

Global Markets Daily

Some Support for Fed's "Transitory" Inflation Narrative

Two-way Swings in DXY on US CPI Release

DXY rose towards 90.3 and US10Y yield also climbed towards 1.53% after US inflation for May surprised to the upside (5.0% vs. expected 4.7%) yesterday evening, but the fact that one-third of the advance was due to increase in the used cars and trucks component supported Fed's prior assessment that recent spikes in readings could be transitory, and both DXY and UST yields pared gains swiftly. The more benign narrative supported modest gains in US equities overnight, and most USD-AxJ pairs are back near the lower end of ranges seen this week.

Third Weekly Gain for Oil On Confidence in 2H Demand

Brent looks to be eking out a third weekly gain, supported by OPEC projections of increases in oil demand (by about 5mn barrels a day or 5%), in 2H vs. 1H 2021. Nonetheless, supply risks associated with US-Iran nuclear talks remain closely watched, and could constrain pace of oil price up-moves in the near-term. Yesterday, oil had plunged briefly by around 2% after the US said that it was lifting sanctions on three Iranians tied to the oil trade. Though prices recovered swiftly, the volatility indicates market sensitivity in this regard. IEA's Oil Market Report due 4pm SG/KL time today will give an updated snapshot of the recovery outlook.

Malaysia, India, UK Industrial Production; G7 Summit Begins

Key data of interest today include US Uni of Mich sentiment, UK Monthly GDP, Industrial production, Trade, Malaysia Industrial production, India Industrial production. G7 Summit begins today. Japan 2Q BSI Business conditions indices came in at -1.4 (vs. 1.6 prior) for large manufacturers, and -4.7 (vs. -4.5 prior) for all industries, indicating fragile outlook still.

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G7: Events & Market Closure

Date	Ctry	Event
7 Jun	NZ	Onshore Markets Closed
9 Jun	CA	BoC Policy Decision
10 Jun	EU	ECB Policy Decision

Asia Ex JP: Events & Market Closure

Date	Ctry	Event
7 Jun	MY	Onshore Markets Closed

FX: Overnight Closing Prices

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.2170	↓ -0.08	USD/SGD	1.324	↓ -0.02
GBP/USD	1.4177	↑ 0.42	EUR/SGD	1.6116	↓ -0.07
AUD/USD	0.7754	↑ 0.30	JPY/SGD	1.2113	↑ 0.29
NZD/USD	0.7202	↑ 0.31	GBP/SGD	1.8772	↑ 0.41
USD/JPY	109.33	↓ -0.27	AUD/SGD	1.0265	↑ 0.25
EUR/JPY	133.1	↓ -0.32	NZD/SGD	0.9527	↑ 0.21
USD/CHF	0.8945	↓ -0.13	CHF/SGD	1.4801	↑ 0.13
USD/CAD	1.2096	↓ -0.12	CAD/SGD	1.0947	↑ 0.10
USD/MYR	4.121	↑ 0.10	SGD/MYR	3.1086	↓ -0.09
USD/THB	31.175	↑ 0.05	SGD/IDR	10754.59	↓ -0.16
USD/IDR	14248	↓ -0.05	SGD/PHP	36.0471	↓ -0.07
USD/PHP	47.76	↑ 0.05	SGD/CNY	4.8262	↑ 0.09

Implied USD/SGD Estimates at 11 June 2021, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3097	1.3364	1.3632

G7 Currencies

■ **DXY Index - Weakness Should Resume.** US CPI came in at 5% y/y for May, well above consensus of 4.7% and the fastest pace since 2008. Price increases were observed across a range of sectors. In particular, breakdown saw airline tickets, car & truck rentals, household furnishings & operations, shelter costs including hotel and motel costs jumped. Meanwhile Core CPI rose to 3.8% y/y, highest level since 1992. **Yet the USD shrugged of the high CPI print and ended broadly softer alongside the decline in 10y UST yields to 1.44% (a near-4month low).** What this suggests is that markets are buying Fed's story that inflationary pressures are transitory (and will abate) and that the Fed is likely to continue to stay behind the curve for now (not to react to one data point). Bear in mind that the Fed is operating under an Average Inflation Targeting (AIT) regime and that they will be tolerant of inflation overshoots. Next week's FoMC may well shape up to be a non-event, if markets are mostly convinced of Fed keeping policy stance status quo. And this implies that we may well get that risk-on, goldilocks environment for carry and pro-cyclical FX to strengthen. One risk though (to a smaller extent) is whether there is progress on taper talks. DXY was last seen at 90 levels. Mild bullish momentum on daily chart is fading while RSI shows tentative signs of turning lower. We expect USD softness to resume in "drips and drabs". Support at 89.60, 89.20 levels (2021 lows). Resistance at 90.80 (50DMA, 61.8% fibo retracement of 2021 low to high), 91 (100 DMA) and 91.6 (200 DMA). Day ahead brings Uni of Mich sentiment (Jun).

