Macro | FX Research & Strategy

Global

Oct 22, 2021

Maybank

FX Weekly

Economic Optimism is Key in the Face of Rising Yield and Energy Prices

The Week Ahead

- **Dollar Index** - **Fade.** Support at 92.60; Resistance at 94.50
- **USD/SGD - Consolidate.** Support at 1.3380; Resistance at 1.3510
- **USD/MYR - 2-Way Trades.** Support at 4.1300; Resistance at 4.1800
- **AUD/SGD - Buy Dips.** Support at 1.0020; Resistance at 1.0210
- **SGD/MYR - Sell Rallies.** Support at 3.0720; Resistance at 3.0960

Aggressive Normalization Expectations May Be Uncalled For

USD slipped this week but decline was shallow. USD found support as markets priced in an earlier than expected Fed rate hike. 30D fed fund futures now implied a 30% probability of Fed raising rate to 0.25% in Jun-2022 and 63% probability of Fed fund rate at 0.61%. This is akin to 2 hikes in 2022 instead of just 1 hike earlier anticipated. Market's pre-emptive move to price in more aggressive pace of normalisation may well lend USD some support, especially in the lead-up to 3rd Nov FoMC but we doubt the Fed will alter normalisation stance. Fed tapering schedule (to begin in Nov or Dec) and Fed's messaging for lift-off sometime late next year should still remain the base case. Hence the run-up in USD (if any) may well be a buy on rumor, sell on fact (on FoMC). Potential unwinding of stretched USD long position may exacerbate the downside then. In the meantime, against a backdrop of rising yields and energy prices, growth momentum/economic optimism is crucial for risk assets/ proxys to benefit. If this is absent, those FX that are of net-energy importer and sensitive to rising yields would be more exposed to downward pressures. These include KRW, TWD and INR. Today's prelim PMIs will offer some insights on whether growth momentum stays intact. In addition, we also keep a lookout on recent covid resurgence happening in some parts of the world including UK, East Europe and even Melbourne. Lockdowns in response can undermine sentiment. For USDSGD, 1.3410 support may hold for now as we look for 1.3410 - 1.3510 range while we look for USDMYR to consolidate in 4.13 - 4.18 range.

ECB Non-Event; Watch Lagarde Press Conference

Upcoming ECB meeting on Thu is likely to be a non-event. We keep a lookout on Lagarde's press conference post-decision on how she may respond to markets' expectation for ECB to hike rates (~30bps) in 2023. An overwhelming dovish rebuke could further weigh on EUR. There maybe some focus on how ECB plans to phase out PEPP when the program expires in Mar-2022. But the ECB has already indicated that more details will be unveiled at the Dec-2021 meeting. Our take is that bond purchases is not likely to end for ECB even with expiry of PEPP and potentially, existing APP may take on more significant role and be expanded to ensure no sudden fallout in financial conditions. Pace of bond purchases in 2022 could be smaller than the current pace of combined bond purchases in PEPP and APP schemes, giving improvements and upgrades to growth and inflation outlook. Potentially there may be a name change for APP but in essence, it is still an asset purchase program with some flexibility.

US, EU GDPs; US, EU, SG CPIs; China PMI Next Week

Week ahead brings German IFO; US CFNAI; SG CPI on Mon. For Tue, BoJ MPC; US consumer confidence; SG IP. For Wed, BoC MPC; AU CPI; US durable goods. For Thu, ECB; US GDP; Malaysia trade. For Fri, US core PCE; EU GDP, CPI estimate; AU retail sales, PPI. Next Sun, China PMIs.

Analysts

Saktiandi Supaat
(65) 6320 1379
saktiandi@maybank.com.sg

Christopher Wong
(65) 6320 1347
wongkl@maybank.com.sg

Fiona Lim
(65) 6320 1374
fionalim@maybank.com.sg

Tan Yanxi
(65) 6320 1378
tanyx@maybank.com.sg

Our in-house model implies that S$NEER is trading at +1.3% to the implied midpoint of 1.3624, suggesting that it is firmer vs. other trading partner currencies.

