

Global Markets Daily

All Eyes On Powell This Week

Asians Could Remain In Consolidation Mode For Now

The USD failed to sustain gains from last week post-Fed Report to Congress on Fri as the report failed to provide fresh cues. This lack of directional clarity weighed on UST yields, sending 10Y yields back to the 2.85% levels and supported the stock markets higher. This in turn has turned the Asian equity markets in a sea of green, supportive of Asian FXs this morning. Still, there could be upside risks to rates as Powell's first appearance in Congress as Fed Chair later this week should he take a more hawkish stance. This in turn could keep USD supported as well. Until then, Asian FX should remain in consolidative trades ahead.

Fed's Report to Congress Lack Directional Cues

The Report failed to provide clarity on the number of Fed rate hikes this year. It did suggest that it expects ongoing strength in the US economy to warrant further gradual increase in interest rates. Still other parts of the report could be interpreted as suggesting possibly even four hikes this year. In particular, the section that notes the labour market was nearing or has moved a little beyond full-employment could signal more than three rate hikes in 2018. On the flip-side, wage growth has been moderate, dragged down by low productivity. Market will eye new Fed Chair Powell's testimonies to Congress for policy clarity after the Fed report's lack of directional cues. Expect the USD to remain supported in the run-up to his Congressional debut this Wed and Fri.

BoK Meets; CPI for US, EU, MY, ID & TH; Global PMIs Due

Key data/events we are watching this week include SG IP; Fed's Bullard speak on Mon. For Tue, there is US durable goods. For Wed, US GDP, Fed Chair Powell's Congressional testimony; EU CPI; JN IP, retail sales; CN PMI; MY CPI; TH trade; IN GDP is on tap. This Thu there is US core PCE, ISM; AU capex; NZ ToT; EU, UK PMIs; JN Nikkei PMI, BOJ Kataoka speaks; KR trade; ID CPI, PMI; PH PMI. On Fri, UK construction PMI; JN jobless rate, household spending; KR IP, BoK meets; SG PMI; TH CPI are due. Note that TH and KR are out for public holidays on Thu, and IN on Fri.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2295	↓ -0.28	USD/SGD	1.3195	↑ 0.02
GBP/USD	1.3971	↑ 0.11	EUR/SGD	1.6226	↓ -0.25
AUD/USD	0.7843	↓ -0.04	JPY/SGD	1.2346	↓ -0.10
NZD/USD	0.7302	↓ -0.54	GBP/SGD	1.8443	↑ 0.18
USD/JPY	106.89	↑ 0.13	AUD/SGD	1.035	↔ 0.00
EUR/JPY	131.41	↓ -0.17	NZD/SGD	0.9626	↓ -0.59
USD/CHF	0.9361	↑ 0.34	CHF/SGD	1.4096	↓ -0.33
USD/CAD	1.2633	↓ -0.57	CAD/SGD	1.0447	↑ 0.61
USD/MYR	3.9185	↑ 0.04	SGD/MYR	2.9623	↑ 0.10
USD/THB	31.399	↓ -0.22	SGD/IDR	10341.28	↑ 0.09
USD/IDR	13668	↓ -0.12	SGD/PHP	39.22	↓ -0.40
USD/PHP	51.841	↓ -0.55	SGD/CNY	4.7954	↓ -0.50

Implied USD/SGD Estimates @ 26 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2973	1.3237	1.3501

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G7: Events & Market Closure

Date	Ctry	Event
28 Feb	US	Fed Chair Powell's Congressional Testimoy

AXJ: Events & Market Closure

Date	Ctry	Event
27 Feb	KR	BoK Meets
1 Mar	KR, TH	Market Closure
2 Mar	IN	Market Closure