■ **EURUSD - Range-Bound.** EUR traded in whippy fashion overnight thanks to ECB decision, Lagarde's press conference and US CPI data release happening around the same time. EUR traded high of 1.2195 before taking it down to a low 1.2144 and traded higher this morning. Last seen at 1.2185 levels. Bearish momentum on daily chart intact though there may be signs of it fading while RSI is showing early signs of rising. Resistance at 1.2220, 1.2270 levels. Support at 1.2130 (23.6% fibo retracement of Mar low to May high), 1.2050/60 levels (38.2% fibo, 50, 100DMAs). Look for 1.2160 - 1.2220 range intra-day. On ECB overnight, central bank kept policy parameters, including pace of PEPP unchanged, expressed optimism on growth in 2H 2021 and revised both inflation and growth forecasts higher. Specifically, growth was revised to 4.6% for 2021 (vs. 4% earlier projection) and increased to 4.7% for 2020 (vs. 4.1% previous projection). For inflation, ECB raised forecast to 1.9% for 2021 (up from 1.2% earlier projection). On PEPP, Governing Council said **net purchases over the coming quarter to continue to be conducted at a higher pace than during the first months of the year.** In the press conference, Lagarde said *uncertainties remain as near term economic output depends on the course of the pandemic and how the economy responds after reopening.* In introductory ECB statement, it noted that *market interest rates have increased further. While partly reflecting improved economic prospects, a sustained rise in market rates could translate into a tightening of wider financing conditions that are relevant for the entire economy. Such a tightening would be premature and would pose*

a risk to the ongoing economic recovery and the outlook for inflation. Taken together, yesterday's ECB stance can be interpreted as **dovish even though economic assessment was upbeat** and that ECB wants to avoid any unnecessary tightening in financial conditions for the time being - **hence no tapering timeline committed.**

■ **GBPUSD - Data Dump Day.** GBP rose amid broad USD decline post CPI release. GBP was last at 1.4170 levels. Bearish momentum on daily chart remains intact though RSI is flat. Consolidative price pattern likely to persist. Support at 1.4110 (23.6% fibo retracement of Apr low to May double-top), 1.4030 (38.2% fibo). Resistance at 1.4210, 1.4250 (double top). We look for 1.41 - 1.42 range intra-day. Week remaining has Monthly GDP, IP, Trade, construction output (Apr) on Fri. We remain cautious on GBP outlook in the interim on spread of delta variant and brexit tail risks. EU warned about imposing trade tariff on UK if it fails to implement in full the part of the brexit agreement relating to Northern Ireland. The centre of the lingering issue was to prevent a border on the island of Ireland while protecting trade within UK post-brexit. And in this instance it is a ban on the export of sausages and other chilled meats from Great Britain (England, Scotland and Wales) to Northern Ireland. Great Britain does not want to follow EU rules but Northern Ireland does as it shares a border with the Republic of Ireland (EU territory). And the issue is EU food safety rules do not allow chilled meat products to enter its markets from non-EU members. The 2 sides will continue to iron out differences but likely, a timing grace period could be one temporary patch. On variant spread, the delta variant is now the dominant variant in the UK, overtaking the Alpha variant. Number of cases confirmed rose nearly 80% over the last week with northwest England (towns of Blackburn, Bolton) and schools still the most affected though there are tentative signs of the transmission in Bolton starting to fall but other parts of England reporting clusters. A delay of full reopening (scheduled for 21 Jun) is not impossible and a delay with no future date penned could further weigh on GBP. We watch for decision on 14 Jun.

■ **USDJPY - Supported Amid Two-way Swings.** Pair tried to move higher towards 109.80 after the US inflation data (5.0% vs. expected 4.7%) release yesterday, but the fact that one-third of the advance was due to increase in the used cars and trucks component supported Fed's prior assessment that recent spikes in readings could be transitory, and both DXY and UST yields pared gains swiftly. Last seen at 109.40, with overall price trajectory in line with our bias to "sell rallies" yesterday. With US10Y yield back at 3-month low of 1.44% though, down-moves in treasury yields and hence USDJPY could begin to meet strong support. Momentum and RSI on daily chart are not showing a clear bias. Support at 109.20 (50% fibo retracement of Mar high to Apr low, 50-DMA), before 108.30 (23.6% fibo). Resistance at 110.15 (76.4% fibo), 111 (Mar high). Intraday range of 109.20 to 110.15 possible.

■ **NZDUSD - Sideways Intra-day.** NZD drifted higher overnight alongside higher non-USD FX. But pair was a touch softer this

morning, tracking the decline in NZGB yields. Elsewhere RBNZ's stealth tapering on bond purchases continue as RBNZ seeks to buy NZ\$220mio next week, down from NZ\$250mio purchased this week and NZ\$350mio last week. Pair was last at 0.7190 levels. Bearish momentum on daily chart intact while RSI is flat. Sideways trade in 0.7160 - 0.7220 likely intra-day.

