

# Global Markets Daily

## Strong Gains in KRW and MYR

Macro | FX Research & Strategy

Global

### Concerns Relating to Trade and Protectionism Lingers

Most Asian equities opened in the red this morning, following declines in US stocks overnight. News of US likely to announce curbs on Chinese investments soon amid consideration of a crackdown on Chinese investments in technologies the US considers sensitive by invoking a law reserved for national emergencies brought back fears of trade war again. Sentiment turned sour with most technology shares on the decline. USD gains were reversed into NY close overnight while 10Y UST yields fell to 2.77% (near 1-month low). On FX, GBP fell sharply overnight, in line with our technical call that GBP was running into overbought conditions and could face the risk of pullback from recent highs in the short term. Talks of EURGBP buy flows and month/quarter-end flows (which came earlier due to Good Friday holidays this Fri) driving down GBP in no apparent brexit or BOE-related news yesterday.

### KRW and MYR Leading Gains in AXJs

1m USDKRW continued to drift lower as geopolitical and trade tensions eased further. US have reached an agreement in principle with South Korea on the bilateral FTA and the new KORUS FTA is expected to be rolled out soon. Kim's visit to Beijing and willingness to hold US summit is a strong commitment for denuclearisation and this should help to ease geopolitical tensions further and support gains in KRW. That said general risk sentiment remains fragile as US considers plan to announce curbs on Chinese investment. Support at 1065, 1055 for 1m USDKRW NDF. For USDMYR, the move lower this morning was sharp as the pair traded a fresh 23-month low of 3.8570 levels. We continue to hold to our long-held bias for further gains in MYR. Key support at 3.8440 before 3.81 levels.

### Bank of Thailand Expected to be on Hold Today

Some of the key data/events we watch today include US GDP, core PCE (4Q); Pending Home Sales; Fed's Bostic to speak. For UK, CBI Reported Sales (Mar).

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2403	↓ -0.33	USD/SGD	1.3101	↑ 0.08
GBP/USD	1.4157	↓ -0.51	EUR/SGD	1.6249	↓ -0.25
AUD/USD	0.7679	↓ -0.89	JPY/SGD	1.2438	↑ 0.14
NZD/USD	0.7274	↓ -0.33	GBP/SGD	1.8548	↓ -0.41
USD/JPY	105.34	↓ -0.07	AUD/SGD	1.0061	↓ -0.79
EUR/JPY	130.65	↓ -0.40	NZD/SGD	0.9531	↓ -0.24
USD/CHF	0.9468	↑ 0.13	CHF/SGD	1.3839	↓ -0.03
USD/CAD	1.2886	↑ 0.33	CAD/SGD	1.0164	↓ -0.29
USD/MYR	3.877	↓ -0.47	SGD/MYR	2.9636	↓ -0.29
USD/THB	31.218	↑ 0.27	SGD/IDR	10501.99	↑ 0.17
USD/IDR	13742	↑ 0.03	SGD/PHP	40.0884	↑ 0.60
USD/PHP	52.415	↑ 0.36	SGD/CNY	4.8006	↑ 0.29

Implied USD/SGD Estimates @ 28 Mar-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2929	1.3191	1.3453

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### G7: Events & Market Closure

Date	Ctry	Event
30 Mar	US, UK, AU, NZ	Market Closure

### AXJ: Events & Market Closure

Date	Ctry	Event
28 Mar	TH	BOT Meeting
29 Mar	IN, PH	Market Closure
30 Mar	SG, HK, ID, PH, IN	Market Closure

