

# Global Markets Daily

## Bouts of USD Strength

Macro | FX Research & Strategy

Global

### USD Strengthens Against JPY and AUD the Most

USD extended its broad based strength on the back of higher UST yields. 10y is back to flirting with the key 3% -level. In the G7 space, JPY was the worst hit (-0.97%), followed by the AUD yesterday. With RBA showing a huge inertia to hike the cash target rate, the apparent monetary divergence theme is playing out against the AUD. The antipode was not helped the least by the decline in copper yesterday. Another reason underpinning the AUD weakness is the 1Q CPI which is expected to come in around 2.0% vs. the previous 1.9%. Markets seem to be pricing in some disappointment on that front.

### AxJs On The Backfoot Against the Greenback

SGD weakened the most in the session yesterday, -0.7% against the USD, followed by THB and INR down around -0.55% each. SGD could be particularly hammered by the inflation print released yesterday which came in softer than expected at 1.5%/y vs. the previous 1.7%. Non-seasonally adjusted, CPI slipped -0.2%/m/m in Mar vs. 0.5% in the month prior. The fading Lunar New Year effect was more than expected as consensus expected a 0.1%/m/m growth. The rest of AXJs had also weakened but to a lesser extent. Expect this theme to continue to play out for the rest of the week.

### AU CPI - No Impetus for RBA to Move, Yet

Data eyed today is Australia's CPI. CPI came in roughly in line with expectations with headline steady at 1.9%/y, undershooting the consensus around 2.0%. Trimmed mean at 1.9%/y, firmer than the expected at 1.8% and CPI weighted mean was also around 2.0%. Putting them together, the underlying inflation is around 1.95%/y, firmer than the expected around 1.85%. That is still well under the "mid of 2-3% inflation target range" that Lowe prefers in order to move the cash target rate. AUDUSD touched a low of 0.7580 before inching higher. We also keep a close watch on SG IP on Thu. US, UK GDPs on Fri. The historic North-South Korean Summit on Fri is also worth watching. Positive factors are likely to be in the price for the USDKRW and we expect at most, modest gains for the KRW beyond the Summit.

### Analysts

Saktiandi Supaat  
(65) 6320 1379  
saktiandi@maybank.com.sg

Fiona Lim  
(65) 6320 1374  
fionalim@maybank.com.sg

Leslie Tang  
(65) 6320 1378  
leslietang@maybank.com.sg

Christopher Wong  
(65) 6320 1347  
wongkl@maybank.com.sg

### G7: Events & Market Closure

Date	Ctry	Event
25 Apr	AU/NZ	Market Closure
26 Apr	EC	ECB Meeting
26-27 Apr	JN	BOJ Meeting

### AXJ: Events & Market Closure

Date	Ctry	Event
27 Apr	SK	North-South Korean Summit

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2209	↓ -0.64	USD/SGD	1.3254	↑ 0.69
GBP/USD	1.394	↓ -0.43	EUR/SGD	1.6181	↑ 0.02
AUD/USD	0.7605	↓ -0.87	JPY/SGD	1.2194	↓ -0.25
NZD/USD	0.7148	↓ -0.82	GBP/SGD	1.8476	↑ 0.28
USD/JPY	108.71	↑ 0.98	AUD/SGD	1.0079	↓ -0.17
EUR/JPY	132.71	↑ 0.33	NZD/SGD	0.9473	↓ -0.18
USD/CHF	0.9782	↑ 0.37	CHF/SGD	1.3549	↑ 0.17
USD/CAD	1.2849	↑ 0.69	CAD/SGD	1.0317	↑ 0.04
USD/MYR	3.8977	→ 0.00	SGD/MYR	2.9473	↓ -0.58
USD/THB	31.54	↑ 0.62	SGD/IDR	10573.3	↓ -0.05
USD/IDR	13975	↑ 0.59	SGD/PHP	39.6171	↓ -0.15
USD/PHP	52.364	↑ 0.48	SGD/CNY	4.7684	↓ -0.37

