

Global Markets Daily

US Equity Rebound; Asian Risk Sentiments Mixed

Buy-on-Dip in US Equities; AxJ FX Sentiments Still Soft

Strong buy-on-dip action was seen in US equity markets overnight, helping to pare losses seen at the start of the week. But while the pace of losses in AxJ FX seems to be moderating, most regional currencies remain near interim lows versus the dollar. Recent spate of contagion spikes and accompanying curbs in regional economies have notably weighed on sentiments. In particular, SGD NEER dipped below estimated policy mid-point this morning, alongside another bout of tightening in Covid measures from 22 Jul to 18 Aug (back to phase 2 heightened alert).

BI to Stand Pat Tomorrow

We expect BI to stand pat on Thurs. It remains way too early to consider policy normalization. Inflation is still subdued—June CPI at 1.33%/y, vs. BI target range of 2-4%. Although the domestic Contagion profile shows tentative signs of easing (34k new cases on 19 Jul vs. interim high of 57k on 15 Jul), it remains elevated vs. the 5-6k lows seen in early 2Q. Recovery prospects have also dampened alongside new Covid curbs in Java and Bali. On the other hand, policy rate cuts are also less desirable at this point, given potential negative spillovers to IDR. We note that portfolio flows turned cautious in Jul, with modest outflows seen in sovereign bond markets in the recent two weeks.

Data-light Day, Watch for AU, NZ Retail Indicators

Key data of interest today include AU Retail sales, Westpac Leading index, NZ Credit card spending, UK Public finances, Japan Trade.

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1781	↓ -0.16	USD/SGD	1.3654	↑ 0.14
GBP/USD	1.3628	↓ -0.34	EUR/SGD	1.6087	↓ -0.01
AUD/USD	0.733	↓ -0.19	JPY/SGD	1.2429	↓ -0.23
NZD/USD	0.6918	↓ -0.37	GBP/SGD	1.8605	↓ -0.23
USD/JPY	109.85	↑ 0.36	AUD/SGD	1.0009	↓ -0.06
EUR/JPY	129.42	↑ 0.23	NZD/SGD	0.9446	↓ -0.22
USD/CHF	0.9217	↑ 0.46	CHF/SGD	1.4822	↓ -0.21
USD/CAD	1.2682	↓ -0.53	CAD/SGD	1.0769	↑ 0.68
USD/MYR	4.2253	⇒ 0.00	SGD/MYR	3.0972	↓ -0.22
USD/THB	32.81	↓ -0.15	SGD/IDR	10616.84	↓ -0.48
USD/IDR	14518	⇒ 0.00	SGD/PHP	37.0458	⇒ 0.00
USD/PHP	50.343	⇒ 0.00	SGD/CNY	4.7401	↓ -0.44

Implied USD/SGD Estimates at 21 July 2021, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3374	1.3647	1.3919

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G7: Events & Market Closure

Date	Ctry	Event
22 Jul	EU	ECB Policy Decision

Asia Ex JP: Events & Market Closure

Date	Ctry	Event
20 Jul	ID, MY, PH, SG	Market Closure
21 Jul	IN	Market Closure
22 Jul	ID	BI Policy Decision

G7 Currencies

■ **DXY Index - Supported on Risk Aversion.** Dollar was mixed overnight with losses seen vs. CAD (no signs of covid resurgence while pace of vaccination outpaced US) but gains seen against more currencies including JPY, CHF, GBP, etc. Overall sentiment remains cautious amid rampant delta variant spread globally. Daily infection continues to rise globally with 7d average rising above 520k and in this part of the world, better contained countries including Singapore, S. Korea, Australia continue to see new and growing clusters with daily infection picking up pace. We reiterate that caution remains warranted as covid case load remains elevated for many countries including UK, Spain and even for the region including Indonesia, Malaysia, S. Korea, Singapore, etc. Worries of another pandemic wave in some countries may see tighter restrictions last longer and this could see covid fatigue dampening sentiment and growth recovery momentum. For now, USD could draw support from lingering cautious sentiment. Moving away from covid, the Washington Post reported that President Biden said Fed “should take whatever steps it deems necessary to support a strong, durable economic recovery”. It also reported that the White House and leaders at the Fed share the view that inflation is a feature of an economy clawing back from the pandemic recession. DXY was last seen at 93 levels. Daily momentum and RSI are still not indicating a clear bias. 2-way trade likely. Resistance at 93.2 and 93.5 levels. Support at 92.40 (21 DMA), 91.95 levels (61.8% fibo retracement of Mar high to May low), 91.50 levels (100, 200DMAs, 50% fibo). Week remaining brings CFNAI, Existing home sales (Jun); Kansas City Fed mfg activity (Jul) on Thu; Prelim PMIs (Jul P) on Fri.