■ **AUDUSD - *Starved of Cues***. The AUDUSD pairing remained in tight swivels with a lack of market cues. The multi-year high of consumer expectations of inflation at home (4.4%), stronger-than-expected US CPI (at 5.0%/y/y) and some members of the ECB Governing Council urging to pare QE failed to excite the market, leaving the risk-sensitive AUD still stuck in the 0.7730- 0.7770 doldrums. FOMC is still the event to watch for Jun and this range could hold till then with Lowe's speech in Toowoomba likely to provide a mild diversion. Labour report comes thereafter, a data that would be keenly watched given the recent surge in job advertisements that could suggest that jobless rate could be closer towards the pre-pandemic levels. (cons. At 5.5%). AUD was last at 0.7750 levels. Bearish momentum on daily chart has turned bullish while stochastics are approaching overbought conditions. Compression of moving averages (21, 50 and 100 DMAs) observed. This typically precedes a price expansion (break-out) but directional bias unknown at this point.

■ **USDCAD - *Upside Risks***. USDCAD starts to emulate the AUDUSD and remains in tight swivels within the 1.20-1.2150 range, established in the past few weeks. Pair last printed 1.2087. Bullish momentum on daily chart intact while stochastics seem to show signs of falling. Risks skewed to the upside even as price action has been broadly consolidative. Resistance at 1.2160 (23.6% fibo retracement of Apr high to May-Jun double bottom), 1.2250 (38.2% fibo). Support at 1.2090 (21 DMA), 1.2010 (double bottom). Week remaining brings capacity utilization rate for 1Q on Fri.

Asia ex Japan Currencies

SGD trades around +0.98% from the implied mid-point of 1.3364 with the top estimated at 1.3097 and the floor at 1.3632.

- **USDSGD - Ranged; Lean Against Strength.** Pair made a move higher when US inflation data surprised to the upside yesterday evening, but upward momentum fizzled near 1.3260, with both broad DXY and UST yields paring initial gains. Last seen at 1.3236, slightly lower versus levels seen yesterday morning. Broad dollar biases could continue to drive the pair in the interim. Back in Singapore, “Heightened Alert” curbs will be eased in two stages, with gatherings in groups of five allowed from 14 Jun, and (barring deterioration in contagion) dining-in at F&B outlets allowed from 21 Jun. Notably though, work-from-home will remain the default to reduce overall footfall in public areas. The gradual easing in restrictions was somewhat expected given recent signs of progress in Covid containment. Still, positive developments support bias to lean against USDSGD strength. Momentum and RSI on daily chart are not showing a clear bias. Resistance at 1.3270 (21-DMA), 1.3350 (50.0% fibo retracement of Feb low to Mar high), 1.3400 (200-DMA). Support at 1.3220, 1.3160 (double-bottom).
- **AUDSGD - Consolidation to Continue.** Cross was no net higher and was last at 1.0250. Area of resistance at around 1.0280-1.0300 (marked by the 21,50,100-dma) remains intact. Momentum has turned mild positive and stochastics are on the rise. Consolidative action can extend within broader 1.0160-1.0500 range.
- **SGDMYR - Downside Risk.** SGDMYR was last seen at 3.1110 levels. Daily momentum remains bearish while RSI is falling. Bias remains skewed to the downside. Next support at 3.1085 (23.6% fibo retracement of 2021 low to high) before 3.10, 3.0960 (50 DMA). Resistance at 3.12, 3.1325 (2021 high) before 3.14, 3.15 levels.
- **USDMYR - Bearish Momentum Intact for Now.** USDMYR drifted lower amid softer USD, UST yield and tentative signs of improvement in covid situation. Pair was last at 4.1160 levels. Bearish momentum on daily chart intact while RSI is falling. Support at 4.1080 (200 DMA) and 4.0970 (38.2% fibo retracement of 2021 low to high). Resistance at 4.12 levels (23.6% fibo), 4.1270 (21, 50 DMAs) and 4.15 levels. Day ahead brings Malaysia IP.
- **1m USDKRW NDF - Fade Upticks Remain.** 1m USDKRW NDF fell alongside softer USD and in reaction to BoK Governor Lee’s speech. He reiterated a similar line from the last MPC - current accommodative monetary policy should start to be normalised at an appropriate timing in an orderly fashion if our economy is forecast to continue its solid recovery”. Earlier Deputy Governor Park said that any hike or 2 from current low level should not be seen as monetary tightening. We earlier shared that in its previous rate hike cycle in 2017, BoK Governor used the anniversary speech then to signal the need to reduce accommodation policy stance and the MPC subsequently followed through with policy rate liftoff in November.

Markets are now shifting their base line view of first BoK hike to Oct 2021. Korea Disease and Prevention Agency said that daily infection is expected to drop by a large margin from mid-Jul if 25% of population receive a shot of vaccine as planned by end-Jun. 1m USDKRW NDF was last seen at 1111 levels. Bearish momentum on daily chart faded but RSI is turning lower. Compression of moving averages also seen around 1120 levels (21, 50, 100 DMAs). Typically price expansion follows (i.e. break-out trade) compression of moving averages. Our bias remains to fade upticks. Some technical levels to watch include: Support at 1105 (61.8% fibo retracement of 2021 low to high) and 1095 (76.4% fibo). Resistance at 1113, 1120 (21, 50, 100DMAs), 1123 (200 DMA).

