

Global Markets Daily

ECB Meeting In Focus

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The sell-off in the USD overnight extended into the Asian session, though the USD is off its lows of 80.159. EUR continues to make gains ahead of ECB meeting today but we caution for the risk of near term pullback should ECB fail to satisfy market expectations as well as possible “talking down” of the currency amid political risk events. In Asia, broad USD weakness has sent most USD/AXJs to multi-month lows. Concerns of a trade war are weighing on sentiments with Asian equity markets in a sea of red this morning. MYR traded to an intraday low of 3.8920, while the USDSGD traded to an overnight low of 1.3071. MYR could continue to come under pressure ahead of the BNM meeting later today as market is looking for a 25bp hike. Our house view is for a move in May. We caution that a rebound in USDMYR is likely should BNM decision (if no hike) disappoint market.

US Jawboning Weighs On USD

USD came under selling pressure overnight after US Treasury Secretary Mnuchin suggested that “a weaker USD is good” for the US economy via trade and opportunities. This sent the USD index to a three-year low at the 89.158 levels. This added to market concerns over the protectionist measures imposed by Trump the day before on solar panels and washing machine that had intensified concerns about a trade war. The USD weakness reaffirms our belief that broader macro trend are underpinning USD downtrend including US tax reforms and its impact on budget deficit, debt levels and USD; reserve diversification away from the USD; USD countercyclical play; and broad USD downtrend cycle.

BNM, ECB Meeting Eyed

Some of the key data we are watching today include US New Home Sales, Retail, Wholesale Inventories; ECB Meeting; NZ CPI; KR GDP, BNM Meeting. Note that Australia and India are out for public holiday tomorrow.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2408	↑ 0.89	USD/SGD	1.3073	↓ -0.77
GBP/USD	1.4242	↑ 1.73	EUR/SGD	1.6221	↑ 0.12
AUD/USD	0.8062	↑ 0.77	JPY/SGD	1.197	↑ 0.23
NZD/USD	0.7337	↓ -0.24	GBP/SGD	1.8616	↑ 0.94
USD/JPY	109.22	↓ -0.99	AUD/SGD	1.0539	↔ 0.00
EUR/JPY	135.52	↓ -0.10	NZD/SGD	0.9591	↓ -0.99
USD/CHF	0.9453	↓ -1.29	CHF/SGD	1.3829	↑ 0.53
USD/CAD	1.2348	↓ -0.57	CAD/SGD	1.0587	↓ -0.18
USD/MYR	3.9115	↓ -0.39	SGD/MYR	2.9825	↑ 0.17
USD/THB	31.54	↓ -0.85	SGD/IDR	10143.25	↑ 0.45
USD/IDR	13314	↓ -0.13	SGD/PHP	38.7268	↓ -0.03
USD/PHP	50.827	↓ -0.58	SGD/CNY	4.858	↓ -0.01

Implied USD/SGD Estimates @ 25 Jan-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2932	1.3194	1.3456

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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

G7 Currencies

- **DXY - USD Oversold in Near Term.** Dollar index traded below 90-handle, for the first time in 3 years yesterday. The move lower was already underway but comments at Davos from Treasury Secretary Steven Mnuchin further added fuel to fire. He said “a weaker USD is good” for US economy via trade and opportunities. EUR was through to fresh multi-month highs above 1.24-handle with most USD/AXJs slumping to multi-month lows. In particular USDMYR onshore spot was seen at an intra-day low of 3.8920 this morning while USDSGD traded a low of 1.3071 overnight. We believe broader macro trends are underpinning the USD downtrend since 2017 and they include (1) US tax reforms and its wider implication on deficit, debt and the USD; (2) reserve diversification away from the USD; (3) USD countercyclical play; (4) USD downtrend cycle. DXY was last seen at 89.21 levels. Underlying momentum remains bearish momentum as indicated on weekly and daily charts though stochastics is in oversold conditions (do not rule out near term rebound risks). Support at 89.20, 89, 88.50 levels. Resistance at 91.50 levels (21 DMA). Week remaining brings New Home Sales, Retail, Wholesale Inventories (Dec) on Thu; Durable Goods (Dec); GDP (4Q); Kansas City Fed Mfg Activity (Jan) on Fri.
- **EURUSD - ECB/Draghi Press Conference in Focus Today.** ECB Governing Council meeting today (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). Q&A session should see the floor asking questions relating to the recent run-up in EUR and answers will be parsed through for clues of policymakers’ discomfort - if there is any, EUR should see a sharp correction lower. 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. EUR traded above 1.24-handle overnight fanned by comments from Steven Mnuchin - that USD decline provides a boost to US economy via trade. Pair was last seen at 1.24 levels. Bullish momentum on monthly, weekly chart remains intact though stochastics is in overbought conditions. Next resistance at 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). Support at 1.2320 (previous high now turned support) before 1.2131 (21 DMA). 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.