G7 Currencies

■ **DXY - Powell's Testimony in Focus on Tue.** Focus shifts to Fed Chair Powell's testimony to Congress this week (27 Feb 11pm SG/KL time) where he is expected to face questions from both houses of the Congress. Fed's monetary policy report to Congress last Friday did not offer fresh cues. Most of the content were previously communicated. Report reiterated that Fed saw broad improvement in US economy and pointed to pickup in inflation towards the end of last year... but central bank maintained its view that inflation is likely to hover at or below its 2% target in 2018. Labour costs are not increasing very rapidly despite ultra-tight labor market. It remains uncertain (at least to us) if Fed under new Chairman Powell will raise rates at a faster pace than last year, especially We believe this Thu's PCE core could offer some insights into US core inflation. A higher than expected print (+1.5% consensus) and hint from Powell that Fed is open to step up the pace of rate hikes could keep the USD supported. Most recently Fed's Williams (voting member this year) said that *if inflation comes in stronger than he expects then he would reassess his rate hike outlook*. He is still for gradual pace of tightening and that means 3 to 4 rate hikes this year. Our house view is for 3 Fed rate hikes this year. Synchronised global growth recovery, led by US, EU remains intact but it may be too soon to judge if recent inflation upticks could gather pace sustainably to warrant a shift for faster pace of rate hikes. As such we **look for opportunities on USD upticks to fade into**. DXY firmed into NY close Fri; last seen at 89.90 levels. Daily momentum and stochastics indicators are mild bullish bias. Resistance at 90.70 (38.2% fibo retracement of Dec high to Jan-Feb double bottom low), 91.40 (50% fibo). Support seen at 88.40 (double-bottom low). Week ahead brings CFNAI, New Home Sales (Jan); Dallas Fed Mfg (Feb); Fed's Bullard, Quarles speak on Mon; Conference Board Consumer Confidence (Feb); Durable Goods (Jan); S&P CoreLogic 20 City House Price (Dec); Fed's Powell Testifies to House Financial Services Committee on Tue; GDP (4Q); Chicago PMI (Feb); Pending Home Sales (Jan) on Wed; PCE Core, Personal Income & Spending (Jan); ISM Mfg (Feb) on Thu; Uni. Of Michigan Sentiment (Feb) on Fri.

■ **EURUSD - Return of Political Risk Premium Could Weigh.** EUR slipped. Pair was last seen at 1.2290 levels. Mild bearish momentum on daily chart remains intact. Support at 1.2210 (38.2% fibo retracement of Dec double-bottom low to Jan-Feb triple top). Interim resistance at 1.24 before bigger area of resistance at 1.2540 - 1.2560 (triple top). Bias to buy on dips but if key support at 1.2210 gives way, we warn of greater downside towards 1.2120 (50% fibo), 1.2020 (61.8% fibo). This Sunday (4 Mar) brings the voting results of SPD members of German coalition deal with Merkel and Italian General Election. The return of EU political risk premium could weigh on EUR but we do not expect political risks to escalate into concerns. Dips in EUR may provide opportunity to buy into. But patience is encouraged. Voting for German coalition deal (for 440,000 SPD members) has already started and final results will be made known on 4th Mar. Leading SPD Mayors appear to back coalition deal with Merkel according to polls. A German coalition government appears to be priced in. We caution that no-deal surprise could trigger EUR-long unwinding as fear of re-election may resurface. On Italy politics, General Election is scheduled on 4th

Mar. Polls are currently suggesting a hung parliament outcome. EUR could drift lower if the balance is tilted towards Berlusconi's centre-right coalition or Five Star Movement party. Week ahead brings Consumer Confidence (Feb); Bundesbank Weidmann speaks on Tue; CPI Estimates (Feb) on Wed; Mfg PMI (Feb); Unemployment rate (Jan) on Thu; PPI (Jan) on Fri.

