

Global Markets Daily

Eyeing Tonight's US PCE Core

Tonight's US PCE Core is Key...

US GDP came in well above consensus at 2.3%q/q (ann.) for 1Q, albeit still slowing from previous 2.9%. Core PCE was in line with the median forecast (of BBG) at 2.5%q/q, accelerating from 1.9%. USDJPY spiked on the release of the data before reversing lower to levels around 109.00, moving in tandem with the UST 10y yield, last seen around 2.96%. Univ. of Mich came in stronger at 98.8 vs. the previous 97.8. Eyes are on the PCE core for Mar, due today with consensus seen around 1.9%/y vs. the previous 1.6%. 3% could be a sticky level for the UST 10y yield as demand for the higher-yielding 10y USTs could continue to cap yield gains which would in turn cap the USD as well. Tonight's core PCE is key for any breakout to the upside, a possible build-up towards FOMC on Wed night for Asian watchers.

China's Manufacturing

China's PMI-mfg just came in higher than expected at 51.4, also kicking off more PMI-mfg numbers from other parts of the World which could act as a global growth check as written on our [weekly](#). While the Caixin's version, due Wed, is normally the more market moving one, breakdowns of the last PMI-mfg released by the NBS shows stronger numbers for SMEs. With part of the last RRR cut (which took effect on 25 Apr) targeted for banks that lend to smaller corporates, this release could indicate whether demand continues to support the manufacturing sector at home. Recently, China President Xi urged for a major breakthrough on the chip technology during his inspection of the Wuhan Xinxin Integrated Circuit manufacturing Com. Ltd. This could be a hint of exciting days for the global manufacturing scene given China's penchant to buy up strategic companies.

Asia gets a break before FOMC

There are two central bank meetings this week - RBA tomorrow and FOMC for Tue and Wed. Most of Asia will break for Labour Day tomorrow with the exception of Japan. China's break has already started today. Apart from the rest of the data barrage, we also like to draw your attention to the US Treasury is expected to announce its borrowing projections and auction sizes on 2-3 May. The last announcement had coincided with USD strength.

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.213	↑ 0.22	USD/SGD	1.3236	↓ -0.29
GBP/USD	1.3781	↓ -0.99	EUR/SGD	1.6056	↓ -0.07
AUD/USD	0.7581	↑ 0.36	JPY/SGD	1.2134	↓ -0.09
NZD/USD	0.7085	↑ 0.33	GBP/SGD	1.8241	↓ -1.27
USD/JPY	109.05	↓ -0.23	AUD/SGD	1.0039	↑ 0.10
EUR/JPY	132.29	↓ -0.01	NZD/SGD	0.9377	↑ 0.03
USD/CHF	0.9877	↓ -0.14	CHF/SGD	1.3392	↓ -0.22
USD/CAD	1.2828	↓ -0.33	CAD/SGD	1.0318	↑ 0.05
USD/MYR	3.9195	↑ 0.05	SGD/MYR	2.9514	↓ -0.01
USD/THB	31.522	↓ -0.26	SGD/IDR	10462.13	↓ -0.02
USD/IDR	13893	↑ 0.01	SGD/PHP	39.0959	↓ -0.43
USD/PHP	51.909	↓ -0.39	SGD/CNY	4.7803	↑ 0.18

Implied USD/SGD Estimates @ 30 Apr-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.3067	1.3332	1.3596

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G7: Events & Market Closure

Date	Ctry	Event
1 May	AU	RBA Meeting
30 Apr, 3-5 May	JN	Golden Week (Market Closure)
1-2 May	US	FOMC Meeting

AXJ: Events & Market Closure

Date	Ctry	Event
30 Apr-1 May	CH	Labour Day (Market Closure)
1 May	Asia	Labour Day (Market Closure)