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3061	1.3327	1.3592

## G7 Currencies

- **DXY - Cautious of Further Rebound.** USD continued to trade higher overnight against most currencies. The move higher was in line with our caution that USD could trade higher possibly in the weeks ahead. We shared about the potential return of policy divergence thematic where Fed is the only central bank tightening vs. other major central banks which are not in a hurry to tighten especially for this quarter. Typically monetary policy divergence thematic favors higher UST yields and USD strength. And for this quarter, only the Fed is expected to tighten, ECB and BoJ are not expected to commit to removal of stimulus at their respective meetings this Thu and Fri, respectively. We believe USD rhetoric may switch from sell rallies to buy dips in the near term (4-6w time horizon). But we do not expect this to last beyond Jun. Higher energy and commodity prices globally as well as tightness in labor markets in various countries including UK, EU, Australia, Korea etc. should feed through to inflation and brings back the case of monetary policy convergence as other central banks shift into tightening phase in 2H 2018. DXY was last seen at 90.90 levels. Price action saw the move breaking out of its downward sloping trend-line resistance from the highs seen in 2017 and 2018. We are turning cautious as DXY has breached above the key area of resistance at 90.5-90.90. This could suggest a potential sharper than expected rebound towards 91.60 (76.4% fibo), 92 (200 DMA). Short term bias for buy USD on dips. Support levels seen at 89.90 (50 DMA), 89.28 (61.8% fibo retracement of Feb low to Mar high). Week ahead brings New Home Sales (Mar); Richmond Fed Mfg (Apr); Conference Board Consumer Confidence (Apr) on Tue; Durable Goods Order (Mar); Kansas City Fed Mfg (Apr) on Thu; GDP, Core PCE (1Q); Uni of Mich Sentiment (Apr) on Fri.
- **EURUSD - Mild Bearish Bias.** EUR continued to trade lower this morning amid USD resurgence (on the back of policy divergence thematic play). Move lower remains in line with our call for interim downside pressure. Pair was last seen at 1.2190 levels. Daily momentum and stochastics indicators are bearish bias. Break below 1.2210 support (100 DMA) could fuel more downside pressure towards 1.2140 (50% fibo retracement of Dec low 2018 high), 1.2040 (61.8% fibo). Resistance at 1.2240 (38.2% fibo), 1.2330(21, 50 DMAs). For the ECB meeting this Thu, we expect ECB to keep monetary policy status quo for both policy rates and Asset purchase program (APP). Currently, APP is proceeding at the monthly pace of €30 billion. We do not expect ECB to commit to a decision ahead of Sep-2018 (supposedly the end date of the current APP) as inflation remains soft for now and have yet to show signs of re-acceleration. We do not expect ECB to jump the gun ahead of inflation upticks. Week remaining brings ECB's Villeroy, Knot, Lane speak on Wed; ECB Governing Council Meeting on Thu; Consumer Confidence (Apr) on Fri.
- **GBPUSD - Downside Risk.** GBP's decline continued overnight amid broad USD rebound while Carney's dovish message lingers in the background. OIS futures showed that implied probability of hike at the upcoming meeting in May has been dramatically cut to 44.3% from 86% - May hike not a done deal. GBP was last seen at 1.3930 levels. Daily momentum has turned mild bearish while stochastics is falling into near oversold conditions. Key support at 1.3960 appears to have been broken overnight. Next support seen at 1.3855 (100 DMA). Area

of resistance at 1.4020-40 levels. Week ahead brings CBI Trends Selling Prices (Apr); Public Finances (Mar) on Tue; CBI Reported Sales (Apr) on Thu; GDP (1Q); GfK Consumer Confidence (Apr) on Fri.