## G7 Currencies

- **DXY - GDP Data on Tap.** USD gains were partially reversed overnight amid the selloff in stocks and UST yields into NY close. Trade tensions appear to ratchet up again after Commerce Secretary Ross said that US will likely announce curbs on Chinese investments soon. Trump Administration is considering a crackdown on Chinese investments in technologies the US considers sensitive by invoking a law reserved for national emergencies among other options (Tech stocks bear the brunt of the decline overnight). Ross also said that though there is progress in talks to exempt EU from metal tariffs, there is no deal yet. Lingering concerns of trade wars could reverse sentiment. Disappointment with consumer confidence and Richmond Fed Mfg data further weighed on sentiment. DXY was last seen at 89.30 levels. Mild bearish momentum on daily chart remains intact. Still see risks skewed to the downside. Support at 89.28 (61.8% fibo retracement of Feb low to Mar high) before 88.25 (2018 low). Resistance at 89.80 (50 DMA). Week remaining brings GDP, core PCE (4Q); Pending Home Sales; Fed's Bostic to speak on Wed; PCE Core (Feb); Chicago Purchasing Manager (Mar); Uni of Michigan Sentiment (Mar); Fed's Harker to speak on Thu. US markets are closed on Fri for Good Friday holidays.
- **EURUSD - Buy on Dips.** EUR slipped on comments from ECB GC member Liikanen, which somewhat dampened market expectations on ECB policy normalisation. He said "those market participants expecting an end of ECB stimulus program in Sep could be mistaken". He stressed that markets should not expect any changes to ECB's communication on future interest rates too soon. We think policy normalisation will remain gradual and scaling back of expectations for a faster pace of normalisation could slow the pace of EUR gains. EUR was last seen at 1.2410 levels. Daily momentum turned mild bullish. Resistance at 1.2460 levels (76.4% fibo retracement of 2018 high to low), 1.2555 (2018 high). Support at 1.24 (61.8% fibo), 1.2360 (50% fibo, 50 DMA). We flagged out the potential of a break-out - symmetrical triangle pattern a pattern typically associated with continuation of trend (in this case an uptrend). Upside can only be confirmed on the break out and could point to the next direction of its next major move (barring false breaks). Bias remains to buy on dips. we remain constructive of EUR outlook on (1) receding political risks in Europe (Germany managed to form coalition government with Merkel elected as Chancellor again for the 4th term though Italy government formation remains a source of uncertainty); (2) sustained signs of economic recovery broadening in Europe, supported by private consumption, business sentiment, construction investment, sizeable current account surplus (3.5% of GDP) and export recovery; (3) signs of growing demand for EUR as a share of world FX reserves amid ongoing reserve diversification and (4) ECB's gradual pace of policy normalisation is expected to proceed as planned. Though political uncertainty in Italy may pose downside pressures in the interim, we view this as opportunities to buy EUR on dips.

- **GBPUSD - *Overbought Conditions***. GBP fell sharply overnight, in line with our warning that we do not rule out short term pullback as stochastics indicated that the pair has rain into overbought territories. Talks of EURGBP buy flows and month/quarter-end flows (which came earlier due to Good Friday holidays this Fri) driving down GBP in no apparent brexit or BOE-related news yesterday. Pair was last seen at 1.4180. Bullish momentum on daily chart remains intact though showing tentative signs of waning while stochastics is near overbought conditions. We still see do not rule short term pullback from recent highs. Resistance at 1.4250. Support at 1.41 (61.8% fibo), 1.4030 (50% fibo). Resistance at 1.42 (76.4% fibo retracement of 2018 high to Mar low) before 1.4345 (2018 high). Bias remains to buy on dips towards 1.4030-50 on firmer signs of material progress with Brexit journey and should support the case for broad GBP strength. Week remaining brings CBI Reported Sales (Mar) on Wed; M4 (Feb); Current Account, GDP (4Q) on Thu.
  
- **USDJPY - *Lifted By Unwinding Of Trade-Related Safe-Haven Plays***. USDJPY rebounded further from its new 2018 low (not seen since Nov 2016) of 104.56 (on 26 Mar) this morning as trade war concerns receded. Reports that China and the US are in negotiation to improve US access to Chinese markets as well as the conclusion of the US-South Korea FTA suggest that US protectionist measures may not escalate into a trade war. This has lifted risk sentiments, spurring unwinding of safe-haven flows, including JPYKRW trades - a proxy play for trade war fears. Upside moves though is likely to be capped, underpinned by simmering domestic political scandal surrounding PM Abe. Recent polls showed the support for PM Abe's cabinet falling to 42% from 56% (Nikkei) and to 32.6% from 44.3% (ANN). Slipping public support undermines PM Abe and could trigger a challenge to his hold on the ruling party at the LDP presidency election in Sep. At the same time, speculation over BOJ exit strategy has yet to be fully doused with JPY bulls waiting on the sidelines that keep the JPY supported. Last seen at 105.49-levels. Daily chart shows no strong bias in either direction, while bearish bias on the weekly chart remains intact but waning with stochastics still in oversold conditions. Resistance at 106-levels (23.6% fibo retracement of the Feb high to Mar low) ahead of 106.80 levels (38.2% fibo). Support around 104.60 levels (2018 low). Week ahead has retail sales (Feb) on Thu; jobless rate, industrial production, housing starts (Feb) on Fri. Note that BOJ Governor Kuroda will appear in Parliament in the afternoon.
  
