

Global Markets Daily

USD Positioning Matters

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We have noted on our last [FX Weekly dated 24 Aug 2018](#) that net long USD position extended its run to levels not seen since May-2017. Net long USD positions are still near multi-year highs especially against the AUD, GBP and NZD. Markets have been accumulating long USD positions since earlier part of this year and notwithstanding the US-China trade war that still threatens optimists like ourselves, Powell's reassurance that the Fed rate hike trajectory remains as planned, China's reintroduction of the CCAF to support the RMB suggest that the highs of the DXY index might have been established for the quarter, if not for the year.

GBP Snaps Back on Hope While AUD Sags

GBP had been slipping on rumors of a no-deal when Chief EU Negotiator Michel Barnier said there could be a unique post-Brexit deal for the UK. That gave GBP more than a big-figure boost against the USD overnight and cable (GBPUSD) has arrived at the 1.30-figure even though no detail of the deal was released. The jump underscores how stretched the positioning has been for the GBP against the USD. Earlier in Asian hours, AUD dropped under the 0.73-figure at one point after Westpac announced a 14bps increase for its home loans, citing high funding costs. This bank could be joined by other bigger banks in Australia. That dampens the odds of a RBA rate hike in the foreseeable horizon. AUDUSD was back above the 0.73 figure by this morning.

AU CAPEX; US Jul PCE Core; Still Eyes Trade Deals

As you might have guessed, trade deals continue to simmer in the backdrop and the next one that Trump can declare victory on is NAFTA. Positive for CAD, negative for the RMB as well as rest of Asia. Both Trudeau and Trump eyes this week as the timeline for a deal though Trudeau had said that the government will still shoot for the "right deal". Still, Trump had threatened Canada that it may risk getting left out. Both sides agreed not to discuss details publicly. Data includes US Jul PCE Core after the 2Q PCE Core was in line with the expected 2.0%q/q. Stronger-than-expected GDP release for 2Q lifted the 10y towards 2.9% before tapering off into Asia. Australia just released a set of disappointing capex data for 2Q, with decline in building and machinery spending for 2Q, triggering further AUD shorts though there were some buybacks since, another sign of how positioning really matters.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1707	↑ 0.10	USD/SGD	1.3652	↑ 0.09
GBP/USD	1.3026	↑ 1.19	EUR/SGD	1.5984	↑ 0.20
AUD/USD	0.7311	↓ -0.37	JPY/SGD	1.2222	↓ -0.39
NZD/USD	0.6716	↑ 0.10	GBP/SGD	1.7785	↑ 1.29
USD/JPY	111.68	↑ 0.44	AUD/SGD	0.9983	↓ -0.25
EUR/JPY	130.75	↑ 0.55	NZD/SGD	0.9164	↑ 0.13
USD/CHF	0.9705	↓ -0.59	CHF/SGD	1.4066	↑ 0.66
USD/CAD	1.2907	↓ -0.19	CAD/SGD	1.0572	↑ 0.20
USD/MYR	4.1055	↑ 0.21	SGD/MYR	3.0049	↓ -0.01
USD/THB	32.688	↑ 0.32	SGD/IDR	10738.6	↑ 0.05
USD/IDR	14645	↑ 0.13	SGD/PHP	39.126	↑ 0.06
USD/PHP	53.455	↑ 0.30	SGD/CNY	4.9951	↑ 0.03

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

Upper Band Limit	Mid-Point	Lower Band Limit
1.3515	1.3788	1.4061

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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 th ASEAN Economic Ministers Meeting
31 Aug	SK	BOK Meeting
31 Aug	MY	Market Closure