- **USDJPY - Watching Next Resistance At 109-Levels.** USDJPY took out key resistance at 107.50 levels on a weekly close last Fri and the move higher extended into the new week. Pair saw a near 1 big-figure move yesterday and continues to tick higher amid rising UST yields that put focus back on monetary policy divergence with the US. In addition, improving risk sentiments over trade and geopolitical concerns particularly ahead of the Korean summit on Fri is reducing demand for haven assets, putting upside pressure on the pair. However, market whispers suggests that official agents could be doing something with the JPY after the failure of Abe to get Japan removed from the steel and aluminium tariff list that could temper the pair's upside, though BOJ Governor Kuroda denied that Japan intentionally weakens the JPY in a interview with CNBC. Even without this, there is underlying downside pressure on the pair over the ongoing political scandals surrounding PM Abe. These scandals have weighed on support for the cabinet with recent opinion polls by Yomiuri and Mainichi newspapers showing further dips in the cabinet's popularity with the public. 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 and weighs on the pair. Last seen around 108.77 levels. Momentum indicators on the daily chart shows mild bullish bias, while stochastics is now at overbought conditions. With risks to the upside, pair looks to test the 109-handle at 109.10 (76.4% fibo retracement of the Feb-Mar downswing). Failing which we could see the pair headed back towards the 106-107 levels. Week ahead has machine tool orders (Mar F) on Tue; all industry activity index (Feb) on Wed; BOJ meets, BOJ outlook report, jobless rate, IP, retail sales, housing starts (Mar) on Fri. We do not expect the BOJ to deviate from its current policy stance and for the BOJ Governor to reiterate persistent easing until the 2% inflation target is achieved.
- **NZDUSD - Bearish.** NZD traded lower amid sustained USD and UST yield rebound. Pair was last seen at 0.7120 levels. Daily momentum is bearish while stochastic is falling into near oversold conditions. Further downside towards 0.7060 (61.8% fibo retracement of Dec low to 2018 high) should not be ruled out. Resistance seen at 0.7180-0.72 levels (200DMA, 38.2% fibo). See 0.7060 - 0.7180 range intra-day. 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). Last seen at 1.0665 levels (50 DMA). Break above that could see the cross trade higher towards our other objectives at 1.0710 and 1.0780 (50% fibo). Trade idea was imitated on 16 Apr at 1.0565. We moved our SL higher towards 1.06 from 1.05. Retain long AUDNZD position; will reassess position if the cross fail to move above 50 DMA.
- **AUDUSD - AUD Unmoved by CPI release.** AUDUSD plunged towards the 0.76-figure, breaking the multi-year, major trendline at around 0.7630. This pair was weighed by a number of factors including strong USD and the fall in copper prices. Iron ore also came off yesterday. In addition, the focus at this point is monetary policy divergence as UST 10yr yield flirts with the 3%-level. Market players are penalizing the AUD for RBA's

reluctance to hike in this current theme of monetary policy divergence. Assistant Governor also reiterated this morning that gradual economic progress means no rush to move interest rate. We remain of the view that AUDUSD pullback could be the last chance for us to buy the antipode as AUD typically rises in a growth environment with modest inflation. This is backed by its correlation with base metals and gold. We stick to our view that we dips towards 0.76-figure are seen as opportunities to buy. *CPI came in roughly in line with expectations with headline steady at 1.9%/y/y, undershooting the consensus around 2.0%. Trimmed mean at 1.9%/y/y, firmer than the expected at 1.8% and CPI weighted mean was also around 2.0%. Putting them together, the underlying inflation is around 1.95%/y/y, firmer than the expected around 1.85%. That is still well under the “mid of 2-3% inflation target range” that Lowe prefers in order to move the cash target rate. AUDUSD touched a low of 0.7580 before inching higher.* 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). Eyes on CPI data tomorrow and expectations are for 1Q CPI to come in around 2%. With expectations firmly entrenched for it to come either 2% or below, any upside surprise could lift the AUDUSD out of its falling wedge. *Week ahead brings CPI (1Q) on Tue; Import, Export Price Index (1Q) on Thu; PPI (1Q) on Fri.*

- **USDCAD - Bullish.** USDCAD remained on the upmove, lifted by the USD advance. Pair was last seen around 1.2856, hindered by the 1.2870-resistance. Overnight, BoC Poloz said that the demand for housing remains strong and monetary conditions are roughly where they should be. This suggests that BoC could very well maintain status quo for its May meeting. Poloz also opined that the uncertainty around NAFTA “is hampering investment”. We continue to watch NAFTA developments and oil prices. Support at 1.2680 (100-DMA). Next resistance at 1.2930/60.