- **NZDUSD - *Range***. NZD fell. Pair was last seen at 0.7270 levels. Bearish momentum on daily chart shows tentative signs of waning while stochastics shows signs of turning. Upside pressure still intact. **Area of resistance at 0.7290-0.7310 remains intact**. Breach above puts next resistance at 0.7355 (Mar high). Failure to close higher should see the pair ease lower. Support at 0.7250 (50% fibo of Mar high to low). Suggest 0.7260 - 0.7310 range intra-day. Week remaining brings Building Permits (Feb) on Thu.
  
- **AUDUSD - *Buy Into Dips towards 0.76***. This pair remained rather heavy, weighed by small USD strength and sharp falls in iron ore. Something we have been monitoring, the bullish divergence which have been forming. The third trough is formed. AUD formed its third low seen since the start of the year and the past three troughs

(including this one) coincides with shallower troughs in the MACD forest. We continue to prefer to buy on dips towards 0.76 (the lower bound of the upward sloping trend channel that acts as a support). We warn that bullish moves might even take this pair above the 0.80-figure. Weekly chart indicates increasing bearish momentum and bears might remain in control for now. However, we see a falling wedge on the chart as well and that could mean a rebound ahead. Our mildly bullish medium term view for AUD remains, as domestic and external demand continues to strengthen and we look for the AUDUSD pair to break above 0.80 within this half of the year. We continue to see signs that RBA is poised to hike this Aug after a recent observation by RBA that the “rate of wage growth appears to have troughed”. This is something that we have been observing for the past few months and back our call for RBA to raise cash rate in May (now in Aug). Relatively quiet week with long week from 30 Mar to 2 Apr due to Easter Weekend.

- **USDCAD - Probable Head and Shoulders Forming.** The pair recovered from its recent declines, allowing some breather for bears and opportunities for shorting this pair on the upticks. Last priced at 1.2870. The revival in risk appetite, USD bears keep this pair pressured, last seen at 1.2844. Bearish momentum intact. Support at 1.2720 (38.2% fib retracement of the 2017 high-low). Rebounds to meet resistance around 1.30 which seems to be a sticky area. We had called for a pullback towards 1.27 but a rebound towards the 1.30-figure could form the right shoulder of the bearish head-and-shoulder pattern and see an even deeper fall towards 1.25. The recent move lower and rebound has created a neckline around the 1.28-figure. More developments on NAFTA with PM Trudeau and Mexican President Enrique Pena Nieto having a discussion on NAFTA steel and aluminum. Fundamentally, we had looked for a downside given the fact that this pair has retraced around 61.8% of the BoC rate hike play in 2017 and BOC’s rate pause is likely to have been well in the price. This week has Jan GDP tomorrow.

