

## Global Markets Daily

# Trade War Fears Still Support The USD on Dips

### Flattening Yield Curve Is OK for Mnuchin

US Treasury Secretary said he was not concerned about the flattening yield curve at the CNBC interview overnight. UST 10y yields extended to a high of 2.8858% thereafter, buoyed by the jump in consumer confidence for Aug that was released yesterday. The renegotiations of the NAFTA also buoyed sentiments on Wall Street with all benchmark indices recording small gains by the end of the session. However, concerns of yield curve inversion (a precursor of past recessions including the GFC) kept equities from heading higher.

### Trade War Fears Support The USD on Dips

USDAXJ remained tethered to USDCNH which yo-yoed yesterday. USDCNH bounced above the 6.81-figure before making almost a full reversal into NY session in an environment of broad USD weakness. As we write this morning, USDCNH is back up again, still within familiar ranges, buoyed by the potential NAFTA deal that now requires the buy-in from Canada. A “win” for NAFTA (regardless of the details) provides US a stronger position to come down harder on China. USDCAD took a peek under the 1.29-figure before edging back, last seen around 1.2930. With Trump needing a win before the mid-term elections, odds could tilt in the favour of Canada’s Foreign Minister Freeland who just arrived in Washington for talks. In addition, a decision is looming on the next tranche of tariff on China imports due this Fri, USD could remain supported on dips.

### 2Q US GDP is Due, Eyes Still on Trade Deals

Data due for today includes the secondary print of the US 2Q GDP. We maintain our view that even as PBoC has stepped in to support the yuan with the counter cyclical adjustment factor, Asian FX (including CNH) could still be vulnerable (albeit less than before) to escalation in the US-China trade war. We continue to eye the development on that front.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1695	↑ 0.15	USD/SGD	1.364	↑ 0.12
GBP/USD	1.2873	↓ -0.15	EUR/SGD	1.5952	↑ 0.27
AUD/USD	0.7338	↓ -0.18	JPY/SGD	1.227	↑ 0.05
NZD/USD	0.6709	↑ 0.21	GBP/SGD	1.7559	↓ -0.02
USD/JPY	111.19	↑ 0.10	AUD/SGD	1.0008	↓ -0.07
EUR/JPY	130.04	↑ 0.25	NZD/SGD	0.9152	↑ 0.32
USD/CHF	0.9763	↓ -0.37	CHF/SGD	1.3974	↑ 0.50
USD/CAD	1.2932	↓ -0.27	CAD/SGD	1.0551	↑ 0.43
USD/MYR	4.0968	↓ -0.09	SGD/MYR	3.0053	↑ 0.21
USD/THB	32.584	↑ 0.12	SGD/IDR	10732.88	↑ 0.27
USD/IDR	14626	↑ 0.04	SGD/PHP	39.1022	↑ 0.11
USD/PHP	53.294	↓ -0.17	SGD/CNY	4.9937	↓ -0.13

### Implied USD/SGD Estimates @ 29-Aug-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3508	1.3780	1.4053

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### G7: Events & Market Closure

Date	Ctry	Event
27 Aug	US	Public hearing on tariff on \$200bn of China goods (final)
27 Aug	UK	Market Closure

### AXJ: Events & Market Closure

Date	Ctry	Event
27 Aug	PH	Market Closure
28 Aug - 1 Sep	ASEAN	50 <sup>th</sup> ASEAN Economic Ministers Meeting
31 Aug	SK	BOK Meeting
31 Aug	MY	Market Closure