## Asia ex Japan Currencies

- **SGD trades around 0.43% above the implied mid-point of 1.3327 with the top estimated at 1.3061 and the floor at 1.3592.**
- **USDSGD - *Pushing Higher*.** USDSGD broke out to the upside from its symmetrical triangle pattern overnight amid rising UST yields. Like the USDJPY, the pair saw a 1 big-figure move higher above the 1.32-levels. The move higher was probably triggered by the softer-than-expected inflation print for Mar that suggested further MAS normalization might not be forthcoming. Headline inflation rose by a more moderate 0.2% y/y in Mar from Feb's 0.5%, while core inflation (excluding accommodation & private transport) slipped to +1.5% y/y (Feb: 1.7%) post-Chinese New Year underpinned by softer services inflation and COE premiums. Despite the softer Mar prints, our economic team continues to expect core inflation to creep higher on rising wages and healthy economic growth as well as higher public transportation costs and utility charges. The team is penciling headline and core inflation to average 0.9% and 1.7% respectively in 2018. The contained inflation though is unlikely to provide sufficient impetus for another MAS tightening move with no change to the current "slight appreciation bias" at its Oct meeting. Last seen around 1.3256-levels, pair shows very mild bullish bias on daily chart, while stochastics continues to climb higher. This suggests further upside risk to the pair. With our resistance level at 1.3175 (23.6% fibo of the Oct 2017 to Jan 2018 downswing) taken out overnight, next resistance is around 1.3278 levels (38.2% fibo). Failure to break this level could see the pair headed back towards the 1.3175 levels (23.6% fibo), 1.3090-levels (upward sloping trend-line support from the lows of Jan and Mar). Remaining week has IP (Mar) on Thu; unemployment rate (1Q) on Fri
- **AUDSGD - *Last Pullback?*** AUDSGD slipped below the 1.0100-figure and remained poised for further downside. Moves lower seem to be decelerating and price was last seen at 1.0070. Eyes are on the next support around 1.0060 before 1.0020. Resistance at 1.0160. With stochs and MACD turning lower on the daily chart, this cross may extend its 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).
- **SGDMYR - *Lean against Strength*.** SGDMYR traded lower, in line with our call for the cross to tilt towards the downside. Move lower came amid SGD underperformance. Cross was last seen at 2.9460 levels. Mild bullish momentum is waning while stochastics is falling from near-overbought conditions. 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. Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high), 2.9830 (100 DMA).

- **USDMYR - *Cautious Trading***. USDMYR continue to trade higher this morning amid broad USD rebound. Pair was last seen at 3.9080 levels. Daily momentum is mild bullish while stochastics is rising into overbought conditions. Further rebound towards 3.92, 3.95 not impossible but bias to fade. Interim support at 3.87. Key area of support at 3.84 - 3.85 remains. **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 rapidly rising UST yield could extend the USD rebound and that may pose risks to MYR outlook in the near term. 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 - *UST Yields a Dampener on KRW***. 1m USDKRW NDF traded higher amid USD resurgence overnight. Rapidly rising UST yields to challenge fresh year highs should continue to subject KRW to downside pressure. Our study on the sensitivity of currencies to changes in risk sentiment (proxied by MSCI World Index) and sensitivity of respective sovereign(local currency) bonds to changes in 10Y UST yields shows that **KRW and KR sovereign bonds are highly vulnerable in the event of equity selloff and rise in UST yields**. Pair was last seen at 1077 levels. Mild bullish momentum on daily chart remains intact. Sustained price action above 107475 could point to further upside risks. Next resistance seen at 1082, 1089 levels. We respect the upmove but look for opportunity to fade. Support at 1064.
  