Bloomberg FX Ranking

1Q 2021
No. 2 for SGD, CNH
No. 3 for NZD, THB
No. 5 for AUD

2Q 2021
No. 2 for CNH
No. 3 for TWD, SGD, CAD
No. 5 for CNY
No. 10 for GBP

3Q 2021
No. 1 for VND
No. 3 for TWD

SEE PAGE 9 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

Currency	Direction	Support/Resistance	Key Data and Events
Dollar Index	→	**S: 92.60; R: 94.50**	**Mon:** Dallas Fed mfg activity (Oct); CFNAI (Sep); **Tue:** New home sales (Sep); Richmond Fed mfg index, Conf Board consumer confidence (Oct); **Wed:** Durable goods (Sep P); **Thu:** GDP (3Q); Pending home sales (Sep); Kansas City fed mfg index (Oct) **Fri:** Chicago PMI, Uni of Michigan sentiment (Oct); Personal income, spending Core PCE (Sep)
EURUSD	→	**S: 1.1570; R: 1.1810**	**Mon:** German IFO expectations (Oct) **Tue:** - Nil - **Wed:** German consumer confidence (Nov); **Thu:** Consumer confidence (Oct); ECB policy decision; Lagarde press conference; **Fri:** CPI estimate (Oct); GDP (3Q)
AUDUSD	→	**S: 0.7320; R: 0.7590**	**Mon:** - Nil - **Tue:** - Nil - Wed: CPI (3Q); **Thu:** Import, export prices (3Q) **Fri:** Retail sales, PPI (3Q)
NZDUSD	→	**S: 0.7060; R: 0.7320**	**Mon:** - Nil - **Tue:** - Nil - Wed: Trade (Sep); Activity outlook, business confidence (Oct); **Thu:** - Nil - **Fri:** Consumer confidence (Oct)
GBPUSD	→	**S: 1.3570; R: 1.3850**	**Mon:** - Nil - **Tue:** CBI reported sales (Oct); **Wed:** - Nil - **Thu:** - Nil - **Fri:** M4 (Sep)
USDJPY	→	**S: 112.00; R: 115.00**	**Mon:** Coincident index, leading index (Aug); **Tue:** PPI services (Sep) **Wed:** - Nil - **Thu:** Retail sales (Sep); BoJ MPC; **Fri:** Industrial production, housing starts, jobless rate (Sep); consumer confidence (Oct)
USDCNH	→	**S: 6.3500; R: 6.4400**	**Mon:** - Nil - **Tue:** - Nil - **Wed:** Industrial profits (Sep); **Thu:** - Nil - **Fri:** - Nil - **Sun:** NBS PMIs
USDSGD	→	**S: 1.3410; R: 1.3510**	**Mon:** CPI (Sep); **Tue:** Industrial production (Sep); **Wed:** - Nil - **Thu:** - Nil - **Fri:** Money supply (Sep)
USDMYR	→	**S: 4.1300; R: 4.1800**	**Mon:** FX Reserves (Oct); **Tue:** - Nil - **Wed:** - Nil - **Thu:** Trade (Sep) **Fri:** - Nil -
USDPHP	→	**S: 50.40; R: 51.20**	**Mon:** - Nil - **Tue:** - Nil - **Wed:** - Nil - **Thu:** - Nil - **Fri:** - Nil -
USDIDR	→	**S: 14,050; R: 14,280**	**Mon:** - Nil - **Tue:** - Nil - **Wed:** - Nil - **Thu:** - Nil - **Fri:** - Nil -

