

Global Markets Daily

USD Correction Overdue?

Watch Out for ECB Meeting Tomorrow

USD remains on the back foot, against most currencies including EUR and Asian FX. Higher UST yields do not seem to provide any support to USD while firmer US equities on positive start to earnings reporting also do not seem to support USD. We believe broader macro trends are at play. For EUR, the currency inched higher overnight on better than expected ZEW survey expectation and consumer confidence amid broad USD downtrend. But in the near term, we continue to caution for the risk of near term pullback into ECB meeting tomorrow, amid other political events - German coalition talks (pending SPD members final vote) and Italy elections on 4 Mar (watch opinion poll results that could swing sentiment). ECB Governing Council meeting (25 Jan, 845pm SG/KL time) will be of interest, in particular the focus is on ECB President Draghi's press conference (930pm SG/ KL time) - if Draghi may take the opportunity to clarify the policy direction and monetary stance. We do not rule out the likelihood of ECB indirectly "talking down" the currency as Euro-area financial conditions are likely to have tightened. It is likely that he emphasize on patience with accommodative policies until inflation returns to its target.

Temporary Support for USDKRW

South Korea Finance Ministry has advised policy banks and SOEs to refrain from selling international bonds as much as possible. According to Bloomberg report yesterday (which quoted a finance ministry official), the move was to minimize any unnecessary impact on the currency market. Sale of foreign currency bonds could put pressure on local currency amid conversion to KRW. This should ease off appreciation pressures on KRW temporarily. On US recent protectionist move with regards to solar panels and washing machines (import tariffs), this could also pose some downside pressure on KRW as export momentum could moderate. Pair was last seen at 1071 levels. Daily momentum and stochastics indicators are mild bullish bias. Resistance at 1072, 1078. Support remains at 1060. .

US, EU PMIs; MY CPI; UK Labour Report Today; NZ CPI Tomorrow

Relatively quiet day with only preliminary PMIs from US, JP, EU; JP trade; UK labor report; MY CPI due for release today. NZ CPI will

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G7: Events & Market Closure

Date	Ctry	Event
22 Jan	NZ	Public Holiday
23 Jan	JN	BOJ Meeting
25 Jan	EU	ECB Meeting
26 Jan	AU	Public Holiday

AXJ: Events & Market Closure

Date	Ctry	Event
25 Jan	MY	BNM Meeting
26 Jan	IN	Public Holiday

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2299	↑ 0.30	USD/SGD	1.3174	↓ -0.12
GBP/USD	1.4	↑ 0.09	EUR/SGD	1.6201	↑ 0.17
AUD/USD	0.8	↓ -0.21	JPY/SGD	1.1943	↑ 0.45
NZD/USD	0.7355	↑ 0.37	GBP/SGD	1.8442	↓ -0.04
USD/JPY	110.31	↓ -0.55	AUD/SGD	1.0539	↓ -0.33
EUR/JPY	135.66	↓ -0.26	NZD/SGD	0.9687	↑ 0.23
USD/CHF	0.9577	↓ -0.43	CHF/SGD	1.3756	↑ 0.31
USD/CAD	1.2419	↓ -0.20	CAD/SGD	1.0606	↑ 0.06
USD/MYR	3.927	↓ -0.17	SGD/MYR	2.9774	↓ -0.05
USD/THB	31.809	↓ -0.10	SGD/IDR	10097.73	↓ -0.13
USD/IDR	13331	↓ -0.14	SGD/PHP	38.7382	↑ 0.54
USD/PHP	51.122	↑ 0.50	SGD/CNY	4.8583	↑ 0.05

Implied USD/SGD Estimates @ 24 Jan-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2997	1.3257	1.3521