■ **EURUSD - Near Term Risks Skewed to Downside.** EUR drifted lower amid cautious risk sentiment (due to rising covid spread globally and in Europe) as well as expectations for a dovish ECB tomorrow. Floods in West Germany, Belgium and Netherlands should see negative ramification on economy but it remains too early to estimate the costs. More likely the flooding incident may somewhat affect Germany’s political landscape as the country has federal elections in 2 months’ time and the Greens party could swing it to their advantage riding on climate change (and this would affect Merkel’s party). Pair was last seen at 1.1780 levels. Daily momentum and RSI are not indicating a clear bias for now. Potential falling wedge pattern could be in the making. This is typically a bullish reversal but one can argue that the apex is still far away and there could still be room for downside before the turn. In addition death cross formed with 50DMA cutting 200DMA to the downside. Risks skewed to the downside. Support at 1.1760 and 1.1705/15 levels. Resistance at 1.1840 (76.4% fibo retracement of Mar low to May high, 21 DMA), 1.1920/30 (61.8% fibo), 1.1980/1.20 levels (50, 100, 200 DMAs, 50% fibo). Week remaining brings ECB Governing Council; Consumer confidence (Jul) on Thu; Prelim PMIs (Jul) on Fri. Upcoming ECB Governing Council meeting tomorrow is of interest. Lagarde had indicated that the meeting was previously expected to be relatively uneventful - will now have “some interesting variations and changes” as new guidance on monetary stimulus will be revealed.

She emphasized that PEPP will run at least until Mar 2022, and this could then be followed by a “transition into a new format”. Some analysts are expecting a more dovish stance but we think otherwise. We noted she stressed on a few points (in her recent Bloomberg interview) including (1) “being very flexible and not start creating the anticipation that the exit is in the next few weeks”; (2) “guardedly optimistic” about recovery because delta variant pose threat to efforts to resume normal life; (3) higher inflation is expected to be temporary; (4) “the acceptance and the tolerance” that a transitory and moderate inflation overshoot may be needed as part of commitment to restore price stability. On net, we opined that Lagarde may attempt to manage market expectations that the end of PEPP (Mar-2022) does not necessitate policy tightening as policymakers seek to avert any unnecessary tightening of financial conditions. Hence the “transition into a new format” could be an open-ended type of QE in which ECB retains the flexibility and optionality to deploy when needed to support Euro-area economy and financial conditions. To some extent, we may be slightly tilted towards ECB phasing in a gentler path of exit from stimulus, with conditions but not in a big bang way. Bias remains to buy EUR on dips.

- **GBPUSD - Oversold RSI.** GBP continued to trade lower as survey suggests slowdown in growth momentum while elevated covid caseloads and rising death toll (highest level since Mar-2021) undermined sentiment. Wide spread of delta strain in UK and globally, with transmissibility of around 6 remains a concern as UK economy fully reopened (as of 19th Jul). Near term, covid concerns should continue to weigh on GBP. Pair was last seen 1.3620 levels. Daily momentum turned bearish while RSI fell into oversold conditions. Risks skewed to the downside but oversold RSI may hint at slower pace of decline. We watch price action as we are turning a bit cautious after GBP plunged and closed below 200DMA. Next support at 1.3570 (23.6% fibo retracement of 2020 low to 2021 double top). If this goes, then more downside towards 1.34, 1.32 levels cannot be ruled out. Resistance at 1.3706 (200 DMA), 1.3815 (21 DMA). Week remaining brings Public Finances (Jun) on Wed; CBI Trends Selling Prices (Jul) on Thu; Retail sales (Jun); Prelim PMIs (Jul) on Fri.
- **USDJPY - Larger Two-way Swings.** Pair last seen at 109.90, continuing to see large two-way swings over the past two days, alongside fluctuations in UST yields. USDJPY pair had touched interim low near 109.10 on Mon evening, before paring most losses over the course of Tues. Shifts in haven asset demand seems to be the key driver for USDJPY recently. Any jitters in broader equity markets could drag the USDJPY lower (JPY demand; treasury demand induces US yield declines), and vice versa. More volatility from risk assets could be expected as broader Delta variant concerns battle with markets’ buy-on-dips instincts. Bearish momentum on daily chart is intact, while RSI is not showing a clear bias. Immediate support at 109.90 (50-DMA), before next at 109.10, 108.30 (23.6% fibo retracement of Mar high to Apr low). Resistance at 110.45 (21-DMA), 111, 112 (Mar high). CPI for Jun came in on par with

expectations at 0.2%/y. Trade surplus for June improved to JPY383bn vs. deficit of -JPY189bn prior, but was modestly below expectations for JPY460bn.