## G7 Currencies

- **DXY Index - 2Q GDP in Focus.** USD retraced partial losses overnight following better than expected consumer confidence, Richmond fed manufacturing and wholesale inventories (could add to higher 3Q GD) data. Meanwhile positive sentiment emanating from US-Mexico bilateral trade deal appeared to have been offset by comments from Trump (said that US won't talk to China about trade war now). To be sure, US public hearing on tariffs of additional \$200bn of China imports have concluded on Mon and decision will be made by end of this week on whether fresh tariffs will be implemented. A follow-up response from China is likely if US implement. And the lead up to **US trade decision warrants a cautious take on risk sentiment. USD may see some near term support as a result.** DXY was last seen at 94.76. Bearish momentum on daily chart remains intact but stochastics is falling into oversold conditions. Risk of short term retracement higher should not be ruled out. Resistance at 95 (50 DMA), 95.5 (21 DMA). Support at 94.60 (61.8% fibo retracement of Jun low to Aug high), 94 levels (76.4% fibo). We retain **some degree of caution on risk appetite** as the going mix of geopolitical tension (US and Turkey), lingering concerns of trade war (between US and China), US data outperformance and Fed's hawkish rhetoric are still generally supportive of USD but **any fall out of the abovementioned variables could see USD drift lower. Bias remains to lean against strength.** Focus for the week on GDP, core PCE (2Q S); pending home sales (Jul) on Wed; Personal income, spending, PCE Core (Jul) on Thu; Chicago PMI, Uni. Of Michigan Sentiment (Aug) on Fri.
- **EURUSD - Near Term Pullback Risk; Buy Dips Still Preferred.** EUR traded briefly above 1.17-handle overnight but gains were partially reversed into the close. Price action may suggest some early signs of fatigue with EUR bulls. And we do not rule out an EUR pullback as market awaits US decision on tariffs on \$200bn (likely by end week). Pair was last seen at 1.1690 levels. Mild bullish momentum on daily chart remains intact while stochastics is entering into overbought conditions. Price pattern also showed a rising wedge potentially in the making. This is typically associated with a bearish reversal. Risk of pullback not ruled out. Support at 1.1620 (50 DMA), 1.1540 (21 DMA). Key resistance at 1.1710 (38.2% fibo retracement of 2017 low to 2018 high) needs to be broken for further upside towards 1.1760 (100 DMA), 1.1860 levels gather momentum. Bias to buy dips. That said we still caution remains as concerns over Italy's budget plans remain and this may affect the EUR's recovery. Possibly as early as this week or next week, there could be further details as Italy coalition government is expected to present economic and financial plans in the lead up to the finalisation of its financial targets by end-Sep before submitting the draft budget to EU for review by 15 Oct. Negative headlines here may weigh on sentiment, bond prices and the EUR. Focus for the week on Consumer Confidence (Aug) on Thu; Unemployment rate (Jul); CPI estimate (Aug) on Fri.
- **GBPUSD - Fragile Recovery Vulnerable to the Downside.** GBP eased amid USD rebound (on strong US data). Pair was last seen at 1.2860 levels. Mild bullish momentum on daily chart remains intact

but stochastics shows early signs of turning lower from near overbought conditions. Price action on yesterday's session may suggest that GBP recovery since mid-Aug may wear out soon. We do not rule out downside pressure towards 1.2830, 1.28 levels. Resistance remains at 1.2880 (21 DMA), 1.2930 (interim double top). Focus for the week on M4 (Jul) on Thu; GfK Consumer confidence, Nationwide house price (Aug) on Fri. We remain watchful of headlines of no-deal brexit as it presents a source of volatility that could hamper GBP's recovery. Though risk of no deal brexit has risen, UK brexit secretary Raab said the UK and EU have reached agreement on about 80% of issues relating to Brexit. And some of the issues unresolved are Irish border issue. He insisted that he was "still confident" of reaching an issue with the EU ahead of brexit departure on 29th Mar 2019 and said that the failure of talks was unlikely.

- **USDJPY - Consolidation.** USDJPY trades bid this morning amid the ongoing unwinding of long-JPY positions vs. short-USD on optimism of easing global trade tensions following the trade accord reached between Mexico and US. Also supportive was the firmer USDCNH, which provided room for the pair to climb higher. Limiting gains in the pair though was narrowing yield differentials between 10Y UST and JGB bonds. 10Y UST yield is lower this morning at around the 2.87%-levels, while the 10Y JGB remains below the 0.1% levels at around 0.099%. Last seen around 111.24-levels. Bullish bias on the daily chart remains intact and stochastics continues its climb towards overbought conditions. Bullish bias on the weekly chart though remains intact but waning, while stochastics is falling. Pair should remain in consolidative trades ahead of US tariffs on USD200bn of Chinese goods that could be imposed by the end of the month. Resistance remains around 111.40-levels (50% fibo retracement of the 2017 high to 2018 low), 111.90-levels. Support nearby around the 111-handle before 110.50-levels. Focus in the week ahead is on BOJ Suzuki speaks (Naha) today; retail sales (Jul) on Thu; jobless rate, industrial production, housing starts (Jul) on Fri.
- **NZDUSD - Range-Bound.** NZD was last seen at 0.6705 levels. Mild bullish momentum on daily chart remains intact. Resistance at 0.6710 (76.4% fibo retracement of Aug high to low) needs to be broken on daily close basis for further upside to gather momentum towards 0.6750 (50 DMA). Support at 0.6670 (21 DMA), 0.6620 levels. Mild upside risks not ruled out but expect the pair to trade sideways in the range of 0.6680 - 0.6740 to hold intra-day. Focus for the week on Building permits (Jul); Activity Outlook, Business Confidence (Aug) on Thu; Consumer Confidence (Aug) on Fri.
- **AUDUSD - Trend Channel Turns Falling Wedge.** AUDUSD continues to pressure the upper bound of the trend channel, unwilling to make a decisive break of the 0.7360-resistance. The break above the 0.7360-resistance for further upside to gain traction. Momentum is biased to the upside, in line with our call for AUD to head towards the resistance at 0.7360, before 0.7390 and then at 0.7410. Our bullish view is even more compelling at this point as we see a strong bullish divergence, possibly panning out at the break of the 0.7410-

