

# Global Markets Daily

## “Sell-in-May” before May?

### 3% A Psychological Level

3% is a psychological level for the UST 10y yield. The breaching of this level last night coincided with the tumble on Wall Street which actually opened higher. US equity indices closed more than 1% lower across the board. With just 4 more days before the end of the month, we cannot help but wonder if this is a slightly premature trigger of the “Sell-in-May” after the modest run-up in Apr. The psychological 3% seems to have more impact on stocks compared to FX. The USD seems to have pared its recent gains overnight with AUD sticky around the 0.76-figure (vs. the USD), EUR at 1.2230 and GBP within striking distance of the 1.40-figure (again).

### More RRR cuts from PBoC

There has been more rhetoric on RRR cuts with researcher at the Chinese Academy of Social Sciences Fei Zhaoqi, looking for more RRR cuts. According to him, RRR cuts will release low-cost, long-term liquidity. With China’s RRR still one of the highest in the world, it makes structural sense for it to be lowered. While RRR cut is typically seen as an easing move, we feel it only serves to dampen cost of funding which has been on the way higher. PBoC still wants to ensure that corporates and banks are still able to price risks with the guidance of interest rates from various OMO instruments including reverse repos and MLF. The increasing reliance of longer-tenor instruments like the MLF underscores the desire of the central bank to raise rates.

### Let Bygones be Bygones

We 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. Overnight, US Trump even complimented N. Korea as “very honourable” and hopes to hold his summit (rumours either in Mongolia or Singapore) with the leader very soon.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2233	↑ 0.20	USD/SGD	1.3221	↓ -0.25
GBP/USD	1.3978	↑ 0.27	EUR/SGD	1.6173	↓ -0.05
AUD/USD	0.7604	↓ -0.01	JPY/SGD	1.2151	↓ -0.35
NZD/USD	0.712	↓ -0.39	GBP/SGD	1.848	↑ 0.02
USD/JPY	108.82	↑ 0.10	AUD/SGD	1.0053	↓ -0.26
EUR/JPY	133.11	↑ 0.30	NZD/SGD	0.9413	↓ -0.63
USD/CHF	0.9789	↑ 0.07	CHF/SGD	1.3504	↓ -0.33
USD/CAD	1.2833	↓ -0.12	CAD/SGD	1.0303	↓ -0.14
USD/MYR	3.905	↑ 0.19	SGD/MYR	2.9523	↑ 0.17
USD/THB	31.444	↓ -0.30	SGD/IDR	10498.51	↓ -0.71
USD/IDR	13889	↓ -0.62	SGD/PHP	39.5189	↓ -0.25
USD/PHP	52.277	↓ -0.17	SGD/CNY	4.7654	↓ -0.06

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3052	1.3316	1.3581

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### 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

