

# Global Markets Daily

## Beyond The 3%

Macro | FX Research & Strategy

Global

### USD Strength

The DXY index remained on the rise yesterday as UST 10y yield marched on to levels around 3.02% as we write. USD never strengthens evenly against other currencies of course but in our view, the session yesterday was rather telling. Within the G10 space, AUD and JPY bears seem to be losing steam. NOK weakened the most, down -0.9%. Part of the sell-in-May effect includes USD strength. With the 3% level behind us, the 10y yields could continue to head higher. Widening of the 10y2y spread from a multi-year low of 43bps printed on 17<sup>th</sup> Apr could take the USD higher. However, we expect gains against the AUD to slow.

### Two-Day BOJ Meeting Starts Today, ECB To Hold

With USDJPY on its way towards the 110 and CPI still subdued, there is not much that we expect BOJ to do tomorrow. However, the central bank will have to craft its words carefully to ensure the USDJPY stays on its northbound course, currently buoyed by the rise UST 10y yield. Interestingly, with Abe constantly under political attacks, the former Vice Finance Minister for International Affairs Yamasaki opined that the PM is still highly likely to win another term. He added a caveat that “even if he isn’t re-elected....policies like Abenomics aren’t going to change suddenly”. Elsewhere, we expect ECB to keep monetary policy status quo for both policy rates and Asset purchase program (APP) today. 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.

### Do Not Rule Out Short Term Retracements

With such a strong session for USD yesterday, we do not rule out short-term retracements. With AUDUSD at its day high around 0.7575, we continue look for opportunities to accumulate this antipode against the USD, SGD and NZD. Also expect USDAsians to come off from overnight highs. Ahead of the ECB meeting tonight, there is only one key data to watch in the regional space and that is Singapore’s industrial production. Beware of bounces in the EUR that could weaken the greenback.

### Analysts

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

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

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

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

### G7: Events & Market Closure

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

### AXJ: Events & Market Closure

Date	Ctry	Event
27 Apr	SK	North-South Korean Summit

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2161	↓ -0.59	USD/SGD	1.3289	↑ 0.51
GBP/USD	1.3932	↓ -0.33	EUR/SGD	1.616	↓ -0.08
AUD/USD	0.7565	↓ -0.51	JPY/SGD	1.2145	↓ -0.05
NZD/USD	0.7069	↓ -0.72	GBP/SGD	1.8512	↑ 0.17
USD/JPY	109.43	↑ 0.56	AUD/SGD	1.0053	→ 0.00
EUR/JPY	133.07	↓ -0.03	NZD/SGD	0.9391	↓ -0.23
USD/CHF	0.9833	↑ 0.45	CHF/SGD	1.3515	↑ 0.08
USD/CAD	1.2844	↑ 0.09	CAD/SGD	1.0344	↑ 0.40
USD/MYR	3.9115	↑ 0.17	SGD/MYR	2.9489	↓ -0.12
USD/THB	31.515	↑ 0.23	SGD/IDR	10494.79	↓ -0.04
USD/IDR	13921	↑ 0.23	SGD/PHP	39.4518	↓ -0.17
USD/PHP	52.324	↑ 0.09	SGD/CNY	4.763	↓ -0.05