G7 Currencies

■ **DXY - Services PMI on Tap Tonight.** USD remains on the back foot, against most currencies including EUR and Asian FX. Higher UST yields do not seem to provide any support to USD while firmer US equities on positive start to earnings reporting also do not seem to support USD. We believe broader macro trends are at play. We highlighted USD as a countercyclical play - USD tends to underperform when global economic growth is well. Though US tax reforms/infrastructure spending could be implemented soon, budget deficit as % is also expected to rise. CBO forecasted the deficit to rise to -5.2% of GDP (vs. -3.4% currently). If history is of any guide, the period of 2001-04 and 2007-2009 which saw an increase in budget deficit coincided with decline in the USD while period of 2010-2015 which saw a reduction in budget deficit saw strength in the USD. And looking back at history of US expansionary/contractionary fiscal policies, it appears that expansionary fiscal policies typically support the case for USD weakness while contractionary fiscal policies tend to support the case for USD strength. The current episode is one of expansionary fiscal policies where tax cuts and ramp up in infrastructure spending are underway - this could well add to the list of factors reinforcing the USD downtrend. We also highlighted that 78-month USD rally cycle (as seen in 1978 and 1995 episodes) appear to suggest that the USD rally which begun in 2011 may be running out of steam and broad downtrend over the next 80 - 100 months may already have started. Central banks' reserve diversification is also underway and USD holdings has declined from 66% in 2015 to 63.5% in 3Q 2017 according to IMF COFER data. Ongoing reserve diversification away from the USD will add to USD downside pressure. DXY was last seen at 90 levels. Underlying momentum remains bearish momentum as indicated on weekly and daily charts though stochastics is in oversold conditions (do not rule out rebound risks). Support at 89.30 levels. Resistance at 91.80 levels (21 DMA). Week ahead brings Existing Home Sales (Dec); Prelim Mfg, Services PMI (Jan); Fed's Evans speaks on Wed; New Home Sales, Retail, Wholesale Inventories (Dec) on Thu; Durable Goods (Dec); GDP (4Q); Kansas City Fed Mfg Activity (Jan) on Fri.

■ **EURUSD - Prelim PMI Numbers on Tap Today.** EUR firmed on better than expected ZEW survey expectation and consumer confidence amid broad USD downtrend. Last seen at 1.2310 levels. Bullish momentum on monthly, weekly chart remains intact. Next resistance at 1.2320 (previous high), 1.2598 (61.8% fibo retracement of 2014 high to 2016 low). But in the near term, we continue to caution for the risk of near term pullback into ECB meeting Thu, amid other political events - German coalition talks (pending SPD members final vote) and Italy elections on 4 Mar (watch opinion poll results that could swing sentiment). ECB Governing Council meeting this Thu (25 Jan, 845pm SG/KL time) will be of interest, in particular the focus is on ECB President Draghi's press conference (930pm SG/KL time). Recall that recent EUR gains have seen a string of comments from ECB officials attempting to dampen its gains. ECB Nowotny said that Euro's recent strength against the USD "is not helpful"; Vice-President Constancio said he did not rule out that monetary policy would still continue to be "very accommodative for a long time" while Villeroy's earlier commented that recent euro

appreciation is a source of uncertainty and requires monitoring as it could damp inflation. We think ECB's Draghi may take the opportunity to clarify the policy direction and monetary stance. We do not rule out the likelihood of ECB indirectly "talking down" the currency as Euro-area financial conditions are likely to have tightened. It is likely that he emphasize on patience with accommodative policies until inflation returns to its target. And the lead up into ECB meeting could see EUR gains moderate amid lightening of positions. Key support at 1.2170 levels (50% fibo retracement of 2014 high to 2016 low), 1.2125 (all-time average), 1.2090 (previous double top resistance not-turned support). That said we believe these are short term hurdles to slow the pace of EUR appreciation, if any. Bias remains to buy on dips. We maintain a positive outlook (upward trending) on growing demand for EUR as a share of world FX reserves, sustained signs of economic recovery broadening in Europe, supported by private consumption, business sentiment, construction investment, sizeable current account surplus (3% of GDP) and export recovery, political risks gradually abating in Europe (though caution is still warranted pertaining to German coalition talks and Italy General Elections in Mar) and ECB policy normalisation (which could play catch up with the Fed). USD side of the equation also matters here given that broad USD downtrend may amplify EUR's gains. Week remaining brings Mfg, Services Prelim PMI (Jan) on Wed; ECB Meeting on Thu.