- **GBPUSD - *GBP Bulls Unstoppable?*** GBP bulls continue to run wild on better than expected labor report amid broad USD weakness and positive development on Brexit. 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. Yesterday's labor report saw a sharp increase in employment change (+102k vs. -12k expected vs. -56k in prior month) while weekly earnings ex-bonus surprised to the upside (+2.4% vs. +2.3% expected and prior). Recall that inflation fell in prior month and that suggests that falling real wages could moderate (temporarily help to ease concerns on household budget/spending). GBP was last seen at 1.4225 levels. Bullish momentum on daily chart remains intact though stochastics is in overbought conditions. Next resistance at 1.4270 (76.4% fibo retracement of EU referendum high to Oct-2016 low). Support at 1.4080, 1.38 (61.8% fibo). We reiterate that sustainable rally in GBP would also require improving fundamentals and these data - CBI reported sales for Jan (Thu) and 4Q GDP (Fri) this week should provide some indication.
- **USDJPY - *Mild Rebound But Downside Risks Persist.*** USDJPY plunged below the 109-handle overnight to a low of 108.97, a level not seen since Sep last year in the wake of a USD sell-off following comments by US Treasury Secretary Mnuchin about the benefits of a weak USD to the US economy. This comes amid protectionist measures imposed by Trump in a re-focus of his America First policy. Even the ultra-loose monetary policy of the BOJ was no match for the combined firepower of the US Treasury and Presidency. Nikkei futures are taking their lead from global equities and are pointing lower, suggesting downside pressure on the pair intraday. Pair has since rebounded back above the 109-levels though the pair is likely to remain under pressure for now and was last seen around 109.34-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 are still tilted to the downside. Support nearby is around the 109-handle (76.4% fibo retracement of the Sep-Nov upswing) before 108.60 levels, 108-handle. Rebounds should meet resistance around 109.50 levels ahead of 110.15 (61.8% fibo). CPI (Dec), BOJ minutes of policy meeting are on tap this Fri.
- **NZDUSD - *Inflation Disappoint.*** NZ 4Q CPI disappointed to the downside (+0.1% q/q vs. +0.4% expected vs. +0.5% in 3Q). Higher

petrol prices, airfares were more than offset by decrease in new cars, household goods and vegetable prices. Core inflation further reinforced the soft headline CPI, raising question if inflation could pick up further sustainably. Market expectation of RBNZ rate hike in Nov 2018 has now been pared back to 60% chance (as implied from OIS) vs. 73.2% chance previously. NZD's earlier gains above 0.74-handle (to an overnight high of 0.7438 amid broad USD weakness) was wiped. NZD was last seen at 0.7340 levels. Our trade idea for NZD short was entered too early and was stopped out at 0.7390 on that overnight squeeze (amid broad USD weakness). Nonetheless we still favor tactical short NZD today. Bullish momentum on daily chart is waning while stochastics is in overbought conditions. Decisive move below 0.7330 should reinforce our short bias for a move towards 0.7260 (61.8% fibo retracement of Jul high to Nov low) before 0.7170 (50% fibo). Resistance at 0.7380 (76.4% fibo).