- **USDCNH - Consolidative Moves Ahead.** USDCNH was last seen near 6.3840. This pair remains skewed to the downside, especially after the phone call between China Commerce Minister Wang Wentao and US Commerce Secretary Gina Raimondo to improve trade, investment ties. Biden's revoking of Trump's bans on TikTok and WeChat could have been supportive of sentiments too. Still, the modest extent of the CNH move largely indicates market unwillingness to react without more concrete acts of cooperation. In news from home, PBoC Yi Gang expects inflation to be under 2% for 2021 and CBIRC Chief Guo Shuqing also spoke at Lujiazui forum warning that speculation in currency, gold or other commodity futures are "set to pay the same heavy price as those betting that property prices will never fall". Our medium-term view is still for USDCNY and USDCNH to be led lower by enduring demand for RMB assets, current account surplus and broader USD weakness. Key support at 6.35. Besides 6.41, next resistance at 6.46-6.47 (50-DMA, 100-DMA).
- **USDINR NDF - Finding Support.** The 1M NDF saw largely ranged trading yesterday. Last seen around 73.33. Consolidative action is likely to extend within 72.70-73.60 range. Momentum on daily chart is increasingly bullish but still, mild. 7-day average in new Covid cases remains largely on the decline, at around 105k on 9 Jun vs. interim peak of 391k on 9 May. However, there could be some lingering concerns on the pandemic still after the Bihar state revised its total death toll from COVID-19 from 5424 to more than 9429, giving greater credence to suspicions that official count of infections are lower than actual. Vaccine drive is still a focus with free vaccinations for all adults aged 18 or older to start from 21 Jun. Separately, RBI is said to appoint external financial consultants to manage a part of its foreign exchange reserves in order to improve yields in the current low interest rate environment.
- **USDVND - Slippages to levels around 22960.** USDVND retains a downside bias and was last seen around 22960. This comes after SBV had lowered the reference rate for USDVND substantially to 23,130 on 8 Jun. On the covid front, 7-day average cases drifted lower to 252 as of 9 Jun vs. its recent peak at 325. Support for the USDVND is seen around 22950. We anticipate this support to hold in the near-term. Resistance at 23000.

- **1M USDIIDR NDF - *Range***. Last seen just below the 14,300 handle, with recent swings largely narrow in extent. We note that USDIIDR has not declined meaningfully despite UST10Y yield falling from 1.58% earlier this week to 1.45% at last seen. This suggests concerns over the pace of portfolio flow recovery in Indonesia, even as markets may be willing to ease up on worries regarding US inflation, tapering. While US inflation surprised to the upside yesterday evening (5.0% vs. expected 4.7%), the fact that one-third of the advance was due to increase in the used cars and trucks component supported Fed's prior assessment that recent spikes in readings could be transitory. Meanwhile, incremental concerns on COVID situation at home, with latest 7-day average in official new cases at around 6.5k, versus interim low of around 3.5k on 18 May. In particular, case counts have risen sharply in Java and Sumatra, Indonesia's two most populous islands, in the three weeks following the Eid al-Fitr holidays. On net, NDF could remain in ranged trading territory in the interim. Momentum and RSI on daily chart are not showing a clear bias. Support at 14,220 (61.8% fibo retracement of Feb low to Apr high), 14,100 (76.4% fibo). Resistance at 14,410 (200-DMA), 14,540 (23.6% fibo).
- **USDTHB - *Supported on Dips***. Last seen at 31.12, very mildly lower versus levels seen yesterday morning. The House of Representatives approved an executive decree for a THB500bn loan yesterday, with about THB300bn earmarked for relief schemes across economic sectors. MTD portfolio inflows are positive based on latest data (bond inflows at +US\$668mn, equity inflows at a more modest US\$189mn, as of 10 Jun). Start of widely-anticipated mass vaccinations in Jun could help anchor THB sentiments in the interim. Nonetheless, any near-term THB recovery could be constrained by the fragile macro outlook. Earlier this week, the state tourism agency said that it now expects about 3mn foreign visitors this year, versus earlier Apr projection of 4mn tourists. We note that most of the 3mn are expected in 4Q. Actual tourism flow data from Jul—inoculated foreign tourists will be allowed to visit Phuket without vaccination starting next month in a pilot scheme—will give a better sense of the pace of recovery in global tourism. Momentum and RSI on daily chart are mildly bearish. Resistance at 31.30 (21-DMA), 31.60. Support at 31.00, before 30.80 (200-DMA).
- **1M USDPHP NDF - *Key Support in Focus***. NDF last seen at 47.80, on par with levels seen yesterday morning. 47.70-80 is an area of key support (last seen below this level in 2016). Opposing forces could keep the NDF in narrow ranges in the interim. MTD equity inflows are at US\$128.6mn (as of 10 Jun), showing signs of recovery from the US\$239.3mn outflow in May. On the other hand, we note that domestic pace of Covid contagion shows very tentative signs of an uptick over the past two weeks and sentiments could still be somewhat cautious on net. Momentum and RSI on daily chart are not showing a clear bias. Support at 47.70-80, before next some distance away at 47.00. Resistance at 47.95 (21-dma), 48.25 (50-DMA), 48.65.