- **NZDUSD - Consolidate Near the Lows.** NZD continued to trade with a heavy bias amid lingering cautious mood owing to global delta variant spread. Pair was last seen at 0.6915 levels. Bullish momentum on daily chart faded but RSI is falling. Support at 0.69, 0.6880. Resistance at 0.6990 (21 DMA), 0.7050. Intra-day look for 0.6890 - 0.6970 range.
- **AUDUSD - Falling Knife.** AUDUSD touched a low of 0.7300 before rebounding to levels around 0.7335 as we write in Asia morning, lifted by the improved sentiment in overnight trades. However, gains are likely limited by the relentless spread of the Covid infections at home. Victoria just recorded 22 cases this morning and South Australia along with more regions of NSW just declared a 7-day snap lockdown. That brings almost half of Australia to a lockdown. A study by the University of Melbourne Populations Intervention Unit suggest that the Sydney lockdown may need to last until Sep to suppress case numbers. The most optimistic scenario is for target of <5 daily cases to be met as early as 26 Aug. Separately, the Minutes of the Jul meeting was released yesterday with observations of wage growth picking pace to pre-pandemic 2-2.5% as spare capacity in the labour market continues to decline while labour force participation continues to rise. Taken together, wage growth for the next two years is expected to be gradual. With regards to the monetary policy, the central bank decided on having the flexibility to increase or reduce weekly bond purchases in the future because of the “high degree of uncertainty about the economic outlook”. Back on the AUDUSD chart, falling wedge is still seen and should typically precede a rebound. Bullish divergence remains intact as well. Support is seen at 0.7280 before 0.7230. Key resistance at 0.7340, 0.7380 and then at 0.7476 (21-dma). Data-wise, Jun westpac leading index and retail sales (prelim.) are due on Wed, business confidence survey for 2Q due on Thu, Markit prelim. Mfg/Serv. PMI due on Fri.
- **USDCAD - Rising Wedge.** USDCAD was last seen around 1.2680, buoyed by a combination of rising USD and soft crude oil prices. CAD is showing a tad more resilience than other DM currencies vs. the USD as the Trudeau administration continues to ease restrictions, even opening up its borders to fully vaccinated Americans into the country on 9 Aug and the other international travellers a month later. This comes after Canada’s vaccination rate overtook the US’ and the former has enough vaccines in the country to inoculate everyone that is eligible by next week. As of today, the Deputy Chief Public Health Officer Dr, Howard Njoo said that 80% of eligible Canadians (12y and above) have been given at least a dose of vaccine and 57% of eligible people are fully vaccinated. Back on the USDCAD chart, USDCAD still forms a rising wedge with the recent sharp rally to a high of 1.2807. The 200-dma at 1.2621 could be a tentative support before the next at 1.2481. Bullish momentum is intact. This portends pullbacks even though bias remains skewed to the upside

for now. Recent high of 1.2807 has now become a resistance before the next at 1.2880 (61.8% fibo retracement of the Oct20-May21 fall). Week ahead has May retail sales on Fri.

Asia ex Japan Currencies

SGD trades around -0.12% from the implied mid-point of 1.3647 with the top estimated at 1.3374 and the floor at 1.3919.