- **GBPUSD - Labour Report Today.** GBP remains supported above 1.40-handle this morning amid broad USD weakness. On data releases, public sector net borrowing fell more than expected while Dec VAT receipts rose to the highest level. Latest data lent some support to public finances. GBP was last seen at 1.4005 levels. Bullish momentum on daily chart remains intact though stochastics is in overbought conditions. Next resistance at 1.4080 (bullish trend channel upper bound) before 1.4270 (76.4% fibo retracement of EU referendum high to Oct-2016 low). Support at 1.38 (61.8% fibo). Week remaining brings Employment Change, Unemployment rate, weekly earnings (Nov) on Wed; CBI Reported Sales (Jan) on Thu; GDP (4Q) on Fri. Recent price action suggests that markets may be buying into a GBP recovery amid positive development on Brexit. Recent *Brexit* development such as Spain and Netherlands' preference for soft Brexit, influential lawmakers in EU parliament reportedly considering watering down legislative proposals relating to clearing houses (dissipate fears of negative impact on London's financial centre), are interpreted as positive for sentiment and UK's journey out of EU. We are bullish on GBP outlook but believe that sustainable rally in GBP would also require improving fundamentals. CBI reported sales for Jan and 4Q GDP data this week should provide some indication.
- **USDJPY - Bearish Bias Intact; 110-Support Level At Risk.** USDJPY lost most of its yesterday's gains following BOJ governor Kuroda's press conference where he reiterated the bank's ultra-loose monetary policy as focus centred on Trump's protectionism, which triggered a sell-off in the USD. The pair traded to new 2018 lows at 110.07 this morning as USD selling extended into the new Asian trading session. Even the smaller-than-expected trade surplus of JPY359bn vs. consensus' JPY535bn failed to completely mitigate downside pressure to the pair. It did not help that Nikkei futures are

pointing lower this morning, suggesting further downside pressure are likely intraday. Last seen at 110.17-levels. Bearish momentum on the daily chart is reaccelerating, while stochastics remains in oversold conditions. Momentum indicators and stochastics on the weekly chart remain bearish bias. This suggests that risks remain tilted to the downside. Support nearby is around the 110-handle. A clean break here on a weekly close could see a move towards the 109-handle (76.4% fibo retracement of the Sep-Nov upswing). Rebounds should meet resistance around 110.70, 111-handle (50% fibo). CPI (Dec), BOJ minutes of policy meeting are on tap this Fri.

- **NZDUSD - Inflation Data Tomorrow.** NZD inched higher amid broad USD weakness. Pair was last seen at 0.7360 levels. Bullish momentum on daily chart remains intact though showing signs of waning while stochastics is in overbought conditions. We continue to stick to our tactical call (on the back of mfg PMI and services index moderating) - *Short at 0.7330 (SL above 0.7390) targeting a move towards first support at 0.7260 (61.8% fibo retracement of Jul high to Nov low), if broken should test lower towards 0.7170 (50% fibo).* Inflation data tomorrow (545am SG/KL time) is a key risk factor - higher than expected number could pose risk to our trade idea. Week ahead brings Government Financial Statement; CPI (4Q) on Thu.
- **AUDUSD - Choppy.** Moves remained choppy for the AUDUSD as the pair dipped to a low of 0.7957 before making a reversal above the 0.80. Last seen at 0.8003, the pair was primarily underpinned by the soft USD, also supported by the TPP agreement reached by the 11 remaining members of the pact. Insofar, the AUD has been underpinned by strong base metal prices and better data even though wage pressure is still illusive. We do not expect these factors to dissipate in the medium term though some corrections in base metal prices could pull the antipode lower. We look for opportunities to buy into deep corrections. We eye initial 0.7940-support, before the next at 0.7888 (61.8% fibo retracement of the Sep-Dec pullback). True to our words, the AUDNZD cross lapsed back into range-trades within 1.0840–1.0980, about to test the lower bound that is marked by the 200-DMA. Week ahead is rather quiet in terms of data release except for Westpac Leading Index (Dec) on Wed.
- **USDCAD - Undecided.** The USDCAD remains capped by the 21-DMA, last seen around 1.2420. Pair softened overnight on weak USD sentiments as well as a deal reached at TPP. Still, NAFTA is a concern. 9 Days are set aside for the negotiations with two full days 27, 28 Jan reserved for resolving issues among chief negotiators and preparing for a ministerial meeting on 29 Jan (BBG). Given the uncertainty on the NAFTA that could impact its export receipts as well as a lack of wage pressure that suggests a greater-than-expected capacity in the labour market, we expect BoC to be on pause till 2nd half of 2018. Watch the retail sales and CPI indicators this week. Multiple resistances ahead at 1.2500, 1.2540, 1.2588 so any upmoves might be slowed while strong support is seen at 1.2380. Pair could be trapped between these levels, looking for direction. Next support at 1.2264-level (76.4 fibo retracement from Sep low to Oct high). Canadian Chief NAFTA negotiator Steve Verheul said that Canada will not give a counter-proposal on auto