G7 Currencies

- **DXY - More Room to Run on Break Above 91.60.** USD gains slowed on Fri after release of 1Q GDP showed that US economy expanded at a slower pace of 2.3% (vs. 2.9% in the last quarter). 10Y UST yields eased off 3%-mark; last seen at 2.9568%. We retain our call that policy divergence thematic (Fed tightening bias vs. other central banks on hold) should continue to favour higher UST yields and USD strength. Recent flow of economic data also suggests growth/activity divergence between US and other developed nations including EU, UK, etc. To add, USD is a countercyclical currency, decelerating global growth momentum tends to see USD outperform. Putting things in perspective, growing divergence in monetary policy and growth between US and other developed nations could see further widening in yield differentials (in favour of UST yields) and that should continue to keep USD broadly supported in the interim. In particular we pay attention to the pace of UST yield increase. A sustained and rapid rise in 10Y yield above 3% could see more USD upside. Key event risks to watch this week include US Mar core PCE (today 830pm SG/KL time), FoMC meeting (Thu, 2am SG/KL time) and US payrolls data (Fri 830pm SG/KL time). **Any dovish leaning rhetoric from the Fed or slowdown in pace of core PCE and/or wage growth may help to slow the pace of UST yield increase and cushion against USD strength. One point to note** is that US Treasury is expected to announce its borrowing projections and auction sizes on 2-3 May. Market chatters of bigger issuance. That may boost UST yields higher in the interim (if true) and lend temporary support to the USD. For FoMC meeting (2am SG/KL time on Thu), the Fed is not expected to tighten but another 25bps rate hike is likely in Jun meeting. Focus on the language of the statement. **Nonetheless, we believe the return of monetary policy divergence thematic is only temporary. Higher energy and commodity prices as well as tightness in labor market in other developed world including UK, AU, EU should feed through to inflation and brings back the case of monetary policy convergence at a later stage. This scenario would see other currencies' strength play catch-up.** DXY was last seen at 91.52 levels. Price action last Fri saw DXY traded an intra-day high near 200 DMA but upmove was rejected and subsequent price action saw DXY ended the session weaker. This produced a shooting star pattern and could potentially sets up the case for a bearish reversal of an uptrend. Bullish momentum on daily chart remains intact while stochastics is showing signs of turning lower from overbought conditions. Risk to the downside. Area of support at 90.5-90.90 (previous area of resistance now-turned support). Resistance at 92 levels (200 DMA). We reiterate caution that pace of yield increase is key - USD upside may have further room to run especially if 10Y UST yield pushes on above 3% at a rapid pace. Decisive close above 200DMA may see more pain trades towards 92.64 (2018 high). Week ahead brings Personal Income, Spending, PCE Core, Pending Home Sales (Mar); Chicago PMI, Dallas Fed Mfg (Apr) on Mon; Mfg PMI, ISM Mfg (Apr) on Tue; ADP Employment Change (Apr) on Wed; FoMC Meeting Decision; Services PMI; Trade, Durable Goods (Mar) on Thu; NFP, Unemployment rate, hourly earnings (Apr); Fed's Dudley speaks on Fri.

- **EURUSD - Rebound Risks Intra-day.** EUR traded lower last week as policy divergence thematic and ECB press conference (absence of ECB's commitment to QE's end and acknowledgement of softer growth momentum) weighed. But EUR rebounded into NY close last Fri. Rise in

UST yield slowed, helping to curb the pace of USD strength. Pair was last seen at 1.2120 levels. Bearish momentum on daily chart remains intact while stochastics shows signs of rising from oversold conditions. Rebound risks not ruled out. Resistance at 1.2160, 1.2230 levels. Support at 1.2040, 1.2010 (200 DMA). Week ahead brings GDP (1Q); Unemployment rate (Mar); Mfg PMI (Apr) on Wed; PPI (Mar); CPI estimate (Apr); ECB's Constancio, Coeure speak on Thu; Services PMI (Apr); Retail Sales (Mar) on Fri.