- **GBPUSD - Consolidate in Wide Range.** GBP stabilised this morning after the decline last week following disappointing labor report (higher unemployment rate and lower employment change) and 4Q GDP report. Pair was last seen at 1.3970 levels. Mild bearish momentum on daily chart remains intact. Support at 1.3810 (61.8% fibo retracement of EU referendum high to Oct-2016 low). Resistance at 1.4150, 1.4270 (76.4% fibo). We expect GBP to remain caught in a tug of war between Brexit progress (main source of volatility) and BoE rhetoric (which has been hawkish). A more united view on Brexit should help with negotiation process but matters of politics are fluid and remain too early to conclude given factions within Conservative party and between different parties (Labour and Conservative). We also noted there was news this week that EU parliament is said to be preparing a detailed resolution calling for more flexibility in future relationship talks with Britain that would allow for privileged single-market access. A more constructive approach towards negotiating a brexit deal with UK helps support our bias for smooth and orderly exit. Such a scenario if confirmed will further support GBP strength amid BoE's explicit willingness to tighten monetary policy earlier than expected (And Carney said that this is conditional on orderly Brexit). See the pair in wide range of 1.3810 - 1.4150. Week ahead brings BoE Cunliffe speaks on Tue; GfK Consumer Confidence (Feb) on Wed; Mfg PMI (Feb) on Thu; Construction PMI (Feb) on Fri.
- **USDJPY - Lacking Directional Conviction.** USDJPY bounced to a high of 107.90 last week before returning gains amid a rebound in USD. Pair continues to extend losses despite BOJ governor Kuroda's reiteration that the BOJ will persistently continue powerful monetary easing in Parliament this morning. Weighing on the pair is the sell-off of its G7 peers against the JPY this morning. Still, pair could be rebound ahead of Fed Chair Powell's testimony to Congress this Wed and Fri as short-USD positions are pared further. In addition, a slew of domestic data are due this week, including industrial production, retail sales and jobless rate that would reinforce the need for ongoing ultra-loose monetary easing ahead. Last seen around 106.65 levels, pair has lost most of its bearish momentum, while stochastics is climbing higher from oversold conditions. Weekly momentum and stochastics though remains bearish bias. Support nearby is around the 106-levels before 105.55 (2018 low on 16 Feb). Rebounds should meet resistance around 107.40 (38.2% fibo retracement of Feb high to low), 108-handle (50% fibo). Week ahead has leading index (Dec F) on Mon; industrial production (Jan P), retail sales, housing starts (Jan) on Wed; capital spending (4Q), Nikkei PMI mfg (Feb F), BOJ Kataoka speaks on Thu; jobless rate, household spending (Jan) on Fri.
- **NZDUSD - Near Term Pullback on Close Below 0.7290.** NZD rebounded slightly this morning tracking supported risk sentiment. Pair was last seen at 0.73 levels. Daily momentum and stochastics

are indicating a mild bearish bias. We see risk of further pullback towards 0.72-0.7230 levels on sustained close below 0.7290 levels (23.6% fibo retracement of Nov-Dec double bottom to Jan-Feb double top). Resistance at 0.7390, 0.7440 (double-top). Week ahead brings Trade (Jan) on Tue; Net Migration (Jan); Activity Outlook (Feb) on Wed; Terms of Trade (4Q) on Thu; Building Permits (Jan); Consumer Confidence (Feb) on Fri.

- **AUDUSD - Capped.** AUDUSD was lifted towards 0.7850 before being easing back again this morning. In tandem with other commodity-linked currencies, AUD was buoyed by the rise in iron ore prices and crude. Even though AUDUSD was on the move-up in the last few trading hours of Fri, this pair was unable to break above the 55-DMA. Price is last seen around 0.7830. With USD still likely to remain firm, this pair may even test the 0.7770-support some time this week. Eyes remain on how the new Fed Chair Powell's speak to the Congress this Friday. Although UST rates came off after the monetary policy report released last Fri and it is not of any central bank's interest to rock the financial markets, we still think there is an upside risk to rates that could lift the greenback and weigh on this pair. On the weekly chart, the pair seems vulnerable to the downside as well. A double top is seen at 0.8120 and the target of 0.76-figure seen. This pair needs to break the support at 0.7770 first before 0.7600. We have downgraded our 1Q forecast for AUDUSD from 0.80 to 0.7850, expecting the bears to stay a little longer in an environment of USD resurgence and heightened volatility. We also see a risk to our call for RBA to hike in May given the fact that federal agencies are no longer required to enter into enterprise agreements. This latest development could dampen wage increase and lower inflation pressure and push the rate action to the second half of the year. Resistance is seen at 0.7850 before 0.7940. Support at 0.7770 before 0.7600. Week ahead brings Private Sector Credit (Jan) on Wed; Private Capex (4Q); Commodity Index (Feb) on Thu.
- **USDCAD - Risks Still To the Upside.** USDCAD slipped lower, weighed by the crude recovery. Pair was last seen around 1.2660, supported by the 100-DMA at 1.2629. The 21-DMA is on its way higher to cut the 50-DMA, 100-DMA and 200-DMA. Risks are to the upside. Resistance is seen at 1.2760 (76.4% Fibonacci retracement of the Dec-Feb fall). That said, this resistance may not hold for long and pair may return to the sticky levels of 1.2850 sooner rather than later. Jan CPI came in firmer than expected at 0.7%*m/m* vs. the previous -0.4%. Year-on-year, CPI eased to 1.7% from previous 1.9%.