## G7 Currencies

- **DXY - Cautious of Further Rebound.** USD rebound stalled overnight as the rise in 10Y UST yield stopped short of advancing above 3%-handle decisively. DXY was last seen at 90.80 levels. Mild bullish momentum on daily chart remains intact while stochastics shows signs of running into overbought conditions. Key area of resistance at 90.5-90.90 still holds but we caution that DXY could trade sharply higher towards 91.60 (76.4% fibo), 92 levels (200 DMA) on the break above key area of resistance. Support levels seen at 89.90 (50 DMA), 89.28 (61.8% fibo retracement of Feb low to Mar high). We continue to reiterate 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 while other major central banks such as RBA, RBNZ, SNB do not seem to be in a hurry to shift its rhetoric. We believe USD rhetoric may switch from sell rallies to buy dips in the near term (4-6w time horizon), especially in the event 10Y UST yield continue to trade above 3%. 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. Week remaining brings Durable Goods Order (Mar); Kansas City Fed Mfg (Apr) on Thu; GDP, Core PCE (1Q); Uni of Mich Sentiment (Apr) on Fri. This week also brings huge supply of Treasury issuance in 2Y, 5Y and 7Y notes, worth \$184bn. Increase in bond issuance weigh on bond prices and cause yields to push higher. The bulk of the issuance (\$45bn in 4w, \$26bn in 1Y and \$32bn in 2Y notes) took place yesterday. For today, Treasury will auction \$17bn in 2Y FRN and \$35bn in 5Y notes and for tomorrow, Treasury will auction \$29bn in 7Y notes.
- **EURUSD - Range but risks Skewed to the Downside.** EUR rebounded off its 100 DMA overnight. Last seen at 1.2230 levels. Daily momentum and stochastics indicators remain bearish bias. Key support at 1.2210 (100 DMA) remains a key level to watch. Break below 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). Risk still skewed to the downside in the near term but our bias remains to buy on dips but prefer to wait for better levels. Resistance at 1.2240 (38.2% fibo), 1.2330(21, 50 DMAs). Day ahead see 1.2190 - 1.2260 range. 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 - *Chance of Rebound***. GBP's decline since 17 Apr enjoyed a breather overnight as USD's rebound stalled. Focus this week on Common's vote for continued membership in EU customs union after leaving the EU. Vote though is not legal binding, is considered an indication of what the MPs desire. According to local media, a senior Downing source told the BBC that the UK will not be staying in the customs union or joining a customs union after Brexit. It remains unclear how May's government will manage the exit if a majority backed staying in the customs union. Pair was last seen at 1.3990 levels. Daily momentum is mild bearish while stochastics is falling into near oversold conditions. Key support at 1.3960 before 1.3855 (100 DMA). Area of resistance at 1.4020-40 levels before 1.41 levels. We see some chance of rebound today; suggest 1.3960 - 1.4050 range. Week remaining brings CBI Reported Sales (Apr) on Thu; GDP (1Q); GfK Consumer Confidence (Apr) on Fri.
  
- **USDJPY - *Watching Break Of 109-Levels***. USDJPY touched a near two-month high overnight, breaching the 109-handle to 109.20 amid rising UST yields, which had briefly breached the 3.0% levels at 3.0014. Pair though is weighed by the sell-off in US equities following rising UST yields and earnings warning by Caterpillar, which reduced appetite for riskier assets, capping upside the pair's upside. At the same time, underlying downside pressure on the pair remains 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 puts downside pressure on the pair. Last seen around 108.88 levels. Momentum indicators on the daily chart shows mild bullish bias, while stochastics is still at overbought conditions. With risks still to the upside, pair could re-test the 109-handle. We watch for a clean break of 109.10 (76.4% fibo retracement of the Feb-Mar downswing) for a move towards 109.80 levels and then the 110-levels. Failing which we could see the pair headed back towards the 106-107 levels. Remaining week has all industry activity index (Feb) on Wed; BOJ meets, BOJ outlook report, jobless rate, IP, retail sales, housing starts (Mar) on Fri. BOJ meeting on Fri is likely to be a non-event as the central bank is unlikely to deviate from its current policy stance and market will watch for how new Deputy Governor Wakatabe will vote - whether he joins dovish board member Goushi Kataoka in dissenting. BOJ Governor in his post-meeting press conference is unlikely to veer away from his script and continue to reiterate persistent easing until the 2% inflation target is achieved.
  
- **NZDUSD - *Bearish***. NZD remains soggy near recent lows; last seen at 0.7110 levels. Daily momentum is bearish while stochastic is falling into 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 - 0.7150 range intra-day. Maintain our bias to stay short NZD vs. long AUD. Taking stock of 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 1.0685 levels (50 DMA). Next 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 stay above 50 DMA.