level. Three higher troughs of the MACD forest coincides with the three lower troughs of the AUDUSD price action. Break there would also violate the downward sloping trend channel that had started almost in tandem with the beginnings of the trade war. However, there seems to be a sense of USD resurgence as the deadline for the next tranche of US tariffs on US\$200bn of China's imports nears this Fri. The introduction of the CCAF (counter-cyclical adjustment factor) would support the CNY as well as the AUD, further reinforcing our bullish view of the antipode. Moves lower in an environment of fresh USD strength could be limited by support around 0.7190. Week ahead has 2Q CAPEX on Thu, building approvals on the same day and private sector credit for Jul on Fri.

- **USDCAD - Closing in On Next Target 1.2840.** USDCAD took a peek below the 1.29-figure yesterday before making a small recovery to levels around 1.2930 as we write. Price action is still rather bearish. On the intra-day chart, the momentum indicators look to be turning higher (MACD and stochs). We would prefer to take partial profit on the short USDCAD trade as USD seems to be turning broadly higher. Our bias for this pair is still to the downside though. 21-dma looks to cut the 100-dma lower. We maintain our view that this pair should head towards our next target at around 1.2840 (next target) where that could be the buying level to play within the downward sloping trend channel. Stoploss adjusted lower at 1.2990. A fundamental reason for our bullish view on the CAD is that there is quite a bit of optimism in the NAFTA as US clearly has ironed out issues with Mexico and could be close to a "win" if they can get the buy-in from Canada. As the mid-term elections approach and with US keeping its hard stance against the less neighbourly China, odds are tilted in the favour of the Canadians as US becomes more amenable at the negotiating table.

## Asia ex Japan Currencies

- **SGD trades around 1.12% above the implied mid-point of 1.3780. The top is estimated at 1.3508 and the floor at 1.4053.**
- **USDSGD - *Sideways*.** USDSGD trades little changed amid a softer USD tone. Still upside pressure on the pair remains given firmer USDCNH and softer EUR. At the same time, market remains cautious ahead of the USD200bn of Chinese goods that could come under US tariffs at the end of the month, which could weigh on sentiments as this could escalate the Sino-US trade war concerns. Last seen around 1.3644-levels. Daily momentum indicators show mild bearish bias, and stochastics fast approaching overbought conditions. Immediate resistance is around 1.3650-levels (50DMA), 1.3690-levels (21DMA). Support remains around 1.3600 (38.2% fibo retracement of the 2017 high to 2018 low) with a break below this level on a weekly close could see the pair headed towards the 1.3490-levels (100DMA). No Tier 1 data on tap this week.
- **AUDSGD - *Pivoting Around Parity*.** AUDSGD waffled around parity, last seen around 1.0020. Rebounds remain a struggle as the factors that move AUD higher also move the SGD higher as well. This cross hardly dwells under parity for very long although momentum indicators are not compelling. We had spotted a bullish divergence but that could take time to pan out. Support at 0.9968 before 0.9840. Resistance is seen around 1.0090 (21-wma). We had written of another driver for AUD weakness against the SGD - the monetary policy divergence as the MAS had started to tighten quite a while ago while RBA remains on hold. Recovery could remain a struggle but we would like to retain our medium-term bullish bias.
- **SGDMYR - *Supported*.** SGDMYR remains supported, in line with our call for the cross to remain supported. Cross was last seen at 3.0060 levels. Bullish bias on daily chart remains intact while stochastics is rising into overbought conditions. Resistance at 3.0150 levels (upper bound of the bullish trend channel), 3.02 (76.4% fibo retracement of 2018 high to 2018 low). Support at 3.00 (61.8% fibo), 2.9880 (50% fibo, 21 DMA).
- **USDMYR - *Range*.** USDMYR was last seen at 4.1020 levels. Daily momentum is mild bearish while stochastics shows signs of falling. On the weekly chart, bullish momentum remains intact but stochastics is in overbought conditions. Mild retracement (lower) not ruled out. Support at 4.0950, 4.08. Resistance at 4.12, 4.15 levels. But expect 4.0950 - 4.11 range to hold intra-day. No tier-1 data for release this week. Onshore markets closed on Fri for national Day holidays.
- **1m USDKRW NDF - *Near Term Rebound Risk*.** Decline in 1m USDKRW NDF slowed amid growing caution of trade war tensions between US-China (market awaits decision on fresh tariffs on \$200bn of Chinese imports likely by end week). Pair was last seen at 1109 levels. Bearish bias remains intact but stochastics is falling into oversold conditions. Near term rebound risks not ruled out. Support