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3087	1.3352	1.3618

## G7 Currencies

- **DXY - Moderation in Rebound Today.** USD enjoyed another session of up-move overnight, tracking the rise in 10Y UST yield (rose to fresh 4-Y high of 3.03%). The move higher remains in line with our caution for 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 amongst the developed world central banks. It is even more compelling when one looks at the recent flow of data and notice that a divergence between US and other countries is growing. US IP, housing data continue to surprise to the upside but data from EU (PMIs, consumer confidence) and UK (retail sales, inflation) surprised to the downside. The monetary policy and economic data divergence thematic should continue to keep USD broadly supported overnight the next few weeks. 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. DXY was last seen at 91.16 levels. Mild bullish momentum on daily chart remains intact while stochastics shows signs of running into overbought conditions. Resistance at 91.60 (76.45% fibo retracement of Feb low to Mar high) before 92 (200 DMA). Area of support at 90.5-90.90 (previous area of resistance now-turned support). Intra-day perspective, we do not rule out the risk of pullback from recent highs towards 90.66 (100 DMA). But reiterate our caution that USD upside may gather momentum if UST yields continue to march higher. 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. For today, Treasury will auction \$29bn in 7Y notes.
- **EURUSD - Focus on ECB Meeting Today.** Policy decision comes out at 745pm but top focus on Draghi's press conference at 830pm (SG/KL time). We expect ECB to keep the rate of Main Refinancing operations, deposit facility and marginal lending facility unchanged at 0%, -0.4% and 0.25%, respectively. Asset Purchase Plan at a monthly pace of €30 billion is expected to stay the course. 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. There is no incentive for ECB to jump the gun ahead of inflation upticks. That said we believe the "no-move" decision is already a base-line scenario for the upcoming meeting and should already be reflected in the EUR. So any chance of hawkish tilt from Draghi could well pose upside risk to the EUR. Pair was last seen at 1.2170 levels. Bearish momentum on daily chart remains intact but stochastics is falling into oversold conditions. A falling wedge pattern appears to have formed - typically associated with bullish reversal. Rebound could target 1.2220, 1.2260 levels. Support at 1.2250 (interim double bottom - Mar and Apr low), 1.2040 (61.8% fibo retracement of Dec low 2018 high). We do not rule out rebound risks intraday. Week remaining brings ECB Governing Council Meeting on Thu; Consumer Confidence (Apr) on Fri.

- **GBPUSD - Common's Vote Today.** GBP remained under pressure overnight amid broad USD rebound. Pair was last seen at 1.3940 levels. Bearish momentum on daily chart remains intact while stochastics is entering oversold conditions. Support at 1.3910 before 1.3860 (100 DMA). We do not rule out a moderation in decline. Look for opportunity to buy into. Area of resistance at 1.4020-40 levels before 1.41 levels. Week remaining brings CBI Reported Sales (Apr) on Thu; GDP (1Q); GfK Consumer Confidence (Apr) on Fri. Focus today on House of Common's vote for continued membership in EU customs union after leaving the EU. Though the vote is not legal-binding, it is a strong indication of what the MPs want. Last week, A cross-party alliance of Lords, including Tory rebels, put forward to an amendment to the Government's EU Withdrawal Bill and voted by 348 to 225 in favour of changing the landmark legislation. This is against the government's intent to leave the common tariff area so it can pursue free trade deals outside the EU. Split views between MPs is a source of uncertainty for GBP.
- **USDJPY - Upside Risks.** USDJPY extended gains above the 109-handle overnight as 10Y UST yields edged back above the 3.0% levels as we had cautioned. The pair though gave up some of its gains amid a pullback in UST yields this morning. Note that BOJ policy decision is due tomorrow and no surprises are expected as the central bank is unlikely to deviate from its current policy stance. Market though 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. The meeting and post-meeting press conference is unlikely to impact the JPY significantly. Though pressures to the pair are to the upside, there remains underlying downside pressure on the pair over the ongoing political scandals surrounding PM Abe. These scandals have weighed on support for the cabinet with recent opinion polls by Yomiuri and Mainichi newspapers showing further dips in the cabinet's popularity with the public. The inability to ride out these scandals is likely to undermine PM Abe's position and embolden a challenge to his leadership of the ruling LDP in Sep, potentially putting Abenomics and BOJ's massive stimulus programme at risk and puts downside pressure on the pair. Last seen around 109.40-levels. Momentum indicators remains mildly bullish bias on the daily chart, and stochastics at overbought conditions. With the 109-levels taken out, next resistance is at 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 BOJ meets, BOJ outlook report, jobless rate, IP, retail sales, housing starts (Mar) tomorrow.
- **NZDUSD - Rebound Risk Intra-day.** NZD saw another session of sell-off to 3-month low of 0.7058 amid USD rebound (10Y UST yield advanced to fresh 4-year high of 3.03% overnight). The move lower has somewhat met our support level previously highlighted - 0.7060 (61.8% fibo retracement of Dec low to 2018 high). While momentum on daily chart remains bearish, stochastics is falling into oversold conditions. We think the sell-off could potentially slow from here or even see some chance of rebound towards 0.7130 - 50 levels. Key support remains at 0.7060, 0.7030.
- **AUDNZD- Stay Long.** We maintain our bias to stay short NZD vs. long AUD. Taking stock of our call for AUDNZD to trade higher - cross has met its second objective of 1.0710 overnight. Last seen at 1.07 levels (50

