

# Global Markets Daily

## Focus On Central Bank Meetings

### USD Could Remain Supported

Solid US GDP growth of 4.1% q/q annualised in 2Q proved to be a double-edged sword for the USD. Growth came in below expectation of 4.2%, weighing on the USD and UST yields on Fri. Still, the healthy growth print suggests that the Fed has little reason not to follow through with its projected rate hikes in 2H. But an even quicker pace of Fed tightening is unlikely as inflation remains subdued. In the absence of a Fed rate hike re-pricing, the USD has little incentive to move higher for now. Still the heavy treasury supply on Mon, US data outperformance and a re-escalation in Sino-China trade tensions could be supportive of the USD this week. This suggests the AXJs could come under pressure ahead.

### Central Bank Meetings In Focus

There are a slew of central bank meetings this week. First up is BOJ, where despite market speculation of a tweak in policy, we do not expect any change in policy stance. The BOJ's 2 fixed rate operations last week reaffirmed its commitment to its current policy stance amid benign inflationary pressures. Also in focus is the BOJ's outlook report for any revisions to its CPI and GDP outlook. As for RBI (meeting on Wed), we expect the central bank to deliver a 25bps rate hike amid rising WPI. Up next will be FOMC meeting on Thu morning, which should be a non-event, with the accompanying statement expected to reiterate the message delivered by Powell to Congress. For BoE meeting on Thu, we look for a 25bps hike to bring policy rate up to 0.75% as activity momentum remains intact and labor market tight.

### Global PMIs; Regional CPI; US Payrolls Due This Week

Key events in focus this week include US Dallas Fed Mfg; JN retail sales on Mon. For Tue, AU building approvals; US PCE core, Chicago PMI, consumer confidence; EU CPI and GDP; JN jobless rate, BOJ policy meeting, BOJ outlook report; NZ business confidence; China PMIs; KR IP; TH trade. Wed has US ADP and ISM mfg; EU, JN, UK, MY, PH, ID Mfg PMIs; NZ labour report; ID CPI; China Caixin Mfg PMI; KR, ID, TH CPI. For Thu, UK construction PMI; SG PMI. For Fri, US payroll report, EU and AU retail sales; BoJ meeting minutes; MY, US trade data as well as services PMIs from US, EU, China, UK and JN.

#### FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1657	↑ 0.12	USD/SGD	1.3616	↓ -0.15
GBP/USD	1.3105	↓ -0.03	EUR/SGD	1.5872	↓ -0.03
AUD/USD	0.74	↑ 0.31	JPY/SGD	1.2262	↑ 0.01
NZD/USD	0.679	↑ 0.09	GBP/SGD	1.784	↓ -0.21
USD/JPY	111.05	↓ -0.16	AUD/SGD	1.0078	↑ 0.19
EUR/JPY	129.45	↓ -0.05	NZD/SGD	0.9245	↓ -0.10
USD/CHF	0.9945	↑ 0.03	CHF/SGD	1.3689	↓ -0.20
USD/CAD	1.3055	↓ -0.15	CAD/SGD	1.0427	↓ -0.02
USD/MYR	4.0625	↑ 0.04	SGD/MYR	2.9826	↓ -0.02
USD/THB	33.359	↓ -0.13	SGD/IDR	10575.16	↓ -0.43
USD/IDR	14417	↓ -0.32	SGD/PHP	39.127	↓ -0.24
USD/PHP	53.331	↓ -0.13	SGD/CNY	5.0061	↑ 0.45

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3485	1.3758	1.4030

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### G7: Events & Market Closure