Asia ex Japan Currencies

- **SGD trades around 0.34% above the implied mid-point of 1.3237 with the top estimated at 1.2973 and the floor at 1.3501.**
- **USDSGD - Consolidation.** USDSGD rose last week amid broad USD rebound but appears to be in consolidation mode towards the end of the week. Pair seems to be awaiting directional cues from key external events this week, namely industrial production print today and Fed Chair Powell's testimonies to Congress this Wed and Fri. Data outperformance could weigh on the pair while a hawkish Fed is likely to pull the pair in the opposite direction. The pullback in UST yields sent 3-month SOR lower by 1.4% to 1.29% on Fri. With risks to UST yields still to the upside, further upticks in the 3-month SOR cannot be ruled out in the week ahead. Pair was last seen at 1.3196 levels. Daily momentum and stochastics remain very mildly bullish bias. Weekly chart is also showing no strong bias in either direction, and stochastics is climbing higher from oversold conditions. In the absence of directional clarity, pair could remain in consolidative mode for now. Resistance is around the 1.3230-levels (61.8% fibo retracement of the Feb high to low), 1.3273 (76.4% fibo). Support is around 1.3170 (38.2% fibo), 1.3125 (23.6% fibo). Week ahead brings industrial production (Jan) on Mon; PMI (Feb) on Fri.
- **AUDSGD - Bears Pressing On.** AUDSGD is still stuck in swivels around 1.0330. A break there opens the way towards 1.0260. Bearish momentum persists. Resistance seen at 1.0390, 1.0420 (55-DMA).
- **SGDMYR - Lean against Strength.** SGDMYR was last seen at 2.9640 levels. Bearish momentum on weekly chart remains intact. Trend is your friend; bias to stay short. Support at 2.95, 2.9270 levels (76.4% fibo). Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high), 2.9970 levels (50 DMA).
- **USDMYR - Upside Risks but Bias to Fade.** USDMYR was last seen at 3.91 levels. Mild bullish momentum on daily chart remains intact. Upside risks remain but bias to lean against rebound risks. Resistance at 3.92, 3.9510 levels (38.2% fibo retracement of Jan high to low). Support at 3.88, 3.8660 (previous low). We **reiterate our bias for MYR strength** to continue in early part (next few months) of 2018 amid expectations for announcement for Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, widening current account surplus against supporting external environment - synchronous global economic recovery benefitting Asian exports including Malaysia and possibly see this extending into investment recovery in 2018. Furthermore there are also signs of stabilising commodity prices amid OPEC production cut extension and steady demand for oil prices. And we expect these drivers - both external and domestic to provide the near term support for MYR.
- **1m USDKRW NDF - Eyeing Support at 1073.** 1m USDKRW remains on the back foot amid softer USDCNY fixing and supported risk sentiment. Pair was last seen at 1073 levels. Daily momentum shows signs of turning mild bearish but remains too soon to tell. Support at 1073 (50% fibo retracement of 2018 low to high, 50 DMA), 1065

(76.4% fibo). Resistance remains at 1077(50% fibo), 1082 (38.2% fibo retracement of 2018 low to high).

