

Global Markets Daily

Soft Regional PMIs Slow AxJ FX Gains

US Equities Mildly Lower, AxJ FX Mixed

US equities pulled back slightly overnight but remained near record highs. Some profit-taking might have occurred ahead of US jobs data this week (ADP tonight, NFP on Fri). A much stronger than expected labour market report could reignite expectations of faster Fed normalisation, providing support for USD (and vice versa). Back in Asia, more signs of growth jitters (i.e., softer Aug PMI Mfg readings) could be weighing a tad on regional FX sentiments, but given potential easing of production drags from re-opening in various economies, extent of dampening in confidence could be contained.

Asian Manufacturing Outturns Subdued in Aug

After the disappointment in services activity reading yesterday, Caixin China PMI Mfg (49.2 vs. 50.3 prior) also slipped into contraction. Broad softening in Aug Markit Mfg PMIs was seen in most Asian economies as well. Readings for Vietnam (40.2 vs. 45.1 prior), Malaysia (43.4 vs. 40.1 prior), Indonesia (43.7 vs. 40.1 prior), Philippines (46.4 vs. 50.4 prior) remained or fell into contractionary territory. Tech powerhouses Taiwan (58.5 vs. 59.7 prior), South Korea (51.2 vs. 53.0 prior) did better, reflecting robust external demand for tech goods, but pace of expansion moderated. On a forward-looking note though, some regional economies such as Indonesia, Thailand and Malaysia have begun easing curbs alongside stabilization/decline in their Covid case trajectories and this could hint at more benign outturns ahead.

US ADP, ISM in Focus

Key data of interest include US ADP Employment, ISM Mfg (Aug), EU PMI Mfg (Aug), Unemployment rate (Jul), UK PMI Mfg (Aug), National house prices (Aug), ID CPI (Aug), India PMI Mfg (Aug). AU 2Q GDP came in at 9.6%/y, slightly above expected 9.1%.

Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.1809	↑ 0.10	USD/SGD	1.3449	↓ -0.05
GBP/USD	1.3755	↓ -0.04	EUR/SGD	1.5882	↑ 0.06
AUD/USD	0.7316	↑ 0.27	JPY/SGD	1.2225	↓ -0.13
NZD/USD	0.7045	↑ 0.66	GBP/SGD	1.8498	↓ -0.08
USD/JPY	110.02	↑ 0.09	AUD/SGD	0.9837	↑ 0.20
EUR/JPY	129.92	↑ 0.19	NZD/SGD	0.9478	↑ 0.66
USD/CHF	0.9151	↓ -0.20	CHF/SGD	1.4694	↑ 0.16
USD/CAD	1.2616	↑ 0.08	CAD/SGD	1.066	↓ -0.12
USD/MYR	4.1552	→ 0.00	SGD/MYR	3.0887	↓ -0.03
USD/THB	32.24	↓ -0.67	SGD/IDR	10614.5	↓ -0.58
USD/IDR	14268	↓ -0.71	SGD/PHP	37.0305	↑ 0.08
USD/PHP	49.75	↓ -0.40	SGD/CNY	4.8037	↓ -0.13

Implied USD/SGD Estimates at 1 September 2021, 9.00am

Upper Band Limit	Mid-Point	Lower Band Limit
1.3295	1.3566	1.3838

Analysts

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

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

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

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

G7: Events & Market Closure

Date	Ctry	Event
30 Aug	UK	Market Closure

Asia Ex JP: Events & Market Closure

Date	Ctry	Event
30 Aug	PH	Market Closure
31 Aug	MY	Market Closure
2 Sep	VN	Market Closure