## Asia ex Japan Currencies

- **SGD trades around 0.79% above the implied mid-point of 1.3191. The top is estimated at 1.2929 and the floor at 1.3453.**
- **USDSGD - *Bearish Tilt*.** USDSGD trades lower amid a softer USD tone following easing geopolitical tensions on the Korean peninsula. Yesterday, UST yields were broadly lower, weighing on the 3-month SOR that slipped 64 pips to 1.44%. Rebound in UST yields this morning could lift 3-month SOR higher intraday. Last seen around 1.3091. Daily momentum indicators are increasingly bearish with stochastics falling. Price action remains below symmetrical triangle - a pattern we had highlighted previously. Though symmetrical triangles tend to signal a trend reversal, they are also associated with a continuation of current trend - in this case a downtrend. We could possibly see the start of the next major move lower should resistance (lower bound of the triangle) at 1.3110 cap any up-move. Support at 1.3058 before 1.3010 (2018 low). We do not rule out a move lower towards 1.28-levels in the coming weeks as we inch closer to MAS semi-annual policy meeting in Apr. **Note that onshore markets are closed for a public holiday this Fri.**
- **AUDSGD - *Racing to Parity and beyond?*** AUDSGD broke the 1.0120-support, last seen at 1.0060, racing towards parity. This is the work of the sharp iron ore declines and this cross does not tend to linger around parity for long. That said, recent price action seems to have formed a downward sloping channel into Apr. This month could be another bearish month for this cross. Downward sloping trend channels typically last for at least three months and if this time frame holds for the current one, there could be risk of AUDSGD heading towards 0.9920, which coincides with the low seen in 2016 before the big rally towards 1.0800. We still think this cross is a buy-on-dips. It is just a matter of when. So we wait for a good entry levels and more convincing buy signals. We start accumulating on dips towards parity.
- **SGDMYR - *Mild Bearish*.** SGDMYR fell sharply, in line with our technical signals which flagged for downside risks. Cross was last seen at 2.9510 levels. Daily momentum turned bearish while stochastics is turning lower. Our bias to sell on rally remains intact. Sustained close below 2.96 (upward sloping trend-line support from the lows this year) could reignite downside play towards 2.9404 (2018 low). Resistance at 2.98 (21, 50 DMAs).
- **USDMYR - *Downside Pressure*.** USDMYR fell sharply this morning. The decline validated our long-held bias for further gains in the Ringgit on fundamental and technical drivers. Pair was last seen at 3.8580 levels. We had shared in our technical analysis that momentum has turned bearish with stochastics turning lower from overbought conditions. Break below key support at 3.8660 (2018 low) puts next support at 3.8440. Decisive break below these 2 support levels put next key support at 3.81. Resistance at 3.9120 (50 DMA). 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) **General election could lend further support for Ringgit.** Typically **Malaysian equities, MYR tend to strengthen in the lead-up to elections due to rising confidence and a date could be called soon**; (5) 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 - Eases with KORUS and Denuclearisation.** 1m USDKRW continued to trade lower as geopolitical and trade tensions eased further. US have reached an agreement in principle with South Korea on the bilateral FTA and the new KORUS FTA is expected to be rolled out soon. Kim's visit to Beijing and willingness to hold US summit is a strong commitment for denuclearisation and this should help to ease geopolitical tensions further and support gains in KRW. That said general risk sentiment remains fragile as US is likely to announce curbs on Chinese investments soon amid consideration of a crackdown on Chinese investments in technologies the US considers sensitive by invoking a law reserved for national emergencies brought back fears of trade war again. This could counter against the other "feel-good" factors (from new KORUS FTA with US and North Korea's plans to denuclearize). Pair was last seen at 1066 levels. Mild bullish momentum shows tentative signs of waning while stochastics is falling. Next support at 1065, 1055. Resistance at 1073 (50 DMA).
- **USDCNH - Sharp Rebound Did Not Last.** There was a sharp rebound in late Asian hours yesterday and USDCNH tapered off from 6.28 into overnight trades. Bears remain in control. Key support at 6.24 before the next at 6.2130. The price is last seen around 6.2570. Daily momentum is gaining on bearishness. Sustained close below key support puts next support at 6.23, 6.18 levels. Resistance at 6.30 levels (21 DMA). Week ahead has 4Q current account on Thu, PMI-mfg and non- mfg on Fri. PBoC fixed the USDCNY reference rate at **6.2785**, 31 pips lower than the previous **6.2816**. CNYMYR was fixed at **0.6168**, 30 pips lower than **0.6197**. EURCNY was fixed **308 pips lower at 7.7910 vs. the previous at 7.8218**. PBoC skipped OMO today. PBoC official said China will accelerate pace for bond market opening up and that is in line with the latest addition of Chinese government and bank policy bonds into the Bloomberg Barclays Global Aggregate index. The lead time is 20months but we believe it could be accelerated should China relax capital controls further.
- **1M USDINR NDF - Testing the 65.10, Time To Sell.** 1M is testing key support around 65.10. We had warned of a double top formed at around 65.60. Break of the 65.10 figure could open the way towards 64.70 before 64.00. This pair fell sharply on Monday on the back of a rally in domestic bonds after the Economic Affairs Secretary



announced an issuance of INR2.88 trn of bonds in the six months to Sep, 48% of its annual borrowing plan. This is much lower than the 60%-65% seen in the same period of previous fiscal years. 10y yield dropped from 7.623% to 7.364%, a 25.9bps drop on 26 Mar, last seen around 7.333%. That is an accumulative 29bps fall since then. This news coincides with the relief rally seen in the equity markets in tandem with regional peers amid cheer that trade tensions seem to be easing between the US and China. **We also caution that the rupee could also benefit from an upgrade in the Fitch rating agency. Economic Affairs Secretary Subhash Chandra Garg said that the rating agency is “extremely positive” of the “economy, reforms and path forward”.** Foreigners sold US\$78.7 of equities on Mon (26 Mar) and US\$2.1mn of bonds. **We stick to our call to short the pair at the break of 65.10 towards 64.45. Stoploss at 65.50.** Week ahead has no tier-one data.