- **GBPUSD - Haunted by Data Weakness and Political Uncertainty.** GBP continued to trade lower last week amid downside surprise to 1Q GDP and renewed uncertainty on Brexit. House of Commons voted (26 Apr) for UK to stay in customs union after Brexit (This is against the government's intent to leave the EU). Though the vote is not legal-binding, recent development suggests that Conservatives pro-Europe may have enough support to defeat Theresa May in crucial votes in coming months. Split view between MPs is a source of uncertainty for GBP. More downside can be expected if split views persist and May's leadership is threatened. UK GDP slowed to 1.2% y/y in 1Q (vs. +1.4% prior). This is the weakest quarter of growth since 2012. **Weaker than expected data deferred market expectation for rate hike next month. Implied probability from OIS showed that chance of rate hike in May is now cut to 24% for May (vs. 99% in early Apr).** A scenario of status quo for BoE at the upcoming meeting and further Brexit/political uncertainty may well be a toxic mix to drown the Pound. In latest development in UK politics, Home Secretary Amber Rudd tendered her resignation as immigration crisis grows. She is considered an ally of PM May. Her departure is seen as a threat to PM May's leadership. GBP was last seen at 1.3770 levels. Bearish momentum on daily chart remains intact while stochastics is entering oversold conditions. Support at 1.3710 before 1.3650. Area of resistance at 1.3905, 1.4010. Week ahead brings PMI Mfg (Apr) on Tue; Construction PMI (Apr) on Wed; Services PMI (Apr) on Thu.
- **USDJPY - Golden Week.** USDJPY firmed last week, climbing to a two-month high of 109.54 (27 Apr) before easing towards the end of the week as markets prepare for the Japanese golden week starting today (**onshore markets are closed from Mon and re-open on Fri**). Monetary policy divergence between Fed and BOJ as reflected in rising UST yields drove the pair higher the past week and could continue should US data continue to show a strong US economy including core PCE. For now, easing UST yields should provide some relief for the pair. The upmove in the pair was also helped by the BOJ maintaining its current ultra-loose monetary stimulus. The removal of the deadline for achieving the 2% inflation target was to prevent any misconception in the market had that once the deadline was hit, the BOJ would normalise policy. Instead, the omission suggested that monetary normalization any time soon was unlikely. Still, 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 109.07-levels. Bullish momentum on the daily chart remains intact but waning, while stochastics remains in

overbought conditions. Sustained price action above 109-levels could open way for a move towards area of resistance at 110-110.30 levels (61.8% fibo retracement of the 2018 high to low). An extended move towards 111.30 levels (76.4% fibo) should be ruled out if equity risk sentiment stays supported while UST-JGB yield differentials remain wide. We do however caution that rapid pace of UST yield increase could derail risk sentiments. Consequently, risk sentiments could suffer and sell-off in risk assets could trigger risk aversion proxy plays. USDJPY gains could reverse as a result. Support nearby at 109-handle (50% fibo) before 107.90 (38.2% fibo). Week ahead has Nikkei PMI mfg (Apr F) on Mon; Nikkei PMI services & composite (Apr) on Wed.

- **NZDUSD - Consolidate with Risks Skewed to the Downside.** Kiwi's decline enjoyed a breather last Fri after USD rally paused. Pair was last seen at 0.7075 levels. Momentum on daily chart remains bearish while stochastics is showing signs of turning from oversold conditions. Pair may consolidate with risks skewed to the downside. Key support at 0.7040 - 0.7060 (61.8% fibo retracement of Dec low to 2018 high); break below this could open way for further downside towards 0.6970 levels. Resistance at 0.7130 (50% fibo).
- **AUDUSD - Bullish Session.** AUDUSD ended last week on a bullish note, owed to the softer USD. RBA makes the rate decision tomorrow and the central bank is highly likely to sit on his hands. Market players are penalizing the AUD for RBA's reluctance to hike in this current theme of monetary policy divergence. We continue to hold on to our call for RBA to raise rates in Aug as we think the recent pace of oil prices is very swift and likens to what we witness in the end of 2008 to mid-2009 where Brent rose from around U\$45 to around U\$75. RBA hiked rates thereafter. Headline CPI also rose in tandem but pace and magnitude was likely capped by the successive hikes by the RBA. With Brent making a very similar jump from U\$47 to around U\$73 and likely to head higher should OPEC continue to commit to their supply cuts, price pressure has a real risk of heading higher. The recent improvement in retail sales (a proxy for household consumption) also suggests more room for the RBA to act ahead of the curve in Aug. We stick to our view that 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). Near term levels to eye include 0.7502 (last Dec low). Stochs seem to be indicating a turn higher and price moves could hover within the 0.75-0.7650 levels with interim resistance at the 0.76-figure. Week ahead brings Private sector credit (Mar) on Mon; RBA Meeting; RBA Gov Lowe speaks; Commodity Index (Apr) on Tue; Building Approvals, Trade (Mar) on Thu; RBA Statement of Monetary Policy on Fri.
- **USDCAD - Overbought.** USDCAD traded sideways and was last seen around 1.2840. CAD had been the most resilient against the USD strength in overnight trade in the G10 space. With stochs in overbought levels and showing signs of turning, this pair could have more risks to the downside than up. NAFTA negotiations are still ongoing but Mexican Economy Minister Guajardo said the three ministers (including US Lighthizer and Canada Freeland) will meet on 7 May, missing the official target. Still, the price moves suggest that market players are

optimistic. Support is seen around 1.2815 (50-DMA) before 1.2720/40 (marked by the 21-DMA), 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. Risks are to the downside in the medium term. Week ahead has Feb GDP tomorrow along with Mfg for Apr.