- **USDSGD - Bullish But Overbought.** Last seen at 1.3660, almost 80pips above levels seen on Mon morning. Besides some strengthening in dollar DXY, another bout of tightening in Covid measures from 22 Jul to 18 Aug (back to phase 2 heightened alert) likely weighed on SGD sentiments as well. Dining-in will not be allowed, and group sizes for social gatherings will be reduced from 5 to 2 again, amongst other restrictions. Trade-weighted SGD NEER is now testing support near policy mid-point, compared to our post-Apr forecast range of +0.5% to +1.5% above policy mid-point, reflecting the unanticipated adverse turn in domestic pandemic conditions, and confusion regarding the official policy stance on tolerance for case spikes. On a brighter note, resilience in manufacturing and trade should continue to mitigate curb-induced drags on services sectors. Momentum on daily chart is modestly bullish, while RSI is in overbought conditions. Resistance at 1.3680, 1.3780. Support at 1.36, 1.3530 (Mar high), 1.3450 (76.4% fibo retracement from Mar high to Jun low). CPI due Fri.
- **AUDSGD - Capped.** Cross was last seen around 1.0016. The 21-dma at 1.0100 continues to cap bullish forays and this cross remains within the falling trend channel that started in May. Momentum on daily chart and stochastics are neutral at this point but price action is biased to the downside. Support levels at 1.0020 (being tested now) before the next at 0.9920.
- **SGDMYR - Consolidate.** SGDMYR was steady as MYR weakness met SGD weakness. Cross was last seen at 3.10 levels. Bullish momentum on daily chart shows tentative signs of fading while RSI is falling. Support at 3.0950 (21 DMA) and 3.0910 (100 DMA). Resistance at 3.1020 (50 DMA), 3.11 levels. 2-way trade within 3.0910 - 3.1060 range likely.
- **USDMYR - Bullish but Overbought.** USDMYR traded sharply higher after breaking out of its 4.20-figure resistance. Elevated case load (of above 12k cases daily) undermines sentiment. USDMYR was last seen at 4.2390 levels. Bullish momentum on weekly, daily chart intact while RSI is in overbought conditions on both weekly and daily charts. Bullish trend channel formed since start of the year remain intact with USDMYR now testing the upper bound. Risk remains skewed to the upside but the pace of upmove could moderate. Resistance here at 4.24 (upper bound of bullish trend channel). If broken, could risk a move towards 4.25, 4.2750 (61.8% fibo retracement of 2020 high to 2020 low). Support at 4.2220, 4.20 and 4.18 levels (21 DMA). This week brings CPI, FX reserves data on Fri.
- **1m USDKRW NDF - Sell Rallies.** 1m USDKRW remains better bid amid covid fears even as first 20days export data continued to come in on the strong side (+32.8% y/y vs. 29.5% prior). Pair was last seen at 1150. Mild bullish momentum on daily chart but RSI eased. Potential bearish divergence on daily MACD. Bias remains to fade upticks.

Resistance here at 1150, 1152 and 1162 levels. Support at 1142, 1139 (21 DMA).

- **USDCNH - Consolidative.** The pair hovered around 6.4845 this morning, softening as the USD performance becomes more nuanced across different FX categories. The USDCNY reference rate was fixed at 6.4835 vs. consensus estimate of 6.4831. USDCNH spot remains in tight swivels around the 6.47-figure. Support remains at 6.4640 (21-dma) before the next at 6.4360 (50-dma). A failure to break out of the 6.40-6.50 range has resulted in a consolidation within the range. LPRs were left unchanged yesterday, possibly stemming speculation that PBoC would want to start an easing cycle after the 50bps RRR cut which came into effect last week. We would have been surprised if the LPR rate deviates from the MLF and OMO rates, held constant since the RRR cut. After all, the PBoC had introduced the LPRs to improve the monetary policy transmission via the actions on policy rates of MLF and OMOs. Week ahead has SWIFT global payments for Jun on Thu, FX Net Settlement on behalf of Clients for Jun on Fri. In other news, 105 flights were cancelled and 151 more delayed at the Nanjing city airport as of 11pm Tue after nine workers were tested positive for COVID. Given the spread of the infections overseas, expect some close monitoring on infections at home too. However, China has so far been able to get outbreaks under control pretty quickly, resulting in a slight outperformance of the RMB on trade-weighted basis. Separately, President Xi said urged officials in Henan to step up disaster relief measures given the severe flooding situation. In other news, China Hainan will release its first negative list on cross-border service trade to allow for more investments by foreign firms in its service trade according to China Securities Journal. The Hainan province has recorded a trade deficit of CNY30.25bn with exports up 1.9%/y for 1H while imports were up 69.5%/y.
- **USDINR NDF - Consolidation.** The 1M NDF waffled around 74.80. The fall in the crude oil prices might have contributed to the stability of the USDINR, resulting in a reversal of the bullish candlestick seen on Mon. Resistance remains at 75.20, 75.55 and then at 76.00. Support at 74.70 (38.2% fibo retracement of the Feb-Apr rally) before 74.50 (21-dmaa) and then the next at 73.80 (50,100,200-dma). No tier one data due this week. At home, the government's fourth serosurvey result showed that 67.6% of Indians now have antibodies against COVID-19 (either via vaccination or infection). The government warned that one should not travel without being fully vaccinated. In fact, non-essential travels are discouraged and congregations are urged to be avoided. Separately, poor monsoon rain levels are now a threat to growth and inflation as the sowing of agricultural products such as rice, cotton and soybeans could be affected.
- **USDVND - Consolidative.** The pair closed 23017 on 20 Jul, unchanged from the day before. This pair remains largely within the 22900-23040 range as broader markets remain in consolidative state. Resistance at 23032 is marked by the 50-dma while 23004 at 21-dma could be an interim support. Covid cases at home remain a tad elevated with 7-day average still around 3931 as of 19 Jul with no signs of easing yet.