G7 Currencies

- **DXY Index - DXY Index - ADP, ISM Mfg Today.** Decline in USD, UST yields paused overnight. Softer Chicago PMI, US consumer confidence, still-contractionary ASEAN PMIs and worries of C.1.2 variant being more infectious dented sentiment. We reiterate that USD could consolidate ahead of key US data risks this week - ADP employment, ISM mfg (Wed) and NFP, ISM services (Fri). Depending on how data pans out - a much stronger than expected labour market report could reignite expectations of faster Fed normalisation and this provide support for USD. However if data comes in around expected numbers or slightly worse, then we could possibly see resuming its decline. DXY was last seen at 92.75 levels. Daily momentum is mild bearish while RSI is turning around. Downside risk to fade for now. Resistance at 92.80 (21 DMA), 93.2, 93.5 levels. Support here at 92.55 (50 DMA) before 92.10 (bullish trend channel support). This week brings ADP Employment, ISM Mfg (Aug); Construction spending (Jul) on Wed; Trade (Jul); Factory Orders, Durable goods orders (Jul) on Thu; ISM services, NFP, unemployment rate, average hourly earnings (Aug).
- **EURUSD - Mfg PMI on Tap Today.** EUR rose as high as 1.1845 yesterday after much higher than expected CPI estimate for Aug (3% y/y vs. 2.7% consensus vs. 2.2% prior) fuelled chatters of potential ECB taper at upcoming ECB (9 Sep). We think there is a good chance of growth and inflation projections being revised higher. Potentially ECB may alter or keep the pace of its current asset purchases under the 2 programs: APP and PEPP. Under the PEPP's EUR1.85tn envelope, the ECB cannot continue buying at current pace of EUR80bn a month until the expiry of the PEPP in Mar 2022. This is because up till 31 Jul, ECB has already purchased >EUR1.2tn (under the PEPP program). That leaves less than EUR600bn quota for the remaining 8months (or a reduced pace of EUR73bn/month). So it is likely a decision to reduce PEPP purchase is due soon or ECB can extend the Mar-2022 expiry or expand the EUR1.85tn envelope. Alternatively the ECB can delay its decision to 28 Oct or 16 Dec ECB meeting. But the EUR move higher was brief as it reversed gains into close amid broad USD bounce. Pair was last at 1.18 levels. Daily momentum is mild bullish bias but RSI shows signs of turn around. Slight risk to the downside. Support at 1.1760 (21 DMA), 1.1720 levels. Key resistance at 1.1810/20 levels (23.6% fibo retracement of May high to Aug low, 50 DMA) needs to be broken for further upside to extend towards 1.1895 (38.2% fibo), 1.1960 (100 DMA, 50% fibo). This week brings PMI Mfg (Aug); unemployment rate (Jul) on Wed; PPI (Jul) on Thu; PMI services (Aug); Retail sales (Jul) on Fri.
- **GBPUSD - Downside Risk.** GBP was last seen at 1.3733 levels. Daily momentum is not showing a clear bias while RSI shows signs of turning lower. Death cross formed as 50DMA cuts 200 DMA to the downside. Support at 1.3690, 1.3610 and 1.3570 (23.6% fibo retracement of 2020 low to 2021 high). Resistance at 1.3810 (21, 50, 200 DMAs) and 1.3920 900 DMA). Look for 1.37 - 1.38 range. This week brings PMI Mfg, Nationwide House price (Aug) on Wed; PMI Services (Aug).

- **USDJPY - *Supported***. Pair last seen at 110.15, rising modestly above the 110-handle to test our suggested resistance at 50-DMA. Price behaviour in the past weeks has largely validated our bias to buy-on-dips for this pair. US ADP jobs data tonight could swing treasury yields and hence USDJPY. A robust jobs reading could induce worries of faster Fed rate hikes and pose upward pressures on treasury yields. Even if the reading disappoints, dips in UST yields could be shallow. USDJPY could remain relatively supported for now. Momentum and RSI on daily chart are now mildly bullish. Resistance at 110.15 (50-DMA) is being tested; next at 110.70 (23.6% fibo retracement of Apr low to Jul high), 111.70 (Jul high). Key support at 109 (61.8% fibo), before 108.45 (76.4% fibo). 2Q capital spending grew by 5.3%/y, outperforming expectations of 3.5%. In other news, PM Suga is reportedly looking to hold a general election on 17 Oct, with the lower house potentially dissolved by 17 Sep.