Date	Ctry	Event
30 Jul	JN	BOJ Meeting
2 Aug	US, UK	FOMC, BoE Meetings

### AXJ: Events & Market Closure

Date	Ctry	Event
30 Jul	TH	Market Closure
1 Aug	IN	RBI Meeting

## G7 Currencies

- **DXY Index - Of PCE Core, FoMC and NFP This Week** . USD reversed gains despite strong GDP data last Fri. 2Q GDP accelerated to +4.1%; a touch softer than expectations of +4.2% but much stronger than +2.2% in 1Q. This is also the highest level since 2014. DXY price action suggested a “buy on rumor, sell on fact” play - which we had also shared in our FX Weekly last Fri. Key highlights to focus on this week include the treasury supply (\$51bn in 3m bills, \$45bn in 6m bills) today; PCE core on Tue; FoMC meeting (2 Aug, 2am SG/KL time) and US payrolls data on Fri. While the USD could still remain generally supported (not to be misunderstood as rally) in an environment of US data outperformance, Fed’s hawkish rhetoric and lingering concerns of trade war, we caution that USD strength could be derailed if either one or more of the above variables falls out from the equation. And it is not impossible to see US activity past its peak. There are also talks of Fed nearing its end on policy normalisation and if this becomes the central topic of discussion, USD strength could be thwarted. This basically supports the basis we been trying to build on policy convergence (between Fed and ECB) at some stage, possibly into the turn of the year. DXY was last seen at 94.60 levels. Bearish momentum on daily chart remains intact. 21 DMA looks on track to cut 50 DMA to the downside - short term bearish signal potentially forming. But we maintain our bias to fade rally this week. Resistance at 95, 95.50 (triple top). Support at 94.40 (50 DMA), 94 levels (23.6% fibo retracement of Apr low to Jun high). An extended move lower towards 93.12 (38.2% fibo) should not be ruled out. Focus for the week on Dallas Fed Mfg (Jul); Pending home sales (Jun) for Mon; PCE Core, Personal income/spending (Jun); Chicago PMI, Conference Board consumer confidence (Jul) for Tue; ISM Mfg, ADP employment (Jul) for Wed; FoMC meeting decision; Durable Goods, Factory Orders (Jun) for Thu; NFP, Wage growth, Unemployment rate, ISM non-Mfg (Jul); Trade (Jun); services PMI (Jul) for Fri.
- **EURUSD - Accumulate on Dips**. EUR reversed losses into NY close last Fri after the release of US GDP. Pair was last seen at 1.1660 levels. Mild bullish momentum on daily chart is waning. Immediate support at 1.16 (upward sloping trend-line support from the low of 2016-2017 and 2018). Resistance at 1.1760 (23.6% fibo retracement of 2018 high to low), 1.1850 levels. We are cautious of stale-EUR longs positioning being flushed out but maintain bias to accumulate on dips. Resistance at 1.1760 (23.6% fibo retracement of 2018 high to low), 1.1850 levels. We see risk that the ECB may need to normalize policies earlier than expected should (1) inflation data, in particular core CPI continues to surprise to the upside while (2) growth and activity data continues to hold up. Moreover Draghi’s term as ECB President ends sometime in 4Q 2019 and the talk about Bundesbank President Weidmann (long-time critic of ECB’s ultra-loose policies whom could push for faster pace of policy normalisation) possibly succeeding Draghi could quietly and gradually brew the upward pressure for EUR. We favour positioning ahead for ECB-Fed policy convergence at some stage, given that Fed tightening may be priced in while markets run the risk of under-

pricing the ECB's policy normalisation trajectory. Focus for the week on Building Approvals (Jun) on Tue; PMI Mfg (Jul) on Wed; Trade (Jun) on Thu; Retail Sales (Jun); Services PMI (Jul) on Fri..

- **GBPUSD - Focus on BOE MPC and QIR.** BoE MPC meets on Thu. Markets have re-priced the odds of a 25bps rate hike to 0.75%. OIS-futures implied a nearly 80% chance of rate hike at the upcoming meeting (up from under 50% in mid-Jun). This validates our long-held and out-of-consensus call for BoE to raise rate at the August MPC meeting as growth momentum remains intact (barring weather-related disruption to 1Q activity) while labor market remains tight with unemployment rate at 43Y low. Wage growth could re-accelerate as public sector salary cap may be lifted. Times reported that PM May is planning to announce that state-employed staff including teachers, doctors and police officers could get a pay rise this year as government's pay cap (at 1%) could be lifted. While some argued that this could be a move to shore up support for potential election (given that May's leadership has been coming under pressure), we think the immediate impact on wage increase or inflation should be of focus. This could add to upward pressure on wage growth and facilitates the BoE to raise rate at its upcoming meeting on 2 Aug, possibly a short term positive impulse for GBP. But finer details should be scrutinized - if all staff in public sector benefit or is this restricted to a selective group of people and how soon this could come, etc. GBP was last seen at 1.3090 levels. Price action saw the pair broke out and below of its mini rising wedge - a bearish reversal. Risks to the downside. Support at 1.3060 and 1.3010 (interim double bottom). Caution that a decisive break below the interim double bottom could see the pair test 1.29. Resistance at 1.3170 (21 DMA), 1.3250 (50 DMA). Focus for the week on M4 (Jun) for Mon; GfK Consumer Confidence (Jul) for Tue; Nationwide house price, Mfg PMI (Jul) for Wed; Construction PMI (Jul); BoE Meeting, Quarterly Inflation Report for Thu; Services PMI (Jul) for Fri.
- **USDJPY - Watching BOJ Decision Tomorrow.** USDJPY traded to a six month high at 113.17 before news broke that the BOJ was considering a tweak to its current QQE with Yield Curve Control policy. Speculation was that the central bank could allow the 10Y JGB yield to rise from its current zero percent levels that sparked a rally in JGB yields to a high of 0.113% - a level not seen since Feb 2017 - though this has eased off slightly to around the 0.108% levels currently. *Nevertheless, we do not expect any tweaks to BOJ policy at this juncture given that inflation has yet to gain traction and that any adjustment by the BOJ could be seen as a prelude to policy normalisation, potentially sparking a strengthening of the JPY. Moreover, the two BOJ fixed-rate operations last week reaffirmed its commitment to its current policy stance. We expect the central bank though to acknowledge the negative impact that its policy is having on banks at its meeting next week and to initiate a study to examine ways to mitigate this impact (see our FX Flash report, JPY - Premature To Expect BOJ Policy Normalisation dated 24 Jul 2018).* Since then, JPY has reversed some of this strength amid its sell-off against most of its G10 peers, putting upside pressure on the pair. Last seen around 111.07-levels, pair now shows

