurt by a loan fraud. The Finance Minister Arun Jaitley attributed it to the failure of the auditors and the management of the PNB to detect the US\$1.77bn fraud. RBI is urged to put in place a new system to "detect irregularities". This incident dampens the appetite for India's stocks and bonds. Foreign investors dumped US\$70.2 of equities last week and that has added to a sum of US\$841.6mn of stocks sold since the start of the Feb (as of 16<sup>th</sup>). An outflow of US\$305.3mn of bonds was also recorded last week. 10y yields spiked to 7.673% from 7.5790%, a 94bp jump. Investors have been concerned about the rising current account deficit and slipping real rates that have unwound carry trade. Bonds were also hit by a deficit of liquidity in the banking system. Price action may remain bias to the upside with resistance at 65.50 (76.4% fibo retracement of the Sep-Jan fall). Support at 64.78, 64.40. In other news, RBI is also said to tighten approvals for firms to borrow offshore.
- **1m USDIDR NDF - Paring Gains.** 1m USDIDR NDF is trading mildly bid this morning amid higher UST yields and USD. Still, the gains appears to be stifled by the announcement that local government bonds will be included in the Bloomberg Barclays fixed income indices effective Jun. Their inclusion should see an re-allocation of investment assets towards Indonesian government debt, which in turn could see long IDR positions against the USD increase. Not surprisingly, spot USDIDR

gapped lower at the opening to 13578 this morning from yesterday's close of 13615. That said, appetite for local securities were mixed. Foreign investors sold USD14.7mn of equities yesterday but purchased USD299.6mn in debt on 15 Feb (latest data available). With USD likely to remain supported ahead further UST auctions, FOMC minutes tonight and publication of Powell's testimony to Congress on Fri evening, our bearish target of 13500 and 13380 may have to wait for a tad longer. Last seen around 13593-levels. 1m NDF has lost most of its bullish bias on the daily chart and stochastics continue to fall. Resistance is seen at 13660. JISDOR was fixed at 13573 yesterday, 329 pips higher than the fixing on Mon. Week ahead has no data due.

- **1m USDPHP NDF - *Correcting; Buy On Dips*.** 1m USDPHP NDF is paring gains for the second straight session after climbing to a multi-year high of 52.70 on 19 Feb despite higher UST yields and USD. Speculation of a tightening bias following BSP Governor Espenilla comments that the central bank would hike the policy rate if inflation pressure persists appears to be effecting a correction in the USDPHP. Still some upside pressure from foreign selling of equities like they did yesterday of USD8.1mn could limit downside to the 1m NDF. Last seen around 52.29 levels. Daily chart shows no strong bias, which stochastics shows tentative signs of turning lower from overbought conditions. Bullish bias on the weekly chart remains intact though. Thus uptrend remains intact though we are wary of further corrections in the near term. Dips could be opportunities to buy into. Resistance is at 52.70. Support at 52.00 (23.6% fibo retracement of the Jan low to Feb high).
- **USDTHB - *Stuck-In-Range*.** USDTHB remains on the uptick, buoyed by higher UST yields and USD. Also helping to support the pair was jawboning by the Deputy PM Somkid yesterday who suggested that the BoT is making efforts to take care of the THB. The strength of the THB can be attributed to the continued strong inflows into Thai debt. Yesterday, foreign investors purchased USD166.7mn in debt vs. their sell-off of USD63.6mn. Continuing net foreign inflows should continue to support the THB and could cap upside in the pair. Last seen at 31.530 levels. Daily chart shows very mild bullish bias and stochastics climbing higher. Momentum indicators and stochastics on the weekly chart though shows no clear bias. Resistance is seen at 31.570 (50% fibo retracement of the Feb high to low), 31.665 (61.8% fibo). Support at 31.480 (38.2% fibo, 21DMA), 31.370 (23.6% fibo). This pair could trade higher but expect much of its moves to be within 31.370-31.660 for now. A break higher could open the way towards the 32-figure.

## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.36	3.37	+1
5YR MI3/22	3.57	3.59	+2
7YR ML9/24	3.97	3.99	+2
10YR MO11/27	4.01	4.03	+2
15YR MX4/33	4.45	4.47	+2
20YR MX4/37	4.62	4.64	+2
30YR MZ3/46	4.86	4.87	+1
IRS			
6-months	3.70	3.70	-
9-months	3.73	3.73	-
1-year	3.76	3.77	+1
3-year	3.83	3.83	-
5-year	3.92	3.93	+1
7-year	4.03	4.05	+2
10-year	4.15	4.17	+2

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Source: Maybank KE

\*Indicative levels

- Domestic government bonds softened with MGS yields 1-2bps higher across the curve. The movement in 10y UST yield during London hours drove local players to reduce risk on bonds amid the thin liquidity. Islamic GII, however, were mixed in yields and saw decent trading volumes.
- MYR IRS curve rose 1-2bps higher, with continued receiving interest on the 5y rate, quoted in the range of 3.89/94%. The 4y IRS was taken at 3.87% and the 5y at 3.925%. IRS may continue to inch higher in the week. 3M KLIBOR stable at 3.69%.
- In corporate bonds, AA space was active with credits at the front end and belly trading wider, while the long end traded flat to 1bp tighter. AAA space was quiet; buyers were noted in Tenaga bonds but there were a lack of offers. That said, older Tenaga 2021s were dealt 2bps tighter. GG space was also muted though some selling interest was seen at the ultra-long end.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.56	1.61	+5
5YR	1.96	2.04	+8
10YR	2.30	2.38	+8
15YR	2.62	2.69	+7
20YR	2.69	2.76	+7
30YR	2.79	2.86	+7

Source: Maybank KE

- Triple whammy for SGS as supply concerns, tighter liquidity and higher UST yields drove rates higher. SGS saw selling mainly at the long end after the announcement of a SGD1.7b reopening size for the 30y benchmark, bear steepening the curve. Yields rose 2-6bps, and SGD IRS was up 4-7bps as higher USDSDG spot and forwards added to the paying bias. Short end SGS worsened in the afternoon when MAS bill auction cut off sharply higher at 1.45% vs 1.25% previously, and the rest were sold off further when UST weakened. SGS yields and SGD IRS ended 5-8bps higher.
- CDS tightening 1-2bps lent support to Asian credits. Some short covering and buying in China IGs such as AMC, tech and financials which traded 2-5bps tighter despite higher UST yields during Asia close. Malaysian corporate credits also saw better buying in Petronas papers at the belly with the curve tightening 2bps. HY space was muted as investors focused on higher-rated credits as quality IGs look attractive to real money investors. Quiet day for new issues as rates remain volatile.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.36	5.35	(0.51)
5YR	5.75	5.74	(0.69)
10YR	6.41	6.41	(0.31)
15YR	6.90	6.90	(0.39)
20YR	7.20	7.20	(0.22)
30YR	7.20	7.16	(3.75)