at 1102 (50% fibo retracement of Jun low to Jul high). Resistance at 1112 (38.2% fibo), 1120 (50 DMA). Intra-day range of 1106 - 1115 possible. BoK meets on Fri. We retain our view for BoK to keep policy rate on hold at 1.5% at the upcoming MPC meeting amid signs of deceleration in growth momentum, worsening labor market conditions (slowest pace of job growth in 8 years), inflation not picking up as fast as expected (still below 2% BoK's target) and ongoing trade war tension in US-China (pose downside risks to global growth). We do not rule out a 25bps hike in 4Q 2018 (possibly as early as in Oct) if demand-induced price pressures picks up pace.

- **USDCNH - *Still around 6.80, Awaiting Fresh Cues.*** USDCNH swings around with the USD, awaiting fresh cues. Last seen at 6.8050. The CCAF may have brought the USDCNH sharply lower and crimp on USDCNH bulls future moves, eyes are still on whether the US will impose tariffs on another US\$200bn of Chinese imports. A firm break of the 6.7880-support could bring the pair towards the 6.75-figure before 6.68 (38.2% Fibonacci retracement of the Mar-Jul rally). Cautious optimism is the word to describe current market sentiment and further EUR upmove could be the only factor to lift the yuan further against the USD unless the US relents in the trade war. Tariffs on another US\$200bn of Chinese imports might have strong retaliation from China and the impact on the US economy would also be significant, albeit less than the impact on China. As such, with such severe ramification from the next tranche of tariffs, we see some risks of a delay. Resistance is seen around 6.90 before the 6.95-figure. **USDCNY reference rate at 6.8072, 20 pips higher than the previous 6.8052.** PMI prints are out for Aug on Fri
- **1M USDINR NDF - *Pressing Higher.*** USDINR edged higher and was last seen around 70.65 as Brent prices remain rather supported. This pair remains within the 69.50-71.15 range and a resurgence in the USD and UST yield could pressure the upper bound of the range. India saw equity-related inflow of around US\$62.2mn on Mon and US\$37.9mn of local debt. End of the week brings 2Q GDP.
- **1m USDIDR NDF - *Risks Tilting Higher.*** 1m USDIDR NDF trades bid this morning but continues to hover within familiar ranges of 14570-14825 amid firmer USDCNH and USD tone. Month-end demand for USD could also be supportive of the 1m NDF. Simmering in the background still is the potential spill-over effects from the Turkish crisis on emerging markets that could reignite unexpectedly. Market is also cautious ahead of the USD200bn of Chinese goods that could come under US tariffs at the end of the month, which could weigh on global sentiments as the Sino-US trade war escalates. Still, continued expectations of net foreign portfolio inflows in Indonesian assets should weigh on the 1m NDF. Foreign investors had purchased USD54.9mn in equities yesterday. Meanwhile, they had sold USD46.7mn in debt on 27 Aug (latest data available). Spot USDIDR gapped higher at the opening to 14630 this morning from yesterday's close of 14626-levels amid a firmer USD tone. Last seen around 14715-level. Daily momentum indicators show waning mild bearish bias, and stochastics shows tentative signs of turning higher. Though risks to the pair could be tilting to the upside, we continue

to look for the 1m NDF to trade within familiar ranges ahead of the key risk events ahead. Resistance remains around 14730-levels ahead of 14825-levels (2018 high). Support around 14620-levels (21DMA), 14500-levels (50DMA). BI continues to be in the market to curb IDR and IndoGB volatility. JISDOR was fixed at 14614 yesterday, 4bp higher than the fixing on Mon. There is no Tier 1 data on tap this week.

