DAILY DIGEST

Biden exits US presidential race

- *Macro: Biden exits race; endorses VP Harris as Democratic presidential nominee. Advance Malaysia 2Q24 GDP rose a solid 5.8% yoy, underpinned by broad-based upsides including domestic demand, exports, and construction activity.*
- *Fixed Income: UST ended the week in the red amid shifting political risk premia, though attention ahead is expected to focus on US data including PCE readings end-week. 15Y MGS 04/39 auction and SRBI auction saw solid demand.*
- *FX: DXY on upward trajectory as all majors and Asian FX fell against the dollar. THB fell 0.9%, reversing gains after earlier touching its strongest level since Mar.*

Global macro wrap

- **Global:** US President Biden announced his exit from the 2024 presidential race, endorsing Vice President Kamala Harris to run as the Democratic nominee. China's Third Plenum concluded last week as the central government reassured its priority on "high-quality growth", though no clarity was provided for immediate policies to ramp up the economy.
- **ASEAN**: Advance Malaysia 2Q24 GDP reading rose by 5.8% yoy (consensus: +4.7%; CIMB: +5.0%), with growth driven by a broad-based increase including upsides to domestic demand and export-led manufacturing gains. Malaysia's MOF announced that the government will continue fiscal reform plans including by drawing up a Medium-Term Revenue Strategy (MTRS). This comes ahead of the country's Jun CPI reading with consensus estimating a slight acceleration to 2.2% yoy (May: +2.0%) amid the diesel targeting exercise last month. Thailand Deputy Finance Minister Paopoom announced plans for a one-stop financial services agency with the purpose of attracting foreign funds and investors.

Fixed Income

- **Global:** Both stocks and bonds ended a very volatile week in the red, driven primarily by shifting political sentiments. UST yields closed higher by 5-6bps for the week with losses led slightly by the front-end, though dissipation of political risk premia may be expected in the coming days amid a formal Biden exit and as attention shifts towards end-of-week US Jun PCE readings, ahead of the Fed's meeting next week.
- **ASEAN:** Regional bond yields treaded upwards amid UST weaknesses. Slight weaknesses in MGS was led by the 10-20Y's though nothing major at sub-1bp, as markets pared holdings amid the reopening auction for the 15Y MGS 04/39 with issuance size RM5bn (including RM2bn in private placement), which drew an ultra-solid BTC ratio of 3.10x. Overall IndoGB curve bear steepened as players made room for incoming supply next week. Meawhile SRBI auction saw sizzling demand wit total incoming bids of IDR67tr – the highest in SRBI history (recent averages: less than IDR20tr) – though BI remained cool as it capped issuances at IDR25tr. ThaiGB meanwhile also bear steepened, though yields on the 30Y strengthened 4bps as it retraced from earlier declines.

FX

- **Majors:** The DXY continued upwards (+0.2%) amid broad-based strength against all majors. JPY (-0.1%) posted the smallest decline – a rarity driven by Japan core inflation data that accelerated slightly in Jun, raising the potential for the BOJ to act in its coming meeting at end-July. EUR (-0.1%) continued to decline, as ECB policymakers including President Lagarde reiterating their no pre-set monetary policy course, noting the risks of an inflation resurgence especially for services. AUD placed midpacked with a 0.3% decline, despite the strong labour data earlier that suggests the RBA would keep rates higher for longer.
- **ASEAN:** All Asian currencies faltered in line with the USD's resurgence. THB underperformed (-0.9%), reversing earlier gains as dod volatile movements resumed amid an increase in the BOT FX reserves to USD227.8bn (previous: USD225.7bn). MYR fell 0.3% as the solid Malaysia advance 2Q24 GDP data provided no support on data release. IDR (-0.1%) and SGD (-0.1%) saw a more muted decline.

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Rates dashboard

Gov't bonds	Close	Change (bps) 1D	1W	1M	YTD
UST 2Y	4.51	4.0	6.0	-22.1	26.1
UST 10Y	4.24	3.7	5.6	-1.6	36.0
MY 3Y	3.47	0.2	-1.6	-6.5	0.3
MY 10Y	3.82	0.9	-2.1	-4.7	8.5
ID 2Y	6.70	3.3	1.0	-9.1	35.6
ID 10Y	6.94	2.1	0.8	-18.8	48.2
SG 2Y	3.16	2.7	-7.7	-17.7	-9.3
SG 10Y	3.06	4.2	-2.7	-9.5	36.4
TH 2Y	2.34	0.6	1.5	-2.2	-3.8
TH 10Y	2.62	1.4	1.3	-8.5	-5.8

Close for ASEAN rates captured at end of Asian trading day.