- **AUDUSD - Doji.** AUDUSD remained weighed this morning, after finishing the session with a doji. Last seen around 0.7597, and hovering below the major trendline marked at around 0.7630. This pair had been 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 remained elevated around 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 yesterday 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. As we have noted before, the weekly chart is getting increasingly compelling for AUD bulls and we await a rebound towards 0.77-figure for a breakout of the falling wedge. Break above this puts next resistance at 0.7890 (50% fibo), 0.7950 (61.8% fibo). *Week ahead brings Import, Export Price Index (1Q) on Thu; PPI (1Q) on Fri.*
- **USDCAD - Supported.** USDCAD was resisted by the 1.2870-resistance, last seen around 1.2820. Pair is guided by a softer USD overnight though doubts on NAFTA keep prices supported on dips. Mexico Economy Minister Guajardo told the press that there is no guarantees that the NAFTA deal can be reached. Support is seen around 1.2720/40 (marked by the 21-DMA) before the next at 1.2625 (200-DMA). The uncertainty surrounding NAFTA is also holding BoC Poloz back from hiking policy rates further as he also opined that the NAFTA situation "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 0.583% above the implied mid-point of 1.3316. We estimate the top at 1.3052 and the floor at 1.3581.**
- **USDSGD - Risks Still To The Upside.** USDSGD is edging higher this morning amid USD strength but remains off its yesterday's high (not seen since mid-Feb) of 1.3276. Last seen around 1.3236-levels. Daily momentum indicators are bullish bias with stochastics still on the climb higher. This suggests further upside risk to the pair. Resistance remains around 1.3278 levels (38.2% fibo retracement of the Oct 2017 to Jan 2018 downswing). 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. PM Lee Hsien Loong re-shuffled his cabinet yesterday, announcing some changes made to his economic team, though the broad policy directions of the government are unlikely to change. Heng Swee Keat remains Finance Minister, while Chan Chun Sing will now helm the Trade & Industry Ministry and Josephine Teo the Manpower Ministry. Indraneel Rajah was promoted to Second Minister for Finance and Education. **AUDSGD - Last Chance to Buy.** AUDSGD waffled around 1.0050. Eyes are on the next support at 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 was last seen at 2.9530 levels. Daily momentum is not indicating a clear bias while stochastics is falling from near-overbought conditions. Bias remains 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 continues to trade near recent highs in subdued range. 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 - Yields Dictate.** Rise in 1m USDKRW NDF paused overnight as rise in USD and UST yield took a breather. Pair was last seen at 1075 levels. Mild bullish momentum on daily chart remains intact but stochastics is near overbought conditions. Sustained price action above 1074/75 could point to further upside risks, especially in the event that 10Y UST yield rises rapidly past 3%. Next resistance seen at 1082, 1089 levels. We look for opportunity on rally to fade into. Support at 1064.
  
- **USDCNH - Higher in Range.** USDCNH slipped under the 6.30-figure in tandem with the USD. Momentum is still bullish but price action is still within 6.25-6.35. There has been more rhetoric on RRR cuts with researcher at the Chinese Academy of Social Sciences Fei Zhaoqi, looking for more RRR cuts. RRR cuts will release low-cost, long-term liquidity. Another official Yu Xuejun, Chairman of Supervisory Board of key State-owned financial institutions look for 6-8ppts in 3 years as normal level of RRR should be around 6-8% vs. China's 14-16%. With China's RRR still one of the highest in the world, it makes structural sense for it to be lowered. While RRR cut is typically seen as an easing move, we feel it only serves to dampen cost of funding which has been on the way higher. PBoC still wants to ensure that corporates and banks are still able to price risks with the guidance of interest rates from various OMO instruments including reverse repos and MLF. The increasing reliance of longer-tenor instruments like the MLF underscores the desire of the central bank to raise rates. **PBoC fixed the USDCNY reference rate at 6.3066, 163 pips lower than the previous 6.3229. CNYMYR was fixed at 0.6194, 25 pips higher than the previous at 0.6169. EURCNY was fixed 12 pips higher at 7.7144 vs. the previous at 7.7132.** Week ahead has industrial profits for Mar on Fri.
  