Vietnam remains a laggard in its vaccination drive with only 4.1% of its population getting its first dose with around 34K doses administered daily according to the Bloomberg Vaccine Tracker. In separate news, the US Treasury Department and the SBV had reached an agreement for Vietnam to allow more flexibility in its currency. The joint statement suggests a pledge by the local central bank to “improve exchange-rate flexibility over time, allowing the dong to move in line with the stage of development of the financial and foreign-exchange markets and with economic fundamentals, while maintaining macroeconomic and financial-market stability”.

- **1M USDIDR NDF - *Supported***. Last seen near 14,620, mildly higher than levels seen on Mon. Recent declines in UST yields have likely been exerting drags on the 1m NDF, mitigating upward pressures from modest dollar strengthening and dire pandemic conditions in Indonesia. But we note new bout of warnings from S&P and Moody’s on heightened credit risks, given the latest Covid surge, potential delays to the economic recovery and accompanying stresses on fiscal buffers. On net, market sentiments could still lean towards caution in the interim, and the 1m USDIDR NDF could remain supported. Momentum and RSI on daily chart are not showing a clear bias. Resistance at 14,740 (Mar high). Nearby support at 14,520-14,540, before 14,360 (200-DMA). We expect BI to stand pat on Thurs. It remains way too early to consider policy normalization. Inflation is still subdued—June CPI at 1.33%/y, vs. BI target range of 2-4%. Although the domestic Contagion profile shows tentative signs of easing (34k new cases on 19 Jul vs. interim high of 57k on 15 Jul), it remains elevated vs. the 5-6k lows seen in early 2Q. Recovery prospects have also dampened alongside new Covid curbs in Java and Bali. On the other hand, policy rate cuts are also less desirable at this point, given potential negative spillovers to IDR. We note that portfolio flows turned cautious in Jul, with modest outflows seen in sovereign bond markets in the recent two weeks.
- **USDTHB - *Bullish Momentum Moderating?*** Last seen at 32.83, slightly below levels seen on Mon morning. Focus likely remains on the domestic Covid situation, after authorities announced an expansion of Covid curbs on Sunday. New cases remain on an uptrend, with the reading on 19 Jul near the 12k mark. Authorities are rushing to secure new vaccine deals, including more Chinese-made vaccines, after Astra (seen as primary supplier for national rollout at one point) indicated its inability to meet targets. Bullish momentum on daily chart shows tentative signs of moderating, while RSI suggests severe overbought conditions. Up-moves could slow; chance to retrace lower if domestic case trajectory eases. Resistance at 33.20 (2020 high). Support at 32.00, before 31.70 (50-DMA). Customs trade due Fri.
- **1M USDPHP NDF - *Delta Variant Detected***. NDF last seen at 50.70, easing somewhat below the 51-handle pushing higher earlier in the week. Authorities retained the GDP growth target of 6-7% this year, given broadly contained Covid spread, and robust trade outturns. But we note a new key risk in the form of Delta variant spread. The country’s first locally transmitted cases of the Delta variant were recorded late last week. Pace of contagion in the next few weeks

requires close monitoring. Bullish momentum on daily chart shows signs of moderating while RSI remains near overbought conditions. Resistance at 50.85 (61.8% fibo retracement of 2020 high to 2021 low), 51.60 (76.4% fibo). Support at 50.00, 49.80 (21-DMA), 48.80 (50-DMA). Budget balance due Fri.

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 6/24	2.22	2.23	+1
5YR MO 9/25	2.49	2.50	+1
7YR MS 6/28	2.95	*2.97/94	Not traded
10YR MO 4/31	3.19	3.13	-6
15YR MS 5/35	3.74	3.70	-4
20YR MY 5/40	4.02	4.00	-2
30YR MZ 6/50	4.19	*4.19/15	Not traded
IRS			
6-months	1.93	1.93	-
9-months	1.94	1.94	-
1-year	1.95	1.94	-1
3-year	2.32	2.30	-2
5-year	2.58	2.54	-4
7-year	2.81	2.83	+2
10-year	3.05	3.03	-2

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Source: Maybank KE

*Indicative levels

- Local government bonds market was subdued before the Hari Raya Haji public holiday. Yields were mixed and the curves flattened. 10y MGS traded in large volumes due to foreign buying flows and rallied 6bps, and 15y and 20y MGS benchmarks traded firmer by 2-4bps. Short ends were weaker by 1bp. The moves were broadly in line with the continued rally in UST. Some locals took profit, but generally they remained on the sidelines.
- MYR IRS rates reversed last Friday's moves as a slew of offerors emerged in the afternoon as UST yields continue to fall. Short and intermediate tenor rates dipped 1-4bps, and both 3y and 5y IRS dealt lower at 2.30% and 2.55% respectively. Quotes on long tenor rates were scarce. 3M KLIBOR stood pat at 1.94%.
- PDS market was also subdued. GGs saw buying interest at the 10y point following the rally in MGS, with Prasarana 2031 trading 2bps firmer. AAAs saw light buying at the belly and 10y SEB 2031 rallied by 7bps. For AA credits, long end bonds traded unchanged and short end bonds 2bps firmer, such as Cypark Ref and Bumitama.