- **1m USDIDR NDF - *Sideways*.** 1m USDIDR NDF trades mildly bid this morning underpinned by month- and quarter-end USD demand. Improving risk sentiments saw foreign investors purchase USD190.3mn in debt on 26 Mar (latest data available) that is likely to have continued into yesterday given the healthy demand at yesterday’s bond auction where IDR20tn of bonds were sold, exceeding the IDR17tn target (bids received: IDR35.57tn). Foreign investors though continued their sell-off of equities with USD62.2mn sold yesterday. Net portfolio inflows should be supportive of the IDR and cap 1m NDF upmoves. Last seen around 13772-levels. Momentum is still to the downside on the daily chart. Weekly chart though continues to show bullish bias. Pair should continue in sideways trades within the 13730-13876 range for now. JISDOR was fixed at 13708 yesterday, 68 pips lower than Mon’s fixing. Nikkei PMI mfg CPI (Jan) is on tap tomorrow. **Note that onshore markets are closed this Fri for a public holiday.**
- **1m USDPHP NDF - *Limited Downside*.** 1m USDPHP NDF is trading softer this morning amid a mild pull-back in the USD as geopolitical tensions on the Korean peninsula ease. Improving risk appetite though did not appear to have extended to Philippines equities where foreign investors continue to sell USD13.6mn yesterday. The sell-off is likely to continue today ahead of the long weekend and this should weigh on the PHP, limiting downside to the 1m NDF. Last seen around 52.50-levels, pair has lost most of its bearish momentum on the daily chart, while stochastics is fast approaching overbought conditions. Weekly chart remains bullish bias and stochastics in overbought conditions. Support remains at 52.30. Resistance at 52.70 levels (2018 high). There are no Tier 1 data on tap this week. **Note that onshore markets are closed from tomorrow for public holidays and re-opens on Mon.**
- **USDTHB - *Awaiting BoT Decision*.** USDTHB is trading mildly softer this morning amid a softer USD tone but pair remains stuck in familiar ranges within 31.090-31.320 range since mid-Mar. Pair continues to find support from foreign portfolio inflows into debt. Foreign investors purchased USD143.2mn in debt yesterday but sold USD1.3mn in equities. Further net foreign inflows should keep the THB supported. **Focus today will be on BoT meeting this afternoon. No rate adjustment is expected given that the economy is not under any duress and inflationary pressures remain muted. Also, the BoT is in no hurry to tighten policy given**

its concerns over the strength of the THB. At the same time, market will be watching the central bank's 2018 GDP outlook, where it is expected to lift its 2018 forecast higher from 3.9%. This should set-up the BoT to normalise its benchmark policy rate in 2H 2018. Last seen around 31.190-levels, pair is showing very mild bullish bias on the daily chart while stochastics climbs higher. Weekly chart though shows no strong directional bias, while stochastics remains in oversold conditions. Support remains at 31.090 (2018 low). Resistance at 31.290 levels (23.6% fibo retracement of the Feb-Mar downswing, 21DMA) ahead of 31.320. Remaining week has BoT meeting on Wed; trade, current account (Feb), foreign reserves (23 Mar) on Fri.



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.40	*3.45/42	Not traded
5YR MI3/22	3.53	3.54	+1
7YR MK3/25	3.83	3.83	Unchanged
10YR MO11/27	3.93	3.94	+1
15YR MX4/33	4.41	4.41	Unchanged
20YR MX4/37	4.53	*4.56/53	Not traded
30YR MZ3/46	4.81	*4.83/78	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	3.79	3.79	-
5-year	3.85	3.85	-
7-year	3.96	3.96	-
10-year	4.09	4.09	-