Asia ex Japan Currencies

- **SGD trades around 0.71% above the implied mid-point of 1.3332. We estimate the top at 1.3067 and the floor at 1.3596.**
- **USDSGD - *Risks Still Tilted Higher.*** USDSGD broke out of its symmetrical triangle pattern last week amid rising UST yields and USD. Pair had traded to a high of 1.3297 (25 Apr) but failed to break above the 1.33-levels. Pair has since eased off from that high. Last seen around 1.3233-levels. Bullish momentum on the daily chart remains intact, while stochastics is now at overbought conditions. This suggests risk to the pair remains tilted to the upside. Support nearby is around 1.3225-levels (100DMA) before 1.3175 levels (23.6% fibo retracement of the Oct 2017 to Jan 2018 downswing). Resistance is around 1.3278-levels (38.2% fibo). A clean break above this level could see a move towards 1.3360 levels (50% fibo), 1.3390 levels (200DMA). Quiet week ahead with just PMI, PMI electronics (Apr) on Wed; Nikkei PMI (Apr) on Fri. Note that onshore markets are close on 1 May and re-opens on Tue. At its Macroeconomic Review, MAS continued to project steady growth in 2018 though risks remains. MAS reiterated that domestic growth is set to come in slightly above the middle of its 1.5-3.5% forecast range in 2018. Meanwhile, core inflation is expected to remain in the upper half of the 1-2% forecast range this year, underpinned by pick-up in wages.
- **AUDSGD - *Prefer to Accumulate on dips.*** AUDSGD was last hovering around 1.0030. Eyes are on the next support at 1.0020 (year low). As we have warned, moves lower have started to slow 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). Rise in the UST also affects AUD more than the SGD as the latter has started to normalize while the former has not. However, we continue to hold the view that RBA would move before the end of this year and this is only a moment of weakness. Resistance is seen around 1.0113 (21-DMA) before the next at 1.0164.
- **SGDMYR - *Range-Bound.*** SGDMYR was a touch firmer amid SGD outperformance while MYR was steady. Cross was last seen at 2.9610 levels. Daily momentum and stochastics indicators are not showing a clear bias. Look for range-trading 2.95 - 2.97 in the interim. Some technical levels to watch include support at 2.94 (interim double bottom). Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high), 2.9830 (100 DMA).
- **USDMYR - *Cautious Trading.*** USDMYR was little changed; last seen at 3.9190 levels. Trading range remains relatively narrow. Daily momentum is mild bullish while stochastics is showing tentative signs of turning from overbought conditions. **Resistance at 3.92, 3.94. Bias to lean against strength.** Interim support at 3.89. 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 - 1064 - 1074 Range Intra-day.** 1m USDKRW NDF fell on easing geopolitical tensions and decline in UST yields (slows the rise in USD). Pair was last seen at 1067 levels. Bullish momentum is waning while stochastics is falling from near-overbought conditions. Support at 1065 before 1058. Resistance at 1075 levels. Easing of geopolitical tensions is a positive for KRW and recent development paves the way for the Summit between North Korea and US sometime end-May/early-Jun. One external factor that can slow the pace of KRW appreciation is the pace of yield increase. Faster and sustained pace above 3% could negate some of the positivity emanating from the geopolitical front. Suggest intra-day range of 1064 - 1074 intra-day. South Korea onshore markets are closed for holidays tomorrow.
- **USDCNH - Out for Labour Day.** USDCNH remains within established range, last seen at 6.3150, weighed by softer USD last Fri. Momentum is increasingly bullish and a break above the 6.3250-resistance could see this pair head towards the 6.35-figure. **As of last Fri, PBoC fixed the USDCNY reference rate at 6.3393, 110 pips lower than the previous 6.3283. CNYMYR was fixed at 0.6183, 4 pips higher than the previous at 0.6179. EURCNY was fixed 271 pips lower at 7.6714 vs. the previous at 7.6985.** China PMI-mfg came in above consensus at 51.4 with breakdown showing improvement in PMI-mfg for medium enterprise at 50.7 as well as small enterprises at 50.3, underpinned by the RRR cut last week. New export orders for both continue to remain in contraction though and even for large enterprises, the new export order came in at 52.2 vs. the previous 52.5. We take that as a sign of caution before the US-China trade negotiation come to a firm outcome. Caixin's version could come on Wed. Current account balance for 1Q is out on Fri.
- **1M USDINR NDF - Pullbacks.** 1M NDF slipped and was last seen around 66.60. Oil decline and the fall in UST 10y yield capped gains in the last session. Support at 66.50 before 66.00. Resistance at 67.60 before the next at 68.20. Risks are to the upside. USDINR bulls are taking a break amid the fall in oil prices and UST yields. However, pullbacks might be shallow 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 US\$51.2mn of equities and US\$338.8mn of bonds on 26 Apr.