- **NZDUSD - *Bulls Shows Signs of Losing Momentum***. NZD slipped this morning amid softer risk sentiment and a surge in covid infection (75 new cases including 74 in Auckland and 1 in Wellington). Auckland will stay on alert level 4 for another 2 weeks. Fears of extended and expanded lockdown could undermine sentiment. NZD was last at 0.7040 levels. Daily momentum is bullish bias while rise in RSI slowed. Pace of rise to moderate or even turn lower. Support at 0.6995 (21, 50 DMAs), 0.6950 levels. Resistance at 0.7060 levels. We look for 0.70 - 0.7060 range. This week brings Terms of Trade (2Q) on Thu.

- **AUDUSD - *Buoyant***. AUD hovered around 0.7310, pressured as risk appetite waned in early Asia trade. US consumer confidence and softer MNI Chicago PMI. Earlier on Tue, news of the 500K vaccine swap agreement with Singapore yesterday likely added optimism. At home, daily Covid cases for Australia remain elevated with 7-day average cases remain on the rise at 1099 as of 30 Aug. We continue to keep an eye on the vaccination rate as PM Morrison and Australia's pandemic panel had that phase B and C could start when vaccination rates reach 70% and 80% respectively. Our World in Data shows that 47% of the population is given at least 1 dose of the vaccine with 27% fully vaccinated. Vaccine doses administered per 100 people has been on the rise with 7-dma last at 1.07 for Australia, compared to the world at 0.52 and the US at 0.26. The uptrend is encouraging and we see potential for AUDUSD to have likely bottomed. NSW Premier Berejiklian had promised drinks, meals and events for the vaccinated should the 70% of the adult population get vaccinated. As of 23 Aug, vaccination rate for the state stands at 31.5%. Back on the chart, AUDUSD may face its next resistance at 0.7391 (50-dma). Support at 0.7230, 0.7110 before 0.6990 (last Nov low). Momentum is increasingly bullish and stochastics are rising. Risks are still skewed to the upside for the antipodean. Data-wise, 2Q GDP came in firmer than expected at 0.7%q/q vs. expected 0.4%, albeit still a slowdown from the previous at 1.3%. Week ahead has Jul trade on Thu, retail sales for Jul (final) on Fri.

■ **USDCAD - *Choppy, Fade Rallies.*** USDCAD remains choppy because of election uncertainty, last at 1.2630, supported by the 21-dma at 1.2603. Resistance at 1.2710. The convergence of moving averages also do not provide much directional bias at this point. Next resistance is seen at 1.2880. Support at 1.2595 (21-dma) before next support at 1.2523. We remain bullish on the CAD and look for eventual outperformance vs. other peers. Canada's vaccination rate at 73% (% of population that received at least 1 dose) and this is well above the US at 60% and UK's 70%. Just as the UK has kept the hospital admission rates low in spite of recent infection waves, so should Canada be able to achieve the same. On the political front, 338 Canada polls suggested that the conservatives have caught up with the liberals as of 30 Aug. Elections are around 20 Sep and we prefer to continue to sell on rallies for the pair. Data-wise, 2Q GDP came in at 0.7%*m/m* for Jun, registering a surprise annualised contraction of -1.1% for 2Q. There are other data due including Aug Mfg PMI on Wed, Jul building permits and trade are due Thu.

Asia ex Japan Currencies

SGD trades around +0.82% from the implied mid-point of 1.3566 with the top estimated at 1.3295 and the floor at 1.3838.