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Source: Maybank KE

\*Indicative levels

- Local government bond market had a mediocre session despite the USD weakness against Ringgit. Trading volume mainly centered on 5y GII 4/22, which ended 1bp lower from previous day. Auction size for the 3y MGS 11/21 reopening was announced at MYR3b. WI quoted within the range of 3.45/43%, but there were no trades done.
- Another quiet session for MYR IRS market. The IRS curve remained the same with no trades concluded. Ringgit strengthening to 3.87/88 against the USD may catalyze the rates curve to move lower in the coming days and test the 5y IRS support at 3.83%. 3M KLIBOR maintained at 3.69%.
- Corporate bonds were on a constructive note, with AAA better bid at the long end, tightening 1-3bps with Danga 2033 and Plus 2030 being taken. AA levels largely unchanged and mainly saw selling interest at the front end. LPPSA raised MYR3b, comprising MYR1.5b 15y IMTNs privately placed and another MYR1.5b IMTNs sold via book building in tenors of 5y, 7y and 10y at final yield of 4.10%, 4.32% and 4.54% respectively. The levels drove GG yields in secondary market tighter, with Danainfra 2028 and Prasarana 2024 lower by 1-3bps.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.89	1.95	+6
5YR	2.17	2.14	-3
10YR	2.41	2.38	-3
15YR	2.69	2.66	-3
20YR	2.74	2.71	-3
30YR	2.89	2.85	-4

Source: Maybank KE

- SGS yields up 1-2bps from the 5y onwards at the open as UST softened, while short end held steady ahead of scheduled auctions. SGD IRS also up 1-2bps initially, but traded lower when USDSGD spot and forwards eased. Market was calm after the auctions as the 2y reopening and mini-auction were well absorbed, with cut offs close to market levels. SGS yields later adjusted lower, in line with the SGD IRS movement. At the close, SGS erased most of previous day's losses closing 3-4bps lower in yields. SGD IRS curve also moved down by 3-5bps.
- Asian credit market saw improved risk sentiment. China IGs traded 3-5bps tighter, led by Haohua and tech names such as Baidu and Huawei. AUD corporate bonds, including those of major banks, saw some retail buying following the significant widening over the past few weeks. Asian sovereign bonds rose 0.25pt higher as spreads tightened. In HY, O&G names traded 3-4bps wider.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.67	5.64	(3.22)
5YR	5.99	5.93	(6.58)
10YR	6.83	6.79	(3.78)
15YR	7.03	6.92	(11.30)
20YR	7.39	7.40	0.54
30YR	7.38	7.38	(0.49)

\* Source: Maybank Indonesia

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- Indonesia bond market closed positive during Tuesday trading session following a heavy demand during the scheduled auction. Most of the IndoGB yield moved lower along the yield curve except for FR0072 and FR0075 (20y benchmark series) yield which moved higher. Bid-to-cover ratio during yesterday's auction was the lowest since year begin (conventional auction only) and seems to have hindered further declining of the IndoGB yield. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.926%, 6.790%, 6.920% and 7.397% while 2y yield moved lower to 5.639%. During the day, FR0065 (15y benchmark series) yield decline the most by 11bps while FR0072 (18y) yield increased the most by 2bps. 5y10y G-Spread is the widest on YTD basis currently (5y10y current spread: 84bps). Trading volume at secondary market was noted heavy at government segments amounting Rp29,565b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp9,525b with 192x transaction frequency.
- Indonesian government conducted their final bi-weekly conventional auctions in 1Q18 yesterday and received heavy incoming bids worth of Rp35.57t versus its target issuance of Rp17.00t or oversubscribed by 2.09x. However, DMO only awarded Rp20.70t bids for its 3mo, 1y, 10y and 20y conventional offered series. Incoming bids were more clustered on FR0064 series. 3mo SPN was sold at a weighted average yield (WAY) of 4.14632%, 1y SPN was sold at 5.04963%, 10y FR0064 was sold at 6.78994% while 20y FR0075 was sold at 7.38971%. FR0065 bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.35X - 1.81X.
- Foreign ownership stood at Rp846.2t or 39.1% of total tradable government bond as of Mar 26<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp3.6t from begin month of Mar 18. Foreigner seen purchasing since mid Mar.
- Corporate bond traded heavy amounting Rp1,230b. PPGD03ACN2 (Shelf Registration III Pegadaian Phase II Year 2018; A serial bond; Rating: <sub>id</sub>AAA) was the top actively traded corporate bond with total trading volume amounted Rp357b yielding 5.746%.

## Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2520	106.09	0.7787	1.4334	6.3015	0.7325	132.2567	82.2520
R1	1.2462	105.72	0.7733	1.4245	6.2848	0.7299	131.4533	81.5730
<b>Current</b>	1.2414	105.50	0.7694	1.4178	6.2630	0.7268	130.9300	81.1450
S1	1.2359	105.15	0.7650	1.4067	6.2438	0.7253	130.2133	80.5390
S2	1.2314	104.95	0.7621	1.3978	6.2195	0.7233	129.7767	80.1840

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3138	n/a	13781	52.6090	31.3160	1.6346	0.6239	2.9853
R1	1.3119	n/a	13761	52.5120	31.2670	1.6298	0.6205	2.9744
<b>Current</b>	1.3087	3.8680	13744	52.4170	31.2110	1.6246	0.6178	2.9561
S1	1.3068	n/a	13707	52.2290	31.1430	1.6203	0.6148	2.9557
S2	1.3036	n/a	13673	52.0430	31.0680	1.6156	0.6125	2.9479

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

## Equity Indices and Key Commodities

	Value	% Change
<b>Dow</b>	23,857.71	-1.43
<b>Nasdaq</b>	7,008.81	-2.93
<b>Nikkei 225</b>	21,317.32	2.65
<b>FTSE</b>	7,000.14	1.62
<b>Australia ASX 200</b>	5,832.30	0.72
<b>Singapore Straits Times</b>	3,439.35	0.79
<b>Kuala Lumpur Composite</b>	1,862.45	0.14
<b>Jakarta Composite</b>	6,209.35	0.15
<b>Philippines Composite</b>	8,047.03	1.45
<b>Taiwan TAIEX</b>	10,986.79	1.35
<b>Korea KOSPI</b>	2,452.06	0.61
<b>Shanghai Comp Index</b>	3,166.65	1.05
<b>Hong Kong Hang Seng</b>	30,790.83	0.79
<b>India Sensex</b>	33,174.39	0.33
<b>Nymex Crude Oil WTI</b>	65.25	-0.46
<b>Comex Gold</b>	1,347.90	-0.96
<b>Reuters CRB Index</b>	195.57	-0.11
<b>MBB KL</b>	10.52	0.00

## Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.4476	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	19/4/2018	Neutral
BOT 1-Day Repo	1.50	28/3/2018	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	5/4/2018	Neutral
BOK Base Rate	1.50	12/4/2018	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	3/4/2018	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	18/4/2018	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	99	3.049	3.13	3.049
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	11	3.099	3.141	3.069
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	2	3.164	3.164	3.164
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	16	3.263	3.307	3.263
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	13	3.289	3.32	3.289
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	87	3.404	3.43	3.378
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	4	3.395	3.395	3.395
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	12	3.366	3.366	3.366
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	7	3.4	3.4	3.4
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	73	3.454	3.47	3.454
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	20	3.561	3.561	3.546
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	8	3.444	3.444	3.444
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	4	3.542	3.548	3.538
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	22	3.717	3.717	3.686
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	170	3.754	3.761	3.753
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	291	3.81	3.81	3.783
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	11	3.873	3.891	3.873
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	10	3.88	3.88	3.873
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	50	3.827	3.827	3.827
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	39	3.955	3.97	3.947
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	1	4.047	4.047	4.047
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	8	4.021	4.021	4.014
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	24	4.094	4.121	4.094
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	85	3.949	3.949	3.943
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	10	3.973	3.973	3.973
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	10	4.358	4.358	4.341
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	3	4.342	4.342	4.342
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	1	4.391	4.391	4.391
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	71	4.417	4.417	4.412
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	3	4.548	4.548	4.526
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.801	4.801	4.801
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	105	3.31	3.31	3.209
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	2	3.368	3.368	3.368
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	5	3.588	3.588	3.588
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	300	3.598	3.598	3.598
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	432	3.831	3.835	3.829
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	1	3.992	3.992	3.992
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	10	4.009	4.009	4.009
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	5	4.205	4.205	4.204
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	40	4.144	4.144	4.144
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	4-Aug-37	220	4.762	4.763	4.76
<b>Total</b>			<b>2,287</b>			