Sources: Bloomberg, Maybank FX Research & Strategy

Selected G7 FX Views

Currency	*Stories of the Week*
DXY Index	***Cautious of Pre-emptive Expectations for Aggressive Normalisation***. USD slipped this week but decline was shallow. USD found support as markets priced in an earlier than expected Fed rate hike. 30D fed fund futures now implied a 30% probability of Fed raising rate to 0.25% in Jun-2022 and 63% probability of Fed fund rate at 0.61%. This is akin to 2 hikes in 2022 instead of just 1 hike earlier anticipated. A more aggressive pricing of Fed's path of normalisation came amid concerns of inflation lasting longer. UST yields rose sharply this week, with 10y briefly touching a high of 1.7%, from 1.51% (last Fri). Most non-USD FX partially retraced their early week's gains. Focus today on prelim PMIs and Fed Chair Powell's participation as panelist at event hosted by South African Reserve Bank on post-covid monetary and financial stability challenges. Market's pre-emptive move to price in more aggressive pace of normalisation may well lend USD some support, especially in the lead-up to 3rd Nov FoMC but we doubt the Fed will alter normalisation stance. Fed tapering schedule (to begin in Nov or Dec) and Fed's messaging for lift-off sometime late next year should still remain the base case. Hence the run-up in USD (if any) may well be a buy on rumor, sell on fact (on FoMC). Potential unwinding of stretched USD long position may exacerbate the downside then. In the meantime, against a backdrop of rising yields and energy prices, growth momentum/economic optimism is crucial for risk assets/ proxys to benefit. If this is absent, those FX that are of net-energy importer and sensitive to rising yields could be more exposed to downward pressures. These include KRW, TWD and INR. Today's prelim PMIs will offer some insights on whether growth momentum stays intact. In addition, we also keep a lookout on recent covid resurgence happening in some parts of the world including UK, East Europe and even Melbourne. So far Latvia has moved to lockdown phase this week in attempt to curb the spread of covid and it remains to be seen if more countries will follow suit. A lockdown will dampen sentiment. That said East Europe is one of the regions that has lower vaccination rate so further lockdowns there is not unexpected (Estonia already indicated it might follow). UK on the other hand, indicated that see no need for new restrictions in light of recent resurgence but they may activate "plan B", which would include mask mandates, WFH and vaccine passports. So risk factors in the near term, we watch prelim PMIs as a gauge for growth momentum and whether more countries move into lockdowns. DXY was last at 93.77 levels. Daily momentum is bearish while RSI is flat. Bearish divergence on weekly MACD is playing out. We stick to our bias looking for pullback but caution that pullback might well be shallow. Support here at 93.25/40 (50 DMA, 23.6% fibo retracement of May low to Oct high) and 92.60/70 (100DMA, 38.2% fibo). Resistance at 93.80/94.00 levels (neckline, 21 DMA), 94.50 (double-top). *Next week brings Dallas Fed mfg activity (Oct); CFNAI (Sep) on Mon; New home sales (Sep); Richmond Fed mfg index, Conf Board consumer confidence (Oct) on Tue; Durable goods (Sep P) on Wed; GDP (3Q); Pending home sales (Sep); Kansas City fed mfg index (Oct) on Thu; Chicago PMI, Uni of Michigan sentiment (Oct); Personal income, spending Core PCE (Sep) on Fri.*
EUR/USD	***ECB in Focus Next Thu***. We expect a non-event risk and look for ECB to retain its dovish bias and to keep key policy parameters including policy rate and pace of PEPP purchases on hold as it seeks to prevent any unnecessary tightening in financial conditions and to support economic recovery momentum. We will also keep a lookout on Lagarde's press conference on how she may respond to markets' expectation for ECB to hike rates (~30bps) in 2023. An overwhelming dovish rebuke could further weigh on EUR. ECB has indicated at the last meeting in Sep that more details on PEPP will be unveiled only at the 16th Dec meeting. Market chatters that an abrupt end to PEPP (originally intended for Mar-2022 expiry) is probably unlikely as financial conditions could be impacted. Instead ECB could potentially increase existing APP buying pace (currently at EUR20bn per month) while winding down the PEPP (which was supposed to be an emergency tool in light of pandemic). On net, we believe that bond purchases is not likely to end for ECB even with expiry of PEPP come Mar-2022 and potentially, APP may take on more significant role and be expanded to ensure no sudden fallout in financial conditions. However the pace of bond purchases in 2022 should be smaller than the current pace of combined bond purchases in PEPP and APP schemes, giving improvements and upgrades to growth and inflation outlook. Potentially there may be a name change for APP but in essence, it is still an asset purchase program with some flexibility. That said we reiterate that ECB may be underestimating inflationary pressures. Higher energy, oil prices