bearish bias on the daily chart but waning, and stochastics continues to fall towards oversold conditions. Weekly chart remains bullish bias but waning, and stochastics shows tentative signs of turning lower from overbought conditions. This suggests some risk reversal ahead. Look for the pair to remain supported by the 50DMA around 110.60-levels. A break of this support-level on a weekly close could see the pair head towards the 110- (61.8% fibo retracement of the 2018 high to low, 200DMA), 109-levels (50% fibo, 100DMA) before 107.90-levels (38.2% fibo). Resistance is around 111.30- (76.4% fibo, 21DMA) ahead of 112.80-levels. Week ahead has retail sales (Jun P) on Mon; jobless rate, industrial production, housing starts (Jun), BOJ policy meeting, BOJ outlook report on Tue; Nikkei PMI mfg (Jul F) on Wed; BOJ Amama speaks (Kyoto) on Thu; Nikkei PMI services & composite (Jul), BOJ minutes of 14-15 Jun policy meeting on Fri.

- **NZDUSD - Labor Report Key Focus This Week.** NZD rebounded amid broad USD softness post-US GDP release last Fri. Pair was last seen at 0.6790 levels. A potential bottom may be forming as indicated on weekly chart - bearish momentum on weekly chart is waning while stochastics is showing signs of rising from oversold conditions. Support at 0.6780 (21 DMA), 0.6740 (upward sloping trend-line support from the low in Jun and Jul). Firmer support at 0.6680/90 levels. Resistance at 0.6830, 0.6880 (50 DMA). Focus for the week on Building Permits (Jun); Activity Outlook, business confidence (Jul) for Tue; Unemployment rate, Wages (2Q) for Wed.
- **AUDUSD - Still eyeing the Double Bottom.** AUDUSD hovered around 0.7400 and we still think that the double bottom could take effect and bring this AUDUSD out of the downward sloping trend channel to the upside. With the US showing strong growth, the miss in GDP was perceived as a loss of momentum and investors seem more keen to the USD given stretched positioning and technical indicators. In an environment of a USD correction (lower), AUDUSD may have a chance to test the 0.75-figure. The number of net non-commercial futures positions for the AUD was seen at -45.5K, the lowest Dec 2015. We do not see this as sustainable but recovery is not expected to be sharp as well given trade war risks. Eye the 0.7480 (upper bound of trend channel)/0.75-figure for signs of a breakout in the near term). This week, we have building approvals and Jun private sector credit before commodity index for Jul on Wed, trade data for Jun and retail sales on Fri.
- **USDCAD - Death-Cross In the Making.** This pair hovered around 1.3060 as we write this morning. The 21-dma is still poised to cut the 50-dma to the downside. Upmove may be capped by the 21-ma on the 4-hourly chart. Intra-day momentum is not compelling. Back to the daily chart, the downmove is not completed and USDCAD can head towards the 1.2960 and perhaps even to 1.28 as bears gather steam. This week has May GDP due tomorrow before mfg PMI on Wed and Jun trade data on Fri.