G7 Currencies

- **DXY Index - Core PCE in Focus Today.** USD gains were more than reversed into NY close overnight. Upward revision to 2Q GDP (+4.2% vs. +4.1%) did not help to support USD to the upside. To be sure sentiment was buoyed on trade deal progress on the NAFTA front (Canada possibly joining the pact), hopes of soft Brexit as well as a strong US economy. USD was soft vs. G3 majors (EUR, GBP) but broadly supported against AXJs including AUD and NZD. Trade disputes between US and China remain as markets await decision from the US on whether fresh tariffs will be implemented on additional \$200bn of China imports. DXY was last seen at 94.55 levels. 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. We stuck to our bias to fade USD strength.** Focus for the week on Personal income, spending, PCE Core (Jul) on Thu; Chicago PMI, Uni. Of Michigan Sentiment (Aug) on Fri.
- **EURUSD - Pullback Not Ruled but Still a Buy on Dips.** EUR did see a pullback yesterday (in line with our call for near-term pullback risks but buy dips preferred). But losses were more than retraced into NY close overnight. EUR's recovery above 1.17-handle was lifted by GBP on hopes of a UK deal with EU. Pair was last seen at 1.17 levels. Mild bullish momentum on daily chart remains intact while stochastics is entering into overbought conditions. Price pattern showed a rising wedge potentially in the making. This is typically associated with a bearish reversal at some stage. We still caution for the risk of pullback. 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. Failure to push through key resistance decisively could reignite retracement pressures again. Support at 1.1620 (50 DMA), 1.1540 (21 DMA). Bias to buy dips. That said 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 remaining on Consumer Confidence (Aug) on Thu; Unemployment rate (Jul); CPI estimate (Aug) on Fri.
- **GBPUSD - Further Unwinding in GBP Short Could See an Outsize Move Higher.** GBP enjoyed a stellar recovery above 1.30-handle on EU Chief negotiator Barnier's comments. He said "we are prepared

to offer a partnership with Britain such as has never been with any other third country". This caught market by surprise and inevitably record GBP-shorts were caught off guard. GBP-shorts squeeze saw an abrupt move higher in the GBP (+1.2% the largest mover amongst most FX). That said it is still far too early to jump the gun on smooth brexit however such comments overnight is positive and would serve to unwind excessive pessimism on brexit outlook for the time being. Barnier's comments also serve as a reconciliation to UK Brexit secretary Raab's earlier comments that 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.* To be sure, there weren't further details on Barnier's comments except that he stuck to the point that UK must respect core structures of the EU such as the single market. We maintain our cautious optimism on the outlook on Brexit and the GBP. Taking stock of our FX Weekly last Fri - we shared that ***a falling wedge pattern appears to be forming - typically associated with bullish reversal. We watch further price action for confirmation. Rebound can target 1.29, 1.3060 levels.*** GBP was trading at 1.28 levels then; last seen at 1.3030 levels. Bullish momentum on daily chart remains intact while stochastics is rising into overbought conditions. Bearish momentum on weekly chart continues to wane while stochastics is showing signs of turning higher from oversold conditions. Resistance at 1.3060 (23.6% fibo retracement of Apr high to Aug low). Clean break above could signal further upside. Support at 1.2950, 1.2860 (21 DMA). Focus for the week on M4 (Jul) on Thu; GfK Consumer confidence, Nationwide house price (Aug) on Fri.

- **USDJPY - Limited Downside.** USDJPY trades softer this morning on USD softness. At the same time, yield differentials between 10Y UST and JGB have narrowed after widening overnight. 10Y UST yield dipped to around the 2.879%-levels overnight, while the 10Y JGB rose to around 0.108%-levels. Gains in the stock market though could see foreign investors hedge their purchases by short-selling the JPY on concerns of further JPY depreciation, putting some upside pressure on the pair. Softer USDCNH is also weighing on the pair. Ongoing unwinding of long-JPY positions vs. short-USD on optimism of easing global trade tensions should also keep the pair supported. Focus ahead is on the looming imposition of US tariffs on USD200bn of Chinese goods. Last seen around 111.71-levels. Bullish bias on the daily chart remains intact and stochastics is now at overbought conditions. Bullish bias on the weekly chart is re-accelerating, while stochastics shows tentative signs of turning higher. Risks remain to the upside and this suggests further downside to the pair could be limited. With our resistance level around 111.40-levels (50% fibo retracement of the 2017 high to 2018 low) taken out overnight, new resistance is around 111.90-levels ahead of 112.15-levels, 113-handle (61.8% fibo). Support nearby around the 111-handle (21DMA) before 110.30-levels (100DMA). 109.80-levels (38.2% fibo, 200DMA). Jobless rate, industrial production, housing starts (Jul) are on tap tomorrow.