- **AUDUSD - *Overstretched***. AUDUSD briefly touched 0.808 levels before turning lower towards 0.805 this morning. The pair was primarily underpinned by a weaker USD, and also supported by the CPTPP 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. Now, strong resistance remains at 0.8100, 0.8125 levels (2017 high). We see that AUD could be seen overstretched for now. Possible to look for downside risks towards 0.7940- support, before the next at 0.7888 (61.8% fibo retracement of the Sep-Dec pullback). However, remain bias to buy on dips. Week ahead is rather quiet in terms of data release except for Westpac Leading Index (Dec) on Wed.
- **USDCAD - *Inching Lower***. USDCAD slid yesterday after Canada joined 10 other countries in reaching a new CPTPP deal amid broad USD weakness. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) accord is a revised version of the TPP which was signed in 2015. The CPTPP however, does not include the US. We see that the CPTPP could help Canada diversify its trade away from the US, which helps lift off some weight from NAFTA concerns. On NAFTA, Canadian Chief NAFTA negotiator Steve Verheul proposed an automatic review of NAFTA talks, instead of the sunset clause favoured by the US officials. NAFTA talks continues this week. 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. USDCAD was last seen at 1.2348 levels. Resistance is now at 1.2390 (61.8% fibo retracement from Oct high to Sep low), 1.2467 (21 DMA). Support now at 1.2264 (76.4% fibo).

Asia ex Japan Currencies

- **SGD trades around 0.81% above the implied mid-point of 1.3194 with the top estimated at 1.2932 and the floor at 1.3456.**
- **USDSGD - *Bias Still To The Downside.*** USDSGD was sent lower towards the 1.30-handle overnight amid a sell-off in the USD. Pair touched a new 2018 low of 1.3071 overnight, a level not seen since Dec 2014. Continued UST yield softness weighed on the 3-month SOR yesterday, having slipped 0.7% to 0.96%. A rebound in UST yields could lift the 3-month SOR higher intraday. Pair has seen rebounded and was last seen around 1.3088 levels. Bearish bias on the daily and weekly chart remains intact, and stochastics remain in oversold conditions. Further rebound could meet resistance around 1.3120, 1.3180 levels. Support at 1.3030 levels. Unemployment rate (4Q), IP (Dec) are due for release tomorrow.
- **SGDMYR - *Rebound Risks.*** SGDMYR rebounded off 2.9750 - a key support we've been highlighting. The move came amid SGD outperformance despite MYR strength. Cross was last seen at 2.9840 levels. Bearish momentum on daily chart is waning while daily stochastics shows signs of turning higher from oversold conditions - potential rebound risks ahead. Resistance at 3.0020 (21 DMA). Key support at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high). A decisive break below this could open up further downside play towards 2.95, 2.9370 (76.4% fibo).
- **USDMYR - *BNM Meeting Today May Disappoint Overly Bullish Bets.*** USDMYR traded lower amid broad USD weakness, oil price gains and into BNM meeting later today (3pm SG/KL time). 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 caution that market disappointment with BNM decision (if no hike) could see some USDMYR rebounding. That said 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. Pair was last seen at 3.9030 levels. Bearish momentum on daily, weekly chart remains intact while stochastics is in oversold conditions. Support at 3.9000, 3.88 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.