Singapore Rates and AxJ USD Credit

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.38	0.38	-
5YR	0.88	0.86	-2
10YR	1.46	1.43	-3
15YR	1.75	1.73	-2
20YR	1.81	1.79	-2
30YR	1.82	1.80	-2

Source: MAS (Bid Yields)

- SGD rates came under flattening pressure amid the risk-off sentiment in equity and FX markets. After a quiet morning, the move gained momentum when Europe markets opened and SGD IRS ended unchanged to 5bps lower. SGS yields lagged the decline slightly, down by 2-3bps.
- Asian credits softened as equities declined and UST continued to rally. Sovereign bonds broadly widened 1-4bps, offsetting some of the UST gains. But trading was light as market generally sidelined. Malaysia IG space saw bids widen 5bps in the PETMK curve as investors turned defensive. China and HK IGs drifted 1-2bps wider amid light selling into UST strength. Korea and Japan spaces were muted. Hys weakened alongside equity sentiment and prices were broadly 0.5-1.0pt lower, with most of the selling in China Hys.

Indonesia Fixed Income

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Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	3.42	3.62	0.20
3YR	4.47	4.46	(0.01)
5YR	5.33	5.29	(0.04)
10YR	6.37	6.32	(0.05)
15YR	6.38	6.38	(0.00)
20YR	7.11	7.11	(0.00)
30YR	6.89	6.90	0.01

* Source: Bloomberg, Maybank Indonesia

- Indonesian government bonds sustained their rally trends until the last Monday. Investors took momentum for collecting Indonesian government bonds that offering attractive yields amidst recent manageable position on Rupiah against US\$ at below 14,600. Recently, on the global side, investors also begin to see the latest surging cases of daily COVID-19 due to Delta Variant in several countries and regions, such as in the United Kingdom, South Korea, Japan, South Africa, Latin America, Southeast Asia, and several cities in the United States. If rapid contagion of Delta Variant can't be avoided in 2H21, it potentially weakens further prospect of global economic growth in 2021. We expect the global economic growth to reach around 3%-4% in 2021. So far, the economic recovery is running well until 1H21, before recent attacks of Variant Delta of COVID-19. This situation will give implication to further sustaining accommodative policies, from both monetary and fiscal sides. According to those conditions, we could see the market players to shift their investment appetite to the safe haven asset, such as the U.S. government bonds.
- Furthermore, we believe that the market players still have short term orientation on their investment position after watching recent results of Indonesian relative high record on daily cases of COVID-19. Indonesian government reported another high record of daily COVID-19 cases, although indicating to lower number than before. There were 38,325 confirmed cases in the 24 hours through midday Tuesday, with 1,280 people dying from the disease known as Covid-19. Furthermore, according to Bloomberg, the government extended emergency movement curbs for another week while setting out a plan to gradually ease the restrictions after seeing a decline in cases and hospital bed occupancy. The government is maintaining the current restrictions until 25 Jul-21. The curbs may be eased starting 26 Jul-21 if cases continue to fall, with some eateries and shops then allowed to stay open for longer, President Joko Widodo said in a speech on Tuesday.
- Today, the government is scheduled to hold its conventional bond auction by offering seven series, such as SPN03211021, SPN12220331, FR0090, FR0091, FR0088, FR0092, and FR0089. The government targets Rp33-49.5 trillion of investors' absorption funds from this auction. We believe investors, mostly local banks, to have strong interest to participate on this auction. FR0090, FR0091, and FR0092 will be most attractive series. Total investors' incoming bids are expected to reach above Rp60 trillion on today's auction.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1827	110.34	0.7386	1.3748	6.5047	0.6991	130.0600	81.0813
R1	1.1804	110.10	0.7358	1.3688	6.4965	0.6954	129.7400	80.8017
Current	1.1776	109.92	0.7322	1.3624	6.4825	0.6921	129.4500	80.4810
S1	1.1757	109.47	0.7301	1.3570	6.4805	0.6881	128.8500	80.0437
S2	1.1733	109.08	0.7272	1.3512	6.4727	0.6845	128.2800	79.5653
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3726	-	-	50.8977	32.9147	1.6161	0.6528	3.1026
R1	1.3690	-	-	50.6203	32.8623	1.6124	0.6523	3.0999
Current	1.3665	4.2380	14518	50.2900	32.8560	1.6091	0.6541	3.1016
S1	1.3621	-	-	50.3653	32.7683	1.6061	0.6512	3.0958
S2	1.3588	-	-	50.3877	32.7267	1.6035	0.6506	3.0944