- **1m USDPHP NDF - *Sideways*.** 1m USDPHP NDF trades mildly bid this morning amid a firmer USDCNH and USD. At the same time, expectation of month-end demand for USD could keep the 1m NDF supported. Cautious trades ahead are likely as the deadline for US tariffs on USD200bn of Chinese goods looms, which could weigh on global sentiments even as the US concludes a trade agreement with Mexico. Also simmering in the background is the potential spill-over effects from the Turkish crisis on emerging markets should the crisis re-erupt. Expectations of foreign inflows into equities could cap upside to the pair as they did yesterday where foreign investors purchased USD8.9mn in equities. Spot USDPHP gapped higher at the opening to 53.344 this morning from yesterday's close of 53.294 amid a firmer USD tone. Last seen around 53.46-levels. Bullish bias on the daily chart remains intact but waning, and stochastics continues to fall. We expect sideways trades to hold intraday. Resistance remains around 53.60-levels, 53.75-levels. Support nearby around 53.30-levels (21DMA) before the 53-levels (100DMA). Quiet data week with no Tier 1 data on tap this week.
- **USDTHB - *Bearish Bias Waning*.** USDTHB trades bid this morning amid a firmer USD tone and firmer USDCNH. Also, there could be some unwinding of long-THB positions following the recent spike in the THB. Still, capping upside is optimism over economic recovery as reflected in recent strong economic data and expectations that BoT policy normalisation could come sooner than later after hawkish comments by the BoT governor last week. In addition, expectations of further net foreign portfolio inflows could be supportive of the THB and cap the pair's gains intraday. Foreign investors had sold US\$30.4mn in equities yesterday but this was once again completely offset by their purchase of USD451mn in debt. Upside risks to the pair could come from the looming US tariffs on USD200bn of Chinese goods that could come as soon as the end of the month, which could weigh on global sentiments as the Sino-US trade war escalates that could keep the THB supported. As well, the Turkish crisis could re-erupt with potential spill-over effects on emerging markets. Last seen around 32.649-levels. Bearish bias on the daily chart remains intact but waning, and stochastics remains at oversold conditions. Resistance is around 32.760-levels ahead of 32.950-levels (23.6% fibo retracement of the Mar-Jul upswing). Support nearby around 32.510-levels (100DMA) before 32.170-levels (200DMA). Week ahead has capacity utilisation, mfg production index (Jul) on Tue; foreign reserves (24 Aug), trade, current account (Jul) on Fri. Note that BoT governor Veerathai Santiprabhob will speak at a conference later this morning.

## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ 11/21	3.45	*3.46/44	Not traded
5YR MI 4/23	3.70	3.70	Unchanged
7YR MK 3/25	*3.94/92	*3.94/92	Not traded
10YR MS 6/28	*4.04/02	4.03	Unchanged
15YR MT 11/33	4.47	4.47	Unchanged
20YR MX 6/38	*4.68/66	*4.68/66	Not traded
30YR MZ 7/48	4.90	*4.92/88	Not traded
IRS			
6-months	3.69	3.69	-
9-months	3.70	3.70	-
1-year	3.70	3.70	-
3-year	3.73	3.74	+1
5-year	3.82	3.83	+1
7-year	3.94	3.96	+2
10-year	4.16	4.16	-

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Source: Maybank KE

\*Indicative levels

- Malaysian government bonds traded rangebound absent catalysts, in line with regional government bond markets which have also been trading within tight ranges. Market participants appeared to be scaling down risks, particularly at the longer end of the curve. MGS yields hardly moved with somewhat thin trading volume.
- IRS rates were quoted higher, with the 5y IRS trading back up at 3.83%. Nonetheless, the upward moves were not aggressive and IRS rates were up by just 1-2bps along the 3y7y. 3M KLIBOR stood at 3.69%.
- In corporate bonds, profit taking continued on the GG curve with the belly and long end widening 1-2bps. The selling was across maturities and Danainfra, Prasarana, GovCo, PTPTN and PASB were all better offered. Bids were only at the belly as spreads look rather tight presently. AAA curve unchanged and saw Tenaga 2037 traded. AA space was dominated by trading of JEP bonds at the belly, generally within a 1bp range. Heading into month end, volume would likely taper off.



## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.88	1.88	-
5YR	2.08	2.09	+1
10YR	2.35	2.37	+2
15YR	2.63	2.65	+2
20YR	2.66	2.68	+2
30YR	2.75	2.77	+2

Source: Maybank KE

- SGS found some support despite higher IRS and UST yields overnight. There seemed to be some short covering interest in the 10y-15y sector amid some easing in funding costs. SGD IRS curve bear-steepened with rates flattish at the front and up 2-3bps from the 5y onwards. Likewise, SGS yields were more or less unchanged at the short end and higher by 1-2bps at the 5y and beyond.
- Asian credit market opened on a more positive note following the US-Mexico trade agreement. IG spreads overall tightened, with good two-way interest seen for China credits such as HAOHUA and BCHINA. Sovereign bonds were lower by 0.25-0.50pts on the back of the UST movement. On rating changes, 1) S&P cut China Huarong International Holdings' outlook from stable to negative as it downgraded China Huarong Asset Management's rating to BBB+ from A-, and 2) Moody's changed Geely Automobile Holdings' outlook to positive from stable, premised on expectations of a stronger business profile on the back of rising market share.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	7.22	7.21	(1.09)
5YR	7.75	7.63	(12.51)
10YR	7.90	7.92	1.93
15YR	8.00	8.02	1.64
20YR	8.34	8.33	(0.83)
30YR	8.56	8.56	-

\* Source: IBPA, Bloomberg, Maybank Indonesia

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- Indonesia bond market closed with a daily gain on Tuesday trading session as demand during auction came in heavy. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 7.629%, 7.923%, 8.018% and 8.334% while 2y yield moved higher to 7.209%. During the day, FR0063 (5y benchmark series) yield decline the most by 13bps while FR0061 (4y) yield increased the most by 7bps. Trading volume at secondary market was noted heavy at government segments amounting Rp21,092b with FR0064 as the most tradable bond. FR0064 total trading volume amounting Rp5,328b with 69x transaction frequency.
- Indonesian government conducted their bi-weekly conventional auction yesterday and received heavy incoming bids worth of Rp59.28t versus its target issuance of Rp10.00t or oversubscribed by 5.93x. However, DMO only awarded Rp20.00t bids for its 3mo, 1y, 5y, 10y, 15y and 20y offered series. Incoming bids were more clustered on the 5y and 10y offered series. 3mo SPN was sold at a weighted average yield (WAY) of 5.32983%, 1y SPN was sold at 6.19000%, 5y FR0063 was sold at 7.77789%, 10y FR0064 was sold at 7.95701%, 15y FR0065 was sold at 8.02429% while 20y FR0075 was sold at 8.38319%. No bids were rejected during this auction. Bid-to-cover ratio during the auction came in at 1.14X - 5.27X. Foreigner demands during the auction were noted Rp16.99t or 28.7% of total incoming bids. However, only Rp8.16t bid (40.8% of total awarded bids) were awarded to foreign investors.
- Foreign ownership stood at Rp846.8t or 37.6% of total tradable government bond as of Aug 27<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp1.9t from begin month of Aug 18.
- Corporate bond traded thin amounting Rp624b. PTPP02ACN1 (Shelf Registration II PTPP Phase I Year 2018; A serial bond; Rating: <sub>id</sub>A+) was the most actively traded corporate bond with total trading volume amounted Rp80b yielding 6.594%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1767	111.57	0.7381	1.2959	6.8294	0.6754	130.6133	81.9577
R1	1.1731	111.38	0.7360	1.2916	6.8151	0.6732	130.3267	81.7783
<b>Current</b>	1.1686	111.25	0.7340	1.2859	6.8091	0.6710	130.0100	81.6570
S1	1.1661	110.98	0.7319	1.2846	6.7859	0.6682	129.6967	81.4223
S2	1.1627	110.77	0.7299	1.2819	6.7710	0.6654	129.3533	81.2457

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3671	4.1023	14638	53.4373	32.6693	1.6006	0.6052	3.0122
R1	1.3656	4.0996	14632	53.3657	32.6267	1.5979	0.6037	3.0088
<b>Current</b>	1.3649	4.1030	14640	53.4300	32.6690	1.5951	0.6025	3.0064
S1	1.3616	4.0928	14614	53.2527	32.5197	1.5916	0.5995	3.0018
S2	1.3591	4.0887	14602	53.2113	32.4553	1.5880	0.5967	2.9982