## Asia ex Japan Currencies

- **SGD trades around 1.02% above the implied mid-point of 1.3758. The top is estimated at 1.3485 and the floor at 1.4030.**
- **USDSGD - *Range-Bound*.** USDSGD traded in sideways within the 1.3572-1.3678 range last week. Key risk events this week, namely BOJ meeting (31 Jul), FOMC meeting (2 Aug) and US payrolls (3 Aug), should keep the pair in consolidative range ahead. We note that a double-top could be forming around 2018 high of 1.3746 - bearish reversal signal - and we watch for a break of the 1.3570 support-levels, the lower bound of its current trading range for confirmation of this formation. Last seen around 1.3619-levels, momentum and stochastics indicators show bearish bias. Bullish momentum on the weekly chart remains intact but waning, while stochastics shows tentative signs of turning lower from overbought conditions. We look for range-bound trades to hold ahead. Support is around 1.3570 (23.6% fibo retracement of the 2018 high to low) before 1.3540 (50DMA). Resistance around 1.3678-levels, 1.3745-levels (2018 high, double-top). Week ahead brings PMI (Jul) on Thu; Nikkei PMI (Jul) on Fri.
- **AUDSGD - *Range-Bound*.** AUDSGD waffled around 1.0080 as we write this morning. This cross remains within the narrow range of 1.0020-1.0160, last seen around 1.0065. Break of the 1.0200 opens the way towards the next resistance is seen around 1.0243 (200-dma). Momentum indicators are rather neutral at this point but the descent of the 200-dma towards the other faster moving averages could mean that the AUDSGD is close to the end of its range-bound moves. Risks to the upside.
- **SGDMYR - *Rounding Bottom?*** SGDMYR remains better bid last week. Cross was last seen at 2.9820 levels. Mild bullish momentum on daily chart remains intact while stochastics is rising into near overbought conditions. Price pattern showed a potential rounding bottom (otherwise known as saucer bottom) in the making - graphically formed the U shape at the end of a downtrend and could signal a reversal from prior trend. We monitor further price action (if it breaches key resistance) for confirmation of trend reversal up. Resistance at 2.9910 (200DMA), 3.0180 (50% fibo retracement of the Nov high to low). Support at 2.97 (21, 50, 100 DMAs).
- **USDMYR - *Bullish Bias but Overbought Conditions*.** USDMYR traded higher last week on signs of re-escalation in US-China trade war tensions, higher UST yields amid heavy treasury supply and USD demand into end-month. Pair was last seen at 4.0650 levels. Weekly momentum remains bullish while a golden cross was formed (50DMA cuts 200DMA to the upside - typically associated with a bullish signal). Though bullish bias remains intact, stochastics on the weekly and daily charts continue to point to overbought conditions. We do not rule out retracement risks towards 4.0490 (21 DMA), 4.02. Resistance seen at 4.08 before 4.10 levels.

- **1m USDKRW NDF - *Bias to Lean against Strength***. 1m USDKRW NDF rebounded from its nearly 3-weeks low this morning. Pair was softer last Fri into NY close amid broad USD softness. The bounce this morning could be reflecting the softer risk appetite seen in the KOSPI/KOSDAQ. Last Fri US stocks were dragged lower by tech shares. Pair was last seen at 1115 levels. Mild bearish momentum on daily chart remains intact while stochastics is falling. Downside risks still intact but cautious of USD demand into month-end. Suggest intra-day range of 1110 - 1120, with bias to lean against strength.
- **USDCNH - *Peaking soon***. The upmove in the USDCNH has been slowing even though fresh highs were made late last week. Last seen around 6.8260. We still keep the view that with the trade war far from over, RMB challenges are still there. With an official from Beijing saying that China might retaliate against the tariff regardless of the volume in addition to the rather hostile verbal exchanges at the WTO meeting, USDCNH is still vulnerable to the upside. *It seems that the growth cushioning measures were preparations for a full-scale trade war*. Near-term, break above could see the pair head towards the 6.90-figure. That said, momentum might slow and that could mean that the USDCNH could peak soon. **USDCNY reference rate at 6.8131, 189 pips higher than the previous 6.7942**. On the charts, last seen around 6.8265. 6.71/6.72 levels are an area of support. This morning, PBoC skips OMO, citing a rise in fiscal spending at month end. The central bank remains cautious on injecting excessive liquidity and further yuan weakness. The forward points for 12month USDCNH has dropped to just 230pips. The onshore forward points were last seen around 79pips and have flirted in negative terrain for the past few weeks. With Jun data showing some intervention on the forwards market, expect the far end of the curve to remain tapered while spot runs higher. This flattening or even inverted yield curve could sustain as long as the trade war continues in these two months. Week ahead has mfg PMI from NBS tomorrow and then Caixin's version on Wed.
- **1M USDINR NDF - *Capped***. This pair remains in range for a while now. Last seen around 68.90, the firmer crude Brent should lift it higher but there could be some intervention ahead especially with month-end USD demand also posing risks to the upside. This pair may remain within the range of 68.40-69.50 for now. There is risk of another 25bps move by the RBI given the elevated price pressure, firm crude prices and soft rupee. Expect this to be a dovish hike however and the RBI to revert to its neutral policy stance. The RBI meeting takes place on Wed and would be the main event for the rupee. With the hike already in the price, failure to do so could weaken the currency. A move to raise the reverse repo is merely in line with expectation and hardly likely to move USDINR much lower. We count on the USD slippages, positive risk sentiment, softer crude prices and to some extent RMB recovery for rupee bears to revive materially.
- **1m USDIDR NDF - *Still In Familiar Ranges***. 1m USDIDR NDF has been on the downslide the past week amid softer USD and supportive yuan as well as intervention by the BI, allowing the 1m

