

DAILY DIGEST

Thai House approves additional spending

- **Macro:** Fed Beige Book saw more districts reporting flat or declining activity. Governor Waller sees rate cuts ‘closer’. BI kept rates unchanged as expected, as focus remained on rupiah stability. China to unveil long-term vision today.
- **Fixed Income:** UST curve bear flattened, with market sentiment stirred by the bump in UK CPI. ThaiGB auctions saw weaker demand. 15Y MGS 04/39 reopening auction to be held tomorrow.
- **FX:** DXY down to 103.75, its lowest since Mar. Most major and Asian FX rallied against the USD, with THB and IDR seeing solid gains on mean-reversion trades. JPY also rose sharply (+1.4%), raising market suspicions of more BOJ interventions.

Global macro wrap

- **Global:** Fed Governor Christopher Waller said the central bank is getting ‘closer’ to cutting rates, but indicated the desire to see ‘bit more evidence’ that inflation is trending sustainably downwards. The Fed’s Beige Book meanwhile indicated slowing growth expectations in 2H24, with wage growth and hirings slowing as more districts reported flat or declining economic activity. US IPI rose 0.6% mom in Jun (consensus: +0.3%; May: +0.9%) with manufacturing output beating expectations (+0.4% mom vs. consensus +0.2%); while housing permits and housing starts also beat expectations for the month, reinforcing the notion of a slowing, but still resilient US economy. China President Xi Jinping is expected to unveil his long-term vision for the country today, with policy direction expected to centred around modernisation and high-quality growth.
- **ASEAN:** Bank Indonesia kept the BI-rate unchanged in line with expectations at 6.25%, a decision reflecting the bank’s pro-stability monetary policy with the focus still on the rupiah. Headline inflation outlook remains at 1.5%-3.5% for 2024-2025, while GDP growth is expected to stay resilient at 4.7-5.5% for 2024 and 4.8-5.6% for 2025. Thailand FM Pichai said it is ‘necessary’ for the government to raise its budget deficit to arrest the issue of high household debt, which may increase beyond 90% of GDP otherwise and impact consumer spending. Thai lawmakers have approved PM Srettha’s plan for an additional THB122bn in FY2024 budget spending to fund the digital wallet plan, coming as the Thai industrial sentiment fell for the third month in Jun amid weaker growth, political uncertainty, and debt worries.

Fixed Income

- **Global:** UST curve bear flattened with 2Y yields up 2bps, as a surprise increase in UK CPI reignited market fears of stickier inflation in the US itself, especially given the rising possibility of a Trump victory with inflationary policies implications.
- **ASEAN:** Mixed performance for regional bonds. MGS strengthened by 1bp across most tenors, with the exception being the 15Y MGS that held unchanged, ahead of the reopening auction for the 15Y MGS 04/39 with issuance size RM5bn (including RM2bn in private placement) that will be held tomorrow. IndoGB rallied in a bull flattening manner across the 3-15Y space with BI’s meeting being a non-event. ThaiGB meanwhile closed overall flat despite the regional bond rally, with sentiment possibly dampened by the recent Bangkok hotel case that may drive a temporary reduction in tourism activity, as well as weaker demand for the 3Y LB27NA (size: THB35bn) and 20Y LB436A (THB20bn) auctions that garnered a BTC of 1.49x and 2.35x respectively.

FX

- **Majors:** The DXY fell 0.5%, its first decline below 104.0 since Mar. Nearly all majors rallied against the USD, led by safe-haven currencies CHF (+1.2%) and JPY (+1.4%). GBP was up 0.3%, with higher than expected UK inflation readings leading markets to pare back BOE rate cut bets. EUR rose 0.4%, ahead of the ECB’s policy meeting today. AUD (-0.1%) held recent losses, ahead of Jun jobs data for Australia.
- **ASEAN:** All Asian currencies rallied, with regional FX performing better than the CNH’s 0.2% rally. Gains were partly influenced by earlier performance, with the THB (+0.6%) and IDR (+0.5%) outperforming due to ytd weaknesses, while the SGD and MYR (+0.3%) saw more muted gains amid a similar ytd performance.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.44	2.1	-18.2	-27.4	18.8
UST 10Y	4.16	0.0	-12.6	-6.5	27.9
MY 3Y	3.46	-0.9	-3.4	-6.9	-0.3
MY 10Y	3.81	-1.5	-4.5	-5.9	7.6
ID 2Y	6.68	-1.6	-2.8	-13.3	33.2
ID 10Y	6.91	-3.2	-11.8	-20.4	45.7
SG 2Y	3.11	0.9	-19.4	-22.6	-14.9
SG 10Y	2.97	0.1	-20.1	-17.8	27.9
TH 2Y	2.33	0.0	-0.5	-2.9	-4.4
TH 10Y	2.60	0.5	-3.0	-14.2	-7.4

