

DAILY DIGEST

UST rally continues despite PPI uptick

- Macro:** US Trump shot in right ear, but remains overall unscathed. US PPI sees sticky services inflation. Trade surplus in China continued expanding amid domestic demand weaknesses. Singapore economy sees rebound in 2Q24 as manufacturing activity exits two quarters of contraction.
- Fixed Income:** UST continued to strengthen amid UOM and earlier CPI data, despite PPI uptick and upward revision. Regional bonds see gains on UST rally. 10Y MGII 11/34 auction (size: RM5bn) garnered BTC of 2.42x.
- FX:** DXY continued to fall (-0.4%) amid the faltering dollar, leading to gains across majors and ASEAN currencies alike.

Global macro wrap

- Global:** US ex-President Donald Trump was shot in the right ear during an attack in Pennsylvania, but remains otherwise 'fine'. US PPI rose 0.2% mom in Jun (consensus: +0.1%), led by services price increases (+0.6%) even as price of goods fell 0.5% mom, due to a -5.8% decline in gasoline costs. Sticky services prices coupled with May's upward PPI revision (to +0.1%) suggests underlying inflation may continue to remain stickier than suggested by recent CPI data. Trade surplus for China rose to USD99.1bn in Jun (consensus: USD85.3bn; May: USD82.6bn), driven by continued exports expansion at 8.6% yoy (consensus: +8.0%; May: +7.6%) even as imports unexpectedly fell 2.3% (May: +1.8%), raising the risks of greater trade tensions internationally especially given a widening trade surplus to the US at USD31.8bn in Jun (May: USD30.8bn). This comes ahead of the release of China's 2Q24 GDP today alongside IPI and retail sales data for Jun, alongside the start of Beijing's 4-day 'Third Plenum' meeting.
- ASEAN:** Advance Singapore GDP estimates see the economy expanding 2.9% yoy in 2Q24 (consensus: +2.7%; 1Q24: +3.0%), led by a rebound in manufacturing (+0.5%) after two consecutive quarters of contraction, indicating that the economy may be on track to hit its 1-3% growth targets for the year. Malaysia's IPI rose weaker than expected at 2.4% yoy in May (consensus: +3.6%; Apr: +6.1%), driven by a 6.9% decline in mining production due to a power loss incident in an LNG complex.

Fixed Income

- Global:** UST continued to rally as declined in a bull steepening manner, as markets take heed of declining consumer sentiment and earlier CPI data, while the hotter than expected PPI only jolted markets for an instance. Key ahead today would be Powell's speech and US advance retail sales data that may further underpin the solid wtd UST rally.
- ASEAN:** Regional bonds closed in the green amid sharp UST gains. Overall MGS strengthened by 1bp, with the 10Ys also performing in line amid a solid auction for the 10Y MGII 11/34 series that garnered a BTC of 2.42x on issuance size RM5bn. IndoGBs meanwhile opened up to 10bps lower before profit-taking activity pushed gains back, leading to yields closing 1-6bps lower across the curve with gains led by the bellies. Despite relative weaknesses on the short-end, SRBI auction saw firm demand with bids of around IDR40tr. ThaiGB yields meanwhile fell 1-4bps in a bull flattening manner.

FX

- Majors:** The DXY continued trading lower (-0.3%), now just above the 104.0 handle. Nearly all majors rose against the USD, with JPY (+0.6%) once again leading the pack amid a continued spotlight on possible BOJ intervention. GBP (+0.6%) remained among the top performer, continuing its status as the best G10 currency this year, ahead of UK CPI readings on Wednesday. EUR placed midpacked (+0.4%), ahead of the ECB's policy meeting later this week with no expected changes to be made to the key policy rates.
- ASEAN:** Mixed performance for ASEAN currencies, though regional FX all managed to closed firmer despite the weakening yuan (-0.1%). Strengthening of the MYR (+0.3%) and IDR (+0.4%) saw the currencies closing below recent trading ranges, while THB gains (+0.2%) was more muted than regional peers.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.45	-6.2	-15.2	-25.3	20.1
UST 10Y	4.18	-2.7	-9.6	-3.8	30.4
MY 3Y	3.48	-1.1	-2.1	-5.3	1.9
MY 10Y	3.84	-1.2	-2.1	-2.7	10.6
ID 2Y	6.69	-0.9	5.0	-15.2	34.6
ID 10Y	6.93	-5.6	-11.4	-24.0	47.4
SG 2Y	3.24	-6.5	-9.1	-8.0	-1.6
SG 10Y	3.08	-9.1	-12.6	-7.9	39.1
TH 2Y	2.32	-1.1	-2.6	-4.6	-5.3
TH 10Y	2.61	-1.8	-6.1	-15.2	-7.1