- **USDCNH - *Upside Risks***. USDCNH slipped to 6.3220 this morning. This pair remains choppy within 6.2810-6.3600. Interim support is seen at 6.3179 (21-DMA). UST 10y eased towards 2.92%, unwinding carry trades. *CGB-UST 10y spread was last seen at 103bps as the fall in UST rates widened the spread. USDCNH trades at a discount of 150pips to USDCNY this morning. PBoC fixed the USDCNY reference rate at 6.3378, 104pips lower than the previous 6.3482. CNYMYR was fixed 16 pips higher at 0.6179 vs. previous at 0.6163. EURCNY was fixed 384 pips lower at 7.7892 vs. the previous at 7.8276.* China Communist Party has proposed to remove the limits on the presidential term and to add Xi Jinping's thought to the constitution. This is to pave the way for President Xi to remain at the top position beyond 2023. This morning, PBoC is said to inject a net CNY150bn in reverse repos. In the medium term, we look for China to ease capital controls. That could bring about bouts of weakness in the CNY against the USD as mainland market players, investors, merchants rush to meet their pent-up demand. More two-way volatility in the CNY and CNH against the USD could be a new norm as China allows the RMB to be more market-determined. We see this as a risk for USDCNH and USDCNY to head higher but yuan depreciation is unlikely to sustain. Over 2018, we still look for mild appreciation in the CNY against the USD to 6.10 by the end of the year. President Xi will hold a Communist Party meeting to select the next monetary and financial regulators between 26-28 Feb. This is ahead of the NPC meeting which would start on the 5th of Mar. Week ahead has PMI-mfg and non-mfg on Wed, Caixin PMI on Thu.
- **1M USDINR NDF - *Pause***. 1M NDF slipped this morning and was last seen around 65-figure. This pair tracks the USD pretty well and the slip in UST yields also provide relief in the domestic bond markets. Bias for domestic bond yields is still to the upside however and that puts the USDINR still vulnerable to the upside as well. Rupee-denominated securities have been underperforming as investors were concerned about the rising current account deficit and slipping real rates that have unwound carry trade. The recent oil rise could also weigh on sentiments at home as well. Bonds were also hit by a deficit of liquidity in the banking system. Investors sold US\$188.3 of equities on Wed and US\$137.7mn of bonds. 10y yield slipped further to levels around 7.67%. For the 1M USDINR NDF, prices could slip towards 64.78, 64.40 as signalled by the momentum indicators which are turning lower. However, pullbacks may be brief. Week ahead has PMI for Feb on Wed and 4Q GDP.
- **1m USDIDR NDF - *Consolidating; Buy On Dips***. 1m USDIDR NDF appears in consolidation after climbing to a new 2018 and 15th month high of 13756 (22 Feb) last week. 1m NDF was supported by the sell-off in equities of USD672.9mn last week, as well as the sell-off of USD1.04bn in debt for 19-22 Feb (latest data available). Further sell-off this week should keep the 1m NDF supported around current levels. Eyes will be on Fed Chair Powell's testimony to Congress this Wed and Fri as well as domestic CPI print on Thu. A hawkish Fed and weak CPI print could see further paring of short-USDIDR positions ahead, weighing on the IDR and keep the 1m NDF

supported. Meanwhile, the spot USDIDR gapped mildly lower at the opening to 13661 this morning from Fri's close of 13668 amid a mild pullback in the USD. Last seen around 13677 levels. Both daily and weekly chart and stochastics are mildly bullish bias. This suggests further upside could be a slow grind. Any dips could be an opportunity to buy towards 13760 levels (2018 high), 13850 levels. Support is around 13640 (23.6% fibo retracement of the Jan low to Feb high). JISDOR was fixed at 13670 on Fri, 5 pips higher than the fixing on Thu. Week ahead has CPI (Feb), Nikkei PMI mfg (Jan) on Thu.