DMA). Next objective at 1.0780 (50% fibo retracement of 2018 double top to 2018 low). Trade idea was initiated on 16 Apr at 1.0565. SL at 1.06. Retain long AUDNZD position; will reassess position if the cross breaks below 50 DMA seen at 1.0650.

- **AUDUSD - Eye a rebound above 0.76 for Bulls To get back on foot.** AUDUSD rebounded from overnight lows and hovered around 0.7580 after another bearish session. Prices were pressed lower by the USD strength and rising UST rates but the rise in iron ore, copper prices supported this pair on dips. The current focus on monetary policy divergence as UST 10yr yield rose above the 3%-level is playing out against the AUD. Market players are penalizing the AUD for RBA's reluctance to hike in this current theme of monetary policy divergence. Assistant Governor also reiterated recently 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. We stick to our view that we dips are seen as opportunities to accumulate. As we have noted before, the weekly chart is getting increasingly compelling for AUD bulls and we await a rebound above the 0.76-figure for bulls to get back on foot. 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 - Overbought.** USDCAD traded sideways and was last seen around 1.2840. CAD was the most resilient against the USD strength in overnight trade in the G10 space. The loonie was underpinned by words by BoC Poloz who commented that "the economy is close enough to its potential that we're in that space where it's more a question of the timing and at what pace do interest rates move towards more normal levels". Financial stability is considered and the pace is determined by data and how the economy performs. Rate hike probability in July has fallen to 65% yesterday before inching towards 67% overnight, with hopes likely lifted by Poloz words. Support is seen around 1.2720/40 (marked by the 21-DMA) before the next at 1.2625 (200-DMA). The uncertainty surrounding NAFTA has been holding BoC back from hiking policy rates further. 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 0.52% above the implied mid-point of 1.3352. The top is estimated at 1.3087 and the floor at 1.3618.**
- **USDSGD - *Bullish Bias*.** USDSGD is taking a breather from its climb higher, trading mildly softer amid a pullback in UST yields. Amid a pullback in UST yields this morning, pair is edging lower this morning. Last seen around 1.3275-levels. Bullish momentum on the daily chart seems to be gaining ground, while stochastics is fast approaching overbought conditions. This suggests risk to the pair remains to the upside. With resistance at 1.3278 taken out overnight, next resistance is around 1.3360-levels (50% fibo retracement of the Oct 2017 to Jan 2018 downswing). Support around 1.3225-levels (100DMA) before 1.3175 levels (23.6% fibo). IP (Mar) is on tap today; unemployment rate (1Q) tomorrow.
- **AUDSGD - *Prefer to Accumulate on dips*.** AUDSGD was last seen around 1.0057 after making a doji on Wed. Eyes are on the next support at 1.0020. Moves lower could be a grind as stochs enter oversold levels. 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 relatively stable; last seen at 2.9520 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 remains relatively supported, in line with our caution. Pair was last seen at 3.9190 levels. Trading range has been relatively narrow of late. 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 - Supported.** 1m USDKRW NDF firmed amid the rise in UST yields. Pair was last seen at 1078 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising into near-overbought conditions. We reiterate that 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. North-South Korea Summit takes place tomorrow.
- **USDCNH - Eye 6.3250.** USDCNH rose to the upper bound of the trading band that has contained price action since mid-Mar. Last seen around 6.3235. Momentum is increasingly bullish and a break above the 6.3250-resistance could see this pair head towards the 6.35-figure. Following the announcement of the RRR cut last week that takes effect on 25 Apr 2018, there were more comments of further RRR cut made over the past few days. In fact, PBoC further clarified on 25 Apr that swapping the MLF with the RRR cut "will improve the funding structure, and guide financial institutions to increase loans to micro- and small-sized businesses, thus lowering their financing costs". What this suggests is that apart from the usual provision of credit to policy banks, small businesses and agriculture, the 100bps RRR cut this time is also meant for the bigger banks (with access to MLF) to make their respective repayment as their MLF matures - a reset button for these banks that have started to become reliant. **PBoC fixed the USDCNY reference rate at 6.3283, 217 pips lower than the previous 6.3066. CNYMYR was fixed at 0.6179, 15 pips lower than the previous at 0.6194. EURCNY was fixed 159 pips lower at 7.6985 vs. the previous at 7.7144.** Week ahead has industrial profits for Mar on Fri.
- **1M USDINR NDF - Bulls Rally On.** 1M NDF rallied on the back of rising UST10yr yields and was last seen around 67.20. Support at 66.50 or even 66.00. Pair has breached the 67-figure and could head higher towards 67.60 before the next at 68.20. 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 and INR is one of the most sensitive to UST rates



