

DAILY DIGEST

TH cabinet approves THB3.752tr FY2025 budget

- **Macro:** US labour market and manufacturing data continue to point to resilient economy. ID to require IDR6tr in private sector investments to achieve GDP target, with Apple Inc. to potentially fill the gap.
- **Fixed Income:** UST bear flattened, restarting the downward momentum. Regional bonds rallied, halting hefty losses for IndoGB and ThaiGB amid earlier UST gains.
- **FX:** DXY edged back up above 106.0, as most G10 currencies stood lower against the dollar. Regional currencies rose amid earlier USD weaknesses. PBOC vows desire for stable CNH, while BI and ID government looks to cushion economy from impact of strong dollar.

Global macro wrap

- **Global:** US initial and continuing jobless claims were broadly unchanged for the week ending 13 Apr, in line with recent data pointing to continued tight labour markets. Existing home sales fell 4.3% sa mom for Mar (consensus: -4.1%; Feb: +9.5%), reversing from an earlier rise amid the continued soar of 30Y fixed mortgage rates. The Philadelphia Fed Manufacturing Index rose 12pts to 15.5 in Apr (Mar: 3.2), well above estimates (of 2.0) and its highest since Apr 2022, as new orders and shipments subindexes posted large increases.
- **ASEAN:** Indonesia Vice FM Suahasil Nazara said total investments of at least IDR7,130tr are needed to attain economic growth if up to 5.6% for next year; a majority of around IDR6,000tr which it expects from the private sector. Separately, Apple Inc CEO Tim Cook said it is considering a manufacturing facility in Indonesia, with local officials responding that it is ready to offer incentives to draw its investment. Thailand's cabinet has approved the FY2025 (beginning 1 Oct 2024) budget bill with government spending totalling THB3.75tr. PM Srettha Thavisin said a budget deficit of THB866m would be offset by loans, adding that it estimates Thailand's GDP for FY2025 at THB19.57tr.

Fixed income

- **Global:** A 1-day rally ended as markets digested strong US economic data and more Fedspeak. UST curve bear flattened by 3-6bps, with 2Y yields once again approaching (but failing) to breach the 5.00% barrier during intraday session despite larger losses for the 3Y's and 5Y's. 10Y yields meanwhile rose past the 4.60% handle, bringing the 2s10s inversion to -36bps.
- **ASEAN:** Regional bonds staged a rally amid the earlier UST rally. MGS saw mixed performance with a light rally on the front-to-belly tenors and a tad weakening on the tail-end. IndoGB halted the earlier selloff as the overall curve strengthened by 1-5bps in a bull flattener manner, save for the 7Y which weakened by a hefty 14bps. Some offshore selling flows of shorter tenors was also noted, ahead of the SRBI auction today in which BI earlier said it is looking to offer higher yields to attract foreign inflows. Overall ThaiGB curve shifted lower by 3-6bps, reversing some of the prior's session hefty losses.

FX

- **Majors:** DXY edged up by 0.2%, with the bull dollar engine reignited amid strong US data. G10 currencies mostly in the red to the tune of 0.1-0.5% for the day. JPY fell 0.2%, despite Japan's top FX official Masato Kanda statement that suggests potential latitude for the BOJ to intervene in FX markets. AUD fell 0.2% amid a surprise increase in Australia's unemployment rate in Mar, following earlier outsized hiring gains in Feb. Australia Treasurer Jim Chalmers said the country still expects a budget surplus this year though it's becoming harder due to slowing labour markets and a softer-than-preferred Chinese growth backdrop.
- **ASEAN:** Regional currencies held firm amid earlier dollar weaknesses. CNH fell 0.1% amid the PBOC's reiteration that it wants to keep the yuan exchange rate stable and prevent risks of it overshooting. IDR rose 0.3%, as Indonesia FM Sri Mulyani said it is working with BI to shield the economy from dollar strength, adding the government is using fiscal policy as 'an effective and credible shock absorber'.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.99	5.4	2.5	35.0	73.6
UST 10Y	4.63	4.5	4.6	36.6	75.4
MY 3Y	3.60	-0.4	8.4	13.6	14.0
MY 10Y	3.96	-0.4	7.5	10.5	22.9
ID 2Y	6.69	-1.0	35.7	40.3	31.1
ID 10Y	6.93	-0.9	28.0	31.8	48.0
SG 2Y	3.43	-2.8	-6.2	4.3	17.8
SG 10Y	3.36	-2.8	-1.6	29.9	67.0
TH 2Y	2.33	-2.5	0.6	19.2	-4.3
TH 10Y	2.71	-5.2	-1.5	17.0	3.2

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	106.15	0.2	0.8	2.1	4.8
EURUSD	1.0643	-0.3	-0.8	-2.0	-3.6
GBPUSD	1.2436	-0.1	-0.9	-1.8	-2.3
AUDUSD	0.6421	-0.2	-1.8	-2.3	-5.7
USDJPY	154.64	0.2	0.9	2.0	9.6
USDCNH	7.2496	0.1	-0.1	0.4	1.7
USDMYR	4.7855	-0.2	0.8	1.5	4.2
USDIDR	16175	-0.3	2.1	3.3	5.1
USDSGD	1.3622	0.1	0.7	1.4	3.2
USDTHB	36.77	-0.0	0.4	2.0	7.7

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	82.73	0.0	-2.7	2.0	15.5
Brent	87.11	-0.2	-2.9	1.6	13.1
Copper	9,735	1.6	4.2	8.8	13.7
Gold	2,379	0.8	0.3	9.1	15.3
CPO	4,125	-0.8	-8.7	-5.2	12.6

HIGHLIGHTS

Macro: Ahead of its incoming Fed blackout next week, officials continue to coalesced around the call for no rush in cutting rates. FOMC Vice Chair John Williams reiterated the Fed's 2% inflation goal as the 'right objective', adding that a rate hike is not in his baseline but possible if the data warrants it. Meanwhile regional Fed Presidents Raphael Bostic (voter) and Neel Kashkari (non-voter) said more time than expected might be needed to achieve confidence in inflation progress, with potentially up to 0 rate cuts this year.