sector but will bring new ideas. They will also defend its position on supply management. Separately, FinMin Morneau said corporate tax rates remain competitive even after US reductions.

Asia ex Japan Currencies

- **SGD trades around 0.66% above the implied mid-point of 1.3257.** The top is estimated at 1.2997 and the floor at 1.3521.
- **USDSGD - *Tilting Lower but Watch For Potential Falling Wedge Setup.*** USDSGD is trading lower this morning amid the continued sell-off in the USD. In addition, rising expectations of MAS tightening in Apr is also lifting the SGD higher. Inflation data released yesterday was softer than what our economic team had expected with headline and core inflation coming in at 0.4% and 1.3% in Dec (vs. Nov: 0.6% and 1.5% respectively). Our economists though remained convinced that inflation risks are to the upside amid rising global oil prices, upcoming measures to restrict COE supply and second phase of water price hike in Jul. In addition, the possibility of GST being imposed on e-commerce sale could also lift prices. Our house view remains for the MAS to normalise exchange rate policy by shifting to a mild appreciation bias stance at the Apr MAS meeting. Continued softness in UST yields should weigh on the 3-month SOR intraday. USDSGD was last seen around 1.3167 levels. Bearish bias on the daily chart remains intact, while stochastics remains in oversold conditions. Weekly momentum indicators remain bearish bias and stochastics still in oversold conditions. We caution for a potential falling wedge pattern in the making that suggest risk of bullish reversal. Rebound may target 1.3260, 1.3310 levels. Support at 1.3150 (2015 low). Remaining week has unemployment rate (4Q), IP (Dec) on Fri.
- **AUDSGD - *Turning Lower.*** AUDSGD was last seen around 1.0535 this morning, still resisted by the 1.0580-level (50% fibo retracement of 2017 high to low, 200 DMA). This pair seems to be turning lower according to momentum indicators on the daily chart. We see increasing risks of a pullback, possibly towards 1.0490 (100 DMA), 1.0450 (38.2% fibo), 1.0370. Bias remains to buy towards 1.0370 on pullback.
- **SGDMYR - *Eyeing Key Support.*** SGDMYR continues to trade lower amid MYR strength. Cross was last seen at 2.9750 levels. Bearish momentum on weekly and daily chart remains intact though daily stochastics is in oversold conditions - suggest potential rebound risks ahead though broader term bias remains for further downside. Key support at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high). Decisive break below this could open up further downside play towards 2.95, 2.9370 (76.4% fibo). Resistance at 3.0040 (21 DMA).
- **USDMYR - *Bearish but Watch for Rebound Risks.*** USDMYR continues to stay under pressure amid renewed USD weakness and oil price gains. Pair was last seen at 3.9170 levels. Bearish momentum on daily, weekly chart remains intact while stochastics is in oversold conditions. Support at 3.9060 levels. Remain bearish bias but do not rule out near term bounces. Falling wedge pattern appears to be in the making - could suggest potential rebound risks ahead. Resistance at 3.95, 3.9840 levels. BNM meets on Thu. Market expects BNM to raise rates by 25bps. Our Economists expect the first rate hike to take place on 9-10 May MPC meeting after GE 14 concludes (our house view that GE 14 will be held within the Feb-Apr “window”). The 1-hike expectation for 2018 takes into