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	103.75	-0.5	-1.2	-1.4	2.4
EURUSD	1.0939	0.4	1.0	1.8	-0.9
GBPUSD	1.3009	0.3	1.2	2.3	2.2
AUDUSD	0.6729	-0.1	-0.3	0.8	-1.2
USDCHF	0.8834	-1.2	-1.8	-0.1	5.0
USDJPY	156.20	-1.4	-3.4	-1.2	10.7
USDCNH	7.2720	-0.2	-0.3	-0.1	2.1
USDMYR	4.6642	-0.3	-0.8	-0.9	1.5
USDIDR	16100	-0.5	-0.9	-1.6	4.6
USDSGD	1.3405	-0.3	-0.6	-0.8	1.5
USDTHB	35.88	-0.6	-1.4	-2.2	5.1

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	82.85	2.6	0.9	1.6	15.6
Brent	85.08	1.6	0.0	0.0	10.4
Copper	9,635	-0.3	-2.7	-1.5	12.6
Gold	2,459	-0.4	3.7	5.6	19.2
CPO	3,977	0.3	-0.5	0.5	8.6

HIGHLIGHTS

FX: JPY (+1.4%) saw sharp gains, raising market suspicions of yet another BOJ intervention, amid estimates that indicate the BOJ spent JPY5.6tr over last Thursday and Friday, with diminishing effectiveness noted for Friday's intervention. Nevertheless, markets are expected to focus on tomorrow morning's CPI readings for Japan, with the yen expected to falter should inflation fail to sustainably accelerate as expected.

Macro: Singapore's NODX tumbled 8.7% yoy in Jun (consensus: -1.3%; May: -0.7%). Non-electronics NODX's decline of 8.5% yoy (May: -6.1%) drove the decline amid falling non-monetary gold and specialised machinery exports; while electronic NODX fell 9.5% yoy (May: +19.6%) though from a high base last year, led by a 50% decline in telecommunications equipment.

Macro: Thailand's Constitutional Court will rule on the decision to disband the Move Forward Party (MFP) on August 7, which may lead to the party leadership being banned from politics for 10 years.

Macro: Ministry of Investment, Trade and Industry (MITI) said that it hopes Malaysia will increase economic cooperation through BRICS as an alternative to traditional trade partners, which have been increasingly active in introducing unilateral trade policies that made it challenging for Malaysia to comply with.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
18 Jul 2024	MA	Exports YoY	Jun	3.3%	7.3%
18 Jul 2024	MA	Imports YoY	Jun	15.5%	13.8%
18 Jul 2024	MA	Trade Balance MYR	Jun	13.15b	10.10b
18 Jul 2024	EC	ECB Main Refinancing Rate	18 Jul	4.25%	4.25%
18 Jul 2024	EC	ECB Marginal Lending Facility	18 Jul	4.50%	4.50%
18 Jul 2024	EC	ECB Deposit Facility Rate	18 Jul	3.75%	3.75%
18 Jul 2024	US	Initial Jobless Claims	13 Jul	229k	222k
18 Jul 2024	US	Philadelphia Fed Business Outlook	Jul	2.9	1.3
18 Jul 2024	EC	ECB President Christine Lagarde Holds Press Conference			
18 Jul 2024	US	Leading Index	Jun	-0.3%	-0.5%
18 Jul 2024	US	Fed's Logan Gives Opening Remarks			
19 Jul 2024	US	Fed's Daly Participates in Fireside Chat			
19 Jul 2024	US	Fed's Bowman Gives Keynote Address			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
17 Jul 2024	SI	Non-oil Domestic Exports YoY	Jun	-1.3%	-8.7%	-0.7%
17 Jul 2024	SI	Electronic Exports YoY	Jun	--	-9.5%	19.6%
17 Jul 2024	ID	BI-Rate	17 Jul	6.25%	6.25%	6.25%
17 Jul 2024	US	Building Permits	Jun	1400k	1446k	1399k
17 Jul 2024	US	Housing Starts	Jun	1300k	1353k	1314k
17 Jul 2024	US	Housing Starts MoM	Jun	1.8%	3.0%	-4.6%
17 Jul 2024	US	Building Permits MoM	Jun	0.1%	3.4%	-2.8%
17 Jul 2024	US	Fed's Barkin Speaks on Economy, Q&A				
17 Jul 2024	US	Industrial Production MoM	Jun	0.3%	0.6%	0.9%
17 Jul 2024	US	Capacity Utilization	Jun	78.4%	78.8%	78.3%
17 Jul 2024	US	Fed's Waller Speaks on Economic Outlook				
17 Jul 2024	US	Federal Reserve Releases Beige Book				