have caused a pronounced pick-up in Euro-area CPI (nearly half of the recent surge in headline CPI to 3.4% was contributed by energy prices) and there is still no signs of it abating. Sustained uptick in energy prices should pose upside risks to ECB's inflation projections and policymakers may well be forced to normalise earlier than expected. Or ECB may risk a sharper upward adjustment thereafter.

EUR extended its gains modestly this week, in line with our tactical call looking for rebound. Pair was last seen at 1.1625 levels. Daily momentum is mild bullish but rise in RSI slows. Potential bullish divergence on MACD remains intact. Still look to buy but on pullbacks. Support at 1.1610 (21DMA), 1.1560 levels, 1.1490 (50% fibo retracement of 2020 low to 2021 high). Resistance at 1.1670 (previous neckline support), 1.1720 (50 DMA) and 1.1810 (100DMA).

Next week brings German IFO expectations (Oct) on Mon; German consumer confidence (Nov) on Wed; Consumer confidence (Oct); ECB policy decision; Lagarde press conference on Thu; CPI estimate (Oct); GDP (3Q) on Fri.

GBP/USD ***Near Term BoE Tightening Priced***. GBP traded higher this week but gains were partially unwound after CPI missed expectations (3.1% vs. 3.2% expected, prior) and USD bounced. This week, BoE Chief Economist Huw Pill told FT that 4 Nov rate setting decision is "live" as officials will debate whether to raise rates. He added that debate is "finely balanced". Inflation could exceed 5% but likely to fall in 2H 2022 but the surge in inflation is "uncomfortable". We think baby steps for 15bps hike at Nov is not unlikely. But the near term rate hike expectations may already have been priced. Focus on the forward guidance beyond end-2021. A more hawkish guidance could reignite GBP bulls but short of hawkish BoE may see GBP reverse gains. We also keep a look out on recent covid resurgence in UK (daily cases rose to 50k) if it would trigger tighter restrictions. For now, Business Secretary Kwarteng said that the government doesn't want to impose new restrictions or lock down the economy again. Health Minister Javid confirmed no need for new covid restrictions yet but will warn activating "plan B" which would include mask mandates, WFH and vaccine passports.

Pair was last at 1.3795 levels. Daily momentum is bullish but RSI shows signs of easing. Likely to see more 2-way risks from here. Next resistance at 1.3850 (200 DMA), 1.3910 levels. Support at 1.3730 (50 DMA) and 1.3650 (21DMA).

Largely quiet on data docket with no tier-1 data scheduled for release.

USD/JPY ***Pullback May Happen; Buy Dips Then***. Widening UST-JGB yield differentials (+56bps vs. 39bps at start of month) continued to underpin USDJPY's rise. Pair was last seen at 114 levels. Bullish momentum on daily chart intact but RSI shows tentative signs of turning from near overbought conditions. Bullish bias intact but we think a tactical pullback lower is not ruled out. Support at 112.60 (21 DMA), 112 and 110.90 (50 DMA). Immediate resistance at 114.50 levels (76.4% fibo retracement of 2017 high to 2020 low) before 118.60 (2017 high). Respect the pullback as we look to buy dips (unless rise in energy prices and UST yields reversed).

Next week brings Coincident index, leading index (Aug) on Mon; PPI services (Sep) on Tue; Retail sales (Sep); BoJ MPC on Thu; Industrial production, housing starts, jobless rate (Sep); consumer confidence (Oct) on Fri.