- **USDSGD - Bearish But Signs of Support Emerging.** USDSGD last seen at 1.3453, remaining in narrow ranges over the past two days. USDSGD is still near post-Jun lows, while SGD NEER has come off a tad from resistance at +1.0% above implied policy mid-point, likely capturing recent relative recoveries in regional FX such as MYR, THB, IDR, as well as antipodeans AUD and NZD. Our assessment remains that it could re-settle more broadly into the +0.5% to +1.5% range we highlighted earlier in 1Q. We note that new locally-transmitted Covid cases are back higher in the 3-digits for the past several days but without discernible negative drags on economic activity, spillovers to SGD sentiments could remain mild. Momentum on the USDSGD daily chart is bearish while RSI has been on the decline. Signs of support are emerging nearby at 1.3440 (50.0% fibo retracement from Jun low to Jul high). If this gives way, next at 1.3380 (61.8% fibo), 1.3310 (76.4% fibo). Resistance at 1.3500 (38.2% fibo), 1.3600, before 1.3690 (Jul high). PMI due Thurs, retail sales due Fri.
- **AUDSGD - Bullish Risks.** Last seen at 0.9840, this cross has settled into narrow swivels. There is plenty of headroom for this cross with resistance seen at 0.9884 (21-dma) before the next at 1.0003 (50-dma). MACD is a tad bullish. Support seen around 0.9770 before the next at 0.9640. 21-dma at 0.9920 is a resistance level.
- **SGDMYR - Bearish Bias but Cautious of Snapback.** SGDMYR fell further this morning amid MYR outperformance. Cross was last at 3.0830 levels. Bearish momentum on daily chart intact while RSI is falling towards oversold conditions. Directional bias remains skewed to the downside though we caution for risk of snapback at some point. Support at 3.0780 (200 DMA), 3.0720 (61.8% fibo retracement of Mar low to May high). Resistance at 3.09, 3.0950 levels.
- **USDMYR - Bearish Bias but Looking Overstretched.** Onshore markets returned from holidays today. USDMYR opened a touch softer this morning amid lingering positivity from fading political concerns, supported risk sentiment and dovish Powell. Pair was last at 4.1450 levels. Bearish momentum on daily chart intact while RSI has fallen into oversold conditions. Sustained close below 4.15 (38.2% fibo retracement of 2021 low to high) could see further move lower towards 4.12 levels (50% fibo). Resistance at 4.15, 4.1620 (100 DMA). Bias remains for downside play though we note that pace of decline from here could slow temporarily. On the USD side of the equation, we take cues from upcoming US data - ADP employment, ISM mfg (Wed) and NFP, ISM services (Fri). Softer data prints could weigh on USD but better than expected US jobs report may help with USD bounce. In the interim, we opined that the broad USD pullback since last Fri may consolidate in the interim as market eyes US data. Focusing back on domestic, our Economist shared that yesterday Malaysia National Day, the MoF issued Pre-Budget Statement (PBS), intended to improve the annual budget preparation process by

providing a preliminary overview of Budget 2022, plus updates on Budget 2021 that included tax revenue performance, public expenditure status and Government debt level. MoF reaffirmed the revised forecast for 2021 budget deficit to GDP ratio of 6.5%-7.0% vs the original target of 5.4% as the official 2021 real GDP growth forecast was lowered to a range of +3.0% to +4.0% from +6.0% to +7.5% previously following lockdowns and tighter restrictions since May 2021 to contain the current wave of COVID-19 infections. Restrictions are expected to be eased/lifted and the economy to be re-opened in 4Q 2021 amid progress in COVID-19 vaccination where over 60% of adults have been fully vaccinated nationwide as of end-Aug 2021. In addition, Government announced four economic stimulus packages totalling MYR225b that included MYR28b direct fiscal injections on top of Budget 2021 allocation (see [here](#) for more details). Local equities was small down (-0.5%) this morning amid mixed session in the region. As of 30 Aug, local equities saw net daily foreign inflows of US\$123.6mio. This is nearly half of net MTD foreign inflows.