Malaysia Fixed Income

Rates Indicators

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 6/24	2.24	2.23	-1
5YR MO 9/25	2.53	2.52	-1
7YR MS 6/28	2.98	2.97	-1
10YR MO 4/31	3.27	3.25	-2
15YR MS 5/35	3.91	3.88	-3
20YR MY 5/40	4.18	4.17	-1
30YR MZ 6/50	4.34	*4.34/25	Not traded
IRS			
6-months	1.93	1.93	-
9-months	1.94	1.94	-
1-year	1.94	1.94	-
3-year	2.28	2.28	-
5-year	2.59	2.59	-
7-year	2.85	2.85	-
10-year	3.07	3.06	-1

Source: Maybank KE

*Indicative levels

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- Active local government bond market with higher traded volume, though sentiment was generally mixed. After firmer UST overnight, early session saw strong buying with 10y MGS yield down by as much as 4bps, but market pared gains as locals sold into strength to take profits. Ultra-long ends were supported by better buying from local investors. MGS yields mostly ended 1-3bps lower, while GII yields were relatively mixed. Govvies may stay in range absent major catalyst.
- IRS market started with an offerish tone following lower UST yields overnight with 4y IRS given at 2.45% in early market hours. In second half session, rates found support in tandem with the profit taking in govies and selected long tenor rates ended few basis points lower while short tenor rates were little changed. 3M KLIBOR still 1.94%.
- Corporate bonds saw increased activity, but weakened further on profit taking. Yields were broadly 1-4bps higher across GGs and AAAs and the belly sector was better offered. Front end sector remain supported trading 1bp firmer, while the long end sector was generally muted for rated corporate bonds.

Singapore Rates and AxJ USD Credit

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.34	0.35	+1
5YR	0.82	0.81	-1
10YR	1.46	1.43	-3
15YR	1.81	1.78	-3
20YR	1.83	1.81	-2
30YR	1.85	1.84	-1

Source: MAS (Bid Yields)

- SGD IRS curve bull-flattened again, though rates moved off the lows towards closing with 5y and 10y IRS down 2bps and 4bps respectively. Bond-swap spreads appeared to be widening but eventually narrowed close to previous levels as swaps were paid back. SGS yield curve bull-flattened led by the 10y-20y yields which fell 2-3bps while short and ultra-long ends were little changed.
- Asian USD credit spreads traded flat as stronger UST spurred profit taking. Sovereign bond prices were up 0.25-0.50pts with an active 10y space, but spreads were unchanged. CDS marginally tighter. China and HK IG spreads unchanged as weak HRINTH weighed on sentiment and sidelined investors. Korean IGs were quiet except the front end which tightened 1-2bps. Malaysia IG saw onshore selling interest in sovereign bonds and PETMK, driven by profit taking from absolute yield investors. Indian IGs traded 1bp wider. HY prices broadly weaker on softer risk sentiment. Market to closely watch the US CPI data release.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	3.59	3.58	(0.01)
3YR	4.88	4.85	(0.03)
5YR	5.49	5.46	(0.03)
10YR	6.37	6.34	(0.03)
15YR	6.32	6.29	(0.03)
20YR	7.14	7.11	(0.03)
30YR	6.91	6.89	(0.02)

* Source: Bloomberg, Maybank Indonesia

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- Indonesian government bonds maintained their rally trends until yesterday. Investors continued to come in Indonesian government bonds. The foreign investors recorded a significant increase on their ownership for Indonesian government bonds on less than one month period. Total foreigners' ownership on the government bonds increased from Rp957.46 trillion on 31 May-21 to Rp972.07 trillion on 9 Jun-21. Indonesian government bonds are still looking very attractive with a significant gap against U.S. Treasury yields. Moreover, Indonesian economy also continues to show a gradual improvement, with relative manageable of daily cases on the COVID-19, compared its peers.
- U.S. Treasury 10-year yield was at 1.444% this morning after above-forecast U.S. inflation and the decline in unemployment did not convince the market that the Fed would be eager to reduce monetary accommodation. According to the Economist, the U.S. consumer prices rose by 5% in the year to May-21, their sharpest increase since 2008. They were drive up by ravenous consumer demand, coupled with companies ill-prepared to service it, shortages of various goods and a scarcity of workers. Prices rose 0.6% month-on-month in May-21, a slight deceleration from the increase of 0.8% seen in Apr-21. Meanwhile, the European Central Bank kept its benchmark rate steady at 0.00%, and said it expected over the "coming quarter" to continue purchases at a "significantly higher" pace than seen in the first months of 2021. Heading into the decision, inflation was running high, prompting many to expect that the bank would have to go the extra mile to reassure investors that any notion of tapering would be dead on arrival. The pickup in inflation was factored into the central bank's latest projection as it upped its forecasts for economic growth and inflation for this year and 2022, but in a sign that it believes that pressure will transitory left its 2023 forecast unchanged. The ECB also welcomed the recovery in the market, describing the risks to the economic outlook as "broadly balanced." This acknowledgement of an improving recovery didn't shift the bank's thinking on tapering.
- We expect investors to keep having short term mindset by applying strategy "buy on weakness" on their investment stances during current condition. We see investors to keep wait&see for clearer signals on inflation levels and central bank policies around the world. According to our calculation, we see the fair yield for Indonesian 10Y government bonds yields at around 5.90%-6.20%. Indonesian inflation pressures remain modest and manageable enough during recent pandemic period so far. Moreover, we believe USDIDR is expected to keep being stable at below 14,500 due to recent low level of Dollar DXY index position.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2221	109.97	0.7791	1.4247	6.4028	0.7241	134.0200	85.1977
R1	1.2195	109.65	0.7773	1.4212	6.3945	0.7222	133.5600	84.9813
Current	1.2181	109.40	0.7753	1.4175	6.3840	0.7194	133.2600	84.8200
S1	1.2144	109.16	0.7727	1.4108	6.3780	0.7174	132.8400	84.5873
S2	1.2119	108.99	0.7699	1.4039	6.3698	0.7145	132.5800	84.4097
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3279	4.1257	14269	47.8247	31.2277	1.6169	0.6460	3.1144
R1	1.3259	4.1234	14259	47.7923	31.2013	1.6143	0.6453	3.1115
Current	1.3231	4.1200	14250	47.7350	31.1290	1.6116	0.6460	3.1142
S1	1.3226	4.1166	14234	47.7083	31.1353	1.6095	0.6439	3.1056
S2	1.3213	4.1121	14219	47.6567	31.0957	1.6073	0.6432	3.1026