\* Source: Maybank Indonesia

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- Indonesia bond market closed slightly positive after several days of correction. IGB yields move mixed during the day with several IGB series yield closed higher while the rest declining. Lack of catalyst, UST 10y yield edged up to 2.9% level and upcoming Fed minutes release may have contributed to such mixed IGB yield movement during the day. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.745%, 6.409%, 6.899% and 7.1999% while 2y yield moved lower to 5.351%. During the day, FR0059 (9y) yield decline the most by 4bps while FR0036 (2y) yield increase the most by 4bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 30bps). Trading volume at secondary market was noted heavy at government segments amounting Rp16,653b with FR0072 (18y) as the most tradable bond. FR0072 total trading volume amounting Rp2,203b with 122x transaction frequency.
- Indonesian government conducted their bi-weekly sukuk auctions yesterday and received moderate incoming bids worth of Rp13.34t versus its target issuance of Rp8.00t or oversubscribed by 1.67x. However, DMO only awarded Rp8.48t bids for its 5mo, 2y, 4y, 8y and 20y sukuk. Incoming bids were clustered at the 5mo and 2y sukuk. 5mo SPN-S was sold at a weighted average yield (WAY) of 4.23021%, 2y PBS016 was sold at 5.76688%, 4y PBS002 was sold at 6.06611%, 8y PBS017 was sold at 6.56426% while 20y PBS004 was sold at 7.62099%. PBS012 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.00X - 2.32X. Till the date of this report, Indonesian government has raised approx. Rp129.73t worth of debt through bond auction which represents 66.7% of the 1Q18 target of Rp194.5t.
- Foreign ownership stood at Rp854.5t or 40.3% of total tradable government bond as of Feb 19<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp12.6t from begin month Feb 18.
- Corporate bond traded heavy amounting Rp1,023b. BEXI03BCN6 (Shelf registration III Indonesia Eximbank Phase VI Year 2018; B serial bond; Rating: <sub>id</sub>AAA) was the top actively traded corporate bond with total trading volume amounted Rp300b yielding 6.997%.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2448	107.91	0.7957	1.4077	6.3732	0.7392	132.7367	85.1497
R1	1.2393	107.62	0.7920	1.4037	6.3569	0.7370	132.5733	84.8823
<b>Current</b>	1.2335	107.41	0.7883	1.4001	6.3415	0.7345	132.4800	84.6630
S1	1.2301	106.80	0.7860	1.3944	6.3092	0.7331	132.1833	84.2793
S2	1.2264	106.27	0.7837	1.3891	6.2778	0.7314	131.9567	83.9437

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3244	n/a	13664	52.4507	31.6363	1.6327	0.6173	2.9699
R1	1.3215	n/a	13640	52.3603	31.5707	1.6300	0.6164	2.9645
<b>Current</b>	1.3195	3.9085	13616	52.2800	31.5300	1.6275	0.6157	2.9628
S1	1.3144	n/a	13575	52.1813	31.3987	1.6253	0.6140	2.9550
S2	1.3102	n/a	13534	52.0927	31.2923	1.6233	0.6124	2.9509

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

## Equity Indices and Key Commodities

	Value	% Change
<b>Dow</b>	24,964.75	-1.01
<b>Nasdaq</b>	7,234.31	-0.07
<b>Nikkei 225</b>	21,925.10	-1.01
<b>FTSE</b>	7,246.77	-0.01
<b>Australia ASX 200</b>	5,940.85	-0.01
<b>Singapore Straits Times</b>	3,476.53	-0.33
<b>Kuala Lumpur Composite</b>	1,855.99	-0.07
<b>Jakarta Composite</b>	6,662.88	-0.39
<b>Philippines Composite</b>	8,722.70	0.14
<b>Taiwan TAIEX</b>	10,421.09	NA
<b>Korea KOSPI</b>	2,415.12	-1.13
<b>Shanghai Comp Index</b>	0.00	NA
<b>Hong Kong Hang Seng</b>	30,873.63	-0.78
<b>India Sensex</b>	33,703.59	-0.21
<b>Nymex Crude Oil WTI</b>	61.90	0.36
<b>Comex Gold</b>	1,331.20	-1.84
<b>Reuters CRB Index</b>	193.67	0.05
<b>MBB KL</b>	10.14	0.00

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.1329	Apr-18	Neutral
BNM O/N Policy Rate	3.25	7/3/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	22/3/2018	Neutral
BOT 1-Day Repo	1.50	28/3/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	22/3/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Easing Bias
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
BOE Official Bank Rate	0.50	22/3/2018	Neutral
RBA Cash Rate Target	1.50	6/3/2018	Neutral
RBNZ Official Cash Rate	1.75	22/3/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	Tightening

