

## MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	153.28	153.05	▼0.59	▼5.28
EUR	1.0735	1.0761	+0.0036	+0.0068
AUD	0.6575	0.6610	+0.0045	+0.0077
SGD	1.3532	1.3496	▼0.0053	▼0.0132
CNY	7.2411	7.2411	+0.0000	▼0.0053
INR	83.41	83.43	▼0.04	+0.08
IDR	16083	16084	▼101	▼126
MYR	4.7392	4.7385	▼0.0160	▼0.0295
PHP	57.36	57.37	▼0.18	▼0.33
THB	36.82	36.79	▼0.16	▼0.17

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.508%	▼7.3 bp	▼15.5 bp
JPY (10YR)	0.901%	+0.0 bp	+1.0 bp
EUR* (10YR)	2.495%	▼4.6 bp	▼8.0 bp
AUD (5YR)	4.097%	▼2.9 bp	▼10.5 bp
SGD (5YR)	3.331%	▼6.0 bp	▼3.9 bp
CNY (5YR)	2.179%	+0.0 bp	+4.5 bp
INR (5YR)	7.158%	▼1.2 bp	▼1.9 bp
IDR (5YR)	6.962%	▼11.6 bp	▼14.5 bp
MYR (5YR)	3.762%	▼1.9 bp	▼4.5 bp
PHP (5YR)	6.666%	▼10.2 bp	▼12.0 bp
THB (5YR)	2.542%	▼0.1 bp	▼1.2 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	38,675.68	+1.18%	+1.14%
N225 (JP)	38,236.07	+0.00%	+0.79%
STOXX 50 (EU)	4,921.48	+0.63%	▼1.71%
ASX (AU)	4,469.09	+0.52%	+1.03%
STI (SG)	3,292.93	▼0.12%	+0.39%
SHCOMP (CN)	3,104.82	+0.00%	+0.52%
SENSEX (IN)	73,878.15	▼0.98%	+0.20%
JSE (ID)	7,134.72	+0.24%	+1.40%
KLSE (MY)	1,589.59	+0.59%	+0.92%
PSE (PH)	6,615.55	▼0.47%	▼0.20%
SET (TH)	1,369.92	+0.49%	+0.73%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	286.51	+0.62%	▲3.48%
COPPER (LME)	9,790.13	+1.53%	▲0.64%
IRON ORE (CN)	117.69	▲0.30%	+5.89%
GOLD	2,301.74	▲0.09%	▲1.55%
OIL (WTI)	78.11	▼1.06%	▼6.85%

### Three Take-Aways

- 1) Softer US jobs report and ISM services dipping into contraction sent UST yields lower and buoyed equities.
- 2) ISM price paid surge warns of pre-mature viewing of demand-supply rebalancing as dis-inflation.
- 3) Indonesia GDP growth likely to remain stable and affirm BI's decision to hike and support the IDR.