- **1m USDKRW NDF - Sell Rallies.** 1m USDKRW NDF continued to trade near its recent lows. Pair was last seen at 1159. Bearish momentum on daily chart intact while RSI is on falling trend. Immediate support at 1157, 1154 (38.2% fibo). Resistance at 1162 (21DMA), 1165 (23.6% fibo retracement of May low to Aug high). Ahead of key US data risks this week - ADP employment, ISM mfg (Wed) and NFP, ISM services (Fri) - we opined that USDKRW's recent decline could slow or even consolidate from here. Depending on how data pans out - a much stronger than expected labour market report could reignite expectations of faster Fed normalisation and this provide support for USD. However if data comes in around expected numbers or slightly worse, then we could possibly see resuming its decline.
- **USDCNH - 6.45-6.53 Range Intact.** The USDCNH hovered around 6.4570. The 6.45-6.53 range remains intact. Momentum is a tad bearish. Moving averages are compressed and this consolidation could continue until a break-out. In this weaker USD environment, RMB TWI could continue to fall as we expect appreciation in the other non-USD currencies to be faster than the stable RMB, last at 98.47. The USDCNY reference rate was fixed at 6.4680, versus 6.4680 estimated. This morning, Caixin Mfg PMI fell to 49.2 for Aug from previous 50.3 after the delta variant triggered quite a series of lockdowns in China between Jul-Aug. Both production and consumption were hurt, not helped the least by the Henan floods. While this release supports the narrative that China is on a cyclical downturn, we take heart that China has overcome its outbreak at home and there could be some restoration in consumer confidence. The targeted RRR cut aimed at rural and agriculture may be unleashed soon to help support demand on top of a likely broader one in Oct to meet the tranche of MLF due in Nov-Dec 2021. News-wise. CPCCC (Communist Party of China Central Committee) is scheduled to meet in Nov. This closed door meeting will review significant achievements of the party and its decade-long history according to CCTV. Week ahead has Caixin services, composite PMI on Fri.

- **1M USDINR NDF - *Bearish*.** The 1M NDF fell through the 73.40-support and was last at 73.25. Stable covid situation at home, IPOs and the latest government's initiative for asset monetisation plans (announced on 23 Aug) to fund its deficit could continue to generate inflows to support the INR. Momentum is bearish and next support is seen at 73.0, 72.80 before 72.60. India administered at least 1 dose of vaccine to 35% of its population and 10% is fully vaccinated. Data-wise, 2Q GDP came in strong at 20.1%/y, bolstered by base effects for the quarter. Headline was also underpinned by expansion in manufacturing (49.6%/y) and construction (68.3%). Breakdown by expenditure approach suggest that investment makes the bulk of growth with GFCF at 55.3%/y growth, private consumption was also stronger at 19.3%/y because of 2021 lockdown was not a nation-wide restriction unlike 2020. For more forward-looking economic indicators, we keep a watch on Aug Mfg PMI due today, Services PMI on Fri.
- **1M USDIDR NDF - *Supported on Dips*.** NDF last seen near 14,280, dipping lower yesterday alongside robust demand for IDR sovereign bonds. Yields on the 10Y IGB for instance, has fallen from around 6.15% on Mon morning, to 6.04% last seen, as markets digested Powell's dovish taper messaging from last Fri. Still, signs of support for UST10Y yield are emerging around the 1.2%-1.3% region, and recent narrowing of IGB-UST yield differentials could lead the 1m USDIDR NDF to be supported on dips. Markit PMI for Aug came in at 43.7, improving from 40.1 prior but still in contractionary territory. Domestic growth concerns are likely intact still, which could constrain the pace of IDR recovery. In other news, BI Governor Perry Warjiyo said that in response to recent Fed signalling on gradual withdrawal of support, BI may begin reducing liquidity in domestic financial markets next year as well, via raising policy rates towards the end of 2022, among other measures. Momentum on daily chart is modestly bearish, but we note that RSI is approaching near-oversold conditions. Support at 14,200 (Jun low), 14,130 (May low). Resistance at 14,360 (200-DMA), before 14,500 (50-DMA). CPI due today.
- **USDTHB - *Bearish Momentum Could Moderate*.** Last seen at 32.27, remaining on a net decline yesterday. Pair has now fallen by around 3.4% since 23 Aug, on the back of easing Covid case trajectory, cues on loosening of curbs, Powell's dovish remarks at Jackson Hole, narrowing of BoP deficit (-US\$289mn in Jul vs. -US\$1504mn prior) etc. Some of the quasi-lockdown restrictions in 29 provinces will be relaxed starting today. Restaurants may resume dine-in services with 75% capacity allowed for outdoor dining spaces and 50% for air-conditioned locations. Gatherings of up to 25 people (from 5 currently) are allowed, domestic flights will resume, while public parks and hair salons will also reopen. But night curfews and work-from-home mandates will remain. Still, Markit PMI Mfg for Aug came in at 48.3, on par with 48.7 prior, but still remaining mildly in contractionary territory, highlighting growth concerns. Anecdotal reports of incremental challenges at the Phuket sandbox (activity curbs, hotel cancellations) could also hint at more difficulties for the tourism industry ahead. On net, pace of recent THB gains could slow. Momentum on daily chart is strongly bearish while RSI has reached