- **NZDUSD - At Risk of Further Downside.** NZD fell this morning as business confidence fell to multi-year low of -50.3. This particular indicator was singled out by Adrian Orr at the last MPC meeting (9 Aug) - OCR is expected to remain at record low till 4Q 2020 on weaker growth and risk that a slump in business confidence could hamper investment. Pair was last seen at 0.6660 levels. Mild bullish momentum on daily chart remains intact but is showing signs of waning while stochastics shows signs of turning lower from overbought conditions. Support at 0.6660 (21 DMA), 0.6620 levels. Resistance at 0.6710 (76.4% fibo retracement of Aug high to low). Focus for the week remaining on Consumer Confidence (Aug) on Fri. A softer read could accelerate NZD's decline
- **AUDUSD - Rate Hike Likelihood Diminishes.** AUDUSD dropped under the 0.73-figure at one point after Westpac announced a 14bps increase for its home loans, citing high funding costs. This bank could be joined by other bigger banks in Australia. That dampens the odds of a RBA rate hike in the foreseeable horizon. AUDUSD was back above the 0.73 figure by this morning. 0.7250 is a support level for this pair before the next at 0.7198. Intra-day MACD is slightly bearish and bias could be to the downside as we near the end of the week. Dips are still opportunities to buy into beyond this week. We look for the break above the 0.7360-resistance for further upside to gain traction. Our bullish view is made 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 of the 0.7360 would violate the downward sloping trend channel that had started almost in tandem with the beginnings of the trade war. Week ahead has 2Q CAPEX on Thu, building approvals on the same day and private sector credit for Jul on Fri.
- **USDCAD - Next Target 1.2840 Within Reach.** USDCAD hovered around the 1.29-figure as we write this morning. Price action is still rather bearish though stochs flag oversold conditions. 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. Leaving Canada out of the deal could leave Trump vulnerable to the debates of the Congress should he replace NAFTA with a bilateral deal with Mexico. 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 1.06% above the implied mid-point of 1.3788 with the top estimated at 1.3515 and the floor at 1.4061.**
- **USDSGD - *Awaiting Catalyst For Breakout.*** USDSGD trades mildly lower amid a softer USD tone. Also weighing on the pair is the softer USDCNH that is providing room for the AXJs to climb higher, including the SGD. Still cautious trades in the EUR this morning is limiting downside to the pair. 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 global sentiments that the Sino-US trade tensions can escalate. Last seen around 1.3644-levels. Daily momentum indicators show mild bearish bias but waning, and stochastics fast approaching overbought conditions. Support remains around 1.3600 (38.2% fibo retracement of the 2017 high to 2018 low). A break below this level on a weekly close could see the pair headed towards the 1.3490-levels (100DMA). Resistance around 1.3690-levels (21DMA) ahead of 1.3715-levels. No Tier 1 data on tap this week.
- **AUDSGD - *Pivoting Around Parity.*** AUDSGD slipped under parity, last seen around 0.9960. 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 continued to inch higher. Cross was last seen at 3.01 levels. Bullish bias on daily chart remains intact though 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 firmed modestly, tracking the moves in USD/AXJs as concerns over US-China trade dispute lingers. Markets await US decision on whether fresh tariffs will be implemented on additional \$200bn of China imports. Pair was last seen at 4.1070 levels. Resistance at 4.12, 4.15 levels. Support at 4.0950, 4.08. Day ahead expect 4.10 - 4.12 range. No tier-1 data for release this week. Onshore markets closed on Fri for national Day holidays.
- **1m USDKRW NDF - *1102 - 1112 Range.*** 1m USDKRW NDF remains under pressure amid supported risk sentiment. And there seems to be positioning (to some extent) ahead of BoK meeting this 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). That said 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. Pair was last seen at 1107 levels. Bearish bias remains intact but stochastics is falling into oversold conditions. Support at 1102 (50% fibo retracement of Jun low to Jul high). Resistance at 1112 (38.2% fibo), 1120 (50 DMA). Lingering concerns of US-China trade dispute remains - Markets await US decision on whether fresh tariffs will be implemented on additional \$200bn of China imports. If implemented, we do not rule out rebound risks.