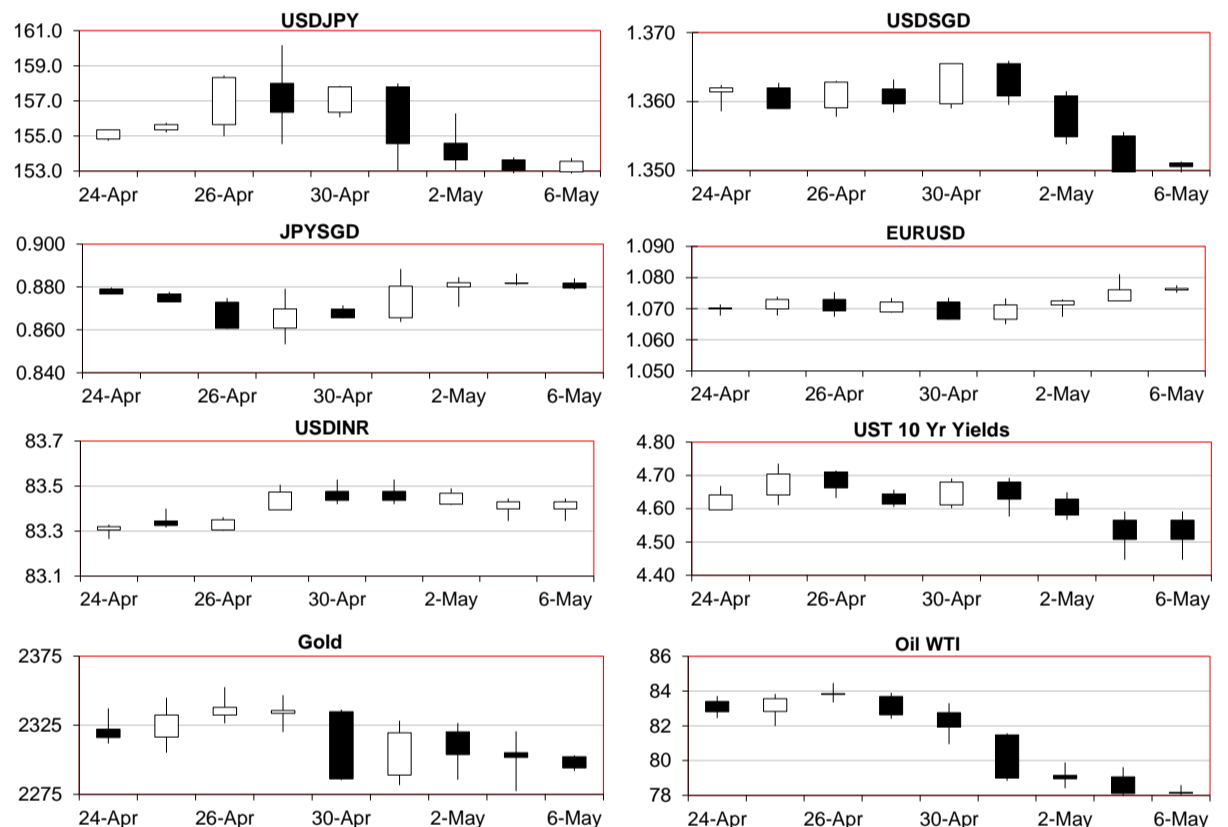
### Soft Rolls

- Undoubtedly, a softer than expected US nonfarm payrolls alongside an increase in unemployment rate and slower than expected wage growth sent UST yields plunging in a bull flattener with 2Y yields dropping 5.7bp while 10Y yields fell 7.3bp.
- With the NFP print being viewed in a bad news is good news angle to raise the probability of an initial rate cut in November, US equities were buoyant led by the Nasdaq gaining 2% followed by the S&P500 and Dow heading 1.3% and 1.2% higher respectively.
- Chicago Fed President Goolsbee characterised the jobs report as "solid", giving him confidence that the economy is not overheating. In the same vein, the dip of ISM services into contractionary territory also aided those looking to the Fed for rate cuts.
- Nonetheless, with ISM prices paid surging, optimism around demand and supply rebalancing actualising into softer inflation prints ought to be tempered. In fact, without a softer inflation, the landing might be much harder, though not being viewed as such now.
- Vigilance was certainly reflected by Fed's Bowman who said that she will "remain cautious in my approach to considering future changes in the stance of policy".
- Amid lower UST yields, USD ceded ground to G10 peers. The AUD rose above 66 cents ahead of the RBA meeting tomorrow where they look set to keep policy unchanged.
- EUR rose slightly to go above mid-1.07 while the USD/JPY hovered around 153.
- In EM-Asia, the USD/SGD slid to 1.35. Regional peers will look to China's services PMI as well as their return from holidays for a more durable FX boost. For today, Indonesia GDP outturn will likely affirm BI's last decision to hike and stabilise the IDR.