amongst regional peers. Foreign investors sold U\$38.9mn of equities and U\$48.0mn of bonds on Mon (23 Apr). Data released by the RBI yesterday indicates that INR163.4bn out of the banks in the week to 20 Apr, underscoring the recent rumours of cash shortage in numerous states.

- **1m USDIDR NDF - Consolidation Mode.** 1m USDIDR NDF is trading softer this morning amid a dip in UST yields and possibly BI intervention, pulling-back from its new 2018 and near two-and-a-half-year high of 14114 overnight. As well, market whispers that BI could hike its policy rate to support the IDR is also putting downside pressure on the 1m NDF. Selling pressure on Indonesian assets are likely given the elevated UST yields. Yesterday, foreign investors sold USD141mn in equities. Updated data on foreign flows into debt is unavailable but the data is likely to show further selling by foreign investors as they did on 23 Apr where USD110.6mn were sold. Further foreign portfolio outflows today is likely to be supportive of the 1m NDF and limit downside to the pair. In addition, elevated commodity prices, including oil, could translate into a greater financial burden on the government's fiscal position on higher subsidies on fuel. This concern amid current account deficits is likely to impact sentiments and keep the 1m NDF supported. Last seen around 14022-levels. Daily chart shows bullish bias but waning, while stochastic is at overbought conditions. Pair though appears to be in consolidative mode around current levels. Topside appears capped by market wariness of further official agent activities to smooth out IDR volatility. Look for range of 13950-14115 to hold intraday. Support at 13875 levels. JISDOR was fixed at 13888 yesterday, 12 pips lower than Tue's fixing.
- **1m USDPHP NDF - Consolidating.** 1m USDPHP NDF trades softer amid a pullback in UST yields, still bouncing off its recent high of 52.60 (on 24 Apr). Downside pressure should continue on market of a rate hike following hawkish comments by BSP officials, including the BSP governor. 1m NDF though was supported by the continued foreign sell-off in Philippine equities with USD7.1mn sold off yesterday. Further sell-off today could limit 1m NDF downside intraday. Last seen around 52.37-levels. Daily momentum remains mildly bullish bias but waning, while stochastics continues to hover just a tad off overbought conditions. Look for the 1m NDF to consolidate around current levels for now. Support is at 52.25 (21DMA). Resistance at 52.70 (2018 high). Watch for official agent activities to smooth our PHP volatility ahead.
- **USDTHB - Upside Risks.** USDTHB continues to inch higher this morning amid firmer USD. Pair though appears to be now in consolidation at current levels. Firmer UST yields yesterday saw foreign investors sell-off USD41.8mn and USD16.8mn in equities and debt. A further sell-off in Thai assets should keep the pair supported intraday. Last seen around 31.536-levels. Daily momentum indicators and stochastics show mild bullish bias. Look for the pair to trade range-bound within 31.420 (38.2% fibo) - 31.624 levels (61.58% fibo) for now. Foreign reserves (20 Apr) is on tap tomorrow.

## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.69	3.77	+8
5YR MI4/23 WI	3.88	3.88	Unchanged
7YR MK3/25	4.07	4.09	+2
10YR MO11/27	4.17	4.18	+1
15YR MX4/33	4.66	*4.70/65	Not traded
20YR MX4/37	4.62	*4.78/73	Not traded
30YR MZ3/46	4.84	4.90	+6
<b>IRS</b>			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.76	3.76	-
3-year	3.84	3.84	-
5-year	3.92	3.93	+1
7-year	4.03	4.06	+3
10-year	4.18	4.20	+2

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

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

Source: Maybank KE

\*Indicative levels

- Bearish sentiment continued in MYR government bonds market as the 10y UST yield crossed the 3.00% threshold. MGS yields rose 1-8bps higher with the 3y benchmark MGS 11/21 seeing stronger selling pressure. Better sellers throughout the day as players also remain defensive ahead of local general elections on 9 May.
- Onshore IRS curve moved 1-3bps higher, particularly the long end, as bond sentiment remained weak. Despite the weaker bonds, receivers still outweigh payers at the belly of the curve and as such, belly rates were little changed. No trades were done for the day. 3M KLIBOR still at 3.69%.
- Corporate bonds market muted amid weaker govies and stronger USD. The long end of AA curve widened 4bps, dragged by DUKE 3 and SPG, while the front end was wider by 5-7bps. AAA and GG spaces saw tepid buying interest as bids were rather defensive amid selling interest and given the rapid selloff in MGS in recent days.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.92	1.95	+3
5YR	2.16	2.20	+4
10YR	2.50	2.55	+5
15YR	2.73	2.79	+6
20YR	2.73	2.79	+6
30YR	2.84	2.90	+6

Source: Maybank KE

- Market sentiment turned bearish after the 10y UST yield crossed the 3% mark and stayed there during Asia afternoon session. SGS gave back previous day's gains, with long end bonds harder hit. Furthermore, fears of UST yields climbing further and liquidation of long dated bonds ahead of Thursday's 10y SGS auction added downward pressure on SGS prices. The yield curve bear steepened, ending 3-6bps higher, whilst SGD IRS rose 3-5bps.
- In Asian credit, INDONs and PHILIPs continued to weaken with prices down on the back of higher UST yields. Huawei bonds traded 5-8bps tighter on news of the cancellation of its new USD issuance and will only proceed with the EUR tranche. The new 5y EUR bond is guiding at MS+150-160bps. On rating changes, Lippo Karawaci's rating was lowered to B2 from B1 by Moody's, citing weaker than expected operating cash flow coverage for interest at the holding company and a change in business mix over the next 1-2 years where the company will rely on assets sales (subject to delays and market conditions) to generate operating cash flow.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.23	6.24	0.87
5YR	6.33	6.47	14.60
10YR	6.92	7.10	18.27
15YR	7.18	7.30	12.33
20YR	7.47	7.49	2.40
30YR	7.39	7.45	5.96

\* Source: Maybank Indonesia

### Analysts

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

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

- Indonesia bond market closed with another daily loss. Most of the yield increase along the IndoGB yield curve following US10y hitting the 3% level. Weakening IDR currency, Indonesia negative total return, increasing NDF and Onshore IDR/USD CCS Swap Curve may have resulted in a snowball effect (one after another Investment Managers dropping IndoGB asset from their portfolio). Central Bank presence was noted in the IndoGB market however was not able to curb IndoGB yield surge. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.473%, 7.098%, 7.305% and 7.495% while 2y yield moved higher to 6.240%. During the day, FR0052 (12y) yield decline the most by 7bps while FR0053 (3y) yield increased the most by 25bps. 5y10y G-Spread is the widest on YTD basis currently (5y10y current spread: 63bps). Trading volume at secondary market was noted heavy at government segments amounting Rp24,494b with FR0075 (20y benchmark series) as the most tradable bond. FR0075 total trading volume amounting Rp3,605b with 380x transaction frequency.
- Foreign ownership stood at Rp861.0t or 39.1% of total tradable government bond as of Apr 24<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp5.7t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp1,401b. ADMF04BCN1 (Shelf Registration IV Adira Finance Phase I Year 2017; B serial bond; Rating: <sub>id</sub>AAA) was the top actively traded corporate bond with total trading volume amounted Rp165b yielding 7.440%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2266	109.88	0.7628	1.4024	6.3543	0.7146	133.5300	83.0267
R1	1.2213	109.66	0.7597	1.3978	6.3383	0.7107	133.3000	82.9023
<b>Current</b>	1.2171	109.40	0.7573	1.3938	6.3253	0.7067	133.1600	82.8510
S1	1.2134	109.00	0.7543	1.3905	6.2972	0.7044	132.8800	82.5543
S2	1.2108	108.56	0.7520	1.3878	6.2721	0.7020	132.6900	82.3307