- **1m USDIDR NDF - Risk Tilting To The Downside.** 1m USDIDR NDF climbed to a new 2018 high of 14114 (25 Apr) amid higher UST yields and USD but has since eased from that high as UST yields come off and BI committed itself to hike rates to stabilize the IDR if necessary. Waning risk appetite last week saw foreign investors sell USD0.38bn and USD1.53bn in equities and debt. Further sell-off this week could limit downside to the 1m NDF. 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. Spot USDIDR gapped lower at the opening to 13874 this morning from Fri's close of 13893 amid softer UST yields and USD. Last seen around 13941-levels. Daily chart shows bullish bias dissipating, while stochastic is turning lower from overbought conditions. This suggests risks are now tilting to the downside. Look for further upside to be capped around the 14000-handle. A break here could see the pair headed back towards 2018 high at 14114. Support at 13860 levels (21DMA), 13790 (38.2% fibo retracement of the 2018 low to high). Watch for further official agent activities to smooth our IDR volatility. JISDOR was fixed at 13879 on Fri, 51 pips lower than Thu's fixing. Week ahead has CPI, Nikkei PMI mfg (Apr) on Wed. Note that onshore markets are close on 1 May and re-opens on Tue.
- **1m USDPHP NDF - Bearish.** 1m USDPHP NDF traded softer last week, breaking below the 52-handle, amid a confluence of positive news. Aside from the possibility of the BSP hiking rates this year after the BSP governor vowed to take "immediate and appropriate" measures to ensure price and financial stability if inflation becomes more broad-based, the move by S&P to upgrade its outlook for the Philippines to positive from stable lifted risk sentiments. These probably helped trigger a reduction in long-USDPHP positions, weighing not only on the spot USDPHP but also on the 1m NDF. Still, the positive sentiments have yet to be reflected in Philippine equities where foreign investors have sold USD40.1mn of equities last week. Further foreign sell-off of equities should limit downside to the 1m NDF ahead. Spot USDPHP gapped lower at the opening to 51.662 this morning from Fri's close of 52.909 amid linger positive sentiments from S&P outlook revision and softer USDT yields and USD. Last seen around 51.77-levels. Daily momentum is now mildly bearish bias, while stochastics continues to fall from overbought conditions. Support is at 51.50-60 (100DMA, 38.2% fibo retracement of Jan-Feb upswing), 51.30 (200DMA). Rebound should meet resistance around the 52-handle (23.6% fibo). Watch for official agent activities to smooth our PHP volatility ahead. Week ahead brings Nikkei PMI mfg (Apr) on Wed; CPI (Apr) on Fri. Note that onshore markets are close on 1 May and re-opens on Tue.
- **USDTHB - Consolidation.** USDTHB firmed last week, climbing to a recent high of 31.650 (26 Apr) not seen since Feb, amid higher UST yields and USD and consolidated at a higher range. Pair had been weighed last week by the sell-off in Thai assets by foreign investors with USD266.7mn and USD672.5mn in equities and debt last week. Further sell-off, if it continues, should keep the pair supported. Pair though has since eased from its recent high amid a pullback in UST yields and USD. Last seen around 31.480-levels. Bullish momentum on