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.09	-0.3	-0.7	-1.4	2.7
EURUSD	1.0907	0.4	0.6	1.9	-1.2
GBPUSD	1.2988	0.6	1.3	2.4	2.0
AUDUSD	0.6784	0.4	0.5	2.6	-0.4
USDCHF	0.8944	-0.2	-0.1	0.4	6.3
USDJPY	157.83	-0.6	-1.8	0.3	11.9
USDCNH	7.2723	0.1	-0.2	0.0	2.1
USDMYR	4.6715	-0.3	-0.8	-1.0	1.7
USDIDR	16138	-0.4	-0.9	-1.6	4.8
USDSGD	1.3409	-0.1	-0.6	-0.9	1.6
USDTHB	36.19	-0.2	-1.1	-1.6	6.0

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	82.21	-0.5	-1.1	4.8	14.7
Brent	85.03	-0.4	-1.7	2.9	10.4
Copper	9,877	0.9	-0.7	1.4	15.4
Gold	2,411	-0.2	0.8	3.4	16.9
CPO	3,970	-0.9	-2.9	-0.3	8.4

HIGHLIGHTS

Macro: US ex-President and presumptive upcoming Republican presidential nominee Donald Trump was shot in the right ear in an assassination attempt during a rally in Pennsylvania on Saturday. The Trump campaign later announced he is 'fine', and that he is still expected to attend the party's nominating convention starting today.

Macro: US UOM sentiment fell for the fourth consecutive month to 66 in Jul (Jun: 68.2), its lowest since Nov, amid continued concerns on high prices and economic uncertainty. Inflation expectations on a 1Y and 5Y basis however have continued to decline.

Macro: Malaysia Economy Minister Rafizi Ramli reiterated that the implementation of targeted RON95 subsidies is still being studied from all aspects to ensure smooth implementation. He expressed that the current focus will be on implementation of diesel subsidies until it achieves the set objectives. Separately, FM2 Amir Hamzah estimates the government has saved more than RM250m since floating market diesel prices on 10 Jun, while PM Anwar Ibrahim announced an allocation of RM100m to FELDA to handle operating costs from the implementation of targeted diesel subsidies.

Macro: Thailand PM Srettha Thavisin is expected to approve a visa-free scheme for visitors from 93 countries today. Separately, the government expressed that there will be no shortage of funds to help those in need since THB43bn (used to partly fund the digital wallet programme) only represents 40% of the central budget totaling THB99.6bn.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
15 Jul 2024	CH	1-Yr Medium-Term Lending Facility Rate	15 Jul	2.50%	2.50%
15 Jul 2024	CH	1-Yr Medium-Term Lending Facilities Volume	15 Jul	90.0b	182.0b
15 Jul 2024	CH	New Home Prices MoM	Jun	--	-0.7%
15 Jul 2024	CH	Used Home Prices MoM	Jun	--	-1.0%
15 Jul 2024	CH	GDP YoY	2Q	5.0%	5.3%
15 Jul 2024	CH	GDP SA QoQ	2Q	0.9%	1.6%
15 Jul 2024	CH	Industrial Production YoY	Jun	5.0%	5.6%
15 Jul 2024	CH	Retail Sales YoY	Jun	3.4%	3.7%
15 Jul 2024	CH	Fixed Assets Ex Rural YTD YoY	Jun	3.9%	4.0%
15 Jul 2024	ID	Imports YoY	Jun	8.2%	-8.8%
15 Jul 2024	ID	Exports YoY	Jun	4.8%	2.9%
15 Jul 2024	ID	Trade Balance	Jun	\$2914m	\$2927m
15 Jul 2024	US	Empire Manufacturing	Jul	-8	-6
15 Jul 2024	US	Fed's Powell Interviewed by David Rubenstein			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
12 Jun 2024	SI	GDP YoY	2Q A	2.7%	2.9%	3.0%
12 Jun 2024	SI	GDP SA QoQ	2Q A	0.4%	0.4%	0.3%
12 Jul 2024	MA	Manufacturing Sales Value YoY	May	--	5.5%	5.7%
12 Jul 2024	MA	Industrial Production YoY	May	3.6%	2.4%	6.1%
12 Jul 2024	TH	Gross International Reserves	01 Jul	--	\$225.7b	\$224.3b
12 Jul 2024	US	PPI Final Demand MoM	Jun	0.1%	0.2%	0.0%
12 Jul 2024	US	PPI Ex Food and Energy MoM	Jun	0.2%	0.4%	0.3%
12 Jul 2024	US	PPI Final Demand YoY	Jun	2.3%	2.6%	2.4%
12 Jul 2024	US	PPI Ex Food and Energy YoY	Jun	2.5%	3.0%	2.6%
12 Jul 2024	US	U. of Mich. Sentiment	Jul P	68.5	66	68.2
12 Jun 2024	CH	Exports YoY	Jun	8.0%	8.6%	7.6%
12 Jun 2024	CH	Imports YoY	Jun	2.5%	-2.3%	1.8%
12 Jun 2024	CH	Trade Balance	Jun	\$85.30b	\$99.05b	\$82.62b