oversold conditions. Support at 32.00 (61.8% fibo retracement from Jun low to Aug high), 31.60 (76.4% fibo). Resistance at 32.70 (50-DMA), 33.10 (21-DMA), 33.50 (2018, 2021 high).

- **1M USDPHP NDF - Range.** NDF last seen at 49.93, on a modest up-move this morning. Markit PMI Mfg for Aug came in at 46.4, deteriorating from 50.4 prior and entering contractionary territory, reflecting domestic growth concerns. New Covid-19 cases remain on a broad up-trend, with 7-day average rising to around 17k in end-Aug vs. 7k at the start of Aug. With Covid risks intact, recovery in PHP could be choppy, particularly against regional peers. Momentum on daily chart is modestly bearish while RSI is not showing a clear bias. Support at 49.50 (50.0% fibo retracement from Jun low to Jul high), before 49.10 (61.8% fibo). Immediate resistance at 50.00 (38.2% fibo) at risk; next at 50.50 (23.6% fibo).

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH 6/24	2.34	-	-
5YR MO 11/26	2.68	-	-
7YR MS 6/28	3.04	-	-
10YR MO 4/31	3.19	-	-
15YR MS 5/35	3.69	-	-
20YR MY 5/40	3.99	-	-
30YR MZ 6/50	4.20	-	-
IRS			
6-months	1.94	-	-
9-months	1.94	-	-
1-year	1.95	-	-
3-year	2.37	-	-
5-year	2.63	-	-
7-year	2.84	-	-
10-year	3.09	-	-

Source: Maybank KE

*Indicative levels

Winson Phoon
(65) 6340 1079
winsonphoon@maybank.com

Se Tho Mun Yi
(603) 2074 7606
munyi.st@maybank-ib.com

■ Malaysia markets closed for Merdeka Day holiday.

Singapore Rates and AxJ USD Credit

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	0.37	0.36	-1
5YR	0.81	0.79	-2
10YR	1.43	1.41	-2
15YR	1.69	1.67	-2
20YR	1.85	1.84	-1
30YR	1.85	1.83	-2

Source: MAS (Bid Yields)

- SORA IRS rates were unchanged to -2bps in a flattening move, while SOR rates declined in larger magnitude, narrowing the SOR-SORA spreads by 2-4bps. The moves in rates was probably fuelled by the disappointment in China services PMI. SGS yields opened 1-4bps lower, but those levels could not sustain and yields retraced slightly to end 1-2bps lower from previous day.