- **USDCNH - *Awaiting Fresh Cues***. USDCNH hovered around 6.82, buoying the rest of USDAsians, also exacerbated by the rise in the UST 10y yields. The CCAF may have brought the USDCNH sharply lower and crimp on USDCNH bulls future moves, future moves of this pair still depends on US and whether the next tranche of tariff will be imposed. With the US and Canada trying to firm up details to get a NAFTA deal by the end of this week, USDCNH may continue to remain supported on dips. Upticks to be resisted by the 6.8830. Any signs of a delay on the tariff for China could invigorated RMB bulls and 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). Before any clarity on that, 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. Resistance is seen around 6.90 before the 6.95-figure. **USDCNY reference rate at 6.8113, 41 pips higher than the previous 6.8072**. PMI prints are out for Aug on Fri.
- **1M USDINR NDF - *Pressing Higher***. USDINR remained on the upmove along with Brent, last seen at 77.30. 1M USDINR NDF was last seen around 70.97. This pair could continue to press towards the upper bound of the 69.50-71.15 range, not helped the least by the resurgence in UST yield could pressure the upper bound of the range. Foreign investors sold around US\$7.0mn of equities on Tue and US\$101.2mn of local debt. End of the week brings 2Q GDP.
- **1m USDIDR NDF - *Turning Bullish***. 1m USDIDR NDF trades little changed this morning, though it continues to hover within familiar ranges of 14570-14825. Month-end demand for USD could be keeping the 1m NDF supported intraday, while expectations of further foreign inflows into debt weighs on the 1m NDF. This follows comments by BI Nanang Hendarsah that foreign investors had purchased IDR5.89tb in bond yesterday. We also have simmering in the background the potential spill-over effects from the Turkish crisis on emerging markets that has yet to be resolved. At the same time, 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 on fears that the Sino-US trade war could escalate. Spot USDIDR gapped higher at the opening to 14658 this morning from yesterday's close of 14645-levels,

tracking the USDSGD higher. Last seen around 14745-level, 1m NDF has lost most of its bearish bias on the daily chart, and stochastics is climbing higher. Though risks to the pair continues to tilt to the upside, we expect trades within familiar ranges to hold intraday. Support is around 14640-levels (21DMA), 14520-levels (50DMA). Resistance around 14825-levels (2018 high). BI continues to be in the market to curb IDR and IndoGB volatility. JISDOR was fixed at 14643 yesterday, 29bp higher than the fixing on Tue. There is no Tier 1 data on tap this week.

- **1m USDPHP NDF - *Range-Bound*.** 1m USDPHP NDF trades mildly bid this morning amid a firmer USDCNH. At the same time, expectations of month-end demand for USD is also possibly putting upside pressure on the 1m NDF. At the same time, cautious trades are likely as the deadline for US tariffs on USD200bn of Chinese goods looms, which could weigh on global sentiments on concerns that Sino-US trade tensions could re-escalate. Also simmering in the background is the potential spill-over effects from the Turkish crisis on emerging markets as the crisis has yet to be completely resolved. Still, limiting gains in the 1m NDF are expectations of foreign inflows into equities intraday. Foreign investors had purchased USD1.7mn in equities yesterday. Spot USDPHP gapped lower at the opening to 53.397 this morning from yesterday's close of 53.455 amid a softer USD tone. Last seen around 53.50-levels. Very mild bullish bias on the daily chart remains intact, and stochastics continues to fall. In the absence of fresh catalyst, range-bound trades are likely ahead. Resistance remains around 53.60-levels, 53.75-levels. Support nearby around 53.40-levels (21DMA) before the 53-levels (100DMA). Quiet data week with no Tier 1 data on tap this week.

- **USDTHB - *Downside Pressure*.** USDTHB trades softer this morning amid a USD pullback after climbing higher for the past two session. Profit-taking activities could also possibly account for the pair's softness this morning. Still weighing on the pair is optimism over the 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. Note that the governor had said yesterday that the BoT is under no immediate pressure to hike interest rates, easing expectations of an imminent rate hike. Our house view remains for the BoT to hike sometime in 4Q. Still, there could be some softness in foreign purchases of Thai assets intraday given the net sell-off yesterday. Foreign investors had sold US\$2.8mn in equities yesterday that more than on concerns that the Sino-US trade war re-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 32.675-levels. Bearish bias on the daily chart remains intact but waning, and stochastics remains at oversold conditions. Support is around 32.530-levels (100DMA) before 32.300-levels (50% fibo retracement of the Mar-Jul upswing). Resistance around 32.895-levels ahead of 32.950-levels (23.6% fibo). Foreign reserves (24 Aug), trade, current account (Jul) are on tap tomorrow.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MJ 11/21	*3.46/44	3.48	+3
5YR MI 4/23	3.70	3.70	Unchanged
7YR MK 3/25	*3.94/92	3.95	+2
10YR MS 6/28	4.03	4.04	+1
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	*4.92/88	*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	3.74	3.74	-
5-year	3.83	3.84	+1
7-year	3.96	3.96	-
10-year	4.16	4.17	+1