- **1m USDPHP NDF - *Upside Risks***. 1m USDIDR NDF has been on the downtick since touching a new 2018 and multi-year high of 52.18 (on 19 Feb) even as UST yields and USD climb higher. Even the sell-off of USD44.8mn in equities last week failed to stall losses in the pair as market positioned the BSP governor Espenilla that held out hope that the central bank could be seriously contemplating rising its policy rate to anchor inflationary expectations. At the same time, the governor had revealed that the BSP had intervened in the market to prevent excessive PHP volatility following the BSP cut to its RRR. 1m NDF though could remain supported ahead of key risks this week, namely Fed Chair Powell's testimony to Congress (28 Feb & 2 Mar) and US PCE core (1 Mar). Last seen around 51.92. 1m NDF has lost most of its bullish momentum on the daily chart and stochastics is turning lower from overbought conditions. Still, 50DMA has cut the 200DMA to the upside, a bullish signal. Immediate resistance is around 52-handle (23.6% fibo) ahead of 52.40 levels. Support is around 51.60 (38.2% fibo retracement of the Jan low to Feb high), 51.20 (50% fibo). Quiet week ahead with just Nikkei PMI mfg (Feb) on tap Thu.
- **USDTHB - *Soft***. It was a week of two halves for the USDTHB last week. In the first part of the week, the pair had climbed to touch a recent high of 31.638 before turning lower towards the end of the week. Pair was weighed by the strong foreign inflows into debt last week. Foreign investors had purchased USD413.6mn in debt last week vs. their sell-off of USD120.2mn in equities. Further net foreign portfolio inflows should be supportive of the THB. Still, key risks ahead could keep losses in the pair in check. Fed Chair Powell's testimony to Congress (28 Feb & 2 Mar) and US PCE core (1 Mar) could see USD supported should a hawkish stance be taken by Powell and inflation print comes in stronger. In addition, higher domestic inflation (CPI due 2 Mar) could increase speculation of a BoT rate adjustment and keep the THB supported ahead. Last seen around 31.395. Daily chart shows very mild bullish bias and stochastics climbing higher. Momentum indicators and stochastics on the weekly chart though show no clear bias. Support nearby is around 31.370 (23.6% fibo retracement of the Feb high to low), 31.250 levels. Resistance is around 31.480 (38.2% fibo), 31.570 (50% fibo).

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.38	*3.39/36	Not traded
5YR MI3/22	3.60	*3.62/59	Not traded
7YR ML9/24	4.00	*4.02/3.99	Not traded
10YR MO11/27	4.07	4.07	Unchanged
15YR MX4/33	4.51	*4.53/50	Not traded
20YR MX4/37	4.65	4.64	-1
30YR MZ3/46	4.87	4.85	-2
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.77	3.77	-
3-year	3.84	3.84	-
5-year	3.94	3.93	-1
7-year	4.06	4.06	-
10-year	4.20	4.20	-

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Source: Maybank KE

*Indicative levels

- Government bonds traded on a weak note with better sellers at the belly of the curve. Trading volume was limited. Auction size for the 10y benchmark MGS 11/27 retap was announced at MYR3.5b plus an additional MYR0.5b to be privately placed. Total outstanding size on the series will be MYR14.5b after auction. The bond traded at 4.07% in WI, +1bp higher from the level cash stock traded, and was last quoted around 4.08/07%.
- IRS rates saw a marginal retracement, with the 5y trading 1bp down to 3.93%, as 10y MGS auction size was within expectations and aided by better buying in global bonds. That said, underlying paying pressure for IRS could persist if buying interest in govies remain tepid. 3M KLIBOR the same at 3.69%.
- Corporate bonds had a slight pickup in activity, but with widening bias on AA front and long ends. Jimah East traded 2bps higher. AAA credits also traded wider with Plus 2033 and Rantau 2020 also higher by 2bps. Tenaga 2037 tightened 2bps on real money buying interest. Tenaga bonds are sought after reckon for portfolio diversification as well as being a strong credit.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.66	1.65	-1
5YR	2.06	2.03	-3
10YR	2.42	2.40	-2
15YR	2.74	2.74	-
20YR	2.80	2.80	-
30YR	2.91	2.91	-

Source: Maybank KE

- SGS yields eased down in a quiet trading session after USTs recovered overnight. Buying was mainly in the 5y to 10y sector while long dated bonds continued to underperform ahead of Monday's 30y SGS benchmark reopening. Yields were down by 1-3bps and so were SGD IRS.
- Asian IG credits were constructive, trading about 1-2bps tighter in spreads, while EM sovereigns lowered slightly in cash terms. New INDOIS 2023s and 2028s traded close to par level, with many looking to add at below par. Tech and financial credits tightened 2-3bps at the mid- to long-end tenors. Malaysian names saw good 2-way flows, with PETMK and MALAYS well bid.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.42	5.41	(1.49)
5YR	5.83	5.85	2.06
10YR	6.55	6.49	(6.70)
15YR	7.02	7.00	(1.54)
20YR	7.32	7.27	(4.82)
30YR	7.13	7.53	39.99

