

DAILY DIGEST

Thailand cash handout details on 24 Jul

- **Macro:** US NFP revised sharply lower for prior months. Thai PM to announce all details on digital wallet handout on 24 Jul, with distribution still targeted in 4Q24. Indonesia sees higher 2024 budget deficit due to rupiah depreciation.
- **Fixed Income:** Front-to-belly UST underperformed as markets locked in earlier gains, ahead of key events including US Jun CPI and Fed Powell's testimony. Indonesia to downsize 2024 bond issuances by IDR214.6tr.
- **FX:** Major FX mostly fell, driving the DXY up to 105.0. IDR closed firmer, despite BI indicating greater room for rate cuts in 4Q24.

Global macro wrap

- **Global:** Muted start to the week with markets trading cautiously ahead of key drivers this week including US CPI for Jun, Fed Chair Powell's Congress testimony, more UST auctions, and the start of US earnings season. Earlier, NFP data saw the US economy adding 206k jobs in Jun (consensus: 190k), while May's data was revised sharply lower from 272k to 218k (and Apr from 165k to 108k), reinforcing earlier datapoints of a cooling US labour market.
- **ASEAN:** Thai Deputy FM Paopoom said all details regarding the government's digital wallet handout scheme will be announced on 24 Jul, including dates of registration and list of products eligible for purchase. Separately, Paopoom also cited the BOT's outlook of potential economic growth rate of 3% for the country as 'not satisfactory', with prolonged below-target inflation also being 'dangerous' for the economy, adding to further signs of strains between the BOT and government. This comes after Thailand's headline inflation was reported at 0.6% yoy for Jun (consensus: +1.1%; May: +1.5%), with the slowdown attributed to a sharp drop in vegetable prices. Thailand's Commerce Ministry maintained its headline CPI projections at 0-1% (BOT range: 1-3%). Indonesia FM Sri Mulyani estimated that the 2024 budget deficit will be at 2.7% of GDP (initial target: 2.29%), with an increase driven by increased state spending due to the rupiah's depreciation.

Fixed Income

- **Global:** UST curve flattened, with yields climbing from the front-to-belly tenors as markets locked in Friday's gains while duration bonds continued to rally a touch, as markets digested recent jobs data and overseas election news.
- **ASEAN:** Regional bonds rallied to start the week, partially tracking the solid UST rally post-NFP data. ThaiGB gained 1-2bps amid several news on the Thai fiscal front. IndoGB also rallied to the tune of 1-3bps for the day, with limited yield movements seen as an initial opening rally was met by market selling action. Conventional bond auction today will see a slightly higher issuance target of IDR24tr (2Q24: IDR22tr), though demand is expected to improve following recent bullish US news and plans by the government to reduce 2024 bond issuance by IDR214.6tr (initial target: IDR666.4tr), with the government to tap IDR100tr in cash reserves (SAL) to finance the budget gap.

FX

- **Majors:** DXY closed slightly up (+0.1%) at a neat 105.0 level. EUR closed just 0.1% down, after initially seeing a sharp dip on an unexpected hung parliament for France's election, as markets reassess the situation as being overall better due to little chances of major policy changes. GBP (-0.1%) trimmed earlier gains following the Labour Party's landslide UK election victory last week. JPY managed to hold firm, after the BOJ said wage hikes are broadening across the economy, signalling its confidence of durably achieving its 2% inflation target.
- **ASEAN:** Mixed performance for regional currencies. USDCNH earlier closed below the 7.29 level, amid the PBOC's announcement of liquidity operations that suggests the possibility of a new interest rate corridor going forward. IDR closed firmer (+0.1%) despite BI Governor Perry Warjiyo noting that there could be room to cut the BI-rate in 4Q24 amid expectations of a more stabler rupiah with a tendency to appreciate going forward. The Governor said he sees USDIDR trading within 15,700 to 16,100 on average this year.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.63	2.5	-12.7	-25.2	37.9
UST 10Y	4.28	-0.0	-18.3	-18.9	39.9
MY 3Y	3.50	0.0	-3.6	-5.4	4.0
MY 10Y	3.86	0.0	-1.4	-1.8	12.7
ID 2Y	6.65	0.5	0.8	-7.9	30.1
ID 10Y	7.01	-3.2	-4.5	5.7	55.6
SG 2Y	3.32	-1.4	-1.6	-5.5	6.1
SG 10Y	3.19	-1.9	-4.7	-9.4	49.8
TH 2Y	2.34	-1.2	-0.7	-3.9	-3.9
TH 10Y	2.65	-1.5	-1.6	-14.3	-2.5