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

Policy Rates

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	0.4321	Apr-21	Easing
BNM O/N Policy Rate	1.75	8/7/2021	Easing
BI 7-Day Reverse Repo Rate	3.50	17/6/2021	Easing
BOT 1-Day Repo	0.50	23/6/2021	Easing
BSP O/N Reverse Repo	2.00	24/6/2021	Easing
CBC Discount Rate	1.13	17/6/2021	Easing
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Lending Rate	4.35	-	Easing
RBI Repo Rate	4.00	6/8/2021	Easing
BOK Base Rate	0.50	15/7/2021	Easing
Fed Funds Target Rate	0.25	17/6/2021	Easing
ECB Deposit Facility Rate	-0.50	22/7/2021	Easing
BOE Official Bank Rate	0.10	24/6/2021	Easing
RBA Cash Rate Target	0.10	6/7/2021	Easing
RBNZ Official Cash Rate	0.25	14/7/2021	Easing
BOJ Rate	-0.10	18/6/2021	Easing
BoC O/N Rate	0.25	14/7/2021	Easing

Equity Indices and Key Commodities

	Value	% Change
Dow	34,466.24	0.06
Nasdaq	14,020.33	0.78
Nikkei 225	28,958.56	0.34
FTSE	7,088.18	0.10
Australia ASX 200	7,302.50	0.44
Singapore Straits Times	3,162.50	0.29
Kuala Lumpur Composite	1,579.90	-0.10
Jakarta Composite	6,107.54	0.99
Philippines Composite	6,875.71	-0.39
Taiwan TAIEX	17,159.22	1.14
Korea KOSPI	3,224.64	0.26
Shanghai Comp Index	3,610.86	0.54
Hong Kong Hang Seng	28,738.88	-0.01
India Sensex	52,300.47	0.69
Nymex Crude Oil WTI	70.29	0.47
Comex Gold	1,896.40	0.05
Reuters CRB Index	212.19	0.48
MBB KL	8.18	-0.24