- **1M USDINR NDF - Bulls Pause.** 1M NDF took a break from its recent rally and was last seen around 66.70. Despite the overbought conditions and we do not rule out a pullback towards 66.50 or even 66.00, we still look for this pair to possibly head towards the 67. Risks are to the upside. USDINR remains buoyed by the rise in oil prices and UST yields as investors remain concerned about India's

current account deterioration. Foreign investors sold U\$38.9mn of equities and U\$48.0mn of bonds on Mon (23 Apr).

- **1m USDIDR NDF - *Weighed By BI Intervention.*** 1m USDIDR NDF continues its retracement from its new 2018 high at 14104 (23 Apr), slipping back below the 14000-handle, amid a pullback in the USD against some of the AXJs. More importantly, market appears to take to heart the news that the central bank had made 'sizeable' intervention in the FX and bond markets to defend the IDR. Market wariness of further intervention by BI should keep the 1m NDF soggy for now. Still, elevated UST yields weighs on Indonesian assets. Foreign investors sold off USD47.2mn in equities yesterday. Meanwhile, they had also sold USD110.6mn in debt on 23 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, weighing on the IDR. 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 13881 this morning from yesterday's close of 13889 amid a reduction in long USDIDR positions. 1m NDF was last seen around 13967-levels. Daily chart now shows bullish bias but waning, while stochastic shows tentative signs of turning lower from overbought conditions. Resistance is at the 14104-levels. Remain watchful of further official agent activities to smooth out IDR volatility. Support at 13875 levels. JISDOR was fixed at 13900 yesterday, 6 pips higher than Mon's fixing. Quiet week ahead with no tier 1 data on tap.
- **1m USDPHP NDF - *Limited Downside.*** 1m USDPHP NDF has come off from its near one-month high of 52.52 (24 Apr), weighed by the sell-off in the UST against some of the AXJs. Just as important, speculation of a rate hike has increased following comments by both BSP governor and board member. BSP governor had vowed to take "immediate and appropriate" measures to ensure price and financial stability if inflation becomes more broad-based. At the same time, BSP board member Felipe Medalla yesterday that the central bank may reconsider its current monetary policy stance should inflation remained persistent. This is helping to offset waning risk appetite for riskier assets. Yesterday, foreign funds sold USD3.3mn in equities. Further sell-off today should keep the 1m NDF supported intraday. Spot USDPHP gapped lower at the opening to 52.191 this morning from yesterday's close of 52.277 amid a reduction in long-USDPHP positions. Last seen around 52.35-levels. Momentum indicators now shows mild bullish bias on the daily chart, while stochastics hovers just a tad off overbought conditions. This suggests risks are to the upside. Next resistance is at 52.60, 52.70 (2018 high). Support at 52.25 (21DMA). Watch for official agent activities to smooth our PHP volatility ahead.
- **USDTHB - *Upside Risks.*** USDTHB is edging higher this morning amid firmer UST yields and USD, though this is off its recent high of 31.575 (24 Apr). Firmer UST yields weighed on Thai assets yesterday, resulting in foreign investors selling USD84.8mn and USD163.3mn in equities and debt. Further foreign portfolio outflow should be supportive of the 1m NDF intraday. Last seen around 31.4017-levels. Daily momentum indicators and stochastics show mild bullish bias. Resistance is at 31.520 levels (50% fibo retracement of the Feb-Mar

downswing) ahead of 31.624 levels (61.58% fibo). Support nearby at 31.420 (38.2% fibo) before 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	3.65	3.69	+4
5YR MI4/23 WI	3.86	3.88	+2
7YR MK3/25	4.05	4.07	+2
10YR MO11/27	4.20	4.17	-3
15YR MX4/33	4.63	4.66	+3
20YR MX4/37	4.62	*4.75/70	Not traded
30YR MZ3/46	4.84	*4.89/84	Not traded
<b>IRS</b>			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.76	3.76	-
3-year	3.85	3.84	-1
5-year	3.93	3.92	-1
7-year	4.03	4.03	-
10-year	4.18	4.18	-