NDF to slip back below the 14500-levels. 1m NDF though continues to trade with its familiar range of 14340-14671. There are a couple of risk events this week that should keep the 1m NDF in range-bound trade, namely BOJ meeting (31 Jul), FOMC meeting (2 Aug) and US payrolls (3 Aug). However, putting upside pressure on the 1m NDF was the net foreign portfolio outflows last week. Foreign investors had purchased USD118.7mn in equities last week. But mitigating these gains was the sell-off in USD492.7mn in debt on 23-26 Jul (latest data available). Further net foreign portfolio outflows from Indonesian assets should keep the 1m NDF supported the week ahead. Spot USDIDR gapped mildly lower at the opening to 14409 this morning from Fri's close of 14417 amid a pullback in USD. Last seen around 14423-levels. Daily momentum indicators remains bearish bias, and stochastics continues to fall towards overbought conditions. Weekly chart remains bullish bias, but waning, while stochastics remain at overbought conditions. Risks tilted to the upside, we could see some pullback in the near term. Nevertheless, we expect the 1m NDF to continue to trade within familiar ranges of 14340-14670 ahead in the absence of fresh catalyst. Note that BI is expected to remain in the market to curb IDR and IndoGB volatility intraday. JISDOR was fixed at 14483 on Fri, 40bp higher than the fixing on Thu. CPI, Nikkei PMI (Jul) are on tap Wed.

- **1m USDPHP NDF - Range-Bound.** 1m USDPHP NDF has broadly traded lower the past week amid softer USD and supportive yuan. BSP was also probably in the market to stem PHP volatility. At the same time, expectations of a rate hike at the 9 Aug BSP meeting is also weighing on the 1m NDF. This follows comments by BSP Governor Nestor Espenilla that reaffirmed plans for “strong follow-through monetary adjustment” at its next policy meeting to anchor inflationary expectations amid elevated consumer prices to date. Also putting downside pressure on the 1m NDF was that further RRR cuts are unlikely for the rest of the year. Also supportive of the PHP last week was improving risk appetite for Philippine equities. Last week, foreign investors had purchased USD26.4mn in equities. Continued foreign portfolio inflows should put downside pressure on the 1m NDF. Spot USDPHP gapped lower to 53.280 this morning from Fri's close of 53.438 amid a pullback in the USD. Last seen around 53.37-levels. Mild bearish bias on the daily chart remains intact, and stochastics fast approaching oversold conditions. Bullish bias on the weekly chart has dissipated, while stochastics remains at overbought conditions. This suggests that near term pullback risks that could weigh on the 1m NDF. With the 1m NDF testing support level around 53.30 levels, a break here could see the pair headed back below the 53-levels towards 52.90 (23.6% fibo retracement of the Jan-Jun rally). Resistance at 53.55 (21DMA) ahead of 53.89 (2018 high). Quiet week ahead with just Nikkei PMI mfg (Jul) on tap Wed.
- **USDTHB - Potential Near-Term Pullback.** USDTHB traded to a low of 33.134 on 26 Jul before rebounding amid USD strength. Pair though was weighed by foreign portfolio inflows to Thai assets last week. Foreign funds had purchased USD146.8mn and USD246mn in equities and debt last week. Softer gold prices (given its negative

relationship with USDTHB) are also putting upside pressure on the pair. Last seen around 33.400-levels. Momentum indicators show bearish bias on the daily chart, and stochastics still falling from overbought conditions. Bullish momentum on the week chart remains intact but waning, while stochastics remains at overbought conditions. This suggests risks remain to the upside though there are potential downside risks in the near term. Resistance remains around 33.530-levels (2018 high) ahead of the 35.700-levels. Support around 33.280-levels (21DMA) before 33.130-levels. Week ahead brings trade, current account (Jun) on Tue; CPI, Nikkei PMI mfg (Jul) on Wed; foreign reserves (27 Jul) on Fri. **Note that onshore markets are closed for a public holiday today and re-opens tomorrow.**



## Malaysia Fixed Income

### Rates Indicators

### Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ 11/21	3.54	3.54	Unchanged
5YR MI 4/23	3.76	3.75	-1
7YR MK 3/25	3.99	3.99	Unchanged
10YR MS 6/28	4.07	4.07	Unchanged
15YR MT 11/33	4.54	*4.55/53	Not traded
20YR MX 6/38	4.79	4.78	-1
30YR MZ 7/48	*4.93/90	*4.93/90	Not traded
IRS			
6-months	3.70	3.70	-
9-months	3.71	3.71	-
1-year	3.71	3.71	-
3-year	3.75	3.76	+1
5-year	3.85	3.85	-
7-year	3.97	3.97	-
10-year	4.17	4.17	-

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Source: Maybank KE

\*Indicative levels

- Sentiment in government bond market remained upbeat as players continued to add positions as the trade war rhetoric subside. Healthy trading volume across benchmark and off-the-run securities. The 7y MGS 3/25 retap auction was also well received with strong bid/cover of 3.30x. Yield averaged 3.984% in the auction and subsequently traded a tad firmer in secondary.
- In MYR IRS market, 5y rate was quoted as tight as 3.8475%/3.8450% but still nothing traded. Market remained lull despite the positive sentiment in govies and rates were unchanged. IRS still lack catalysts to drive movements in any direction. 3M KLIBOR remained the same at 3.69%.
- PDS market was still very active. GGs were firmer at the belly and 1bp wider at the long end, with Prasarana, Danainfra and GovCo among the most active names. AAA credits rallied with offers of Danga 2033s and KLCC 2024s being lifted 2-3bps tighter. AA yields unchanged amid some month-end reallocations. Profit taking interest appear to have increased given the tight spreads to MGS. Against this backdrop, 5y AAA spreads still look decent on selected names.