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	40	1.733	1.733	1.728
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	349	1.698	1.749	1.634
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	542	1.741	1.741	1.619
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	11	1.781	1.781	1.777
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	147	1.805	1.805	1.796
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	99	1.808	1.816	1.808
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	50	1.926	1.934	1.924
MGS 1/2016 3.800% 17.08.2023	3.800%	17-Aug-23	16	1.988	1.988	1.975
MGS 3/2019 3.478% 14.06.2024	3.478%	14-Jun-24	381	2.232	2.241	2.231
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	1	2.315	2.315	2.315
MGS 1/2018 3.882% 14.03.2025	3.882%	14-Mar-25	3	2.422	2.422	2.422
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	287	2.508	2.547	2.508
MGS 3/2011 4.392% 15.04.2026	4.392%	15-Apr-26	4	2.64	2.64	2.64
MGS 1/2019 3.906% 15.07.2026	3.906%	15-Jul-26	7	2.719	2.719	2.707
MGS 2/2006 4.709% 15.09.2026	4.709%	15-Sep-26	20	2.695	2.695	2.695
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	50	2.595	2.595	2.586
MGS 2/2012 3.892% 15.03.2027	3.892%	15-Mar-27	3	2.798	2.798	2.798
MGS 3/2007 3.502% 31.05.2027	3.502%	31-May-27	7	2.878	2.878	2.878
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	15	2.923	2.923	2.894
MGS 5/2013 3.733% 15.06.2028	3.733%	15-Jun-28	269	2.983	2.984	2.964
MGS 2/2019 3.885% 15.08.2029	3.885%	15-Aug-29	176	3.176	3.206	3.17
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	2	3.275	3.313	3.275
MGS 2/2020 2.632% 15.04.2031	2.632%	15-Apr-31	186	3.278	3.278	3.223
MGS 3/2018 4.642% 07.11.2033	4.642%	07-Nov-33	29	3.788	3.809	3.788
MGS 4/2019 3.828% 05.07.2034	3.828%	05-Jul-34	137	3.808	3.843	3.808
MGS 4/2015 4.254% 31.05.2035	4.254%	31-May-35	229	3.889	3.898	3.848
MGS 5/2019 3.757% 22.05.2040	3.757%	22-May-40	23	4.168	4.176	4.168
MGS 7/2013 4.935% 30.09.2043	4.935%	30-Sep-43	1	4.288	4.288	4.288
MGS 1/2020 4.065% 15.06.2050	4.065%	15-Jun-50	2	4.209	4.209	4.209
GII MURABAHAH 2/2016 3.743% 26.08.2021	3.743%	26-Aug-21	10	1.782	1.782	1.782
GII MURABAHAH 4/2018 3.729% 31.03.2022	3.729%	31-Mar-22	2	1.725	1.725	1.725
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	46	1.748	1.765	1.748
GII MURABAHAH 3/2018 4.094% 30.11.2023	4.094%	30-Nov-23	60	2.122	2.122	2.102
GII MURABAHAH 4/2019 3.655% 15.10.2024	3.655%	15-Oct-24	100	2.277	2.28	2.274
GII MURABAHAH 3/2019 3.726% 31.03.2026	3.726%	31-Mar-26	200	2.666	2.668	2.642
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	130	2.742	2.742	2.722
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	80	2.945	2.945	2.945
GII MURABAHAH 1/2020 3.422% 30.09.2027	3.422%	30-Sep-27	70	2.966	2.974	2.966
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.130%	09-Jul-29	110	3.202	3.236	3.202
GII MURABAHAH 2/2020 3.465% 15.10.2030	3.465%	15-Oct-30	50	3.32	3.32	3.312
GII MURABAHAH 6/2017 4.724% 15.06.2033	4.724%	15-Jun-33	40	3.833	3.834	3.833
GII MURABAHAH 5/2013 4.582% 30.08.2033	4.582%	30-Aug-33	50	3.819	3.819	3.809
GII MURABAHAH 1/2021 3.447% 15.07.2036	3.447%	15-Jul-36	8	4.037	4.037	4.037
GII MURABAHAH 5/2019 4.638% 15.11.2049	4.638%	15-Nov-49	143	4.535	4.537	4.463
SPK 2/2012 3.691% 12.07.2022	3.691%	12-Jul-22	100	1.946	1.95	1.946