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Source: Maybank KE

\*Indicative levels

- MGS market saw some relief and good trading volume. Yields still generally higher, up by 2-4bps, while the 10y benchmark MGS 11/27 yield retraced -3bps from previous day. There was little activity in GII space, with 7y GII 8/25 trading 9bps higher at 4.10%. Market players still remain defensive for now as bond yields edge higher and USD hold gains.
- MYR IRS rates selectively retraced by about 1bp. But we caution that weakness remains in bond market due to election risk. IRS continued to see more receivers, with the 4y given at 3.88% while the 5y dealt at 3.93% and continued to be paid on. Rates likely to stay elevated for now. 3M KLIBOR was 3.69%.
- Weak tone in corporate bonds with sellers mostly at the front end sector, particularly for GG and AA which widened 3bps each. Long end AA, however, was relatively supported widening just 1bp as there was still keen buying interest in SPG. AAA curve unchanged but saw better buying of Tenaga 2032, and while its levels look attractive, the spread to MGS is currently rather tight. MKD Kencana sold MYR1.3b GG bonds in 5y and 7y tranches in sizes of MYR850m and MYR450m and at final yield of 4.33% and 4.47% respectively.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.97	1.92	-5
5YR	2.20	2.16	-4
10YR	2.55	2.50	-5
15YR	2.77	2.73	-4
20YR	2.78	2.73	-5
30YR	2.91	2.84	-7

Source: Maybank KE

- SGS retraced most of previous day's losses with yields lowering back 4-7bps. Strong buying right after open drove yields sharply lower, particularly the long end. Short end SGS yields initially increased due to higher funding rates, but decreased back by day end. SGD IRS moved 1-4bps lower, and swap spreads generally widened.
- Asian credit space was active, with IG credits seeing good two-way interest. Notable primary deals were Beijing Enterprises Water Group's USD500m bonds at 5.00% and State Grid's EUR and USD bonds, which led its existing curve to tighten 2-3bps. PT Pelabuhan Indonesia is also coming out with 5y and 10y bonds guiding at 4.85% and 5.35% respectively, though it prompted the existing to curve to widen a tad.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.94	6.23	29.19
5YR	6.23	6.33	9.43
10YR	6.84	6.92	7.20
15YR	7.12	7.18	5.95
20YR	7.41	7.47	5.78
30YR	7.40	7.39	(0.31)

\* Source: Maybank Indonesia

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- Indonesia bond market closed lower during Tuesday trading session as awarded WAY during auction came in higher compared to IndoGB yield close during Monday trading session while demand was noted thin. IndoGB yield curve bear flattened with front end tenor yield increasing the most. IndoGB market may move lower during today;s trading following UST 10y yield hitting 3% level. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.327%, 6.915%, 7.181% and 7.471% while 2y yield moved higher to 6.231%. During the day, FR0069 (1mo) yield increased the most during the day. 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 Rp26,166b with FR0069 (1mo) as the most tradable bond. FR0069 total trading volume amounting Rp5,493b with 43x transaction frequency.
- Indonesian government conducted their final bi-weekly conventional auctions yesterday and received thin incoming bids worth of Rp17.02t (thinnest since beginning year) versus its target issuance of Rp17.00t or came in line with issuance target. However, DMO only awarded FR0064 (10y) and FR0075 (15y) bids with a total worth of Rp6.15t. Incoming bids were clustered on money market series (<1y) and FR0064. 10y FR0064 was sold at a weighted average yield (WAY) of 6.91993% while 20y FR0075 was sold at 7.46950%. SPN (3mo), SPN (9mo) and FR0063 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.56X - 1.64X. Foreigner demands during the auction were noted Rp4.44t or 26.06% of total incoming bids. However, only Rp2.37t bid (38.48% of total awarded bids) were awarded to foreign investors.
- Foreign ownership stood at Rp868.3t or 39.5% of total tradable government bond as of Apr 23<sup>rd</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp1.5t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp2,798b. 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 Rp350b yielding 6.099%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2283	109.51	0.7643	1.4030	6.3320	0.7180	133.9433	83.3780
R1	1.2258	109.17	0.7623	1.4004	6.3144	0.7150	133.5267	83.0580
<b>Current</b>	1.2221	109.06	0.7590	1.3979	6.3035	0.7108	133.2800	82.7720
S1	1.2195	108.51	0.7582	1.3935	6.2857	0.7098	132.6567	82.4550
S2	1.2157	108.19	0.7561	1.3892	6.2746	0.7076	132.2033	82.1720