- **USDCNH - *Moving Higher***. USDCNH hovered around 6.3207, underpinned by the move up in the USD. Price action has been lifted above the 200-DMA. Risks have tilted to the upside and momentum has become bullish as well. **PBoC fixed the USDCNY reference rate at 6.3229, 195 pips firmer than the previous 6.3034. CNYMYR was fixed at 0.6169, 14 pips lower than the previous at 0.6183. EURCNY was fixed 227 pips lower at 7.7132 vs. the previous at**

**7.7359.** Week ahead has industrial profits for Mar on Fri. China is said to inject CNY30bn with 7-day reverse repo.

- **1M USDINR NDF - Bullish.** 1M NDF remains bid at around 66.80. INR is diving like a falling knife and could risks heading higher towards the 67 and even 68-figure in the next two weeks for 1M NDF. Support at 65.47. Risks are to the upside. We close our CADINR trade as it did not make progress. USDINR remains buoyed by the rise in oil prices as investors remain concerned about India's current account deterioration. Foreign investors sold U\$18.3mn of equities and U\$486.5mn of bonds to close off last week. The sell-off in the domestic bonds keeps the 10y yields elevated at around 7.74%. 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 - Soggy.** 1m USDIDR NDF touched a new 2018 high at 14104 on Mon amid higher UST yields and USD as well as dividend payout. 1m NDF has since reversed course and is inching lower on softer UST yields and following a Bloomberg news report this morning that BI made a 'sizeable' intervention to defend the IDR. Market wariness of further intervention by BI is keeping the 1m NDF soggy for now. Yesterday's weakness in the IDR was also attributable to the sell-off by foreign investors of USD73.4mn in equities. Meanwhile, they had also sold USD117.7mn in debt on 20 Apr (latest data available). Expectations of firmer UST yields should see further unwinding of carry trades with the likelihood that Indonesian assets will be further offloaded. In addition, elevated oil prices could translate into a greater financial burden on the government's fiscal position on higher subsidies on fuel. Spot USDIDR gapped lower at the opening to 13921 this morning from yesterday's close of 13975 amid possible profit-taking activities. 1m NDF was last seen around 14076-levels. Daily chart now shows bullish bias, while stochastic is at overbought conditions. Resistance is at the 14150-levels. Watch for further official agent activities to smooth out IDR volatility. Support at the 14000-handle, 13875 levels. JISDOR was fixed at 13894 yesterday, 90 pips higher than Fri's fixing. Quiet week ahead with no tier 1 data on tap.
- **1m USDPHP NDF - Edging Lower.** 1m USDPHP NDF climbed to a recent high of 52.65 this morning before easing lower amid softer UST yields. Price action has broken out of the upper band of the 51.90-52.40 trading range. 1m NDF was also pressured lower yesterday by the sell-off of USD5.9mn in equities. Further sell-off today should keep the 1m NDF supported. Last seen around 52.51-levels, 1m NDF now shows mild bullish bias, while stochastics is fast approaching overbought conditions. This suggests risks are to the upside. Next resistance is at 52.70 (2018 high), 52.90. Support at 52.25. Watch for official agent activities to smooth our PHP volatility ahead. Quiet week ahead with just budget balance (Mar) on tap on later today.
- **USDTHB - Retracing.** USDTHB climbed to a recent high of 31.575 this morning but has since eased off to trade softer amid a pullback in UST yields. Firmer UST yields yesterday trigger a sell-off in Thai assets with USD58.6mn and USD136.4mn in equities and debt sold off. Further foreign portfolio outflow intraday should be supportive of the 1m NDF. Last seen around 31.509-levels. Daily momentum

indicators and stochastics show mild bullish bias. With several of our resistance levels taken out yesterday, next resistance is at 31.624 levels (61.58% fibo retracement of the Feb-Mar downswing). Support at 31.420 (38.2% fibo), 31.290 (23.6% fibo). Remaining week has foreign reserves (20 Apr) on Fri.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.62	3.65	+3
5YR MI4/23 WI	3.80	3.86	+6
7YR MK3/25	3.95	4.05	+10
10YR MO11/27	4.10	4.20	+10
15YR MX4/33	4.52	4.63	+11
20YR MX4/37	4.62	*4.75/70	Not traded
30YR MZ3/46	4.83	4.84	+1
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.76	3.76	-
3-year	3.83	3.85	+1
5-year	3.91	3.93	+3
7-year	4.01	4.03	+2
10-year	4.15	4.18	+4