## Singapore Fixed Income

### Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.86	1.88	+2
5YR	2.14	2.17	+3
10YR	2.42	2.45	+3
15YR	2.71	2.74	+3
20YR	2.76	2.77	+1
30YR	2.85	2.87	+2

Source: Maybank KE

- SGD rates rose prior to the 7y SGS reopening auction due to UST weakening again overnight and firmer short term funding rates adding pressure to SGS. SGD IRS curve initially steepened with paying interest seen along 5y10y. The 7y SGS reopening garnered a solid bid/cover of 2.22x and cut off yield of 2.40% was on par with pre-auction bid level. Post auction, there was knee-jerk buying which soon fizzled out. At the close, SGS yields were 1-3bps higher and SGD IRS 3-4bps higher.
- Asian credit market turned better sellers as 10y UST traded back up nearing the 3.00% level. For sovereign bonds, INDONs and PHILIPs traded wider and declined about 0.5pts in cash price. MALAYS still had buying interest, while flows were slightly mixed for quasi sovereign names. Overall Asian credit market saw improved liquidity during the week.

## Indonesia Fixed Income

### Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	7.33	7.31	(1.20)
5YR	7.60	7.58	(2.12)
10YR	7.67	7.68	0.32
15YR	8.07	8.08	1.78
20YR	8.14	8.15	1.18
30YR	8.48	8.48	0.06

\* Source: IBPA, Bloomberg, Maybank Indonesia

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■ Indonesia bond market closed with a slight daily gain on Friday trading session with the front end tenor yield rising during the day. DMO conducted two private placement issuance during the day by issuing PBS018 worth of Rp1t at yield of 8.31% and PBS004 worth of Rp0.35t at yield of 8.56%. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 7.577%, 7.678%, 8.084% and 8.148% while 2y yield moved lower to 7.313%. During the day, FR0069 (9mo) yield decline the most by 47bps while FR0036 (1y) yield increased the most by 8bps. Trading volume at secondary market was noted heavy at government segments amounting Rp19,597b with FR0069 as the most tradable bond. FR0069 total trading volume amounting Rp3,068b with 38x transaction frequency.

■ Foreign ownership stood at Rp834.7t or 37.5% of total tradable government bond as of Jul 26<sup>th</sup>. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp5.7t from begin month of Jul 18.

Corporate bond traded heavy amounting Rp1,325b. TRAC01BCN1 (Shelf Registration I Serasi Autoraya Phase I Year 2018; B serial bond; Rating: AA-(idn)) was the most actively traded corporate bond with total trading volume amounted Rp190b yielding 6.327%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1690	111.48	0.7440	1.3154	6.8797	0.6823	129.7700	82.5570
R1	1.1674	111.27	0.7420	1.3130	6.8488	0.6806	129.6100	82.3580
<b>Current</b>	1.1657	111.07	0.7395	1.3105	6.8398	0.6799	129.4700	82.1360
S1	1.1631	110.82	0.7375	1.3082	6.7950	0.6768	129.2100	81.9140
S2	1.1604	110.58	0.7350	1.3058	6.7721	0.6747	128.9700	81.6690

  

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3669	4.0765	14543	53.5950	33.5603	1.5919	0.6078	2.9922
R1	1.3643	4.0695	14480	53.4630	33.4597	1.5895	0.6021	2.9874
<b>Current</b>	1.3623	4.0655	14415	53.2940	33.3800	1.5881	0.5965	2.9853
S1	1.3597	4.0585	14367	53.2360	33.2917	1.5844	0.5888	2.9777
S2	1.3577	4.0545	14317	53.1410	33.2243	1.5817	0.5814	2.9728

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

**Equity Indices and Key Commodities**

	Value	% Change
<b>Dow</b>	25,451.06	-0.30
<b>Nasdaq</b>	7,737.42	-1.46
<b>Nikkei 225</b>	22,712.75	0.56
<b>FTSE</b>	7,701.31	0.50
<b>Australia ASX 200</b>	6,300.23	0.89
<b>Singapore Straits Times</b>	3,324.98	-0.11
<b>Kuala Lumpur Composite</b>	1,769.14	0.16
<b>Jakarta Composite</b>	5,989.14	0.72
<b>Philippines Composite</b>	7,701.38	0.46
<b>Taiwan TAIEX</b>	11,075.78	0.59
<b>Korea KOSPI</b>	2,294.99	0.26
<b>Shanghai Comp Index</b>	2,873.59	-0.30
<b>Hong Kong Hang Seng</b>	28,804.28	0.08
<b>India Sensex</b>	37,336.85	0.95
<b>Nymex Crude Oil WTI</b>	68.69	-1.32
<b>Comex Gold</b>	1,232.70	-0.21
<b>Reuters CRB Index</b>	194.16	-0.43
<b>MBB KL</b>	9.88	-0.20