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3296	n/a	14016	52.4357	31.6387	1.6230	0.6215	2.9633
R1	1.3259	n/a	13953	52.3563	31.5413	1.6201	0.6203	2.9578
<b>Current</b>	1.3239	3.9130	13893	52.2620	31.4790	1.6180	0.6197	2.9559
S1	1.3201	n/a	13849	52.2263	31.3803	1.6136	0.6172	2.9434
S2	1.3180	n/a	13808	52.1757	31.3167	1.6100	0.6152	2.9345

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

**Equity Indices and Key Commodities**

	Value	% Change
Dow	24,024.13	-0.74
Nasdaq	7,007.35	-0.70
Nikkei 225	22,278.12	0.86
FTSE	7,425.40	0.36
Australia ASX 200	5,886.01	0.29
Singapore Straits Times	3,584.56	0.14
Kuala Lumpur Composite	1,865.34	-0.80
Jakarta Composite	6,229.64	-0.24
Philippines Composite	7,600.36	-0.54
Taiwan TAIEX	10,579.50	-0.10
Korea KOSPI	2,464.14	-0.40
Shanghai Comp Index	3,128.93	1.99
Hong Kong Hang Seng	30,636.24	1.26
India Sensex	34,616.64	0.48
Nymex Crude Oil WTI	67.72	-0.74
Comex Gold	1,332.20	0.42
Reuters CRB Index	200.08	-0.32
MBB KL	10.62	0.00

**Policy Rates**

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5068	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
PRC 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	1,026	3.402	3.498	3.354
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	154	3.559	3.604	3.559
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	380	3.534	3.561	3.517
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	121	3.595	3.595	3.55
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	35	3.627	3.681	3.627
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	80	3.701	3.701	3.701
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	112	3.659	3.744	3.659
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	80	3.792	3.792	3.786
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	251	3.827	3.843	3.796
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	242	3.679	3.769	3.679
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	43	3.895	3.895	3.794
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	134	4.004	4.004	3.926
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	51	3.914	3.943	3.869
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	13	3.864	3.991	3.864
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	40	3.879	3.879	3.879
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	61	3.999	3.999	3.989
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	37	4.015	4.052	4.015
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	4	4.005	4.023	3.996
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	470	4.074	4.083	4.07
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	39	4.113	4.121	4.113
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	4.193	4.193	4.052
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	5	4.198	4.198	4.198
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	270	4.18	4.193	4.155
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	30	4.141	4.141	4.141
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	4.485	4.495	4.485
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	1	4.616	4.616	4.616
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	48	4.613	4.658	4.608
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	99	4.695	4.839	4.695
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	48	3.803	3.803	3.803
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	30	3.92	3.92	3.92
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	70	3.972	3.985	3.972
PROFIT-BASED GII 4/2012 15.11.2022	3.699%	15-Nov-22	10	4.026	4.026	4.026
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	10	4.099	4.099	4.099
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	20	4.095	4.095	4.095
GII MURABAHAH 3/2015 4.245% 30.09.2030	4.245%	30-Sep-30	40	4.706	4.711	4.706
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	190	4.75	4.761	4.733