the daily chart remains intact but waning, while stochastics shows tentative signs of turning lower from overbought conditions. Look for current trading range of 31.420 (38.2% fibo retracement of the Feb-Mar downswing) - 31.670 (100DMA) to hold in the week ahead. Week ahead has mfg production index, capacity utilisation, trade, current account balance (Mar) on Mon; CPI (Apr) on Tue; Nikkei PMI mfg (Apr) on Wed; foreign reserves (27 Apr) on Fri. Note that onshore markets are close on 1 May and re-opens on Tue.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.79	3.68	-11
5YR MI4/23 WI	3.89	3.78	-11
7YR MK3/25	4.11	4.05	-6
10YR MO11/27	4.21	4.13	-8
15YR MX4/33	4.70	4.67	-3
20YR MX4/37	4.75	4.74	-1
30YR MZ3/46	4.90	*4.97/92	Not traded
IRS			
6-months	3.71	3.71	-
9-months	3.73	3.73	-
1-year	3.77	3.77	-
3-year	3.85	3.83	-2
5-year	3.93	3.90	-3
7-year	4.06	4.01	-5
10-year	4.20	4.16	-4

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Source: Maybank KE

*Indicative levels

- MGS recovered sharply on the back of improved risk sentiment after 10y UST fell back below the 3% mark, with the belly area leading yields lower. The front end to the 10y point of the MGS curve firmer by 6-11bps. 10y GII auction also drew strong bids helped by cheapened yields. Bid/cover was 2.696x and yields averaged 4.369%. Next on the line is the new issue of 15.5y MGS 11/33.
- MYR IRS tracked the recovery in govies, with the IRS curve shedding 1-5bps across. Apart from the 4y IRS given at 3.86% in the morning, there were no other trades reported. 3M KLIBOR remained the same at 3.69%.
- Corporate bonds market, however, remained muted as investors stayed on the sidelines. AA curve widened 2bps at the front end, while long end had light retail buying at levels fairly close to MTM. Ultra-short dated Cagamas papers also saw buyers. The recovery in govies may lend some support to corporate bonds this week, but expect liquidity to remain thin.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.96	1.96	-
5YR	2.20	2.19	-1
10YR	2.64	2.61	-3
15YR	2.82	2.80	-2
20YR	2.82	2.81	-1
30YR	2.94	2.92	-2

Source: Maybank KE

- SGS recouped losses tracking the overnight recovery in UST as the 10y UST yield traded back below 3%. Short dated SGS, however, stayed flat due to the rise in short term funding rates. Forwards were also paid up in the morning. SGS yields largely ended 1-3bps lower, despite sporadic profit taking interest. SGD IRS curve marginally flatter, down about 2bps from the 5y onwards and unchanged at the short end.
- Asian credit space was quiet despite the rebound in 10y UST. HUAWEI saw some bids come in having traded 20bps wider the previous day. Longfor curve moved down on news of its chairwoman spending the last 8 months in Hong Kong and US. Given the NFP data release this week, Asian credit supply is likely to be mild.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	6.44	6.30	(13.60)
5YR	6.67	6.51	(15.93)
10YR	7.08	6.95	(12.35)
15YR	7.31	7.17	(13.77)
20YR	7.55	7.49	(6.53)
30YR	7.45	7.45	-