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Source: Maybank KE

*Indicative levels

- Another dull session for government bonds as market participants stayed on the sidelines. Trading activity was mainly centered on MGS with profit taking pushing the short end to belly areas a little weaker. Bid/cover for 5y GII 11/23 retap auction was a modest 1.82x on a larger-than-expected MYR3.5b size. Successful yields averaged 3.816%.
- In onshore IRS market, the 3y IRS had good two-way interest at 3.74% and some trades took place at that level. Reckoned the paying came on the back of flows. At the same time, 3y basis got paid at -50bps. 3M KLIBOR was unchanged at 3.69%.
- Corporate bonds generally unchanged approaching month end. There was some activity in AA3-rated JEP curve, but levels were sticky. YTL Power 2028 traded 2bps tighter. GGs tightened 2bps at the ultra-long end, but stood pat at the belly and short end parts of the curve. In AAA space, Tenaga 2033 and 2038 traded 2bps tighter than reoffer levels. Fortune Premier sold MYR1.2b of 5y (MYR0.3b) and 7y (MYR0.9b) sukuk at final yields of 4.85% and 5.05% respectively.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.88	1.92	+4
5YR	2.09	2.10	+1
10YR	2.37	2.38	+1
15YR	2.65	2.64	-1
20YR	2.68	2.68	-
30YR	2.77	2.77	-

Source: Maybank KE

- SGS had an outperformance amid weaker UST and higher SGD IRS. There was short covering interest across the curve post the 2y SGS re-opening auction. The 2y yield easing by 3bps spurred buying interest across the curve. SGS yields more or less ended flat to previous day, while SGD IRS closed 1-2bps higher.
- Asian credit spreads overall tighter by 1-2bps on the back of the weaker UST. There was good buying interest in Chinese IGs for the usual AMC and tech names. Primary pipeline is heavy, seeing Bank of Nova Scotia with new AUD fixed and/or FRN papers, and Aluminium Corp of China mandating Bank of China and Barclays for an upcoming USD deal.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	7.21	7.19	(1.40)
5YR	7.63	7.66	3.47
10YR	7.92	7.91	(1.30)
15YR	8.02	8.04	2.57
20YR	8.33	8.38	4.87
30YR	8.56	8.56	-

* Source: IBPA, Bloomberg, Maybank Indonesia

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- Indonesia bond market closed with a daily loss on Wednesday trading session as IDR depreciated during the day despite demand that came during Tuesday auction came in heavy. During the day, DMO office issued FR0072 worth of Rp1t, sold at yield of 8.36000% through private placement. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 7.664%, 7.910%, 8.044% and 8.383% while 2y yield moved higher to 7.195%. During the day, FR0076 (30y) yield decline the most by 2bps while FR0075 (20y) yield increased the most by 5bps. Trading volume at secondary market was noted heavy at government segments amounting Rp33,472b with FR0059 as the most tradable bond. FR0059 total trading volume amounting Rp14,841b with 19x transaction frequency.
- Foreign ownership stood at Rp846.8t or 37.6% of total tradable government bond as of Aug 27th. Considering a 2-day's settlement, Foreigner booked net buy worth of Rp1.9t from begin month of Aug 18.
- Corporate bond traded heavy amounting Rp1,426b. TBIG03CN1 (Shelf Registration III Tower Bersama Infrastructure Phase I Year 2018; Rating: AA⁻_(idn)) was the most actively traded corporate bond with total trading volume amounted Rp225b yielding 8.498%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1748	112.25	0.7386	1.3155	6.8595	0.6742	131.6633	82.2440
R1	1.1727	111.97	0.7348	1.3091	6.8407	0.6729	131.2067	81.9430
Current	1.1703	111.59	0.7287	1.3030	6.8215	0.6665	130.5800	81.3090
S1	1.1669	111.26	0.7274	1.2904	6.7985	0.6694	129.9367	81.1970
S2	1.1632	110.83	0.7238	1.2781	6.7751	0.6672	129.1233	80.7520

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3705	4.1090	14667	53.5523	32.8533	1.6021	0.6055	3.0134
R1	1.3678	4.1072	14656	53.5037	32.7707	1.6003	0.6037	3.0091
Current	1.3648	4.1100	14660	53.4450	32.6800	1.5973	0.6024	3.0116
S1	1.3627	4.1020	14632	53.3737	32.5877	1.5948	0.5995	3.0020
S2	1.3603	4.0986	14619	53.2923	32.4873	1.5911	0.5971	2.9992