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.6304	Oct-18	Modest and Gradual Appreciation
BNM O/N Policy Rate	3.25	5/9/2018	Neutral
BI 7-Day Reverse Repo Rate	5.25	16/8/2018	Tightening
BOT 1-Day Repo	1.50	8/8/2018	Tightening Bias
BSP O/N Reverse Repo	3.50	9/8/2018	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	6.25	1/8/2018	Tightening
BOK Base Rate	1.50	31/8/2018	Tightening
Fed Funds Target Rate	2.00	2/8/2018	Tightening
ECB Deposit Facility Rate	-0.40	13/9/2018	Neutral
BOE Official Bank Rate	0.50	2/8/2018	Neutral
RBA Cash Rate Target	1.50	7/8/2018	Neutral
RBNZ Official Cash Rate	1.75	9/8/2018	Neutral
BOJ Rate	-0.10	31/7/2018	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	41	3.252	3.252	3.252
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	8	3.347	3.347	3.347
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	4	3.43	3.43	3.4
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	55	3.428	3.428	3.428
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	167	3.434	3.434	3.405
MGS 6/2013 3.889% 31.07.2020	3.889%	31-Jul-20	2	3.492	3.492	3.492
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	7	3.625	3.638	3.625
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	73	3.542	3.545	3.542
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	5	3.672	3.672	3.672
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	1	3.781	3.781	3.781
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	4	3.844	3.844	3.824
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	70	3.754	3.756	3.749
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	828	3.966	3.99	3.965
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	140	4.07	4.093	4.064
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	15	4.184	4.239	4.184
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	3	4.131	4.131	4.131
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	61	4.074	4.074	4.074
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	3	4.47	4.47	4.47
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	1	4.57	4.57	4.57
MGS 4/2012 4.127% 15.04.2032	4.127%	15-Apr-32	2	4.582	4.582	4.582
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	167	4.596	4.603	4.578
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	5	4.713	4.713	4.713
MGS 4/2018 08.06.2038	4.893%	8-Jun-38	20	4.783	4.783	4.783
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	4	3.546	3.546	3.546
PROFIT-BASED GII 3/2011 30.04.2021	4.170%	30-Apr-21	50	3.692	3.692	3.692
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	2	3.725	3.725	3.725
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	150	3.855	3.855	3.85
GII MURABAHAH 1/2016 4.390% 07.07.2023	4.390%	7-Jul-23	1	3.917	3.917	3.917
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	10	3.877	3.877	3.877
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	100	4.026	4.026	4.026
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	50	4.062	4.062	4.045
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	212	4.199	4.23	4.186
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	42	4.197	4.222	4.197
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	310	4.201	4.202	4.195
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	30	4.647	4.647	4.647