consideration that inflation is expected to moderate towards 2.5 - 3% in 2018 (vs. possibly 4% in 2017; Dec inflation data to be released on 18 Jan). We reiterate our positive outlook on the MYR. We still expect MYR strength continue in early part (next few months) of 2018 amid Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, hawkish tilt in BNM rhetoric, widening current account surplus against supporting external environment - synchronous global economic recovery benefitting Asian exports including Malaysia and possibly see this extending into investment recovery in 2018. Furthermore there are also signs of stabilising commodity prices amid OPEC production cut extension and steady demand for oil prices. And we expect these drivers - both external and domestic to provide the near term support for MYR. Inflation data on tap at noon time today.

- **1m USDKRW NDF - *Mild Bullish***. Pair firmed, in line with our caution for rebound risks. Apart from technical indications, the move higher was due to Finance Ministry's advice to policy banks and SOEs to refrain from selling international bonds as much as possible. According to Bloomberg report (which quoted a finance ministry official), the move was to minimize any unnecessary impact on the currency market. Sale of foreign currency bonds could put pressure on local currency amid conversion to KRW. This should ease off appreciation pressures on KRW temporarily. On US recent protectionist move with regards to solar panels and washing machines (import tariffs), this could also pose some downside pressure on KRW as export momentum could moderate. Pair was last seen at 1071 levels. Daily momentum and stochastic indicators are mild bullish bias. Resistance at 1072, 1078. Support remains at 1060. Week ahead brings 4Q GDP on Thu and consumer confidence Fri.

- **USDCNH - *Still Pressured Lower***. USDCNH languished around 6.3970. This pair remains weighed by the soft USD as well as some fears that the US might trigger a trade war. US slapped a 30% import tariff on solar panels and washing machines early yesterday. Both of which do not make up a large component of China exports but this could serve as a warning to China and sets the tone for the World Economic Forum at Davos. However, impact is negligible and markets are so far rather resilient to this news. Pair is weighed by the daily fixing today. Bias remains to the downside. Support is seen at 6.3850 (2015-Dec low) levels. Resistance is now at 6.4440 (2017 Sep low), 6.4800 (23.6% fibo from Oct 2017 high to Jan 2017 low), 6.5200 (38.2% fibo, 21DMA) levels. **PBoC fixed the USDCNY reference rate at 6.3916, 93 pips lower than previous 6.4009. CNYMYR was fixed 5 pips higher at 0.6138 vs. previous at 0.6143.**

- **1m USDINR NDF - *Sideways***. 1m USDINR NDF lower this morning following PM Modi's speech in the World Economic Forum in Davos. Delivering the opening address, PM Modi has pitched to global businesses to look towards India for investment opportunities, mentioning that "Almost all areas of our economy have been opened to foreign direct investment". Moreover, he remained committed to an "inclusive" world economy, which sent the 1m NDF lower overnight. However, expect pair to remain in consolidation mode with some rebound risks for the day ahead as little tier 1 data is on tap this week. On the daily charts, bullish momentum wanes, while

stochastics is seen turning lower from overbought conditions. Resistance is at 64.45(38.2% fibo), 64.8 (50% fibo). Support is now at 63.96 (21DMA), 63.37 levels (2018 low).