Winson Phoon  
(65) 6231 5831  
winsonphoon@maybank-ke.com.sg

Se Tho Mun Yi  
(603) 2074 7606  
munyi.st@maybank-ib.com

Source: Maybank KE

\*Indicative levels

- In local government bonds market, the 10y MGS benchmark yield jumped +10bps to 4.20% amid weak global bond sentiment as 10y UST yield rose and almost touched the 3.00% level. Other MGS benchmarks followed suit and yields ended 1-11bps higher amid a pick-up in trading activity. Expect current weakness to persist given election risk.
- MYR IRS market was active with plenty of trades taken as IRS rates hit new highs for the year amid the weaker bond sentiment. 5y IRS was dealt at 3.92-93% and the 4y at 3.88%. 3M KLIBOR was unchanged at 3.69%.
- Domestic corporate bonds space was lackluster, and with bids rather hard to come by. Of note was SPG curve's long end trading unchanged to 1bp tighter as spreads still looks fairly attractive.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.93	1.97	+4
5YR	2.13	2.20	+7
10YR	2.49	2.55	+6
15YR	2.71	2.77	+6
20YR	2.72	2.78	+6
30YR	2.86	2.91	+5

Source: Maybank KE

- SGS yields opened higher by 2-5bps after UST yields rose sharply last Friday, and climbed further when UST futures fell in the afternoon, higher by 4-7bps by the close. SGD IRS curve bear steepened with rates up 4-8bps. Incoming supply and potential breakout of UST yields to the upside will continue to pressure bond prices in the near term.
- In Asian credit, Lenovo bonds traded fairly wider after the US ban on ZTE from purchasing crucial American components triggered worries over other China tech companies with businesses in the US. In addition, Lenovo had posted losses last quarter and is on the verge of losing its benchmark equity index status which could reduce financial flexibility. Financial credits were supported with most spreads staying unchanged. INDONs and PHILIPs declined 0.5pts on the back of the UST movement. In HY, China property credits saw more sellers and little support from PB.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.85	5.94	8.76
5YR	6.15	6.23	8.73
10YR	6.79	6.84	5.80
15YR	6.98	7.12	13.97
20YR	7.38	7.41	3.43
30YR	7.33	7.40	6.58

\* Source: Maybank Indonesia

### Analysts

Anup Kumar (Fixed Income Analyst)  
(62) 21 2922 8888 ext 29692  
akumar@maybank.co.id

Myrdal Gunarto (Economist)  
(62) 21 2922 8888 ext 29695  
MGunarto@maybank.co.id

- Indonesia bond market closed with a daily loss on Monday trading session ahead of the schedule conventional auction today. Absence of fundamental data release while UST 10y yield is near sub-3% may have contributed the loss during the day. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.233%, 6.843%, 7.122% and 7.413% while 2y yield moved higher to 5.939%. During the day, FR0067 (26y) yield decline the most by 1bps while FR0065 (15y benchmark series) yield increased the most by 14bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 29bps). Trading volume at secondary market was noted heavy at government segments amounting Rp21,970b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp4,253b with 105x transaction frequency.
- DMO will be conducting schedule bi-weekly conventional auction today with five series to be auctioned which are SPN03180725 (Coupon: discounted; Maturity: 25 Jul 2018), SPN12190131 (Coupon: discounted; Maturity: 31 Jan 2019), FR0063 (Coupon: 5.625%; Maturity: 15 May 2023), FR0064 (Coupon: 6.125%; Maturity: 15 May 2028) and FR0075 (Coupon: 7.500%; Maturity: 15 May 2038). We expect that the demand would remain moderate and oversubscribe by 1.6x - 2.6x from its indicative minimal target issuance of Rp17t. Our awarded WAY expectations on the scheduled bi-weekly conventional auction tomorrow are as follows SPN03180725 (3mo): 4.450% - 4.550, SPN12190131 (9mo): 5.140% - 5.240%, FR0063 (5y): 6.180% - 6.280%, FR0064 (10y): 6.790% - 6.890% and FR0075 (20y): 7.360% - 7.460%.
- Foreign ownership stood at Rp869.0t or 39.6% of total tradable government bond as of Apr 18<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp3.1t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp2,522b. FIFA03ACN3 (Shelf Registration III Federal International Finance Phase III Year 2018; A serial bond; Rating: <sub>id</sub>AAA) was the top actively traded corporate bond with total trading volume amounted Rp1,172b yielding 6.083%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2328	109.48	0.7712	1.4071	6.3302	0.7244	133.2167	82.9800
R1	1.2269	109.10	0.7659	1.4005	6.3188	0.7196	132.9633	82.8210
<b>Current</b>	1.2202	108.81	0.7596	1.3930	6.3134	0.7127	132.7600	82.6420
S1	1.2174	107.98	0.7576	1.3900	6.2872	0.7123	132.2833	82.5040
S2	1.2138	107.24	0.7546	1.3861	6.2670	0.7098	131.8567	82.3460