AUD/USD ***CPI, PPI, Retail Sales in Focus Next Week***. AUD traded higher for the week. Pair was last seen at 0.75 levels. Daily momentum is bullish but RSI shows signs of falling from overbought conditions. Pullback lower not ruled out. Support at 0.74 (100 DMA), 0.7320/40 levels (21, 50 DMAs). Buy dips favoured. Resistance at 0.7570/90 (200 DMA, 61.8% fibo retracement of May high to Aug low) before 0.7710 (76.4% fibo).

Next week brings CPI (3Q) on Wed; Import, export prices (3Q) on Thu; Retail sales, PPI (3Q) on Fri.

NZD/USD ***Buy Dips***. NZD rose this week as much higher than expected 3Q CPI fuelled expectations for quicker pace of RBNZ tightening. NZ inflation rose to a 10-year high of 4.9% in 3Q, much higher than the 4.2% forecast and way outside RBNZ's 1% - 3% target range. The rise was broad based, with food, housing, and transport-related costs still the main drivers of price increases. NZD rose; last at 0.7185 levels. Daily momentum is bullish but RSI fell from overbought conditions. Pace of NZD gains may moderate as we look for dips to buy into. Support at 0.0.71/0.7120 (61.8% fibo retracement of May high to Aug low, 200 DMA), 0.7060 (50% fibo). Resistance at 0.7220, 0.7250 and 0.7320 levels (May high).

Next week brings Trade (Sep); Activity outlook, business confidence (Oct) on Wed; Consumer confidence on Fri.

Technical View: MYR Crosses

MYR Crosses	Direction	Support/Resistance	Stories of the Week
SGD/MYR	→	S: 3.0720; R:3.1100	**Lean against Strength.** SGDMYR rebounded this week amid SGD outperformance, especially post-MAS policy to tighten. Cross was last at 3.0890 levels. Bullish momentum on daily chart intact but RSI shows signs of turning lower. Double bearish cross overs observed: 21DMA cutting 200DMA and 50DMA cutting 100DMA to the downside. Rally so far may pause in the interim and this is consistent with our bias to sell rallies. Support at 3.0840 (50% fibo retracement of Mar low to 2021 double-top, 200 DMA), 3.0720 (61.8% fibo). Resistance at 3.0960 (38.2% fibo), 3.1050 and 3.1110 (23.6% fibo).
AUD/MYR	→	S: 3.0900; R: 3.1500	**Not Ruling Out Pullback Risks.** AUDMYR continued to punch its way higher this week, in line with our call for *rebound underway*. Move higher came amid AUD outperformance. Cross was last seen at 3.1130 levels. Daily momentum is bullish while RSI is rising towards near overbought conditions. Bias still to the upside but risk of slowing pace of gains, with RSI nearing overbought levels. Resistance at 3.13 (200 DMA), 3.1460 (61.8% fibo retracement of May high to Sep low) and 3.18 (76.4% fibo). Support at 3.0950 (100 DMA), 3.0920 (38.2% fibo).
EUR/MYR	→	S: 4.8200; R: 4.9100	**Break Above 21DMA Opens Room for Further Gains.** EURMYR rose this week, in line with our caution for risk of snapback given RSI at oversold conditions. Cross was last at 4.8410 levels. Daily momentum turned bullish while RSi is rising. Potential falling wedge (bullish reversal) could be in play. Risks still to the upside. Immediate resistance at 4.8510 (21 DMA), 4.8680 (23.6% fibo retracement of 2021 high to low) and 4.9090 (50DMA, 38.2% fibo). Support at 4.82, 4.80 and 4.7770.
GBP/MYR	→	S: 5.6900; R: 5.77 n00	**Rebound Momentum May Fizzle Interim.** GBPMYR further rebounded this week, in line with our call in the last FX Weekly that *rebound risks intact*. Cross was last seen at 5.7340 levels. Daily momentum is bullish while rise in RSI shows signs of slowing. Gains may pause in the interim. Resistance at 5.7680 (50% fibo retracement of 2021 high to Oct low), 5.8040 (61.8% fibo). Support at 5.6940 (21 DMA). Support at 5.6900/40 levels (23.6% fibo, 21 DMA).
JPY/MYR	→	S: 3.6250; R: 3.7500	**Rebound Risk.** JPYMYR consolidated this week after sharp decline since mid-Sep. Move lower was in line with our call in the last FX Weekly for temporary pause in decline. Cross was last seen at 3.6550 levels. Bearish momentum on daily chart intact but there are signs of it fading while RSI is showing signs of turning higher from near oversold conditions. Technicals still argue for some rebound risks ahead. Resistance at 3.72, 3.75 levels. Support at 3.67, 3.65 and 3.6250 levels.