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	0.4307	Oct-21	Neutral
BNM O/N Policy Rate	1.75	9/9/2021	Easing Bias
BI 7-Day Reverse Repo Rate	3.50	22/7/2021	Easing Bias
BOT 1-Day Repo	0.50	4/8/2021	Easing Bias
BSP O/N Reverse Repo	2.00	12/8/2021	Easing Bias
CBC Discount Rate	1.13	23/9/2021	Neutral
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Neutral
RBI Repo Rate	4.00	6/8/2021	Easing
BOK Base Rate	0.50	26/8/2021	Tightening Bias
Fed Funds Target Rate	0.25	29/7/2021	Tightening Bias
ECB Deposit Facility Rate	-0.50	22/7/2021	Easing Bias
BOE Official Bank Rate	0.10	5/8/2021	Neutral
RBA Cash Rate Target	0.10	3/8/2021	Easing Bias
RBZ Official Cash Rate	0.25	18/8/2021	Tightening Bias
BOJ Rate	-0.10	22/9/2021	Easing Bias
BoC O/N Rate	0.25	8/9/2021	Tightening Bias

Equity Indices and Key Commodities

	Value	% Change
Dow	34,511.99	1.62
Nasdaq	14,498.88	1.57
Nikkei 225	27,388.16	-0.96
FTSE	6,881.13	0.54
Australia ASX 200	7,252.23	-0.46
Singapore Straits Times	3,111.20	-1.30
Kuala Lumpur Composite	1,519.97	-0.16
Jakarta Composite	6,017.39	-0.91
Philippines Composite	6,587.20	-1.59
Taiwan TAIEX	17,528.74	-1.46
Korea KOSPI	3,232.70	-0.35
Shanghai Comp Index	3,536.79	-0.07
Hong Kong Hang Seng	27,259.25	-0.84
India Sensex	52,553.40	-1.10
Nymex Crude Oil WTI	67.42	1.51
Comex Gold	1,811.40	0.12
Reuters CRB Index	208.99	1.55
MBB KL	8.03	-0.25

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	110	1.727	1.75	1.727
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	20	1.74	1.74	1.74
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	13	1.713	1.713	1.713
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	143	1.907	1.907	1.883
MGS 2/2018 3.757% 20.04.2023	3.757%	20-Apr-23	2	1.901	1.901	1.901
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	13	1.94	1.959	1.94
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	40	2.232	2.241	2.232
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	36	2.301	2.347	2.301
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	6	2.316	2.316	2.316
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	1	2.415	2.415	2.415
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	36	2.503	2.506	2.487
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	21	2.666	2.668	2.624
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	2	2.574	2.574	2.574
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	6	2.875	2.875	2.85
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	20	2.901	2.918	2.9
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	58	2.935	2.951	2.935
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	6	3.115	3.123	3.115
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	1	3.212	3.212	3.212
MGS 2/2020 2.632% 15.04.2031	2.632%	15-Apr-31	670	3.135	3.202	3.124
MGS 4/2011 4.232% 30.06.2031	4.232%	30-Jun-31	3	3.291	3.291	3.282
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	2	3.738	3.738	3.684
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	41	3.713	3.74	3.708
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	7	3.781	3.781	3.775
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	144	3.705	3.705	3.696
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	23	3.999	3.999	3.923
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.254	4.254	4.254
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	1	4.299	4.299	4.299
MGS 5/2018 4.921% 06.07.2048	4.921%	06-Jul-48	1	4.367	4.367	4.367
MGS 1/2020 4.065% 15.06.2050	4.065%	15-Jun-50	2	4.118	4.215	4.118
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	20	1.77	1.783	1.77
PROFIT-BASED GII 4/2012 15.11.2022	3.699%	15-Nov-22	10	1.804	1.804	1.804
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	3	2.04	2.04	2.04
GII MURABAHAH 1/2018 4.128% 15.08.2025	4.128%	15-Aug-25	3	2.544	2.544	2.544
GII MURABAHAH 4/2015 3.990% 15.10.2025	3.990%	15-Oct-25	90	2.584	2.589	2.584
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	132	2.585	2.587	2.57
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	4	2.946	2.946	2.946
GII MURABAHAH 2/2018 4.369% 31.10.2028	4.369%	31-Oct-28	6	3.059	3.059	3.053
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	49	3.178	3.213	3.173
GII MURABAHAH 2/2020 3.465% 15.10.2030	3.465%	15-Oct-30	43	3.263	3.263	3.238
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	3	3.703	3.703	3.703
GII MURABAHAH 6/2019 4.119% 30.11.2034	4.119%	30-Nov-34	1	3.887	3.887	3.887
GII MURABAHAH 1/2021 3.447% 15.07.2036	3.447%	15-Jul-36	101	3.909	3.936	3.906
GII MURABAHAH 5/2017 4.755% 04.08.2037	4.755%	04-Aug-37	1	4.087	4.087	4.087
GII MURABAHAH 2/2019 4.467% 15.09.2039	4.467%	15-Sep-39	1	4.258	4.258	4.258
GII MURABAHAH 2/2021 4.417% 30.09.2041	4.417%	30-Sep-41	51	4.199	4.231	4.199
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	1	4.387	4.387	4.387
Total			1,944			