* Source: IBPA, Bloomberg, Maybank Indonesia

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- Indonesia bond market closed lower during Thursday trading session supported by execution of IndoGB reverse repo auction and Central Bank statement. In line with our view, the Central Bank did execute IndoGB Reverse Repo Auction on Friday to flush the IDR back to the market. Front-end tenor IndoGB yield was recorded to decline the most during Friday trading session. During the day, Indonesia economist in a report published sees a slight rise in Apr 2018 inflation to 3.42% yoy from 3.40% yoy. We expect that IndoGB market volatility will be tight today noting the market will be closed on May 1st due to Labour's day and would re-open again on Wednesday (May 2nd). 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 6.509%, 6.952%, 7.170% and 7.486% while 2y yield moved lower to 6.303%. During the day, FR0069 (1mo) yield decline the most by 42bps while FR0040 (7y) yield increased the most by 5bps. 15y20y G-Spread is the widest on YTD basis currently (15y20y current spread: 24bps). Trading volume at secondary market was noted heavy at government segments amounting Rp23,317b with FR0064 (10y benchmark series) as the most tradable bond. FR0064 total trading volume amounting Rp3,945b with 123x transaction frequency.
- Foreign ownership stood at Rp848.5t or 38.5% of total tradable government bond as of Apr 26th. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp18.3t from begin month of Apr 18.
- Corporate bond traded heavy amounting Rp1,146b. PNMP02ACN2 (Shelf Registration II PNM Phase II Year 2018; B serial bond; Rating: idA) was the top actively traded corporate bond with total trading volume amounted Rp163b yielding 7.961%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2183	109.75	0.7618	1.4009	6.3488	0.7130	132.7033	82.9267
R1	1.2157	109.40	0.7599	1.3895	6.3336	0.7107	132.4967	82.7993
Current	1.2130	109.10	0.7572	1.3779	6.3138	0.7076	132.3200	82.6060
S1	1.2080	108.84	0.7547	1.3707	6.3105	0.7051	131.9867	82.4603
S2	1.2029	108.63	0.7514	1.3633	6.3026	0.7018	131.6833	82.2487
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3307	n/a	13910	52.1063	31.7020	1.6138	0.6339	2.9595
R1	1.3271	n/a	13902	52.0077	31.6120	1.6097	0.6264	2.9554
Current	1.3236	3.9205	13883	51.6950	31.4850	1.6055	0.6193	2.9623
S1	1.3217	n/a	13880	51.8317	31.4650	1.6005	0.6093	2.9478
S2	1.3199	n/a	13866	51.7543	31.4080	1.5954	0.5996	2.9443

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

Equity Indices and Key Commodities

	Value	% Change
Dow	24,311.19	-0.05
Nasdaq	7,119.80	0.02
Nikkei 225	22,319.61	0.47
FTSE	7,502.21	1.09
Australia ASX 200	5,953.65	0.73
Singapore Straits Times	3,577.21	0.20
Kuala Lumpur Composite	1,863.47	0.60
Jakarta Composite	5,919.24	0.17
Philippines Composite	7,721.02	1.36
Taiwan TAIEX	10,553.43	0.62
Korea KOSPI	2,492.40	0.68
Shanghai Comp Index	3,075.03	-1.38
Hong Kong Hang Seng	30,280.67	0.91
India Sensex	34,969.70	0.74
Nymex Crude Oil WTI	67.97	-0.28
Comex Gold	1,324.10	0.48
Reuters CRB Index	201.39	0.08
MBB KL	10.76	0.75

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.5095	Apr-18	Neutral
BNM O/N Policy Rate	3.25	10/5/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	17/5/2018	Neutral
BOT 1-Day Repo	1.50	16/5/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	10/5/2018	Tightening Bias
CBC Discount Rate	1.38	21/6/2018	Neutral
HKMA Base Rate	2.00	-	Tightening
PRC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	6/6/2018	Neutral
BOK Base Rate	1.50	24/5/2018	Tightening
Fed Funds Target Rate	1.75	3/5/2018	Tightening
ECB Deposit Facility Rate	-0.40	14/6/2018	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	15/6/2018	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	356	3.468	3.468	3.322
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	20	3.496	3.496	3.496
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	39	3.576	3.576	3.576
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	22	3.619	3.619	3.502
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	10	3.651	3.651	3.618
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	5	3.705	3.705	3.705
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	1	3.723	3.766	3.658
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	80	3.744	3.763	3.744
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	11	3.841	3.841	3.824
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	21	3.817	3.858	3.811
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	182	3.767	3.767	3.65
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	3	3.901	3.901	3.901
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	70	3.889	3.951	3.889
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	57	3.919	3.949	3.919
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	65	4.049	4.049	4.001
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	247	3.779	3.857	3.779
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	77	4	4.032	4
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	180	4.051	4.085	4.05
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	283	4.217	4.217	4.18
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	20	4.168	4.213	4.168
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	38	4.208	4.235	4.172
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	226	4.155	4.191	4.129
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	4.536	4.536	4.536
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	57	4.563	4.62	4.547
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	22	4.688	4.688	4.648
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	6	4.862	4.862	4.862
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	17	4.742	4.742	4.742
GII MURABAHAH 5/2015 3.508% 15.05.2018	3.508%	15-May-18	20	3.178	3.205	3.178
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	8	3.4	3.4	3.4
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	44	3.444	3.444	3.419
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	11	3.788	3.788	3.788
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	1	3.843	3.843	3.843
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	20	3.92	3.92	3.906
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	20	4.127	4.127	4.127
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	4	4.231	4.231	4.231
GII MURABAHAH 2/2018 31.10.2028	4.369%	31-Oct-28	561	4.345	4.388	4.333