Technical Chart Picks:

USDSGD Daily Chart - Looking for Extended Pullback

Decline in USDSGD in Oct appeared to have been stopped in its track. Pair was last seen at 1.3470 levels.

Daily momentum is mild bearish while RSI shows signs of turnaround higher from near oversold conditions. Signs of rebound play could be emerging.

Resistance at 1.35 (38.2% fibo), 1.3570 (23.6% fibo) and 1.3620 (falling trend-line resistance).

Key support at 1.3440 (50% fibo retracement of Jun low to Jul high), 1.3410 (200 DMA) before 1.3380 (61.8% fibo).

We look for 1.3410 – 1.3510 range within wider perimeters of 1.3380 – 1.3570.

USDMYR Daily Chart - 2-Way Trade

USDMYR consolidated this week. Last seen at 4.1580 levels.

Daily momentum and RSI indicators are not showing a clear bias for now. We stick to our earlier bias that pace of decline is likely to slow as we look for 2-way trade.

Support at 4.15, 4.12 levels.

Resistance at 4.1770 levels (21, 50 DMAs), 4.1860 (23.6% fibo retracement of 2021 low to high), 4.1910 (50DMA).

Note: blue line - 21SMA; red line - 50 SMA; green line - 100 SMA; yellow line - 200 SMA

AUDSGD Daily Chart: Respect Pullback Risks; Buy Dips Preferred

AUDSGD remained better bid amid AUD outperformance. Cross was last seen at 1.0065 levels.

Daily momentum is bullish but RSI is showing signs of turning lower from overbought conditions. Pullback lower in near term not ruled out. Support at 1.0020 (23.6% fibo), 0.9950 (38.2% fibo). Favor buying the cross on dips.

Resistance at 1.0130, 1.0210 levels.

SGDMYR Daily Chart: Lean against Strength

SGDMYR rebounded this week amid SGD outperformance, especially post-MAS policy to tighten. Cross was last at 3.0890 levels. Bullish momentum on daily chart intact but RSI shows signs of turning lower. Double bearish cross overs observed: 21DMA cutting 200DMA and 50DMA cutting 100DMA to the downside. Rally so far may pause in the interim and remains consistent with our bias to sell rallies.

Support at 3.0840 (50% fibo retracement of Mar low to 2021 double-top, 200 DMA), 3.0720 (61.8% fibo). Resistance at 3.0960 (38.2% fibo), 3.1050 and 3.1110 (23.6% fibo).).

DISCLAIMER

Published by:

Malayan Banking Berhad
(Incorporated in Malaysia)

Saktiandi Supaat	Christopher Wong	Fiona Lim	Yanxi Tan
Head, FX Research	Senior FX Strategist	Senior FX Strategist	FX Strategist
saktiandi@maybank.com.sg	wongkl@maybank.com.sg	Fionalim@maybank.com.sg	tanyx@maybank.com.sg
(+65) 63201379	(+65) 63201347	(+65) 63201374	(+65) 63201378

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MBKET Institutional and Retail Research departments may differ in either recommendation or target price, or both. MBKET reserves the rights to disseminate MBKET Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MBKET Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Kim Eng Securities ("PTMKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA – Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 22 October 2021, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 22 October 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 22 October 2021, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.