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.40	0.2	0.3	-1.3	3.0
EURUSD	1.0882	-0.1	-0.2	1.8	-1.4
GBPUSD	1.2914	-0.2	-0.6	2.1	1.4
AUDUSD	0.6685	-0.3	-1.5	0.7	-1.9
USDCHF	0.8889	0.1	-0.6	-0.6	5.6
USDJPY	157.48	0.1	-0.2	-1.5	11.7
USDCNH	7.2855	0.1	0.2	-0.1	2.2
USDMYR	4.6858	0.3	0.3	-0.6	2.0
USDIDR	16190	0.2	0.3	-1.6	5.2
USDSGD	1.3453	0.1	0.3	-0.7	1.9
USDTHB	36.28	0.9	0.2	-1.0	6.3

Close for USDMYR, USDIDR and USDTHB captured at end of Asian trading day.

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	80.13	-3.2	-2.5	-0.7	11.8
Brent	82.63	-2.9	-2.8	-3.1	7.3
Copper	9,310	-0.8	-5.7	-3.8	8.8
Gold	2,401	-1.8	-0.4	3.4	16.4
CPO	4,013	0.7	1.1	2.1	9.6

HIGHLIGHTS

Macro: The Jakarta-Bandung High-Speed Railway (HSR) reportedly could save IDR3.2tr in fuel costs each year, while contributing about IDR86.5tr to the GDP of Jakarta and West Java via higher tourist numbers and stimulated economic growth.

Macro: President-elect Prabowo's advisor Nasbi ensured that meals under the free meal plan would meet nutritional requirements and spare no expenses. Details of costing for the program that will begin in 2025 is still under review.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
22 Jul 2024	CH	5-Year Loan Prime Rate	22 Jul	3.95%	3.95%
22 Jul 2024	CH	1-Year Loan Prime Rate	22 Jul	3.45%	3.45%
22 Jul 2024	MA	Foreign Reserves	15 Jul	--	$113.8b

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
19 Jul 2024	MA	GDP YoY	2Q A	4.7%	5.8%	4.2%
19 Jul 2024	TH	Gross International Reserves	12 Jul	--	$227.8b	$225.7b
19 Jul 2024	EC	ECB Survey of Professional Forecasters				
19 Jul 2024	US	Fed's Williams Speaks on Panel on Monetary Policy				
19 Jul 2024	US	Fed's Bostic Gives Closing Remarks				

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

10Y yields	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
US	4.24	3.7	5.6	-1.6	36.0
UK	4.12	5.9	1.4	4.0	58.6
Germany	2.47	3.6	-2.8	5.8	44.5
Japan	1.04	0.1	-2.2	6.7	42.7
Australia	4.28	4.6	-3.9	7.3	33.0
China	2.26	-0.3	0.2	0.2	-30.1
Malaysia	3.82	0.9	-2.1	-4.7	8.5
Indonesia	6.94	2.1	0.8	-18.8	48.2
Singapore	3.06	4.2	-2.7	-9.5	36.4
Thailand	2.62	1.4	1.3	-8.5	-5.8
5Y IRS	**Close**	**1D (bps)**	**1W (bps)**	**1M (bps)**	**YTD (bps)**
MY	3.55	1	-5	-7	-3
SG	2.79	3	-7	-14	23
TH	2.57	0	0	0	0
5Y CDS	**Close (bps)**	**1D (bps)**	**1W (bps)**	**1M (bps)**	**YTD (bps)**
MY	44	5	10	-6	5
ID	77	4	9	-1	7
TH	42	4	6	-6	1