Total

2,806

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MKDK IMTN 4.330% 27.04.2023	GG	4.330%	27-Apr-23	30	4.328	4.328	4.328
MKDK IMTN 4.470% 25.04.2025	GG	4.470%	25-Apr-25	60	4.472	4.472	4.472
CAGAMAS IMTN 5.800% 08.08.2018	AAA	5.800%	8-Aug-18	7	3.931	3.931	3.931
CAGAMAS IMTN 4.050% 20.12.2018	AAA	4.050%	20-Dec-18	10	4.156	4.156	4.156
GENM CAPITAL MTN 1826D 31.3.2022	AAA (S)	4.780%	31-Mar-22	30	4.695	4.695	4.695
SARAWAKHIDRO IMTN 4.43% 11.08.2026	AAA	4.430%	11-Aug-26	5	4.618	4.618	4.618
PBSB IMTN 4.600% 10.09.2027	AAA IS	4.600%	10-Sep-27	20	4.73	4.736	4.73
PBSB IMTN 4.770% 24.03.2028	AAA IS	4.770%	24-Mar-28	10	4.76	4.771	4.76
SABAHDEV MTN 4.30% 2556D 08.8.2019 - MTN 2	AA1	4.300%	8-Aug-19	10	4.663	4.672	4.663
KEVSB IMTN 4.950% 03.07.2026	AA+ IS	4.950%	3-Jul-26	10	4.829	4.84	4.829
SEB IMTN 5.320% 03.12.2032	AA1	5.320%	3-Dec-32	5	5.339	5.34	5.339
UMWH IMTN 4.700% 15.02.2021	AA2	4.700%	15-Feb-21	20	4.528	4.543	4.528
FPSB IMTN 4.650% 21.12.2022	AA IS	4.650%	21-Dec-22	6	4.848	4.85	4.848
BEWG IMTN 5.400% 19.07.2023	AA IS	5.400%	19-Jul-23	2	5.188	5.19	5.188
MAHB Perpetual Subordinated Sukuk 5.75% - Issue 1	AA2	5.750%	14-Dec-14	10	5.019	5.036	5.019
UEMS IMTN 4.600% 13.12.2018 - Issue No. 2	AA- IS	4.600%	13-Dec-18	10	4.378	4.395	4.378
WCT IMTN 4.800% 28.12.2018	AA- IS	4.800%	28-Dec-18	1	4.463	4.471	4.463
GAMUDA IMTN 13.03.2019	AA3	4.620%	13-Mar-19	10	4.269	4.316	4.269
UEMS IMTN 4.72% 28.06.2019 - Issue No. 3	AA- IS	4.720%	28-Jun-19	10	4.501	4.501	4.501
AMMB HOLDINGS BHD MTN 2556D 8.8.2019(SENIOR NOTES)	AA3	4.500%	8-Aug-19	10	4.552	4.56	4.552
BUMITAMA IMTN 5.000% 02.09.2019	AA3	5.000%	2-Sep-19	20	4.659	4.674	4.659
ACSB IMTN 5.150% 19.11.2019	AA- IS	5.150%	19-Nov-19	6	5.222	5.229	5.222
BESRAYA 4.800% 28.07.2021	AA3	4.800%	28-Jul-21	5	4.882	4.885	4.882
TADAU SRI SUKUK 5.20% 27.07.2023 (Tranche 5)	AA3	5.200%	27-Jul-23	4	5.069	5.071	5.069
MMC CORP IMTN 5.700% 24.03.2028	AA- IS	5.700%	24-Mar-28	6	5.749	5.75	5.749
LDF3 IMTN 6.330% 23.08.2038	AA- IS	6.330%	23-Aug-38	4	5.539	5.54	5.539
TCMH MTN 1824D 22.11.2019	A1	4.500%	22-Nov-19	1	5.888	5.957	5.888
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	1	5.351	5.351	5.351
EWIB IMTN 6.650% 27.04.2023	NR(LT)	6.650%	27-Apr-23	2	6.467	6.471	6.467
Total				324			

Sources: BPAM

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