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3347	n/a	13952	52.4927	31.6810	1.6235	0.6218	2.9628
R1	1.3318	n/a	13937	52.4083	31.5980	1.6198	0.6200	2.9559
<b>Current</b>	1.3283	3.9190	13930	52.2900	31.5440	1.6167	0.6186	2.9507
S1	1.3239	n/a	13893	52.2153	31.4340	1.6140	0.6169	2.9427
S2	1.3189	n/a	13864	52.1067	31.3530	1.6119	0.6156	2.9364

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

**Equity Indices and Key Commodities**

	Value	% Change
Dow	24,083.83	0.25
Nasdaq	7,003.74	-0.05
Nikkei 225	22,215.32	-0.28
FTSE	7,379.32	-0.62
Australia ASX 200	5,921.55	0.60
Singapore Straits Times	3,568.01	-0.46
Kuala Lumpur Composite	1,851.93	-0.72
Jakarta Composite	6,079.85	-2.40
Philippines Composite	7,557.91	-0.56
Taiwan TAIEX	10,559.97	-0.18
Korea KOSPI	2,448.81	-0.62
Shanghai Comp Index	3,117.97	-0.35
Hong Kong Hang Seng	30,328.15	-1.01
India Sensex	34,501.27	-0.33
Nymex Crude Oil WTI	68.01	0.43
Comex Gold	1,324.40	-0.59
Reuters CRB Index	200.69	0.30
MBB KL	10.58	-0.38

**Policy Rates**

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5070	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	17/5/2018	Neutral
BOT 1-Day Repo	1.50	16/5/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	10/5/2018	Tightening Bias
CBC Discount Rate	1.38	21/6/2018	Neutral
HKMA Base Rate	2.00	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	6/6/2018	Neutral
BOK Base Rate	1.50	24/5/2018	Tightening
Fed Funds Target Rate	1.75	3/5/2018	Tightening
ECB Deposit Facility Rate	-0.40	26/4/2018	Easing Bias
BOE Official Bank Rate	0.50	10/5/2018	Neutral
RBA Cash Rate Target	1.50	1/5/2018	Neutral
RBNZ Official Cash Rate	1.75	10/5/2018	Neutral
BOJ Rate	-0.10	27/4/2018	Easing
BoC O/N Rate	1.25	30/5/2018	Tightening

## MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	438	3.376	3.521	3.376
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	111	3.501	3.501	3.409
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	150	3.606	3.606	3.604
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	133	3.647	3.647	3.483
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	241	3.592	3.625	3.592
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	5	3.681	3.681	3.681
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	98	3.744	3.744	3.744
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	10	3.819	3.819	3.819
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	50	3.848	3.858	3.799
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	80	3.843	3.843	3.843
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	143	3.769	3.769	3.709
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	115	3.881	3.887	3.875
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	20	3.965	3.965	3.965
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	86	4.049	4.049	3.985
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	80	3.877	3.879	3.877
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	80	3.989	4.031	3.978
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	20	4.046	4.046	4.046
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	1	4.041	4.041	4.041
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	304	4.065	4.092	4.065
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	82	4.24	4.24	4.145
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	8	4.207	4.207	4.207
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	145	4.177	4.2	4.171
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	1	4.577	4.577	4.577
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	4.547	4.547	4.547
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	7	4.648	4.648	4.648
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	1	4.901	4.901	4.901
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	10	3.319	3.319	3.319
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	5	3.76	3.76	3.76
GII MURABAHAH 6/2013 23.03.2021	3.716%	23-Mar-21	42	3.873	3.873	3.873
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	152	3.92	3.92	3.912
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	25	4.277	4.337	4.277
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	165	4.747	4.761	4.742
SPK 1/2015 4.119% 21.02.2019	4.119%	21-Feb-19	30	3.739	3.739	3.739