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

Equity Indices and Key Commodities		
	Value	% Change
Dow	26,124.57	0.23
Nasdaq	8,109.69	0.99
Nikkei 225	22,848.22	0.15
FTSE	7,563.21	-0.71
Australia ASX 200	6,352.24	0.75
Singapore Straits Times	3,243.92	-0.11
Kuala Lumpur Composite	1,820.64	-0.34
Jakarta Composite	6,065.15	0.37
Philippines Composite	7,830.96	-0.17
Taiwan TAIEX	11,099.57	1.00
Korea KOSPI	2,309.03	0.26
Shanghai Comp Index	2,769.30	-0.31
Hong Kong Hang Seng	28,416.44	0.23
India Sensex	38,722.93	-0.45
Nymex Crude Oil WTI	69.70	1.71
Comex Gold	1,212.80	0.48
Reuters CRB Index	192.96	0.65
MBB KL	10.00	0.00

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.6377	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 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	5	3.239	3.239	3.239
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	3	3.404	3.404	3.387
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	28	3.408	3.408	3.408
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	8	3.425	3.425	3.425
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	102	3.558	3.605	3.55
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	7	3.477	3.481	3.477
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	167	3.702	3.707	3.697
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	10	3.784	3.784	3.784
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	27	3.986	3.986	3.967
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	40	3.97	3.97	3.952
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	20	4.144	4.144	4.144
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	83	4.16	4.167	4.146
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	35	4.149	4.169	4.149
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	60	4.032	4.039	4.032
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	21	4.527	4.532	4.517
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	590	4.472	4.473	4.468
MGS 3/2017 4.762% 07.04.2037	4.762%	07-Apr-37	5	4.721	4.721	4.721
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	26	4.862	4.862	4.862
PROFIT- BASED GII 4/2008 31.10.2018	4.295%	31-Oct-18	100	3.29	3.29	3.29
GII MURABAHAH 7/2013 30.04.2019	3.558%	30-Apr-19	125	3.321	3.321	3.321
GII MURABAHAH 4/2016 3.226% 15.04.2020	3.226%	15-Apr-20	2	3.544	3.544	3.544
GII MURABAHAH 2/2015 3.799% 27.08.2020	3.799%	27-Aug-20	53	3.579	3.579	3.579
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	1	3.745	3.745	3.745
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	1,335	3.823	3.823	3.806
GII MURABAHAH 2/2017 4.045% 15.08.2024	4.045%	15-Aug-24	20	3.98	3.98	3.98
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	50	4.074	4.074	4.074
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	30	4.149	4.149	4.142
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	200	4.136	4.136	4.135