* Source: Maybank Indonesia

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- Indonesia bond market closed negative during Friday trading session amid lack of catalyst. However, several IGB benchmark series yields closed lower during the end of the day. There were building rumours during the day that Indonesia President Joko Widodo had nominated Mr. Perry Warjiyo (currently Deputy Governor at Bank Indonesia) as sole candidate for Central Bank Governor (no official statements yet). DMO sets upcoming SR010 (10th Retail Sukuk series) coupon at 5.9%. SR010 is a 3y retail sukuk which pays its coupon on monthly basis. The series could only be purchased by Indonesian citizen initially with a minimum holding period of 1 month. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.850%, 6.485%, 7.001% and 7.272% while 2y yield moved lower to 5.410%. During the day, FR0059 (9y) yield decline the most by 4bps while FR0070 (6y) yield increased the most by 17bps. 5y10y G-Spread is the widest on YTD basis currently (5y10y current spread: 64bps). Trading volume at secondary market was noted heavy at government segments amounting Rp16,949b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp4,256b with 118x transaction frequency.
- Foreign ownership stood at Rp855.1t or 40.2% of total tradable government bond as of Feb 22nd. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp12.1t from begin month Feb 18.
- Corporate bond traded heavy amounting Rp917b. IMF103ACN2 (Shelf Registration III Indomobil Finance Phase II Year 2018; A serial bond; Rating: _{id}A) was the top actively traded corporate bond with total trading volume amounted Rp253b yielding 6.693%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2361	107.46	0.7874	1.4060	6.3497	0.7381	132.3100	84.2390
R1	1.2328	107.18	0.7859	1.4016	6.3380	0.7342	131.8600	84.0330
Current	1.2315	106.53	0.7864	1.4004	6.3124	0.7319	131.1800	83.7650
S1	1.2271	106.56	0.7816	1.3916	6.3192	0.7267	130.9500	83.4470
S2	1.2247	106.22	0.7788	1.3860	6.3121	0.7231	130.4900	83.0670

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3275	n/a	13709	52.0737	31.5903	1.6318	0.6297	2.9770
R1	1.3235	n/a	13688	51.9573	31.4947	1.6272	0.6240	2.9696
Current	1.3183	3.9115	13659	51.8380	31.3900	1.6235	0.6175	2.9674
S1	1.3166	n/a	13650	51.7773	31.3327	1.6200	0.6128	2.9539
S2	1.3137	n/a	13633	51.7137	31.2663	1.6174	0.6073	2.9456

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

Equity Indices and Key Commodities

	Value	% Change
Dow	25,309.99	1.39
Nasdaq	7,337.39	1.77
Nikkei 225	21,892.78	0.72
FTSE	7,244.41	-0.11
Australia ASX 200	5,999.79	0.82
Singapore Straits Times	3,533.22	1.28
Kuala Lumpur Composite	1,861.50	0.35
Jakarta Composite	6,619.80	0.41
Philippines Composite	8,467.56	-0.56
Taiwan TAIEX	10,794.55	1.24
Korea KOSPI	2,451.52	1.54
Shanghai Comp Index	3,289.02	0.63
Hong Kong Hang Seng	31,267.17	0.97
India Sensex	34,142.15	0.95
Nymex Crude Oil WTI	63.55	1.24
Comex Gold	1,330.30	-0.18
Reuters CRB Index	195.99	0.37
MBB KL	10.26	0.59