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
KHAZANAH 0% 09.07.2018	GG	0.000%	9-Jul-18	100	3.508	3.508	3.49
PRASARANA IMTN 4.67% 12.03.2024 - Tranche 2	GG	4.670%	12-Mar-24	10	4.306	4.306	4.306
KHAZANAH 0% 27.08.2024	GG	0.000%	27-Aug-24	15	4.411	4.411	4.411
DANAINFRA IMTN 4.370% 21.02.2025 - Tranche No 73	GG	4.370%	21-Feb-25	30	4.369	4.369	4.369
DANAINFRA IMTN 4.580% 31.10.2028 - Tranche No 11	GG	4.580%	31-Oct-28	150	4.62	4.621	4.618
PRASARANA IMTN 0% 28.09.2029 - MTN 2	GG	5.070%	28-Sep-29	80	4.659	4.662	4.659
CAGAMAS IMTN 4.050% 20.12.2018	AAA	4.050%	20-Dec-18	10	3.826	3.889	3.826
GB SERVICES MTN 3651D 08.11.2019 - MTN 1	AAA (S)	5.300%	8-Nov-19	10	4.437	4.446	4.437
GIC IMTN 5.100% 16.03.2021	AAA	5.100%	16-Mar-21	2	5.015	5.019	5.015
CAGAMAS IMTN 4.170% 29.03.2021	AAA	4.170%	29-Mar-21	400	4.17	4.17	4.17
GENM CAPITAL MTN 1826D 31.3.2022	AAA (S)	4.780%	31-Mar-22	10	4.686	4.691	4.686
PLUS BERHAD IMTN 4.720% 12.01.2026 - Series 1 (10)	AAA IS	4.720%	12-Jan-26	30	4.539	4.542	4.539
PLUS BERHAD IMTN 5.000% 11.01.2030 - Series 1 (14)	AAA IS	5.000%	11-Jan-30	30	4.767	4.767	4.759
DANGA IMTN 5.020% 21.09.2033 - Tranche 9	AAA (S)	5.020%	21-Sep-33	10	4.95	4.95	4.95
SEB IMTN 4.700% 22.06.2018	AA1	4.700%	22-Jun-18	60	4.025	4.089	4.025
PUBLIC SUB-NOTES 4.85% 23.04.2027	AA1	4.850%	23-Apr-27	100	4.669	4.683	4.669
UMWH IMTN 4.820% 04.10.2019	AA2	4.820%	4-Oct-19	10	4.4	4.404	4.4
GAMUDA IMTN 0% 26.10.2018 - ISSUE NO 4	AA3	5.250%	26-Oct-18	20	4.21	4.21	4.21
WCT IMTN 4.800% 28.12.2018	AA- IS	4.800%	28-Dec-18	40	4.394	4.435	4.394
AMMB HOLDINGS BHD MTN 2556D 8.8.2019(SENIOR NOTES)	AA3	4.500%	8-Aug-19	40	4.542	4.563	4.542
SPG IMTN 4.760% 28.04.2023	AA- IS	4.760%	28-Apr-23	20	4.617	4.623	4.617
CIMB THAI 5.600% 05.07.2024 - Tranche No 1	AA3	5.600%	5-Jul-24	40	4.691	4.707	4.678
BGSM MGMT IMTN 4.920% 29.08.2025 - Issue No 13	AA3	4.920%	29-Aug-25	60	4.739	4.751	4.739
CIMB THAI 5.200% 29.03.2028 - Tranche No 3	AA3	5.200%	29-Mar-28	5	5.1	5.1	5
SPG IMTN 5.210% 31.10.2030	AA- IS	5.210%	31-Oct-30	10	5.059	5.06	5.059
SPG IMTN 5.290% 31.10.2031	AA- IS	5.290%	31-Oct-31	20	5.113	5.116	5.113
TBEI IMTN 6.200% 16.03.2032	AA3	6.200%	16-Mar-32	10	5.119	5.121	5.119
SPG IMTN 5.570% 30.04.2035	AA- IS	5.570%	30-Apr-35	10	5.349	5.351	5.349
TCMH MTN 1824D 22.11.2019	A1	4.500%	22-Nov-19	4	6.024	6.031	6.024
ISLAM 5.50% 15.12.2025 - Tranche 2	A1	5.500%	15-Dec-25	10	4.516	4.52	4.516
ALLIANCEB MTN 3653D 27.10.2025	A2	5.750%	27-Oct-25	10	4.807	4.823	4.807

**Total****1,357**

Sources: BPAM

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