Indonesia Fixed Income

Analysts

Myrdal Gunarto
(62) 21 2922 8888 ext 29695
MGunarto@maybank.co.id

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change
1YR	4.04	4.02	(0.02)
3YR	5.03	5.03	(0.01)
5YR	5.06	5.04	(0.01)
10YR	6.12	6.06	(0.05)
15YR	6.33	6.30	(0.02)
20YR	6.90	6.89	(0.01)
30YR	6.83	6.82	(0.01)

* Source: Bloomberg, Maybank Indonesia

- Indonesian government bonds kept retaining their rally trends yesterday. It's still driven by recent dovish monetary statement by Federal Reserve Chair Jerome Powell. Global investors continued adding their risk appetite to seek investment instruments that offering attractive return in the emerging markets. Moreover, investors have also shown their strong interest to participate on the government's conventional bond auction yesterday. Total investors' incoming bids ratio reached Rp116.11 trillion. However, the government only absorbed Rp21 trillion due to recent impacts of its deal with Bank Indonesia about debt burden sharing. On this auction, the government made efficient measures on managing debt by absorbing investors' funds with relative lower yields, compared on the secondary market.
- On short term, we believe that it will give more opportunity for the market players to come back increasing their risk appetite to take position on the emerging markets, such as Indonesian government bonds. Relative high of investment return and sound fundamental background are the reason to put their position on Indonesian government bonds. Moreover, Indonesian daily cases of COVID-19 tended to being flat recently. Indonesian cases of COVID-19 posed an improvement, as shown by recent numbers of new daily cases and bed occupancy rates on the hospital. The new cases and the death people due to COVID-19 are reported by 10,534 and 532 yesterday. This condition can boost the government to make further relaxation on social economic activities for improving the national business climate, especially for the business players on the retail sector, the transportation sector, the restaurant sector, the hospitality sector, and the tourism sector.
- Today, Indonesia Statistic Agency is scheduled to announce the latest inflation result for Aug-21. We believe inflation to keep being modest, given that there no significant pressures amidst recent weakening demand during the pandemic period. Then, the pressures from the imported inflation are manageable enough, following recent stable Rupiah's position. We believe modest inflation pressures to give an advantage for Indonesian bonds market. We expect inflation to be 1.57% YoY in Aug-21.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.1866	110.39	0.7368	1.3834	6.4824	0.7110	130.4800	80.9623
R1	1.1838	110.20	0.7342	1.3794	6.4683	0.7078	130.2000	80.7157
Current	1.1805	110.19	0.7320	1.3742	6.4578	0.7045	130.0700	80.6510
S1	1.1788	109.71	0.7289	1.3729	6.4437	0.7004	129.6200	80.1487
S2	1.1766	109.41	0.7262	1.3704	6.4332	0.6962	129.3200	79.8283
	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3482	✓ #VALUE!	14374	49.9500	32.6187	1.5937	0.6443	3.0912
R1	1.3465	✓ #VALUE!	14321	49.8500	32.4293	1.5910	0.6437	3.0899
Current	1.3446	4.1470	14270	49.8390	32.2830	1.5873	0.6417	3.0842
S1	1.3425	✓ #VALUE!	14239	49.6530	32.1243	1.5858	0.6425	3.0880
S2	1.3402	✓ #VALUE!	14210	49.5560	32.0087	1.5833	0.6418	3.0874