Total	3,153
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Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PTPTN IMTN 4.450% 26.03.2021	GG	4.450%	26-Mar-21	25	3.931	3.931	3.931
PTPTN IMTN 4.190% 27.08.2021	GG	4.190%	27-Aug-21	60	3.949	3.949	3.949
PASB IMTN (GG) 4.43% 03.02.2023 - Issue No. 22	GG	4.430%	03-Feb-23	85	4.037	4.037	4.028
TPSB IMTN 3.930% 19.11.2024 - Tranche No 2	GG	3.930%	19-Nov-24	20	4.199	4.214	4.199
MKDK IMTN 4.470% 25.04.2025	GG	4.470%	25-Apr-25	50	4.251	4.251	4.251
DANAINFRA IMTN 4.370% 25.05.2027 - Tranche No 63	GG	4.370%	25-May-27	20	4.319	4.322	4.319
GOVCO IMTN 4.470% 28.09.2027	GG	4.470%	28-Sep-27	20	4.429	4.435	4.429
DANAINFRA IMTN 4.610% 05.04.2030 - Tranche No 33	GG	4.610%	05-Apr-30	2	4.47	4.471	4.47
PRASARANA SUKUK MURABAHAH 5.11% 12.09.2042 - S5	GG	5.110%	12-Sep-42	20	4.964	4.966	4.964
CAGAMAS MTN 4.100% 04.2.2019	AAA	4.100%	04-Feb-19	25	3.701	3.701	3.701
CAGAMAS MTN 4.100% 16.3.2020	AAA	4.100%	16-Mar-20	20	3.95	3.95	3.95
CAGAMAS MTN 4.360% 03.9.2020	AAA	4.360%	03-Sep-20	15	3.972	3.972	3.972
GENTING CAP MTN 4.42% 08.6.2022 - Issue No. 1	AAA (S)	4.420%	08-Jun-22	1	5.038	5.038	4.975
GENM CAPITAL MTN 1826D 11.7.2023	AAA (S)	4.980%	11-Jul-23	5	4.865	4.865	4.865
TELEKOM IMTN 4.820% 21.03.2024	AAA	4.820%	21-Mar-24	40	4.296	4.322	4.296
AMAN IMTN 4.780% 30.05.2024 - Tranche No 34	AAA IS	4.780%	30-May-24	10	4.503	4.503	4.503
TELEKOM IMTN 4.550% 07.10.2024	AAA	4.550%	07-Oct-24	20	4.353	4.363	4.353
GENM CAPITAL MTN 3653D 11.7.2028	AAA (S)	5.300%	11-Jul-28	35	5.133	5.15	5.133
TENAGA IMTN 29.08.2033	AAA	4.780%	29-Aug-33	35	4.74	4.759	4.74
TENAGA IMTN 27.08.2038	AAA	4.980%	27-Aug-38	35	4.95	4.957	4.95
SABAHDEV MTN 731D 30.7.2020	AA1	4.850%	30-Jul-20	20	4.731	4.732	4.731
PUBLIC SUB-NOTES 4.73% 15.11.2023	AA1	4.730%	15-Nov-23	20	4.13	4.13	4.08
PIBB T2 SubSukuk Murabahah 4.650% 03.08.2027	AA1	4.650%	03-Aug-27	30	4.5	4.514	4.5
YTL POWER MTN 3653D 24.8.2028	AA1	4.990%	24-Aug-28	25	4.903	4.912	4.903
RP II IMTN 5.550% 17.06.2021	AA IS	5.550%	17-Jun-21	20	4.665	4.673	4.665
RP II IMTN 5.700% 17.06.2022	AA IS	5.700%	17-Jun-22	10	4.738	4.744	4.738
CIMBBANK 6.70% 07.10.2038	AA	6.700%	07-Oct-38	20	4.502	4.559	4.502
JEP IMTN 5.080% 03.12.2021 - Tranche 2	AA- IS	5.080%	03-Dec-21	10	4.466	4.483	4.466
GAMUDA IMTN 4.785% 16.03.2023	AA3	4.785%	16-Mar-23	15	4.698	4.703	4.698
SPRE IMTN 4.950% 17.07.2023	AA3	4.950%	17-Jul-23	20	4.758	4.77	4.758
IJM IMTN 4.600% 17.10.2024	AA3	4.600%	17-Oct-24	10	4.648	4.652	4.648
JEP IMTN 5.520% 04.06.2026 - Tranche 11	AA- IS	5.520%	04-Jun-26	20	4.698	4.701	4.698
SPRE IMTN 5.220% 16.07.2027	AA3	5.220%	16-Jul-27	20	4.97	4.991	4.97
JEP IMTN 5.650% 02.06.2028 - Tranche 15	AA- IS	5.650%	02-Jun-28	5	4.792	4.792	4.792
IJM IMTN 5.050% 18.08.2028	AA3	5.050%	18-Aug-28	20	4.937	4.937	4.934
JEP IMTN 5.740% 04.06.2029 - Tranche 17	AA- IS	5.740%	04-Jun-29	25	4.837	4.842	4.837
JEP IMTN 5.770% 04.12.2029 - Tranche 18	AA- IS	5.770%	04-Dec-29	80	4.839	4.853	4.839
JEP IMTN 5.790% 04.06.2030 - Tranche 19	AA- IS	5.790%	04-Jun-30	80	4.849	4.863	4.839
SPG IMTN 5.250% 30.04.2031	AA- IS	5.250%	30-Apr-31	10	4.871	4.871	4.869
JEP IMTN 5.850% 04.06.2031 - Tranche 21	AA- IS	5.850%	04-Jun-31	60	4.909	4.933	4.909
JEP IMTN 6.280% 03.12.2032 - Tranche 24	AA- IS	6.280%	03-Dec-32	80	5.008	5.011	5.008
SPRE IMTN 4.950% 17.07.2023	AA3	4.950%	17-Jul-23	20	4.758	4.77	4.758

Total**1,143**

Sources: BPAM

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