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

Equity Indices and Key Commodities		
	Value	% Change
Dow	26,064.02	0.06
Nasdaq	8,030.04	0.15
Nikkei 225	22,813.47	0.06
FTSE	7,617.22	0.52
Australia ASX 200	6,304.65	0.57
Singapore Straits Times	3,247.55	0.68
Kuala Lumpur Composite	1,826.90	0.84
Jakarta Composite	6,042.65	0.28
Philippines Composite	7,844.61	1.01
Taiwan TAIEX	10,989.55	0.80
Korea KOSPI	2,303.12	0.17
Shanghai Comp Index	2,777.98	-0.10
Hong Kong Hang Seng	28,351.62	0.28
India Sensex	38,896.63	0.52
Nymex Crude Oil WTI	68.53	-0.57
Comex Gold	1,207.00	-0.86
Reuters CRB Index	191.71	-0.60
MBB KL	10.00	0.70

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.6375	Oct-18	Modest and Gradual Appreciation
BNM O/N Policy Rate	3.25	5/9/2018	Neutral
BI 7-Day Reverse Repo Rate	5.50	27/9/2018	Tightening
BOT 1-Day Repo	1.50	19/9/2018	Neutral
BSP O/N Reverse Repo	4.00	27/9/2018	Tightening Bias
CBC Discount Rate	1.38	27/9/2018	Neutral
HKMA Base Rate	2.25	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.50	5/10/2018	Tightening
BOK Base Rate	1.50	31/8/2018	Tightening
Fed Funds Target Rate	2.00	27/9/2018	Tightening
ECB Deposit Facility Rate	-0.40	13/9/2018	Neutral
BOE Official Bank Rate	0.75	13/9/2018	Neutral
RBA Cash Rate Target	1.50	4/9/2018	Neutral
RBNZ Official Cash Rate	1.75	27/9/2018	Neutral
BOJ Rate	-0.10	19/9/2018	Easing
BoC O/N Rate	1.50	5/9/2018	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	71	3.276	3.276	3.276
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	191	3.326	3.326	3.326
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	102	3.382	3.382	3.382
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	48	3.352	3.352	3.352
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	111	3.367	3.416	3.343
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	1	3.399	3.399	3.399
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	49	3.399	3.399	3.399
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	27	3.476	3.476	3.441
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	48	3.55	3.579	3.55
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	130	3.704	3.707	3.69
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	14	3.789	3.793	3.789
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	2	3.929	3.929	3.917
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	20	4.145	4.145	4.145
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	20	4.159	4.159	4.159
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	2	4.158	4.159	4.153
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	60	4.028	4.029	4.028
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	20	4.501	4.501	4.501
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	1	4.527	4.527	4.527
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	160	4.468	4.468	4.467
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	25	4.697	4.697	4.697
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	10	4.882	4.882	4.882
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	430	3.347	3.362	3.339
PROFIT-BASED GII 3/2012 30.09.2019	3.704%	30-Sep-19	386	3.352	3.389	3.352
PROFIT-BASED GII 3/12 30.09.2019	3.704%	30-Sep-19	162	3.352	3.371	3.352
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	180	3.549	3.555	3.549
PROFIT-BASED GII 3/2010 15.06.2020	4.284%	15-Jun-20	50	3.555	3.555	3.509
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	25	3.73	3.73	3.73
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	10	3.759	3.759	3.759
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	110	3.796	3.811	3.796
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	70	3.97	3.98	3.97
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	50	3.988	3.988	3.988
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	10	4.008	4.008	4.008
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	21	4.164	4.164	4.164
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	40	4.156	4.156	4.156
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	138	4.136	4.14	4.136
GII MURABAHAH 9/2013 06.12.2028	4.943%	06-Dec-28	30	4.192	4.192	4.192
GII MURABAHAH 4/2017 4.895% 08.05.2047	4.895%	08-May-47	20	4.914	4.915	4.914
SPK 2/2012 3.691% 12.07.2022	3.691%	12-Jul-22	20	3.845	3.845	3.845
SPK 37/2012 3.701% 25.04.2023	3.701%	25-Apr-23	10	3.91	3.91	3.91
<b>Total</b>			<b>2,874</b>			

Sources: BPAM

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