- **1m USDKRW NDF - Will 1060 Give Way?** Pair turned lower tracking broad USD weakness (sparked off further by Mnuchin's remarks on the USD yesterday) amid easing geopolitical tensions (North Korea KCNA calls for 2 Koreas to make a breakthrough for independent reunification and bring great changes to North-South relations as early as possible). The move lower came despite 4Q GDP missing estimates (-0.2% q/q vs. +0.1% expected). Decline was due to slowdown in car exports which more than offset the increase in shipments of semiconductors. This surprise contraction in 4Q GDP was the worst result since 4Q 2008 and it came right after its strongest expansion in 3Q in more than 8 years. A BoK spokesman said that the decline in 4Q GDP was due to few work days and base effects. Pair was last seen at 1062 levels. Mild bullish momentum on daily chart is waning while stochastics is falling. Support still seen at 1060 levels. Break below this opens way for further downside towards 1045. Resistance at 1072, 1078. Week remaining brings consumer confidence data on Fri.
- **USDCNH - Still Pressured Lower.** USDCNH traded to new lows overnight towards 6.3463 amid soft USD while fears of US trade war still looms. USDCNH was last seen at 6.3564 level. Downside bias still remains as optimism over China's economic outlook at the World Economic Forum in Davos would support the CNH. This remains more pertinent if US maintains its protectionist policies. Support is seen at 6.3463 (Jan 2018 low) level. Resistance is now at 6.4275 (23.6% fibo from Oct 2017 high to Jan 2018 low), 6.4600 (21DMA). **PBoC fixed the USDCNY reference rate at 6.3724, 192 pips lower than previous 6.3916. CNYMYR was fixed 13 pips lower at 0.6125 vs. previous at 0.6138.** On a side note, PBoC Governor's Zhou Xiaochuan name was not included in China's top political advisory body, CPPCC. This could suggest that the longest serving central bank governor could see retirement soon.
- **1m USDINR NDF - Risks To The Downside.** The 1m USDINR NDF inched lower today amid broad USD weakness. Foreign portfolio inflows into both equities and debt also weighed on the 1m NDF. Following PM Modi's speech in Davos, we could expect some strength in the INR as PM Modi firms his commitment to an "inclusive" world economy, which would attract FDI and portfolio flows. The 1m NDF could see some downside pressure ahead of Trump's visit to Davos. On the daily charts, bullish momentum wanes, while stochastics is seen turning lower from overbought conditions. Resistance is at now at 64.00 (23.6% fibo from Sep 2017 high to Jan 2018 low), 64.45(38.2% fibo). Support is now at 63.37 level (2018 low).
- **1m USDIDR NDF - Pressured Lower.** 1m USDIDR NDF is trading softer this morning, extending the drop that began yesterday amid USD weakness. Not surprisingly, the spot USDIDR gapped lower at the opening to 13292 this morning from yesterday's close of 13314. 1m NDF though continues to trade within the 13280-13370 range. This was despite foreign investors selling USD23.6mn in equities yesterday. Meanwhile, they had purchased USD186.9mn in debt on 23 Jan (latest data available). Still, further net foreign portfolio inflows should weigh on the 1m NDF ahead. Support for the IDR also came from comments by BI Governor Augs Martowardojo that the window for policy adjustments has narrowed and that the central bank has to manage inflation this year. But he suggested that

macro-prudential measures are likely to be used to tackle issues like inflation though the use of rate hikes still cannot be discounted. Last seen around 13293 levels. Daily chart shows bearish bias dissipating, and stochastics still in oversold conditions. Weekly momentum indicators and stochastics remain bearish bias. Support remains at 13280 (76.4% fibo retracement of the Sep-Oct upswing). We need to see a break of this level on a weekly close for bearish extension towards the 13000-handle. Resistance remains around 13370 (61.8% fibo). JISDOR was fixed at 13321 on Mon; 3 pips higher than the fixing on Tue. There are no Tier 1 data on tap this week.

- **1m USDPHP NDF - Range Trades.** 1m USDPHP is back on the uptick on possible profit-taking as market focus returned to its macro-weakness, namely disappointing 4Q17 GDP growth and deteriorating current account deficit. 1m NDF slipped back below the 51-handle overnight amid a sell-off in the USD and a re-test of the 51-handle is likely. It also did not help that risk appetite had waned yesterday with foreign investors selling USD0.9mn in equities yesterday. With the PSEi opening lower, a further selling by foreign funds is likely to keep the 1m NDF supported intraday. Last seen around 50.95 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 now out of oversold conditions. We look for the pair to trade sideways for now. Resistance at 51.15 (38.2% fibo retracement of the Apr-Oct 2017 upswing). Support is at 50.80 (50% fibo) ahead of 50.70 (200DMA). No tier 1 data on tap for the remaining week.
- **USDTHB - Limited Downside?** USDTHB continues to make new lows amid a sell-off in USD. Pair touched a new 2018 and multi-year low of 31.495 levels this morning. Gold prices are softer this morning, and given the negative correlation between gold prices and the USDTHB, further downside to the pair could be limited. Foreign portfolio flows showed foreign funds purchasing USD7.3mn of equities, while selling net USD110.8mn of debt. Further net foreign portfolio outflows could be supportive of the pair and limit further downside. Rebound risks remains given that general elections, supposedly planned in Nov, might be delayed and the warning by the BoT that it was opening investigations into some financial institutions with operations in Thailand for speculating in the THB. Last seen around 31.508 levels. Daily and weekly momentum indicators remain bearish bias but waning, while stochastics are at oversold conditions. Support is at 31.256 levels. Resistance around the 31.860 levels. Foreign reserves (19 Jan) are on tap tomorrow.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.37	*3.38/36	Not traded
5YR MI3/22	3.54	3.59	+5
7YR ML9/24	3.96	3.92	-4
10YR MO11/27	3.94	3.93	-1
15YR MX4/33	4.45	4.44	-1
20YR MX4/37	4.62	4.64	+2
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	3.65	3.65	-
3-year	3.79	3.78	-1
5-year	3.88	3.88	-
7-year	3.98	3.98	-
10-year	4.10	4.10	-