**Total****2,642**

Sources: BPAM

## MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
LPPSA IMTN 4.170% 15.04.2022 - Tranche No 7	GG	4.170%	15-Apr-22	5	4.069	4.069	4.069
PRASARANA IMTN 4.26% 29.08.2023 - Tranche 1	GG	4.260%	29-Aug-23	40	4.167	4.167	4.167
DANAINFRA IMTN 4.410% 24.07.2024 - Tranche No 21	GG	4.410%	24-Jul-24	5	4.2	4.2	4.2
DANAINFRA IMTN 4.330% 04.04.2025 - Tranche No 32	GG	4.330%	4-Apr-25	60	4.254	4.254	4.254
GOVCO IMTN 4.550% 22.02.2027	GG	4.550%	22-Feb-27	15	4.484	4.484	4.48
DANAINFRA IMTN 4.500% 16.11.2027 - Tranche No 69	GG	4.500%	16-Nov-27	15	4.41	4.411	4.408
PRASARANA IMTN 4.75% 26.02.2031 - Series 9	GG	4.750%	26-Feb-31	60	4.681	4.681	4.68
PTPTN IMTN 25.07.2031	GG	4.500%	25-Jul-31	1	4.738	4.74	4.738
ALDZAHAB ABS-IMTN 29.03.2022(CLASS A TRANCHE 3 س٧)	AAA	4.900%	29-Mar-22	5	4.5	4.5	4.5
DIGI IMTN 4.380% 14.04.2022 - Tranche No 1	AAA	4.380%	14-Apr-22	5	4.411	4.411	4.411
SURIA KLCC IMTN 4.730% 31.12.2024 - Issue No. 1	AAA	4.730%	31-Dec-24	40	4.431	4.431	4.429
GENM CAPITAL MTN 3651D 22.8.2025	AAA (S)	4.900%	22-Aug-25	1	5.287	5.287	5.287
SARAWAKHIDRO IMTN 4.43% 11.08.2026	AAA	4.430%	11-Aug-26	2	4.588	4.589	4.588
SARAWAKHIDRO IMTN 4.61% 09.08.2030	AAA	4.610%	9-Aug-30	2	4.824	4.825	4.824
DANGA IMTN 4.940% 26.01.2033 - Tranche 8	AAA (S)	4.940%	26-Jan-33	30	4.899	4.902	4.899
DANGA IMTN 5.020% 21.09.2033 - Tranche 9	AAA (S)	5.020%	21-Sep-33	15	4.929	4.929	4.929
YTL POWER MTN 2556D 24.8.2018	AA1	4.350%	24-Aug-18	10	4.327	4.327	4.327
CTX IMTN 4.85% 29.08.2022 - Series 9	AA+ IS	4.850%	29-Aug-22	5	4.618	4.618	4.618
UNITAPAH 5.39% Series 14 12.12.2022	AA1	5.390%	12-Dec-22	2	4.487	4.492	4.487
SAMALAJU IMTN 5.45% 28.12.2027 - Issue No. 5	AA1 (S)	5.450%	28-Dec-27	10	4.949	4.951	4.949
SEB IMTN 5.180% 25.04.2036	AA1	5.180%	25-Apr-36	1	5.326	5.327	5.326
BFB IMTN 5.000% 20.01.2023	AA2	5.000%	20-Jan-23	5	4.576	4.576	4.576
OLM MTN 1826D 14.2.2023	AA2	4.750%	14-Feb-23	20	4.849	4.854	4.849
KRUNG THAI 5.100% 04.07.2025 - Tranche No 1	AA2	5.100%	4-Jul-25	2	4.819	4.824	4.819
BUMITAMA IMTN 5.000% 02.09.2019	AA3	5.000%	2-Sep-19	10	4.558	4.568	4.558
KESTURI IMTN 4.25% 02.12.2022 - IMTN 4	AA- IS	4.250%	2-Dec-22	7	4.655	4.658	4.655
AISL IMTN 25.03.2024	AA3	5.050%	25-Mar-24	2	4.521	4.537	4.521
RHBA 4.950% 15.05.2024 (Series 1)	AA3	4.950%	15-May-24	3	4.487	4.499	4.487
KESTURI IMTN 4.75% 02.12.2025 - IMTN 7	AA- IS	4.750%	2-Dec-25	1	4.788	4.791	4.788
KESTURI IMTN 4.75% 02.12.2026 - IMTN 8	AA- IS	4.750%	2-Dec-26	20	4.834	4.84	4.834
MMC CORP IMTN 5.950% 12.11.2027	AA- IS	5.950%	12-Nov-27	5	5.645	5.646	5.645
KESTURI IMTN 4.75% 02.12.2027 - IMTN 9	AA- IS	4.750%	2-Dec-27	5	4.889	4.889	4.889
EDRA ENERGY IMTN 6.030% 05.01.2029 - Tranche No 15	AA3	6.030%	5-Jan-29	5	5.555	5.556	5.555
KESTURI IMTN 4.75% 30.11.2029 - IMTN 11	AA- IS	4.750%	30-Nov-29	2	5.006	5.008	5.006
JEP IMTN 5.820% 04.12.2030 - Tranche 20	AA- IS	5.820%	4-Dec-30	2	5.037	5.038	5.037
JEP IMTN 6.240% 04.06.2032 - Tranche 23	AA- IS	6.240%	4-Jun-32	8	5.127	5.128	5.127
LDF3 IMTN 5.860% 23.08.2033	AA- IS	5.860%	23-Aug-33	3	5.271	5.272	5.271
S POWER IMTN 4932D 19.11.2018 ClassA(T1)	A1	3.000%	19-Nov-18	6	4.588	4.603	4.588
TF VARLIK IMTN 6% 28.06.2019	A1	6.000%	28-Jun-19	1	5.821	5.844	5.821
ISLAM 5.750% 22.04.2025	A1	5.750%	22-Apr-25	20	4.595	4.607	4.595
ISLAM 5.50% 15.12.2025 - Tranche 2	A1	5.500%	15-Dec-25	10	4.643	4.652	4.643
RHBBANK HYBRID TIER 1 8.00% 31.03.2039	A1	8.000%	31-Mar-39	1	4.534	4.565	4.534
CIMB 5.800% Perpetual Capital Securities - T1	A1	5.800%	25-May-16	1	4.875	4.875	4.875
AFFINBANK RM500M PERPETUAL AT1CS (T1)	A3	5.800%	29-Jul-18	50	5.453	5.453	5.453

**Total****518**

Sources: BPAM

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