Total **4,284**
Sources: BPAM
MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
DANAINFRA IMTN 4.150% 06.04.2022 - Tranche No 31	GG	4.150%	06-Apr-22	10	1.998	2.023	1.998
PTPTN IMTN 27.07.2023	GG	3.900%	27-Jul-23	50	2.344	2.387	2.344
GOVCO IMTN 4.290% 22.02.2024	GG	4.290%	22-Feb-24	10	2.478	2.504	2.478
PTPTN IMTN 14.03.2024	GG	4.270%	14-Mar-24	50	2.503	2.54	2.503
PASB IMTN (GG) 4.340% 7.2.2029 - Issue No. 37	GG	4.340%	07-Feb-29	40	3.286	3.311	3.286
DANAINFRA IMTN 4.610% 05.04.2030 - Tranche No 33	GG	4.610%	05-Apr-30	20	3.454	3.462	3.454
MKDK IMTN 4.850% 01.10.2032	GG	4.850%	01-Oct-32	50	3.77	3.772	3.77
TPSB IMTN 4.360% 19.11.2032 - Tranche No 4	GG	4.360%	19-Nov-32	60	3.84	3.84	3.84
PRASARANA IMTN 4.530% 10.03.2034 - Tranche 5	GG	4.530%	10-Mar-34	10	4.04	4.059	4.04
PRASARANA SUKUK MURABAHAH 5.01% 14.09.2037 - S4	GG	5.010%	14-Sep-37	10	4.3	4.3	4.299
DANAINFRA IMTN 5.100% 21.03.2042 - Tranche No 59	GG	5.100%	21-Mar-42	40	4.453	4.454	4.453
DANAINFRA IMTN 5.200% 23.05.2042 - Tranche No 66	GG	5.200%	23-May-42	10	4.456	4.457	4.456
LPPSA IMTN 4.800% 09.04.2049 - Tranche No 32	GG	4.800%	09-Apr-49	15	4.675	4.691	4.675
PLUS BERHAD IMTN 4.400% 12.01.2022 - Series 1 (6)	AAA IS	4.400%	12-Jan-22	10	2.235	2.244	2.235
IESB MTN 1095D 27.11.2023	AAA (FG)	3.200%	27-Nov-23	5	3.281	3.281	3.281
PASB IMTN 4.280% 23.02.2024 - Issue No. 10	AAA	4.280%	23-Feb-24	5	2.824	2.824	2.824
AMAN IMTN 4.780% 30.05.2024 - Tranche No 34	AAA IS	4.780%	30-May-24	10	2.757	2.76	2.757
ALDZAHAB ABS-IMTN 14.03.2025(CLASS A TRANCHE 5 S3)	AAA	5.150%	14-Mar-25	10	3.57	3.573	3.57
ALDZAHAB ABS-IMTN 15.09.2026 (CLASS B TRANCHE 5)	AAA	6.000%	15-Sep-26	10	3.582	3.585	3.582
PSEP IMTN 3.800% 17.03.2028	AAA	3.800%	17-Mar-28	20	3.759	3.762	3.759
PASB IMTN 3.750% 28.04.2028 - Issue No. 30	AAA	3.750%	28-Apr-28	21	3.51	3.512	3.51
PASB IMTN 3.730% 02.06.2028 - Issue No. 31	AAA	3.730%	02-Jun-28	21	3.531	3.532	3.531
PLUS BERHAD IMTN 4.960% 12.01.2029 - Series 1 (13)	AAA IS	4.960%	12-Jan-29	35	3.62	3.62	3.62
TNB WE 5.350% 30.01.2029 - Tranche 10	AAA IS	5.350%	30-Jan-29	10	3.599	3.6	3.599
SEB IMTN 5.500% 04.07.2029	AAA	5.500%	04-Jul-29	30	3.699	3.702	3.699
MANJUNG IMTN 4.820% 25.11.2030 - Series 1 (15)	AAA	4.820%	25-Nov-30	10	3.748	3.75	3.748
TENAGA IMTN 29.08.2033	AAA	4.780%	29-Aug-33	40	4.039	4.051	4.039
SEB IMTN 3.650% 15.06.2035	AAA	3.650%	15-Jun-35	70	4.441	4.441	4.419
TENAGA IMTN 3.550% 10.08.2040	AAA	3.550%	10-Aug-40	5	4.49	4.49	4.49
YTL POWER MTN 3651D 10.6.2022	AA1	4.550%	10-Jun-22	30	2.795	2.836	2.795
TTPC IMTN 4.710% 29.07.2022 - Series 18	AA1	4.710%	29-Jul-22	10	2.414	2.418	2.414
GENM CAPITAL MTN 3653D 11.7.2028	AA1 (S)	5.300%	11-Jul-28	10	4.669	4.701	4.669
KLK IMTN 3.95% 27.09.2034 - Tranche 2	AA1	3.950%	27-Sep-34	5	4.41	4.41	4.41
GENTING RMTN MTN 5479D 08.11.2034 - Tranche 2	AA1 (S)	4.380%	08-Nov-34	2	5.18	5.18	5.18
IMTIAZ II IMTN 4.650% 24.11.2021	AA2 (S) AA- IS	4.650%	24-Nov-21	20	2.301	2.312	2.301
STSSB IMTN Series 7/2016 4.900% 06.06.2022	(CG)	4.900%	06-Jun-22	20	3.071	3.081	3.071
PKNS IMTN 5.000% 02.12.2022	AA3	5.000%	02-Dec-22	10	3.407	3.407	3.4
COUNTRY GDN IMTN 6.600% 23.02.2023 - Issue No 2	AA3 (S)	6.600%	23-Feb-23	1	5.191	5.35	5.191
IJM IMTN 4.900% 21.04.2025	AA3	4.900%	21-Apr-25	20	3.419	3.43	3.419
PTP IMTN 3.740% 18.06.2025	AA- IS	3.740%	18-Jun-25	10	3.303	3.303	3.303
PTP IMTN 3.150% 28.08.2025	AA- IS	3.150%	28-Aug-25	10	3.37	3.373	3.37
QSPS Green SRI Sukuk 5.440% 06.04.2026 - T15	AA- IS	5.440%	06-Apr-26	10	4.009	4.011	4.009
PTP IMTN 3.740% 21.04.2026 (Series 3 Tranche 7)	AA- IS	3.740%	21-Apr-26	5	3.479	3.481	3.479
BGSM MGMT IMTN 4.130% 03.12.2027 - Issue No 18	AA3	4.130%	03-Dec-27	5	3.601	3.601	3.601

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RHBBANK MTN 3652D 28.4.2031	AA3	3.650%	28-Apr-31	10	3.382	3.387	3.382
SPG IMTN 5.330% 30.04.2032	AA- IS	5.330%	30-Apr-32	10	4.201	4.202	4.201
SPG IMTN 5.410% 29.04.2033	AA- IS	5.410%	29-Apr-33	10	4.306	4.307	4.306
EDRA ENERGY IMTN 6.590% 04.07.2036 - Tranche No 30	AA3	6.590%	04-Jul-36	20	4.824	4.836	4.824
TROPICANA IMTN 5.450% 06.10.2023 - SEC. SUKUK T4S1	A+ IS	5.450%	06-Oct-23	1	5.181	5.191	5.181
IJM LAND 5.650% PERPETUAL SUKUK MUSHARAKAH -S1 T1	A2 (S)	5.650%	17-Mar-19	1	4.391	4.391	4.391
EWIB IMTN 6.400% 24.05.2023	NR(LT)	6.400%	24-May-23	1	5.294	5.305	5.294
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 2	NR(LT)	6.850%	07-Aug-19	2	6.422	6.422	6.422
YNHP 6.850% PERPETUAL SECURITIES - TRANCHE NO 1	NR(LT)	6.850%	07-Aug-19	1	5.952	5.959	5.952
Total				909			

Sources: BPAM

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Malaysia

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