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	10	3.261	3.261	3.261
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	70	3.123	3.182	3.123
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	38	3.131	3.131	3.131
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	28	3.317	3.321	3.316
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	31	3.391	3.391	3.367
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	50	3.462	3.462	3.462
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	16	3.37	3.377	3.37
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	266	3.614	3.617	3.587
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	100	3.587	3.587	3.574
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	40	3.771	3.771	3.771
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	50	3.853	3.853	3.853
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	48	3.94	3.966	3.94
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	159	3.989	3.998	3.966
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	143	4.009	4.032	3.97
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	28	4.093	4.093	4.093
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	1	4.166	4.166	4.166
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	192	4.03	4.03	4.011
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	11	4.493	4.498	4.493
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	6	4.473	4.485	4.442
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	5	4.583	4.583	4.583
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	30	4.639	4.639	4.639
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.816	4.816	4.816
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	40	4.867	4.867	4.867
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	127	3.597	3.615	3.591
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	97	3.886	3.889	3.884
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	150	4.164	4.164	3.983
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	106	4.114	4.114	4.11
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	20	4.225	4.227	4.225
<b>Total</b>			<b>1,862</b>			

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PTPTN IMTN 12.03.2032	GG	4.860%	12-Mar-32	4	4.844	4.845	4.844
PRASARANA SUKUK MURABAHAH 5.01% 14.09.2037 - S4	GG	5.010%	14-Sep-37	30	5.029	5.031	5.029
AMAN IMTN 4.300% 30.05.2019 - Tranche No 32	AAA IS	4.300%	30-May-19	20	4.043	4.051	4.043
TENAGA IBONDS 0.00000% 13.12.2021	AAA IS	7.100%	13-Dec-21	10	4.241	4.241	4.236
TNB WE 5.100% 30.01.2025 - Tranche 2	AAA IS	5.100%	30-Jan-25	10	4.558	4.566	4.558
MBSB (SCSM) IMTN 4.600% 29.05.2019	AA1	4.600%	29-May-19	10	4.464	4.488	4.464
CTX IMTN 5.20% 27.08.2027 - Series 11	AA+ IS	5.200%	27-Aug-27	20	5.033	5.037	5.033
SEB IMTN 5.320% 03.12.2032	AA1	5.320%	3-Dec-32	5	5.25	5.25	5.25
BUMITAMA IMTN 5.25% 18.03.2019	AA3	5.250%	18-Mar-19	30	4.463	4.482	4.463
AMMB HOLDINGS BHD MTN 2556D 8.8.2019(SENIOR NOTES)	AA3	4.500%	8-Aug-19	20	4.62	4.635	4.62
TBEI IMTN 5.080% 16.03.2021	AA3	5.080%	16-Mar-21	10	4.458	4.465	4.458
MALAKOFF POW IMTN 5.250% 17.12.2021	AA- IS	5.250%	17-Dec-21	10	4.55	4.552	4.55
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	1	4.699	4.702	4.699
KESTURI IMTN 4.25% 02.12.2022 - IMTN 4	AA- IS	4.250%	2-Dec-22	20	4.631	4.643	4.631
TBEI IMTN 6.000% 15.03.2030	AA3	6.000%	15-Mar-30	10	4.979	4.981	4.979
JEP IMTN 6.200% 04.12.2031 - Tranche 22	AA- IS	6.200%	4-Dec-31	15	5.089	5.1	5.089
MEX II IMTN 6.200% 29.04.2032 - Issue No. 12	AA- IS	6.200%	29-Apr-32	10	5.408	5.41	5.408
MEX II IMTN 6.300% 29.04.2033 - Issue No. 13	AA- IS	6.300%	29-Apr-33	10	5.459	5.46	5.459
S POWER IMTN 0% 18.05.2018	A1	20.420%	18-May-18	5	4.185	4.204	4.185
RHBBANK HYBRID TIER 1 8.00% 31.03.2039	A1	8.000%	31-Mar-39	5	4.579	4.579	4.579

<b>Total</b>				<b>255</b>			
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Sources: BPAM

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