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3330	n/a	14044	52.5353	31.7273	1.6232	0.6233	2.9674
R1	1.3292	n/a	14009	52.4497	31.6337	1.6207	0.6202	2.9574
<b>Current</b>	1.3259	3.9085	14051	52.3300	31.5200	1.6178	0.6190	2.9482
S1	1.3186	n/a	13913	52.1927	31.3757	1.6150	0.6134	2.9422
S2	1.3118	n/a	13852	52.0213	31.2113	1.6118	0.6099	2.9370

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

**Equity Indices and Key Commodities**

	Value	% Change
Dow	24,448.69	-0.06
Nasdaq	7,128.60	-0.25
Nikkei 225	22,088.04	-0.33
FTSE	7,398.87	0.42
Australia ASX 200	5,886.01	0.29
Singapore Straits Times	3,579.54	0.17
Kuala Lumpur Composite	1,880.36	-0.39
Jakarta Composite	6,308.15	-0.47
Philippines Composite	7,719.47	-0.09
Taiwan TAIEX	10,697.13	-0.76
Korea KOSPI	2,474.11	-0.09
Shanghai Comp Index	3,068.01	-0.11
Hong Kong Hang Seng	30,254.40	-0.54
India Sensex	34,450.77	0.10
Nymex Crude Oil WTI	68.92	0.97
Comex Gold	1,326.60	-0.82
Reuters CRB Index	200.73	-0.59
MBB KL	10.62	-0.93

**Policy Rates**

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5065	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	86	3.391	3.391	3.332
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	131	3.468	3.468	3.456
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	4	3.516	3.516	3.511
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	12	3.626	3.626	3.599
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	10	3.655	3.655	3.655
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	11	3.637	3.659	3.616
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	12	3.697	3.697	3.697
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	60	3.796	3.826	3.796
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	10	3.649	3.649	3.649
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	1	3.769	3.769	3.769
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	230	3.857	3.857	3.846
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	11	3.979	3.979	3.979
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	120	4.049	4.049	4.048
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	1	4.057	4.057	4.057
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	718	4.154	4.193	4.103
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	60	4.122	4.147	4.122
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	27	4.657	4.657	4.628
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	1	4.682	4.686	4.682
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	85	4.848	4.848	4.841
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	10	3.276	3.276	3.276
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	100	3.246	3.265	3.246
PROFIT-BASED GII 3/2013 30.11.2018	3.399%	30-Nov-18	2	3.34	3.34	3.34
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	40	3.687	3.687	3.671
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	10	3.868	3.868	3.868
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	355	3.92	3.923	3.896
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	11	4.062	4.071	4.062
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	1	4.284	4.284	4.284
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	160	4.752	4.77	4.738
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	60	4.859	4.86	4.851
SPK 1/2014 4.731% 21.02.2024	4.731%	21-Feb-24	20	4.136	4.136	4.136