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

Interbank rates	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
US o/n SOFR	5.34	0	0	3	-4
EU o/n ESTRON	3.66	0	0	-0	-22
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.58	0	-1	-1	-19
MY MYOR	3.00	0	0	0	0
ID 3m JIBOR	7.10	0	0	0	25
SG o/n SORA	3.54	0	-1	-10	-8
TH BOT o/n THOR	2.49	-0	-0	-0	-1
Credit indices	**Close**	**1D (%)**	**1W (%)**	**1M (%)**	**YTD (%)**
Bloomberg Global Aggregate	268	-0.3	-0.3	1.3	0.6
Bloomberg US Aggregate	2173	-0.2	-0.3	0.6	0.5
Bloomberg EUR Aggregate	237	-0.3	0.3	0.7	-0.1
Bloomberg Asia Aggregate	184	0.1	-0.2	-0.6	5.1
Bloomberg Asia Pac Treasury	115	-0.3	0.2	0.9	-7.5
Bloomberg ASEAN Corp/Quasi	120	-0.1	-0.2	0.6	3.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.40	0.2	0.3	-1.3	3.0
EURUSD	1.0882	-0.1	-0.2	1.8	-1.4
GBPUSD	1.2914	-0.2	-0.6	2.1	1.4
AUDUSD	0.6685	-0.3	-1.5	0.7	-1.9
USDJPY	157.48	0.1	-0.2	-1.5	11.7
USDCNH	7.2855	0.1	0.2	-0.1	2.2
USDMYR	4.6858	0.3	0.3	-0.6	2.0
USDIDR	16,190	0.2	0.3	-1.6	5.2
USDSGD	1.3453	0.1	0.3	-0.7	1.9
USDTHB	36.28	0.9	0.2	-1.0	6.3
GBPMYR	6.0481	-0.3	-0.0	1.4	3.6
AUDMYR	3.1348	-0.3	-1.0	-0.0	0.3
SGDMYR	3.4848	0.1	0.2	0.1	0.2
CNHMYR	0.6431	0.2	0.1	-0.5	-0.4
IDRMYR	0.0289	0.1	-0.0	1.0	-3.0
THBMYR	12.9241	-0.4	0.0	0.5	-3.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,505.00	-0.7	-2.0	0.7	15.4
Nasdaq	17,726.94	-0.8	-3.6	0.2	18.1
Eurostoxx	4,827.24	-0.9	-4.3	-1.6	6.8
Nikkei 225	40,063.79	-0.2	-2.7	3.8	19.7
Hang Seng	17,417.68	-2.0	-4.8	-3.4	2.2
KLCI	1,636.55	0.2	1.1	2.9	12.5
JCI	7,294.50	-0.4	-0.5	6.0	0.3
SET	1,317.14	-0.6	-1.1	0.8	-7.0
Commodities	**Close**	**1D (%)**	**1W (%)**	**1M (%)**	**YTD (%)**
BCOM Index	97.49	-1.5	-3.2	-4.2	-1.2
WTI (US$/bbl)	80.13	-3.2	-2.5	-0.7	11.8
Brent (US$/bbl)	82.63	-2.9	-2.8	-3.1	7.3
Natural Gas (US$/mmbtu)	2.13	0.1	-8.6	-25.0	-21.1
Copper (US$/ton)	9,310	-0.8	-5.7	-3.8	8.8
Gold (US$/oz)	2,401	-1.8	-0.4	3.4	16.4
CPO (RM/ton)	4,013	0.7	1.1	2.1	9.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2021	2022	2023	2024	2025
Malaysia	3.3	8.9	3.6	4.9	4.7
Indonesia	3.7	5.3	5.0	5.0	5.0
Singapore	9.7	3.8	1.1	2.1	2.6
Thailand	1.6	2.5	1.9	2.8	3.0
Policy rate	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
US (upper bound)	5.50	5.25	5.00	4.75	4.50
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.25	6.00	5.75	5.50	5.50
Thailand	2.50	2.50	2.50	2.50	2.50
Commodity prices	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Brent (USD/bbl)	80	75	73	73	75
WTI (USD/bbl)	76	71	69	69	71
CPO (RM/mt)	3,800	3,800	3,900	4,000	3,900
Gold (USD/oz)	2,300	2,300	2,325	2,350	2,400
Copper (USD/mt)	9,000	9,200	9,500	10,000	9,800

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	3Q24	4Q24	1Q25	2Q25	3Q25
UST 2Y	4.60	4.55	4.45	4.35	4.25
UST 10Y	4.15	4.20	4.15	4.10	4.10
MGS 3Y	3.55	3.55	3.55	3.50	3.45
MGS 10Y	3.75	3.75	3.80	3.80	3.80
IndoGB 2Y	6.65	6.50	6.35	6.20	6.25
IndoGB 10Y	6.95	7.00	7.05	7.10	7.15
ThaiGB 2Y	2.40	2.40	2.40	2.40	2.45
ThaiGB 10Y	2.85	2.90	2.95	2.95	3.05
Currency	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
DXY	105.1	104.4	103.7	103.1	102.5
EURUSD	1.07	1.08	1.09	1.10	1.10
GBPUSD	1.28	1.29	1.30	1.29	1.29
USDCHF	0.89	0.89	0.89	0.89	0.89
AUDUSD	0.67	0.68	0.69	0.70	0.71
USDJPY	150	148	146	144	143
USDCNH	7.26	7.25	7.25	7.24	7.23
USDIDR	16,268	16,249	16,158	16,080	16,002
USDMYR	4.70	4.66	4.61	4.57	4.53
USDSGD	1.35	1.34	1.33	1.32	1.30
USDTHB	36.46	36.13	35.79	35.50	35.22

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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