- **1m USDPHP NDF - *Upside Capped.*** 1m USDPHP NDF continues to trade above the 51-handle following yesterday's GDP data. Relatively robust economic growth points to room for BSP to tighten monetary policy in 2H. Also, healthy foreign portfolio inflows of USD5.2mn yesterday kept the 1m NDF capped. 1m USDPHP NDF could consolidate within range this morning, with the upside remaining capped for today amid USD weakness. Last seen around 51.11 levels. Momentum indicators on the daily chart are still bullish bias, while stochastics remains at overbought conditions. Weekly chart shows bearish momentum dissipating and stochastics turning higher from oversold conditions. Resistance at 51.30 (61.8% fibo from Oct 2017 high to Jan 2018 low), 51.68 (76.4% fibo). Support nearby at 51.00 (50% fibo retracement) ahead of 50.70 (38.2% fibo, 200DMA). No tier 1 data on tap for the remaining week.

- **USDTHB - *Testing New Lows.*** USDTHB traded yet again to new 2018 and multi-year low of 31.767 levels this morning amid USD weakness. Watch for pair to test key support levels at 31.740 (Jul 2014 low) for the day ahead; a decisive break could send USDTHB lower towards 28.5- levels (2013 low). Gold prices continued to climb this morning, weighing on the USDTHB. Foreign portfolio flows showed foreign funds purchasing USD14.1mn of equities, while selling net USD10mn of local bonds. Further portfolio inflows could support the THB. However, rebound risks remains. Thai elections, supposedly planned in Nov, might be delayed. Also, the BoT has warned of opening investigations into some financial institutions with operations in Thailand for speculating in the THB. Last seen around 31.767 levels. Daily momentum indicators remain bearish bias but waning, while stochastics remains at oversold conditions. Weekly momentum indicators and stochastics remain bearish bias. Resistance at around the 31.965, 32.100 levels. Remaining week has foreign reserves (19 Jan) on Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.35	3.37	+2
5YR MI3/22	3.54	*3.57/54	Not traded
7YR ML9/24	3.92	3.96	+4
10YR MO11/27	3.94	*3.97/94	Not traded
15YR MX4/33	4.45	*4.48/43	Not traded
20YR MX4/37	4.63	4.62	-1
30YR MZ3/46	4.88	*4.90/85	Not traded
IRS			
6-months	3.55	3.55	-
9-months	3.60	3.60	-
1-year	3.64	3.65	+1
3-year	3.79	3.79	-
5-year	3.89	3.88	-1
7-year	3.98	3.98	-
10-year	4.10	4.10	-

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Source: Maybank KE

*Indicative levels

- In another quiet government bonds session, there was some selling on 5y Islamic GII 4/22 which rose another 1bp higher from previous day. MGS traded weaker amid the thin liquidity as players await the MPC this Thursday at 3pm.
- MYR IRS rates more or less moved sideways with the curve flattening a tad as the MPC meet approaches. There were few quotes but nothing was done as market awaits the rate decision. 3M KLIBOR stayed at 3.44%.
- Local corporate bonds market turned quiet with only belly papers trading in GG and AAA spaces. The AAA levels tightened about 1bp with Plus 2026 exchanging hands, while in GG, Danainfra 2025 widened 1bp on profit taking. Others were retail trades in the AA space with levels generally wider by 2-3bps.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.46	1.44	-2
5YR	1.77	1.76	-1
10YR	2.17	2.14	-3
15YR	2.44	2.41	-3
20YR	2.48	2.45	-3
30YR	2.62	2.59	-3

Source: Maybank KE

- SGD rates fell on the back of firm SGD FX, capital inflows and higher USTs. As short dated forwards moved left, SGD IRS curve was marked steeper and lower by 1-3bps at the open. New 5y benchmark auction announcement of SGD2.9b size (net SGD2.7b) had little impact, and SGS yields started flat to -2bps before declining further on active buying, particularly in long dated issues. At the close, SGS yield curve lowered 1-3bps while SGD IRS lowered 2-3bps.
- Asian credit space was active on the back of the firmer UST. INDONs rallied along especially at the long end. IG spreads tightened 1-2bps on average. Buying picked up on Korean credits after news broke that the government is asking state-run banks and companies to “refrain from issuing overseas bonds”. Elsewhere, Wika Komodo’s new bonds traded 0.3-0.5pts higher.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.44	5.44	(0.26)
5YR	5.58	5.60	2.24
10YR	6.12	6.13	0.16
15YR	6.60	6.62	2.66
20YR	6.92	6.94	1.84
30YR	7.09	7.09	0.78

* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Tuesday trading session amid UST 10y yield above the 6.20% level and minimal market sentiments leading to selling appetite. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.600%, 6.125%, 6.623% and 6.943% while 2y yield moved lower to 5.438%. During the day, FR0062 (26y) yield decline the most by 2bps while FR0067 (26y) yield increase the most by 6bps. 10y15y G-Spread remain the widest on YTD basis currently (10y15y current spread: 32bps). Trading volume at secondary market was noted thin at government segments amounting Rp11,057b with PBS016 (2y sukuk) as the most tradable bond. PBS016 total trading volume amounting Rp1,498b with 9x transaction frequency.
- Indonesian government conducted their bi-weekly sukuk auctions yesterday and received heavy incoming bids worth of Rp27.99t versus its target issuance of Rp8.00t or oversubscribed by 3.50x. However, DMO only awarded Rp8.63t 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 4.34844%, 2y PBS016 was sold at 5.60000%, 4y PBS002 was sold at 5.83965%, 8y PBS017 was sold at 6.33951% while 20y PBS004 was sold at 7.31064%. PBS012 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.36X - 7.36X. Till the date of this report, Indonesian government has raised approx. Rp72.63t worth of debt through bond auction which represents 37.3% of the 1Q 18 target of Rp194.5t.
- Foreign ownership stood at Rp877.7t or 41.0% of total tradable government bond as of Jan 22nd. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp39.6t from begin month Jan 18 or approx. more than half of Q117 foreign purchase (worth of Rp56.1t). Foreigner purchased Front End tenor (0 - 1 year) the most from begin month Jan 18.
- Corporate bond traded thin amounting Rp390b. WOMF02ACN3 (Shelf Registration II WOM Finance Phase III Year 2017; A serial bond; Rating: AA_(idn)) was the top actively traded corporate bond with total trading volume amounted Rp128b yielding 6.570%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2359	111.51	0.8069	1.4092	6.4241	0.7401	136.7133	89.5707
R1	1.2329	110.91	0.8034	1.4046	6.4114	0.7378	136.1867	88.9093
Current	1.2295	110.28	0.7999	1.4005	6.3964	0.7355	135.5900	88.1950
S1	1.2246	109.98	0.7961	1.3935	6.3884	0.7319	135.1667	87.7483
S2	1.2193	109.65	0.7923	1.3870	6.3781	0.7283	134.6733	87.2487

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3222	3.9405	13361	51.3753	31.9243	1.6264	0.6181	2.9853
R1	1.3198	3.9337	13346	51.2487	31.8667	1.6232	0.6152	2.9813
Current	1.3173	3.9200	13320	51.0750	31.7680	1.6196	0.6156	2.9763
S1	1.3160	3.9232	13310	50.9067	31.7527	1.6154	0.6090	2.9744
S2	1.3146	3.9195	13289	50.6913	31.6963	1.6108	0.6056	2.9715

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

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.1319	Apr-18	Neutral
BNM O/N Policy Rate	3.00	25/1/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	15/2/2018	Neutral
BOT 1-Day Repo	1.50	14/2/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	8/2/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	7/2/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Easing Bias
Fed Funds Target Rate	1.50	1/2/2018	Tightening
ECB Deposit Facility Rate	-0.40	25/1/2018	Easing Bias
BOE Official Bank Rate	0.50	8/2/2018	Neutral
RBA Cash Rate Target	1.50	6/2/2018	Neutral
RBNZ Official Cash Rate	1.75	8/2/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	Tightening