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Source: Maybank KE

*Indicative levels

- Mild rebound in govies, after a few days of weakness, following the rise in USTs overnight. Yields mostly ended 1-5bps lower. 15y MGS 4/33 re-opening auction was announced with a size of MYR2.5b and an additional private placement of MYR1b. Cautious tone remain as market awaits the MPC decision Thursday 3pm.
- Muted MYR IRS market ahead of the MPC meeting. IRS curve was virtually unmoved with few quotes in the day and only a single trade given on 3y IRS, reckon is squaring of position. 3M KLIBOR unchanged at 3.44%.
- Trading in corporate bonds picked up with a hint of buying interest in selected AAA and AA credits, but levels were unchanged for the former and 1-2bps wider for the latter. For AAA, there was interest on Plus and Rantau long end bonds, while AA saw SPG and MEX II in demand. GGs were better offered but without good bids as supply indigestion may persist given new issuances anticipated soon.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.44	1.45	+1
5YR	1.76	1.77	+1
10YR	2.14	2.15	+1
15YR	2.41	2.41	-
20YR	2.45	2.45	-
30YR	2.59	2.59	-

Source: Maybank KE

- Mixed movements in SGD rates. Despite low funding cost and SOR fixings, short end SGS yields edged up as dealers turned better sellers ahead of the 1y T-bill auction on Friday, while long end yields outperformed down as much as -3bps initially. SGD IRS curve also shaded lower and flatter. But the selling in SGS spread to the long end after USTs traded lower and yields rebounded. By the close, SGD IRS curve ended down 1-2bps and steeper as the short end was anchored by strong SGD FX and lower forward points. SGS underperformed with yields up 1bp along the 2y10y.
- Active Asian credit market which opened stronger, but saw selling in late morning. China AMC names traded a few bps wider, while INDONs ranged 0.125pts higher to unchanged. Malaysian credits were still well bid with market seeking MALAYS and PETMK. There was also growing demand for MENA sovereigns and infrastructure names, particularly at the long end. Hankook Tire issuing 5y USD bond with guidance at T5+135bps.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.44	5.43	(0.67)
5YR	5.60	5.65	5.33
10YR	6.13	6.16	3.49
15YR	6.62	6.63	0.90
20YR	6.94	6.97	2.35
30YR	7.09	7.08	(0.83)

* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Wednesday trading session amid minimal market sentiments, Central Bank official statement of small possibility for of rate adjustment and as UST 10y yield remain well above the 2.6% level (UST10y - IGB10y spread lowest since May 2013). 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.653%, 6.160%, 6.632% and 6.967% while 2y yield moved lower to 5.432%. During the day, FR0042 (9.5y) yield decline the most by 4bps while FR0059 (9y) 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 heavy at government segments amounting Rp22,888b with FR0059 (9y) as the most tradable bond. FR0059 total trading volume amounting Rp2,969b with 72x transaction frequency.
- Foreign ownership stood at Rp880.2t or 41.1% of total tradable government bond as of Jan 23rd. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp42.0t 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 heavy amounting Rp1,409b. BBRI02CCN1 (Shelf Registration II Bank BRI Phase I Year 2016; C serial bond; Rating: _{id}AAA) was the top actively traded corporate bond with total trading volume amounted Rp195b yielding 7.072%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2494	110.88	0.8135	1.4433	6.4191	0.7473	136.1467	88.6670
R1	1.2451	110.05	0.8099	1.4338	6.3843	0.7405	135.8333	88.3550
Current	1.2404	109.29	0.8067	1.4235	6.3489	0.7355	135.5600	88.1600
S1	1.2329	108.68	0.8010	1.4072	6.3305	0.7302	135.0633	87.8040
S2	1.2250	108.14	0.7957	1.3901	6.3115	0.7267	134.6067	87.5650