**Total****4,247**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PASB IMTN (GG) 4.42% 05.02.2021 - Issue No. 14	GG	4.420%	5-Feb-21	50	4.046	4.08	4.046
PTPTN IMTN 4.190% 27.08.2021	GG	4.190%	27-Aug-21	10	4.079	4.101	4.079
DANAINFRA IMTN 4.160% 26.11.2021 - Tranche No 26	GG	4.160%	26-Nov-21	10	4.065	4.068	4.065
PRASARANA IMTN 4.050% 28.12.2021 - Series 1	GG	4.050%	28-Dec-21	5	4.14	4.14	4.14
LPPSA IMTN 4.580% 16.04.2027 - Tranche No 9	GG	4.580%	16-Apr-27	10	4.529	4.531	4.529
CAGAMAS MTN 4.220% 20.4.2021	AAA	4.220%	20-Apr-21	20	4.22	4.22	4.22
BPMB IMTN 4.98% 02.03.2032 - Issue No 12	AAA	4.980%	2-Mar-32	10	4.969	4.97	4.969
TENAGA IMTN 03.08.2032	AAA	4.950%	3-Aug-32	10	4.929	4.93	4.929
DANGA IMTN 5.020% 21.09.2033 - Tranche 9	AAA (S)	5.020%	21-Sep-33	50	5.03	5.032	5.009
YTL POWER MTN 2556D 24.8.2018	AA1	4.350%	24-Aug-18	15	4.198	4.198	4.198
TMSB Senior Sukuk Murabahah 23.10.2035(Tranche 14)	AA1	5.900%	23-Oct-35	10	5.342	5.342	5.339
CIMBBANK 4.770% 07.08.2026 - Issue No 4	AA2	4.770%	7-Aug-26	40	4.798	4.808	4.798
BUMITAMA IMTN 5.25% 18.03.2019	AA3	5.250%	18-Mar-19	10	4.471	4.5	4.471
MEX II IMTN 5.400% 29.04.2024 - Issue No. 4	AA- IS	5.400%	29-Apr-24	10	4.869	4.87	4.869
KESTURI IMTN 4.75% 02.12.2024 - IMTN 6	AA- IS	4.750%	2-Dec-24	10	4.719	4.73	4.719
SINAR KAMIRI IMTN 5.440% 30.01.2026	AA- IS	5.440%	30-Jan-26	20	5.599	5.62	5.599
SPRE IMTN 5.220% 16.07.2027	AA3	5.220%	16-Jul-27	10	5.149	5.15	5.149
EDRA ENERGY IMTN 6.000% 05.07.2028 - Tranche No 14	AA3	6.000%	5-Jul-28	7	5.599	5.599	5.599
EDRA ENERGY IMTN 6.030% 05.01.2029 - Tranche No 15	AA3	6.030%	5-Jan-29	9	5.63	5.63	5.63
JEP IMTN 5.770% 04.12.2029 - Tranche 18	AA- IS	5.770%	4-Dec-29	10	4.999	5	4.999
SPG IMTN 5.250% 30.04.2031	AA- IS	5.250%	30-Apr-31	40	5.1	5.111	5.1
SPG IMTN 5.290% 31.10.2031	AA- IS	5.290%	31-Oct-31	10	5.12	5.131	5.12
CIMB 6.35% 05.04.2060 - Tranche No. 3	AA3	6.350%	5-Apr-60	1	5.045	5.045	5.045
TCMH MTN 1824D 22.11.2019	A1	4.500%	22-Nov-19	1	5.995	6.283	5.995
UMWH Perpetual Sukuk Musharakah 6.35% - Tranche 1	A1	6.350%	20-Apr-18	41	6.179	6.191	6.05
MAH SING 6.800% UNRATED PERPETUAL SUKUK MUSHARAKAH	NR(LT)	6.800%	29-Mar-15	1	6.1	6.1	6.089
<b>Total</b>				<b>419</b>			

Sources: BPAM

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