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	4.16	0.0	-12.6	-6.5	27.9
UK	4.08	2.7	-5.0	0.9	53.9
Germany	2.42	-0.6	-11.2	1.6	39.8
Japan	1.04	1.3	-4.2	11.1	42.7
Australia	4.25	0.4	-9.1	7.3	29.8
China	2.26	-0.2	-0.9	1.4	-30.2
Malaysia	3.81	-1.5	-4.5	-5.9	7.6
Indonesia	6.91	-3.2	-11.8	-20.4	45.7
Singapore	2.97	0.1	-20.1	-17.8	27.9
Thailand	2.60	0.5	-3.0	-14.2	-7.4

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.55	-0	-6	-4	-3
SG	2.72	-1	-21	-21	16
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	42	1	1	-11	-1
ID	73	1	3	-4	2
TH	40	0	0	-9	-4

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	5.35	0	1	2	-3
EU o/n ESTRON	3.66	0	-0	-0	-22
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.59	0	0	0	-18
MY MYOR	3.00	0	-1	0	0
ID 3m JIBOR	7.10	0	0	0	25
SG o/n SORA	3.51	0	2	-19	-11
TH BOT o/n THOR	2.49	-0	0	-0	-0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	269	0.0	0.9	1.3	0.9
Bloomberg US Aggregate	2182	0.0	0.9	0.8	0.9
Bloomberg EUR Aggregate	238	0.0	0.7	0.8	0.0
Bloomberg Asia Aggregate	184	-0.7	-1.4	-0.4	4.9
Bloomberg Asia Pac Treasury	115	0.8	2.3	0.5	-7.1
Bloomberg ASEAN Corp/Quasi	121	0.0	0.7	0.8	3.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	103.75	-0.5	-1.2	-1.4	2.4
EURUSD	1.0939	0.4	1.0	1.8	-0.9
GBPUSD	1.3009	0.3	1.2	2.3	2.2
AUDUSD	0.6729	-0.1	-0.3	0.8	-1.2
USDJPY	156.20	-1.4	-3.4	-1.2	10.7
USDCNH	7.2720	-0.2	-0.3	-0.1	2.1
USDMYR	4.6642	-0.3	-0.8	-0.9	1.5
USDIDR	16,100	-0.5	-0.9	-1.6	4.6
USDSGD	1.3405	-0.3	-0.6	-0.8	1.5
USDTHB	35.88	-0.6	-1.4	-2.2	5.1
GBPMYR	6.0834	0.3	1.1	1.5	4.2
AUDMYR	3.1498	-0.2	-0.6	0.3	0.8
SGDMYR	3.4825	0.1	-0.0	-0.0	0.1
CNHMYR	0.6410	-0.1	-0.5	-0.9	-0.7
IDRMYR	0.0290	0.2	0.1	0.8	-2.9
THBMYR	12.9909	0.3	0.4	1.2	-3.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,588.27	-1.4	-0.8	1.8	17.2
Nasdaq	17,996.92	-2.8	-3.5	0.8	19.9
Eurostoxx	4,891.46	-1.1	-1.4	0.1	8.2
Nikkei 225	41,097.69	-0.4	-1.8	6.6	22.8
Hang Seng	17,739.41	0.1	1.5	-3.7	4.1
KLCI	1,633.54	0.5	0.9	2.1	12.3
JCI	7,224.22	-0.0	-0.9	7.4	-0.7
SET	1,319.79	-0.1	-0.3	1.2	-6.8

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	99.21	-0.4	-1.2	-3.4	0.6
WTI (US\$/bbl)	82.85	2.6	0.9	1.6	15.6
Brent (US\$/bbl)	85.08	1.6	0.0	0.0	10.4
Natural Gas (US\$/mmbtu)	2.04	-7.0	-12.6	-31.9	-24.5
Copper (US\$/ton)	9,635	-0.3	-2.7	-1.5	12.6
Gold (US\$/oz)	2,459	-0.4	3.7	5.6	19.2
CPO (RM/ton)	3,977	0.3	-0.5	0.5	8.6

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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