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3213	3.9261	13344	51.2110	31.9167	1.6272	0.6195	2.9892
R1	1.3143	3.9188	13329	51.0190	31.7283	1.6246	0.6174	2.9858
Current	1.3078	3.9045	13293	50.8800	31.4950	1.6223	0.6151	2.9858
S1	1.3037	3.9072	13304	50.7290	31.4363	1.6181	0.6111	2.9766
S2	1.3001	3.9029	13294	50.6310	31.3327	1.6142	0.6069	2.9708

*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	1.1269	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	26,252.12	0.16
Nasdaq	7,415.06	-0.61
Nikkei 225	23,940.78	-0.76
FTSE	7,643.43	-1.14
Australia ASX 200	6,054.66	0.29
Singapore Straits Times	3,609.24	0.48
Kuala Lumpur Composite	1,837.04	-0.05
Jakarta Composite	6,615.49	-0.30
Philippines Composite	8,920.23	-0.88
Taiwan TAIEX	11,152.16	-0.90
Korea KOSPI	2,538.00	0.06
Shanghai Comp Index	3,559.47	0.37
Hong Kong Hang Seng	32,958.69	0.08
India Sensex	36,161.64	0.06
Nymex Crude Oil WTI	65.61	1.77
Comex Gold	1,361.40	1.47
Reuters CRB Index	199.51	1.30
MBB KL	9.91	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	150	3.255	3.255	3.255
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	133	3.007	3.248	2.954
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	305	3.118	3.197	3.073
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	7	3.253	3.253	3.253
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	10	3.261	3.261	3.232
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	303	3.331	3.331	3.221
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	4	3.323	3.351	3.323
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	19	3.355	3.355	3.346
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	24	3.573	3.573	3.501
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	1	3.621	3.621	3.621
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	15	3.479	3.479	3.479
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	30	3.706	3.731	3.706
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	1	3.798	3.798	3.798
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	4	3.898	3.942	3.898
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	16	3.895	3.921	3.895
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	1	3.97	3.97	3.97
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	30	4.109	4.124	4.109
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	10	4.035	4.051	4.015
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	41	3.929	3.936	3.923
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	4.401	4.412	4.401
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	37	4.477	4.487	4.431
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	78	4.436	4.436	4.426
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	1	4.539	4.539	4.539
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	24	4.627	4.635	4.627
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	75	3.231	3.251	3.197
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	100	3.265	3.265	3.249
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	356	3.89	3.89	3.856
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	1	3.998	3.998	3.998
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	90	4.181	4.194	4.181
GII MURABAHAH 6/2017 15.06.2033	4.724%	15-Jun-33	80	4.552	4.555	4.552