### OVERNIGHT RESULTS

(SG) Retail Sales/Ex Auto YoY (Mar): 2.7%/2.0%(Mkt: 2.8%/-; Feb: 8.4%/9.4%) | (US) NFP Chg/Unemployment Rate (Apr): 175k/3.9% (Mkt: 250k/3.8%; Mar: 303k/3.8%) | (US) ISM Services Index/Prices Paid (Apr): 49.4/59.2(Mkt: 52.0/-; Mar: 51.4/53.4) | (US) Avg Hourly Earnings MoM (Apr): 0.2% (Mkt: 0.3%; Mar: 0.3%) | (EZ) Unemployment Rate (Mar): 6.5% (Mkt: 6.5%; Feb: 6.5%)

### \* Past Two Weeks Movement \*



## TODAY'S COMMENTS & FORECAST

### Open

USD/JPY	153.58	EUR/USD	1.0759
USD/SGD	1.3509	USD/THB	36.78
JPY/SGD	0.8796	USD/MYR	4.739

### Forecast

USD/JPY	152.00 - 155.00
EUR/USD	1.0690 - 1.0820
AUD/USD	0.6520 - 0.6650
USD/SGD	1.3420 - 1.3580
JPY/SGD	0.8658 - 0.8934
USD/CNH	7.1600 - 7.2200
USD/INR	83.30 - 83.60
USD/IDR	16000 - 16150
USD/MYR	4.730 - 4.760
USD/PHP	57.20 - 57.70
USD/THB	36.60 - 37.00

### Today's Direction

	Bull	Bear
USD/SGD	3	0
USD/JPY	3	0

### Indonesia Q1 GDP: Supportive

- We expect Indonesia's growth to pick up to above 5.0% YoY in Q1'2024 (Q4: 5.0%). Wholesale/retail trade could see further acceleration (Q4: 4.1% YoY), in view of elections (which typically boost spending) in early February.

- High frequency data supports this conjecture, as retail sales grew at an average of 2.7% YoY in Q1'24, while consumer sentiment remains supportive. Fiscal spending on personnel grew by 42.9% YoY in Q1 could also suggest wage raises for civil sector employees. With the month-long Eid al-Fitr celebrations from mid-April, wholesale/retail trade should remain supported, but strong growth in government expenditure on social assistance (~28% YoY) could be potentially worrying insofar that growth could be in part be assisted by increased social assistance.

- Meanwhile, construction should remain resilient (Q4: 7.7% YoY) as Finance Minister Indrawati had affirmed that the government's continued infrastructure push would continue under the new government. Transportation & storage and ICT sectors should continue to reap spillovers from the improved connectivity.

- Externally-oriented sectors like manufacturing and mining should also be supported as the former should follow trends of modest recovery in electronics cycle regionally (Q4: 4.1%), while demand for coal and iron/steel have remained resilient despite falling prices (Q4: 7.5%).

- All in, Indonesia's growth looks to be stable as government push through key policies, although downside risks persists on external trade headwinds and a stretched consumer wallets.

### FX Daily Outlook

- EUR/USD: Crawl upwards above mid-1.08 to remain tedious despite narrower rate cut timings.
- USD/JPY: Contemplating extent of JPY gains will see 155 test as UST-JGB divergence re-asserts.
- USD/SGD: Even "as expected" China prints may assist the CNH to see slippage below 1.35.
- AUD/USD: RBA hold implies cautious testing of mid-66 cents.

### TODAY EVENTS

(ID) GDP YoY (Apr): (Mkt: 5.1%; Mar: 5.0%) | (CH) Caixin PMI Services (Apr): (Mkt: 52.5; Mar: 52.7) | (EZ) Services PMI (Apr F): (Mkt: 52.8; Prelim: 52.9) | (EZ) PPI YoY (Mar): (Mkt: -7.7%; Feb: -8.3%) | (EZ) Sentix Investor Confidence (May): (Mkt: -5.0; Apr: -5.9)

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