*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	0.4286	Oct-21	Neutral
BNM O/N Policy Rate	1.75	9/9/2021	Easing Bias
BI 7-Day Reverse Repo Rate	3.50	21/9/2021	Neutral
BOT 1-Day Repo	0.50	29/9/2021	Easing Bias
BSP O/N Reverse Repo	2.00	23/9/2021	Easing Bias
CBC Discount Rate	1.13	23/9/2021	Neutral
HKMA Base Rate	0.50	-	Neutral
PBOC 1Y Loan Prime Rate	3.85	-	Neutral
RBI Repo Rate	4.00	8/10/2021	Easing
BOK Base Rate	0.75	12/10/2021	Tightening Bias
Fed Funds Target Rate	0.25	23/9/2021	Tightening Bias
ECB Deposit Facility Rate	-0.50	9/9/2021	Easing Bias
BOE Official Bank Rate	0.10	23/9/2021	Neutral
RBA Cash Rate Target	0.10	7/9/2021	Easing Bias
RBNZ Official Cash Rate	0.25	6/10/2021	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	35,360.73	-0.11
Nasdaq	15,259.24	-0.04
Nikkei 225	28,089.54	1.08
FTSE	7,119.70	-0.40
Australia ASX 200	7,534.90	0.40
Singapore Straits Times	3,055.05	-0.52
Kuala Lumpur Composite	1,601.38	0.71
Jakarta Composite	6,150.30	0.09
Philippines Composite	6,855.44	1.01
Taiwan TAIEX	17,490.29	0.54
Korea KOSPI	3,199.27	1.75
Shanghai Comp Index	3,543.94	0.45
Hong Kong Hang Sena	25,878.99	1.33
India Sensex	57,552.39	1.16
Nymex Crude Oil WTI	68.50	-0.03
Comex Gold	1,818.10	0.33
Reuters CRB Index	218.17	-0.62
MBB KL	8.40	0.36

MYR Bonds Trades Details

Day Low

Sources: BPAM

MYR Bonds Trades Details

Day
Low

Sources: BPAM

DISCLAIMER

This report is for information purposes only and under no circumstances is it to be considered or intended as an offer to sell or a solicitation of an offer to buy the securities or financial instruments referred to herein, or an offer or solicitation to any person to enter into any transaction or adopt any investment strategy. Investors should note that income from such securities or financial instruments, if any, may fluctuate and that each security's or financial instrument's price or value may rise or fall. Accordingly, investors may receive back less than originally 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 and/or financial instruments 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 Malayan Banking Berhad and/or its affiliates and related corporations (collectively, "Maybank") and consequently no representation is made as to the accuracy or completeness of this report by Maybank and it should not be relied upon as such. Accordingly, no liability can be accepted for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Maybank and its officers, directors, associates, connected parties and/or employees may from time to time have positions or be materially interested in the securities and/or financial instruments referred to herein and may further act as market maker or have assumed an underwriting commitment or deal with such securities and/or financial instruments and may also perform or seek to perform investment banking, advisory and other services for or relating to those companies whose securities are mentioned in this report. Any information or 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. Maybank 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.

This report is prepared for the use of Maybank'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 Maybank. Maybank 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.

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 1 September 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 1 September 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 1 September 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.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Published by:



Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange

Singapore

Saktiandi Supaat
Head, FX Research
saktiandi@maybank.com.sg
(+65) 6320 1379

Christopher Wong
Senior FX Strategist
Wongkl@maybank.com.sg
(+65) 6320 1347

Fiona Lim
Senior FX Strategist
Fionalim@maybank.com.sg
(+65) 6320 1374

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

Fixed Income
Malaysia
Winson Phoon Wai Kien
Fixed Income Analyst
winsonphoon@maybank.com
(+65) 6340 1079

Se Tho Mun Yi
Fixed Income Analyst
munyi.st@maybank-ib.com
(+60) 3 2074 7606

Indonesia

Juniman
Chief Economist, Indonesia
juniman@maybank.co.id
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto
Industry Analyst
MGunarto@maybank.co.id
(+62) 21 2922 8888 ext 29695

Sales
Malaysia

Zarina Zainal Abidin
Head, Sales-Malaysia, Global Markets
zarina.za@maybank.com
(+60) 03- 2786 9188

Singapore
Janice Loh Ai Lin
Head of Sales, Singapore
jloh@maybank.com.sg
(+65) 6536 1336

Indonesia
Endang Yulianti Rahayu
Head of Sales, Indonesia
EYRahayu@maybank.co.id
(+62) 21 29936318 or
(+62) 2922 8888 ext 29611

Shanghai
Joyce Ha
Treasury Sales Manager
Joyce.ha@maybank.com
(+86) 21 28932588

Hong Kong
Joanne Lam Sum Sum
Head of Corporate Sales Hong Kong
Joanne.lam@maybank.com
(852) 3518 8790