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	4.18	-2.7	-9.6	-3.8	30.4
UK	4.11	3.5	-1.6	5.3	57.2
Germany	2.49	3.3	-5.9	13.5	47.3
Japan	1.06	-2.5	-1.3	12.2	44.9
Australia	4.32	-5.0	-7.9	20.0	36.9
China	2.25	-0.6	-1.3	-3.8	-30.3
Malaysia	3.84	-1.2	-2.1	-2.7	10.6
Indonesia	6.93	-5.6	-11.4	-24.0	47.4
Singapore	3.08	-9.1	-12.6	-7.9	39.1
Thailand	2.61	-1.8	-6.1	-15.2	-7.1

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.60	-1	-2	-4	2
SG	2.86	-7	-12	-8	30
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	40	-0	-5	-16	-4
ID	71	0	-4	-6	-2
TH	39	0	-7	-10	-5

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	2	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	3.59	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	3.47	0	-6	-31	-16
TH BOT o/n THOR	2.49	-0	0	-0	-0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	269	0.2	0.9	1.4	0.8
Bloomberg US Aggregate	2180	0.2	0.8	0.7	0.8
Bloomberg EUR Aggregate	237	-0.2	0.5	0.2	-0.4
Bloomberg Asia Aggregate	185	-0.0	-0.9	0.2	5.3
Bloomberg Asia Pac Treasury	115	0.6	1.4	-0.2	-7.6
Bloomberg ASEAN Corp/Quasi	121	0.3	0.8	0.6	3.2

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.09	-0.3	-0.7	-1.4	2.7
EURUSD	1.0907	0.4	0.6	1.9	-1.2
GBPUSD	1.2988	0.6	1.3	2.4	2.0
AUDUSD	0.6784	0.4	0.5	2.6	-0.4
USDJPY	157.83	-0.6	-1.8	0.3	11.9
USDCNH	7.2723	0.1	-0.2	0.0	2.1
USDMYR	4.6715	-0.3	-0.8	-1.0	1.7
USDIDR	16,138	-0.4	-0.9	-1.6	4.8
USDSGD	1.3409	-0.1	-0.6	-0.9	1.6
USDTHB	36.19	-0.2	-1.1	-1.6	6.0
GBPMYR	6.0494	0.2	0.5	0.8	3.6
AUDMYR	3.1650	-0.1	-0.2	1.4	1.2
SGDMYR	3.4781	-0.0	-0.3	-0.3	0.0
CNHMYR	0.6423	-0.4	-0.6	-1.1	-0.5
IDRMYR	0.0290	0.0	0.1	0.6	-3.0
THBMYR	12.9197	-0.5	0.3	0.5	-3.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,615.35	0.6	0.9	3.4	17.7
Nasdaq	18,398.45	0.6	0.2	4.0	22.6
Eurostoxx	5,043.02	1.3	1.3	4.2	11.5
Nikkei 225	41,190.68	-2.4	0.7	6.1	23.1
Hang Seng	18,293.38	2.6	2.8	2.0	7.3
KLCI	1,619.06	-0.3	0.5	0.7	11.3
JCI	7,327.58	0.4	1.0	8.8	0.8
SET	1,332.04	0.2	1.5	2.0	-5.9

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	100.75	-0.0	-1.7	-1.6	2.1
WTI (US\$/bbl)	82.21	-0.5	-1.1	4.8	14.7
Brent (US\$/bbl)	85.03	-0.4	-1.7	2.9	10.4
Natural Gas (US\$/mmbtu)	2.33	2.7	0.4	-21.4	-13.6
Copper (US\$/ton)	9,877	0.9	-0.7	1.4	15.4
Gold (US\$/oz)	2,411	-0.2	0.8	3.4	16.9
CPO (RM/ton)	3,970	-0.9	-2.9	-0.3	8.4

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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