**Total****2,837**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA SUKUK MURABAHAH 5.23% 13.09.2047 - S6	GG	5.230%	13-Sep-47	20	5.26	5.271	5.26
B LAND MTN 367D 17.12.2018	AAA (BG)	4.380%	17-Dec-18	25	4.5	4.5	4.5
RANTAU IMTN 0% 28.08.2019 - Tranche No 7	AAA (S)	4.140%	28-Aug-19	10	4.1	4.1	4.1
PLUS BERHAD IMTN 4.800% 12.01.2027 - Series 1 (11)	AAA IS	4.800%	12-Jan-27	5	4.737	4.737	4.737
TENAGA IMTN 03.08.2037	AAA	5.180%	3-Aug-37	30	5.1	5.111	5.1
UMWH IMTN 4.820% 04.10.2019	AA2	4.820%	4-Oct-19	20	4.397	4.419	4.397
CIMBBANK 6.70% 07.10.2038	AA	6.700%	7-Oct-38	50	4.616	4.686	4.616
BUMITAMA IMTN 5.000% 02.09.2019	AA3	5.000%	2-Sep-19	20	4.693	4.708	4.693
KT KIRA IMTN 5.800% 31.03.2020	AA3 (S)	5.800%	31-Mar-20	1	5.506	5.512	5.506
EDRA ENERGY IMTN 5.700% 05.07.2023 - Tranche No 4	AA3	5.700%	5-Jul-23	2	5.277	5.279	5.277
ALDZAHAB ABS-IMTN 29.09.2025(CLASS B TRANCHE 3)	AA3	6.350%	29-Sep-25	1	5.022	5.024	5.022
EDRA ENERGY IMTN 5.880% 03.07.2026 - Tranche No 10	AA3	5.880%	3-Jul-26	15	5.489	5.489	5.489
EDRA ENERGY IMTN 5.910% 05.01.2027 - Tranche No 11	AA3	5.910%	5-Jan-27	17	5.529	5.529	5.529
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	1	5.719	5.721	5.719
SPG IMTN 5.170% 30.04.2030	AA- IS	5.170%	30-Apr-30	10	5.037	5.04	5.037
LDF3 IMTN 5.540% 23.08.2030	AA- IS	5.540%	23-Aug-30	70	5.08	5.081	5.04
LDF3 IMTN 5.640% 22.08.2031	AA- IS	5.640%	22-Aug-31	100	5.14	5.141	5.1
KESTURI IMTN 5.25% 02.12.2031 - IMTN 13	AA- IS	5.250%	2-Dec-31	20	5.138	5.151	5.138
JEP IMTN 6.240% 04.06.2032 - Tranche 23	AA- IS	6.240%	4-Jun-32	30	5.198	5.211	5.198
JEP IMTN 6.280% 03.12.2032 - Tranche 24	AA- IS	6.280%	3-Dec-32	30	5.258	5.271	5.258
CIMB 6.35% 05.04.2060 - Tranche No. 3	AA3	6.350%	5-Apr-60	5	4.897	4.897	4.897
CIMB 5.500% Perpetual Capital Securities - T2	A1	5.500%	25-May-16	5	5.257	5.257	5.257
<b>Total</b>				<b>487</b>			

Sources: BPAM

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Published by:



Malayan Banking Berhad  
(Incorporated In Malaysia)

**Foreign Exchange**

Singapore

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

Christopher Wong

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

Leslie Tang

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

Fiona Lim

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

**Fixed Income**

Malaysia

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

Se Tho Mun Yi

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

Indonesia

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

Anup Kumar

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

Myrdal Gunarto

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

**Sales**

Malaysia

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

Singapore

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

Indonesia

Sales, Indonesia  
(+62) 21 29936399  
(+62) 21 23008888 ext 22122

China (Shanghai)

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

Joyce Ha

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