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**Total**
**2,358**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PUBLIC SUB-NOTES 4.77% 27.10.2023	AA1	4.770%	27-Oct-23	20	4.326	4.326	4.245
WESTPORTS IMTN 4.580% 23.10.2024	AA+ IS	4.580%	23-Oct-24	10	4.705	4.705	4.699
KRUNG THAI 5.100% 04.07.2025 - Tranche No 1	AA2	5.100%	4-Jul-25	1	4.709	5.584	4.709
PBFIN 7.500% 05.06.2059 - Tranche No.1	AA2	7.500%	5-Jun-59	1	4.56	6.546	4.56
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	10	5.699	5.699	5.699
SPG IMTN 5.040% 28.04.2028	AA- IS	5.040%	28-Apr-28	10	4.898	4.902	4.898
SPG IMTN 5.210% 31.10.2030	AA- IS	5.210%	31-Oct-30	10	5.049	5.051	5.049
SPG IMTN 5.250% 30.04.2031	AA- IS	5.250%	30-Apr-31	10	5.099	5.101	5.099
SPG IMTN 5.290% 31.10.2031	AA- IS	5.290%	31-Oct-31	10	5.119	5.121	5.119
SPG IMTN 5.330% 30.04.2032	AA- IS	5.330%	30-Apr-32	10	5.159	5.161	5.159
SPG IMTN 5.370% 29.10.2032	AA- IS	5.370%	29-Oct-32	10	5.187	5.188	5.187
AFFINBANK SUBORDINATED MTN 3650D 05.2.2027	A1	5.450%	5-Feb-27	10	4.858	4.858	4.858
AFFINBANK SUBORDINATED MTN 3652D 20.9.2027	A1	5.030%	20-Sep-27	10	4.904	4.904	4.904
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	1	5.299	5.299	5.299
UMWH Perpetual Sukuk Musharakah 6.35% - Tranche 1	A1	6.350%	20-Apr-18	10	6.179	6.203	6.179
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	1	4.956	5.967	4.956
ALLIANCEB 6.250% 08.11.2117	BBB1	6.250%	8-Nov-17	2	6.249	6.768	6.096
<b>Total</b>				<b>136</b>			

Sources: BPAM

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Published by:



Malayan Banking Berhad  
(Incorporated In Malaysia)

**Foreign Exchange**

Singapore

Saktiandi Supaat  
Head, FX Research  
saktiandi@maybank.com.sg  
(+65) 6320 1379

Christopher Wong  
Senior FX Strategist  
Wongkl@maybank.com.sg  
(+65) 6320 1347

Leslie Tang  
Senior FX Strategist  
leslietang@maybank.com.sg  
(+65) 6320 1378

Fiona Lim  
Senior FX Strategist  
Fionalim@maybank.com.sg  
(+65) 6320 1374

**Fixed Income**  
Malaysia  
Winson Phoon Wai Kien  
Fixed Income Analyst  
winsonphoon@maybank-ib.com  
(+60) 3 20747176

Se Tho Mun Yi  
Fixed Income Analyst  
munyi.st@maybank-ib.com  
(+60) 3 2074 7606

Indonesia

Juniman  
Chief Economist, Indonesia  
juniman@maybank.co.id  
(+62) 21 2922 8888 ext 29682

Anup Kumar  
Fixed Income Analyst  
akumar@maybank.co.id  
(+62) 21 2922 8888 ext 29602

Myrdal Gunarto  
Industry Analyst  
MGunarto@maybank.co.id  
(+62) 21 2922 8888 ext 29695

**Sales**

Malaysia

Adoni Mastura Bte Mohamed Idris  
Head of Global Markets, KL  
adonimastura@maybank.com  
(+60) 3 27869106

Singapore  
Loo Hin Chong  
Head of Corporate Sales, Singapore  
Loohc@maybank.com.sg  
(+65) 6320 1339

Indonesia  
Sales, Indonesia  
(+62) 21 29936399  
(+62) 21 2300888 ext 22122

China (Shanghai)  
Eddy Lui  
GM Head, Greater China  
eddy.lui@maybank.com.hk  
(+852) 35188816

Joyce Ha  
Senior Sales Dealer  
joyce.ha@maybank.com.cn  
(+86) 21 28932588