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	105.00	0.1	-0.9	-0.1	3.6
EURUSD	1.0824	-0.1	0.8	0.5	-1.9
GBPUSD	1.2807	-0.1	1.2	0.6	0.6
AUDUSD	0.6737	-0.2	1.2	1.9	-1.1
USDCHF	0.8977	0.2	-0.6	0.1	6.7
USDJPY	160.83	0.0	-0.4	2.4	14.0
USDCNH	7.2857	-0.0	-0.3	0.3	2.2
USDMYR	4.7087	0.0	-0.1	-0.3	2.5
USDIDR	16255	-0.1	-0.4	-0.2	5.6
USDSGD	1.3500	0.1	-0.6	-0.2	2.2
USDTHB	36.46	-0.3	-0.7	-1.0	6.8

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	82.33	-1.0	-1.3	5.9	14.9
Brent	85.75	-0.9	-1.0	5.0	11.3
Copper	9,915	-0.3	3.0	0.2	15.8
Gold	2,359	-1.4	1.2	2.1	14.4
CPO	4,088	0.0	1.6	4.0	11.6

HIGHLIGHTS

Macro: Thailand's Fiscal Policy Office (FPO) urged the Thai government to raise contributions to the Social Security Fund (SSF) to 18% (current: 12.75%), and to also settle outstanding debt owed to the fund amounting to THB71.4bn. The FPO added that inadequate funding for the SSF remains a long-term fiscal risk that should be monitored.

Macro: Indonesia Coordinating Minister for Economic Affairs Airlangga Hartarto said the government has decided to maintain certain natural gas prices (HGBT) below USD6/MMBTU for seven key industries beyond the current expiry end-2024; while a proposal to expand HGBT to all industrial sectors remains under review. Industry Minister Agus Gumiwang claimed the proposed expansion will not reduce state revenues, as industrial gas accounts for only 30% of demand of the total national gas supply.

Macro: Thailand Deputy Finance Minister Julapun said the ministry expects to introduce measures soon to alleviate impact on businesses due to the earlier increase in minimum wages, such as via tax measures for the private sector.

Politics: Thailand's Election Commission (EC) has postponed endorsement of new Thai senators indefinitely, as it claimed more time is needed to review election results mired in several controversy.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
09 Jul 2024	US	NFIB Small Business Optimism	Jun	90.2	90.5
09 Jul 2024	US	Fed's Powell Testifies to Senate Banking			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
05 Jul 2024	ID	Foreign Reserves	Jun	--	\$140.2b	\$139.00b
05 Jul 2024	TH	CPI YoY	Jun	1.1%	0.6%	1.5%
05 Jul 2024	TH	CPI NSA MoM	Jun	0.1%	-0.3%	0.6%
05 Jul 2024	TH	CPI Core YoY	Jun	0.4%	0.4%	0.4%
05 Jul 2024	SI	Retail Sales Ex Auto YoY	May	--	0.0%	-4.5%
05 Jul 2024	SI	Retail Sales YoY	May	0.2%	2.2%	-1.2%
05 Jul 2024	SI	Retail Sales SA MoM	May	--	2.4%	-2.6%
05 Jul 2024	MA	Foreign Reserves	28 Jun	--	\$113.8b	\$114.1b
05 Jul 2024	EC	ECB's Nagel Speaks				
05 Jul 2024	TH	Gross International Reserves	28 Jun	--	\$224.3b	\$224.7b
05 Jul 2024	US	Fed's Williams Gives Keynote Remarks				
05 Jul 2024	US	Change in Nonfarm Payrolls	Jun	190k	206k	218k
05 Jul 2024	US	Unemployment Rate	Jun	4.0%	4.1%	4.0%
05 Jul 2024	US	Average Hourly Earnings MoM	Jun	0.3%	0.3%	0.4%
05 Jul 2024	US	Average Hourly Earnings YoY	Jun	3.9%	3.9%	4.1%
05 Jul 2024	EC	ECB's Lagarde Speaks in Aix				
06 Jul 2024	EC	ECB's Villeroy Speaks in Aix				
08 Jul 2024	SI	Foreign Reserves	Jun	--	\$371.68b	\$370.54b
08 Jul 2024	US	NY Fed 1-Yr Inflation Expectations	Jun	3.0%	3.0%	3.2%