Total **1,949**

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MACB IMTN 4.550% 28.08.2020 - Tranche No 1	AAA (S)	4.550%	28-Aug-20	10	4.219	4.231	4.219
SARAWAKHIDRO IMTN 4.21% 11.08.2021	AAA	4.210%	11-Aug-21	5	4.293	4.293	4.293
PUTRAJAYA IMTN 4.40% 24.04.2025 - Series No. 2	AAA IS	4.400%	24-Apr-25	10	4.459	4.464	4.459
GENTING CAP MTN 4.86% 08.6.2027 - Issue No. 2	AAA (S)	4.860%	8-Jun-27	2	4.941	4.943	4.941
DANGA IMTN 4.520% 06.09.2027 - Tranche 7	AAA (S)	4.520%	6-Sep-27	4	4.603	4.605	4.603
PLUS BERHAD IMTN 5.070% 10.01.2031 - Series 1 (15)	AAA IS	5.070%	10-Jan-31	10	4.859	4.86	4.859
RANTAU IMTN 0% 12.05.2031 - MTN 5	AAA (S)	5.050%	12-May-31	16	4.845	4.846	4.845
TNB WE 5.500% 30.07.2031 - Tranche 15	AAA IS	5.500%	30-Jul-31	11	4.882	4.883	4.882
GENM CAPITAL MTN 5479D 31.3.2032	AAA (S)	5.200%	31-Mar-32	2	5.251	5.252	5.251
DANGA IMTN 4.940% 26.01.2033 - Tranche 8	AAA (S)	4.940%	26-Jan-33	9	4.94	4.94	4.94
CTX IMTN 3.750% 29.08.2019 - Series 3	AA+ IS	3.750%	29-Aug-19	10	4.468	4.468	4.468
SCC IMTN 4.780% 08.10.2019	AA1	4.780%	8-Oct-19	5	4.436	4.436	4.436
PUBLIC SUB-NOTES 4.77% 27.10.2023	AA1	4.770%	27-Oct-23	20	4.327	4.36	4.327
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	1	4.704	4.704	4.704
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	40	4.912	4.913	4.908
ENCORP 5.400% 18.05.2027	AA1	5.400%	18-May-27	2	4.691	4.692	4.691
DANAJAMIN IMTN 4.800% 06.10.2027	AA1	4.800%	6-Oct-27	30	4.719	4.731	4.719
SAMALAJU IMTN 5.55% 28.12.2028 - Issue No. 6	AA1 (S)	5.550%	28-Dec-28	1	5.032	5.033	5.032
SAMALAJU IMTN 5.65% 28.12.2029 - Issue No. 7	AA1 (S)	5.650%	28-Dec-29	16	5.118	5.119	5.118
SEB IMTN 5.040% 25.04.2031	AA1	5.040%	25-Apr-31	1	5.111	5.112	5.111
SEB IMTN 5.280% 17.08.2035	AA1	5.280%	17-Aug-35	4	5.354	5.355	5.354
FRL IMTN 4.850% 27.10.2021	AA2	4.850%	27-Oct-21	10	4.587	4.613	4.587
UMWH IMTN 4.830% 22.06.2022	AA2	4.830%	22-Jun-22	20	4.608	4.613	4.608
BGSM MGMT IMTN 4.900% 27.12.2018 - Issue No 7	AA3	4.900%	27-Dec-18	20	4.122	4.15	4.122
GAMUDA IMTN 4.825% 23.11.2022	AA3	4.825%	23-Nov-22	30	4.698	4.704	4.697
UEMS IMTN 5.060% 09.12.2022	AA- IS	5.060%	9-Dec-22	10	4.905	4.914	4.905
JATI IMTN 5.110% 31.01.2023	AA3	5.110%	31-Jan-23	4	5.028	5.03	5.028
UEMS IMTN 5.000% 19.05.2023	AA- IS	5.000%	19-May-23	5	4.968	4.97	4.968
TBEI IMTN 5.700% 16.03.2027	AA3	5.700%	16-Mar-27	4	4.758	4.759	4.758
TBEI IMTN 5.800% 16.03.2028	AA3	5.800%	16-Mar-28	4	4.818	4.819	4.818
CSSB IMTN 5.310% 31.01.2029	AA- IS	5.310%	31-Jan-29	10	5.039	5.041	5.039
MEX II IMTN 5.900% 27.04.2029 - Issue No. 9	AA- IS	5.900%	27-Apr-29	15	5.137	5.14	5.137
KESTURI IMTN 4.75% 30.11.2029 - IMTN 11	AA- IS	4.750%	30-Nov-29	10	4.946	4.947	4.946
TADAU SRI SUKUK 6.00% 28.07.2031 (Tranche 13)	AA3	6.000%	28-Jul-31	2	5.753	5.755	5.753
MEX II IMTN 6.200% 29.04.2032 - Issue No. 12	AA- IS	6.200%	29-Apr-32	15	5.412	5.412	5.409
KESTURI IMTN 5.25% 02.12.2032 - IMTN 14	AA- IS	5.250%	2-Dec-32	5	5.143	5.144	5.143
SPG IMTN 5.450% 31.10.2033	AA- IS	5.450%	31-Oct-33	2	5.349	5.35	5.349
KESTURI IMTN 5.25% 02.12.2033 - IMTN 15	AA- IS	5.250%	2-Dec-33	6	5.21	5.211	5.21
SPG IMTN 5.570% 30.04.2035	AA- IS	5.570%	30-Apr-35	10	5.459	5.459	5.459
LDF3 IMTN 6.040% 23.08.2035	AA- IS	6.040%	23-Aug-35	4	5.262	5.262	5.262
S POWER IMTN 6028D 19.11.2021 ClassA(T1)	A1	22.180%	19-Nov-21	10	5.016	5.018	5.016
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	6	5.1	5.527	4.825
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	1	5.251	5.251	5.251
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	1	5.089	5.089	5.089
MUAMALAT IMTN 5.800% 15.06.2026	A3	5.800%	15-Jun-26	4	5.617	5.62	5.617
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.338	6.338	6.338
Total				416			

Sources: BPAM

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