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.2523	Apr-18	Neutral
BNM O/N Policy Rate	3.25	7/3/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	22/3/2018	Neutral
BOT 1-Day Repo	1.50	28/3/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	22/3/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Tightening
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
BOE Official Bank Rate	0.50	22/3/2018	Neutral
RBA Cash Rate Target	1.50	6/3/2018	Neutral
RBNZ Official Cash Rate	1.75	22/3/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	12	3.208	3.208	3.208
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	1	3.156	3.156	3.156
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	27	3.119	3.12	3.119
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	6	3.31	3.311	3.31
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	15	3.331	3.331	3.327
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	21	3.465	3.465	3.465
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	21	3.495	3.495	3.495
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	20	3.6	3.6	3.6
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	1	3.476	3.476	3.476
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	8	3.791	3.791	3.791
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	325	3.787	3.806	3.787
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	1	3.84	3.84	3.84
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	80	3.835	3.851	3.835
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	17	3.967	3.975	3.967
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	25	4.003	4.003	4.003
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	6	4.063	4.063	4.063
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	39	4.121	4.121	4.085
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	49	4.078	4.078	4.055
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	4.449	4.449	4.449
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	4.493	4.493	4.493
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	21	4.547	4.547	4.547
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	39	4.635	4.635	4.635
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	238	4.851	4.877	4.851
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	282	3.197	3.22	3.197
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	118	3.329	3.329	3.329
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	120	3.886	3.886	3.885
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	2	4.673	4.673	4.673
Total			1,495			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA 0% 30.05.2018 - Series 2	GG	4.400%	30-May-18	90	3.509	3.509	3.509
MDV IMTN 0% 26.09.2018 - TRANCHE NO 2	GG	5.190%	26-Sep-18	75	3.58	3.58	3.58
MKDK IMTN 4.430% 21.02.2025	GG	4.430%	21-Feb-25	50	4.428	4.428	4.428
RANTAU IMTN 0% 03.12.2020 - Tranche No 9	AAA (S)	4.300%	3-Dec-20	10	4.151	4.151	4.151
BPMB IMTN 4.98% 02.03.2032 - Issue No 12	AAA	4.980%	2-Mar-32	10	4.929	4.93	4.929
PLUS BERHAD IMTN 5.270% 12.01.2033 - Series 1 (17)	AAA IS	5.270%	12-Jan-33	10	4.944	4.946	4.944
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	20	5.109	5.111	5.109
SBPC 4.300% 03.07.2018 (SERIES 4)	AA1	4.300%	3-Jul-18	15	3.869	3.869	3.869
KEVSB IMTN 4.300% 05.07.2018	AA+ IS	4.300%	5-Jul-18	15	3.882	3.882	3.882
TTPC IMTN 4.590% 29.01.2021 - Series 15	AA1	4.590%	29-Jan-21	10	4.363	4.367	4.363
ENCORP 4.840% 18.11.2021	AA1	4.840%	18-Nov-21	10	4.365	4.368	4.365
SBPC 4.700% 01.07.2022 (SERIES 8)	AA1	4.700%	1-Jul-22	10	4.467	4.469	4.467
CTX IMTN 4.85% 29.08.2022 - Series 9	AA+ IS	4.850%	29-Aug-22	20	4.698	4.703	4.698
PUBLIC SUB-NOTES 4.73% 15.11.2023	AA1	4.730%	15-Nov-23	20	4.334	4.362	4.334
DANAJAMIN IMTN 4.800% 06.10.2027	AA1	4.800%	6-Oct-27	10	4.738	4.74	4.738
KRUNG THAI 5.100% 04.07.2025 - Tranche No 1	AA2	5.100%	4-Jul-25	1	4.938	4.938	4.929
TANJUNG BP IMTN 5.280% 16.08.2027	AA2	5.280%	16-Aug-27	2	4.818	4.819	4.818
PBFIN 7.500% 05.06.2059 - Tranche No.1	AA2	7.500%	5-Jun-59	1	4.271	4.271	4.271
BESRAYA 4.800% 28.07.2021	AA3	4.800%	28-Jul-21	10	4.796	4.805	4.796
JEV IMTN 0% 12.11.2021	AA3	9.300%	12-Nov-21	10	4.433	4.436	4.433
COUNTRY GDN IMTN 6.600% 23.02.2023 - Issue No 2	AA3 (S)	6.600%	23-Feb-23	15	6.552	6.552	6.552
SPG IMTN 4.760% 28.04.2023	AA- IS	4.760%	28-Apr-23	20	4.658	4.673	4.658
BESRAYA 4.960% 28.07.2023	AA3	4.960%	28-Jul-23	20	4.949	4.955	4.949
CIMB THAI 5.350% 10.07.2026 - Tranche No 2	AA3	5.350%	10-Jul-26	10	5.035	5.038	5.035
JEP IMTN 6.280% 03.12.2032 - Tranche 24	AA- IS	6.280%	3-Dec-32	10	5.209	5.222	5.209
ECO CAPITAL MTN 6.50% 12.08.2022	NR(LT)	6.500%	12-Aug-22	2	6.359	6.361	6.359
Total				476			

Sources: BPAM

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