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	4.28	-0.0	-18.3	-18.9	39.9
UK	4.11	-1.2	-16.8	-20.9	57.6
Germany	2.54	-1.5	-6.7	-13.1	51.7
Japan	1.09	1.6	3.2	4.9	47.8
Australia	4.36	-4.4	-2.3	13.8	40.4
China	2.28	1.7	4.3	-2.2	-27.3
Malaysia	3.86	0.0	-1.4	-1.8	12.7
Indonesia	7.01	-3.2	-4.5	5.7	55.6
Singapore	3.19	-1.9	-4.7	-9.4	49.8
Thailand	2.65	-1.5	-1.6	-14.3	-2.5

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.63	0	-3	-6	4
SG	2.95	-3	-7	-14	39
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	41	-2	-9	-11	-1
ID	73	-1	-7	2	2
TH	41	-3	-8	-5	-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	5.32	0	-8	0	-6
EU o/n ESTRON	3.66	0	-0	-25	-22
JP o/n TONAR	0.08	0	0	-0	12
MY 3m KLIBOR	3.59	0	0	0	-18
MY MYOR	3.01	0	1	-1	1
ID 3m JIBOR	7.10	0	0	0	25
SG o/n SORA	3.53	0	11	-7	-10
TH BOT o/n THOR	2.49	0	1	-0	-0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	267	0.1	1.5	1.6	0.0
Bloomberg US Aggregate	2164	0.1	1.4	1.5	0.1
Bloomberg EUR Aggregate	236	0.2	0.9	1.2	-0.7
Bloomberg Asia Aggregate	186	-0.2	-0.3	1.5	6.0
Bloomberg Asia Pac Treasury	113	0.1	0.3	-1.2	-8.9
Bloomberg ASEAN Corp/Quasi	120	0.1	1.1	1.1	2.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	105.00	0.1	-0.9	-0.1	3.6
EURUSD	1.0824	-0.1	0.8	0.5	-1.9
GBPUSD	1.2807	-0.1	1.2	0.6	0.6
AUDUSD	0.6737	-0.2	1.2	1.9	-1.1
USDJPY	160.83	0.0	-0.4	2.4	14.0
USDCNH	7.2857	-0.0	-0.3	0.3	2.2
USDMYR	4.7087	0.0	-0.1	-0.3	2.5
USDIDR	16,255	-0.1	-0.4	-0.2	5.6
USDSGD	1.3500	0.1	-0.6	-0.2	2.2
USDTHB	36.46	-0.3	-0.7	-1.0	6.8
GBPMYR	6.0218	0.0	0.8	0.4	3.2
AUDMYR	3.1720	0.0	0.7	2.0	1.5
SGDMYR	3.4896	0.0	0.3	0.0	0.3
CNHMYR	0.6463	0.0	0.2	-0.6	0.1
IDRMYR	0.0290	0.1	0.3	-0.1	-2.9
THBMYR	12.8785	0.0	0.4	0.2	-3.9

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,572.85	0.1	1.8	4.0	16.8
Nasdaq	18,403.74	0.3	2.9	7.0	22.6
Eurostoxx	4,969.83	-0.2	0.8	-0.9	9.9
Nikkei 225	40,780.70	-0.3	2.9	4.5	21.9
Hang Seng	17,524.06	-1.5	-1.1	-4.6	2.8
KLCI	1,611.02	0.0	0.8	-0.2	10.7
JCI	7,250.98	-0.0	1.6	4.8	-0.3
SET	1,322.50	0.8	1.8	0.3	-6.6

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	101.34	-1.1	0.0	-1.0	2.7
WTI (US\$/bbl)	82.33	-1.0	-1.3	5.9	14.9
Brent (US\$/bbl)	85.75	-0.9	-1.0	5.0	11.3
Natural Gas (US\$/mmbtu)	2.37	2.0	-4.5	-20.5	-12.3
Copper (US\$/ton)	9,915	-0.3	3.0	0.2	15.8
Gold (US\$/oz)	2,359	-1.4	1.2	2.1	14.4
CPO (RM/ton)	4,088	0.0	1.6	4.0	11.6

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
MG 3Y	3.55	3.55	3.55	3.50	3.45
MG 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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