Equity Indices and Key Commodities

	Value	% Change
Dow	26,210.81	-0.01
Nasdaq	7,460.29	0.71
Nikkei 225	24,124.15	1.29
FTSE	7,731.83	0.21
Australia ASX 200	6,036.96	0.75
Singapore Straits Times	3,592.08	0.63
Kuala Lumpur Composite	1,838.04	0.27
Jakarta Composite	6,635.33	2.07
Philippines Composite	8,999.02	0.54
Taiwan TAIEX	11,253.11	0.19
Korea KOSPI	2,536.60	1.38
Shanghai Comp Index	3,546.51	1.29
Hong Kong Hang Seng	32,930.70	1.66
India Sensex	36,139.98	0.96
Nymex Crude Oil WTI	64.47	1.54
Comex Gold	1,341.70	0.36
Reuters CRB Index	196.94	0.37
MBB KL	9.89	0.20

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2003 4.2400% 07.02.2018	4.240%	7-Feb-18	66	3.047	3.075	3.047
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	171	3.167	3.218	3.019
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	72	3.12	3.226	3.12
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	7	3.124	3.305	3.124
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	2	3.263	3.263	3.24
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	69	3.219	3.304	3.219
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	4	3.346	3.346	3.346
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	8	3.37	3.37	3.351
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	38	3.371	3.371	3.319
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	3	3.506	3.506	3.506
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	1	3.595	3.595	3.595
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	7	3.451	3.487	3.451
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	41	3.743	3.743	3.711
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	18	3.86	3.86	3.86
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	3	3.918	3.918	3.899
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	31	3.972	3.989	3.945
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	85	3.985	4.008	3.977
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	5	4.159	4.159	4.127
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	4.035	4.035	4.035
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	5	3.923	3.929	3.923
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	4	4.386	4.386	4.386
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	89	4.595	4.595	4.578
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	14	4.639	4.643	4.619
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	10	4.894	4.894	4.894
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	60	3.21	3.21	3.21
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	65	3.219	3.219	3.219
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	1	3.508	3.508	3.508
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	10	3.802	3.802	3.802
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	220	3.898	3.9	3.874
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	32	4.133	4.133	4.115
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	21	4.204	4.204	4.204
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	2	4.25	4.25	4.25
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	10	4.205	4.205	4.205
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	60	4.601	4.601	4.601
GII MURABAHAH 6/2015 4.786% 31.10.2035	4.786%	31-Oct-35	22	4.773	4.773	4.773

Total**1,256**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.330% 04.04.2025 - Tranche No 32	GG	4.330%	4-Apr-25	20	4.35	4.352	4.35
SABAH STATE 4.275% 09.12.2019 - Issue No. 1	AAA	4.275%	9-Dec-19	1	4.583	4.583	4.583
GENTING CAP MTN 4.42% 08.6.2022 - Issue No. 1	AAA (S)	4.420%	8-Jun-22	2	4.598	4.894	4.598
PLUS BERHAD IMTN 4.720% 12.01.2026 - Series 1 (10)	AAA IS	4.720%	12-Jan-26	60	4.548	4.552	4.548
SCC IMTN 4.700% 08.05.2020	AA1	4.700%	8-May-20	4	4.502	4.504	4.502
YTL POWER MTN 2557D 13.10.2021	AA1	4.700%	13-Oct-21	3	4.63	4.63	4.63
SCC IMTN 4.400% 24.06.2022	AA1	4.400%	24-Jun-22	4	4.701	4.703	4.701
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	1	4.684	4.684	4.684
FRL IMTN 4.350% 05.06.2020	AA2	4.350%	5-Jun-20	26	4.501	4.504	4.501
ANIH IMTN 5.70% 27.11.2026 - Tranche 13	AA IS	5.700%	27-Nov-26	4	4.7	4.701	4.7
ACSB IMTN 5.000% 19.11.2018	AA- IS	5.000%	19-Nov-18	2	5.001	5.014	5.001
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	8	5.528	5.528	5.007
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	1	4.698	5.081	4.698
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.321	6.321	6.311
Total				136			

Sources: BPAM

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