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
PRASARANA IMTN 4.75% 26.02.2031 - Series 9	GG	4.750%	26-Feb-31	15	3.47	3.47	3.47
Infracap Resources Sukuk 3.69% 15.04.2026 (T1 S3)	AAA (S)	3.690%	15-Apr-26	60	3.228	3.232	3.228
PLUS BERHAD IMTN 4.800% 12.01.2027 - Series 1 (11)	AAA IS	4.800%	12-Jan-27	60	3.183	3.203	3.183
SEB IMTN 5.040% 25.04.2031	AAA	5.040%	25-Apr-31	10	3.877	3.882	3.877
SARAWAKHIDRO IMTN 4.67% 11.08.2031	AAA	4.670%	11-Aug-31	5	3.81	3.81	3.81
PASB IMTN 4.000% 30.10.2034 - Issue No. 19	AAA	4.000%	30-Oct-34	5	4.18	4.18	4.18
GENM CAPITAL MTN 1826D 11.7.2023	AA1 (S)	4.980%	11-Jul-23	10	4.087	4.094	4.087
GENM CAPITAL MTN 3651D 22.8.2025	AA1 (S)	4.900%	22-Aug-25	2	4.515	4.52	4.515
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	03-May-27	40	3.897	3.922	3.897
GENM CAPITAL MTN 5479D 31.3.2032	AA1 (S)	5.200%	31-Mar-32	2	4.694	4.893	4.694
LCSB IMTN 4.550% 07.07.2023	AA3	4.550%	07-Jul-23	1	3.365	3.37	3.365
BUMITAMA IMTN 4.100% 22.07.2024	AA3	4.100%	22-Jul-24	10	3.117	3.145	3.117
COUNTRY GDN IMTN 5.250% 27.03.2025- Issue No 7	AA3 (S)	5.250%	27-Mar-25	10	4.618	4.618	4.618
QSPS Green SRI Sukuk 5.720% 05.10.2029 - T22	AA- IS	5.720%	05-Oct-29	10	4.324	4.329	4.324
QSPS Green SRI Sukuk 5.800% 04.10.2030 - T24	AA- IS	5.800%	04-Oct-30	10	4.444	4.449	4.444
CYPARK REF IMTN 5.670% 30.06.2036	AA3	5.670%	30-Jun-36	5	5.09	5.09	5.09
EDRA ENERGY IMTN 6.630% 05.01.2037 - Tranche No 31	AA3	6.630%	05-Jan-37	10	4.8	4.811	4.8
EDRA ENERGY IMTN 6.670% 03.07.2037 - Tranche No 32	AA3	6.670%	03-Jul-37	10	4.819	4.831	4.819
CYPARK REF IMTN 5.890% 30.06.2039	AA3	5.890%	30-Jun-39	10	5.33	5.33	5.33
TROPICANA IMTN 5.500% 30.06.2023 - SEC. SUKUK T2S1	A+ IS	5.500%	30-Jun-23	1	4.94	4.951	4.94
MNRB HLDGS IMTN 5.200% 22.03.2029	A1	5.200%	22-Mar-29	10	3.988	3.992	3.988
MBSBBANK IMTN 5.050% 20.12.2029	A3	5.050%	20-Dec-29	5	3.627	3.627	3.627
AFFINBANK RM500M PERPETUAL AT1CS (T1)	A3	5.800%	29-Jul-18	1	4.353	4.353	4.353
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 2	NR(LT)	6.850%	07-Aug-19	1	6.809	6.809	6.809
Total				302			

Sources: BPAM

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