Macro: Thailand's Oil Fuel Fund Office (Offo) says it will continue to subsidise retail diesel prices even if the government decides to end the diesel excise tax cut, which is set to expire today (Friday) despite the issue not being discussed in cabinet yesterday. Offo director Wisak Watanasap did not reveal the amount of any new subsidy sourced from the dwindling fund, despite accumulated loss of THB104bn as of 8 Apr (comprised of THB56.4bn for gasoline/gasohol/diesel and THB47.2bn for LPG).

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
19 Apr 2024	MA	Exports YoY	Mar	-1.1%	-0.8%
19 Apr 2024	MA	Imports YoY	Mar	9.8%	4.7%
19 Apr 2024	MA	Trade Balance MYR	Mar	12.40b	10.87b
19 Apr 2024	MA	GDP YoY	1Q A	3.9%	3.0%
19 Apr 2024	TH	Gross International Reserves	11 Apr	--	\$223.7b
19 Apr 2024	UK	BOE's Ramsden speaks			
19 Apr 2024	US	Fed's Goolsbee Participates in Q&A			
19 Apr 2024	ID	External Debt	Feb	--	\$405.7b
19 Apr 2024	EC	ECB's Nagel Speaks			
19 Apr 2024	US	Fed Releases Financial Stability Report			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
18 Apr 2024	JN	BOJ Board Noguchi Speech in Saga				
18 Apr 2024	EC	Bundesbank Chief Nagel, Germany's Lindner				
18 Apr 2024	US	Philadelphia Fed Business Outlook	Apr	2	15.5	3.2
18 Apr 2024	US	Initial Jobless Claims	13 Apr	215k	212k	212k
18 Apr 2024	US	Fed's Bowman Speaks at SIFMA Roundtable				
18 Apr 2024	US	Fed's Williams Participates in Moderated Disc				
18 Apr 2024	US	Leading Index	Mar	-0.1%	-0.3%	0.2%
18 Apr 2024	US	Existing Home Sales	Mar	4.20m	4.19m	4.38m
18 Apr 2024	US	Existing Home Sales MoM	Mar	-4.1%	-4.3%	9.5%
18 Apr 2024	US	Fed's Bostic Speaks in Fireside Chat on Econ				
18 Apr 2024	EC	ECB's Centeno, Simkus Speak				
18 Apr 2024	EC	ECB's Vujcic Speaks				
19 Apr 2024	US	Fed's Bostic Chats About Economy, Monetary				

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	4.63	4.5	4.6	36.6	75.4
UK	4.27	1.1	7.1	27.7	73.5
Germany	2.50	3.2	3.4	9.2	47.5
Japan	0.86	-1.4	-0.1	12.8	25.6
Australia	4.28	-10.5	2.2	18.8	32.3
China	2.25	-0.8	-3.8	-3.2	-30.3
Malaysia	3.96	-0.4	7.5	10.5	22.9
Indonesia	6.93	-0.9	28.0	31.8	48.0
Singapore	3.36	-2.8	-1.6	29.9	67.0
Thailand	2.71	-5.2	-1.5	17.0	3.2

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.78	-4	4	14	20
SG	3.22	-5	-9	29	66
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	47	-3	7	15	11
ID	77	-3	6	9	8
TH	45	-3	2	4	10

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	5.31	0	0	0	-7
EU o/n ESTRON	3.91	0	0	0	3
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.59	0	0	2	-18
MY MYOR	3.02	0	1	1	2
ID 3m JIBOR	6.85	0	0	0	0
SG o/n SORA	3.30	0	-10	-66	-32
TH BOT o/n THOR	2.50	1	0	0	0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	258	-0.1	-0.6	-2.0	-3.2
Bloomberg US Aggregate	2092	-0.3	-0.5	-1.9	-3.2
Bloomberg EUR Aggregate	234	-0.1	-0.1	-0.5	-1.3
Bloomberg Asia Aggregate	182	0.2	0.4	0.2	3.7
Bloomberg Asia Pac Treasury	116	0.3	-0.6	-2.2	-6.7
Bloomberg ASEAN Corp/Quasi	116	-0.1	-0.3	-1.3	-0.9

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	106.15	0.2	0.8	2.1	4.8
EURUSD	1.0643	-0.3	-0.8	-2.0	-3.6
GBPUSD	1.2436	-0.1	-0.9	-1.8	-2.3
AUDUSD	0.6421	-0.2	-1.8	-2.3	-5.7
USDJPY	154.64	0.2	0.9	2.0	9.6
USDCNH	7.2496	0.1	-0.1	0.4	1.7
USDMYR	4.7855	-0.2	0.8	1.5	4.2
USDIDR	16,175	-0.3	2.1	3.3	5.1
USDSGD	1.3622	0.1	0.7	1.4	3.2
USDTHB	36.77	-0.0	0.4	2.0	7.7
GBPMYR	5.9687	-0.1	-0.8	-0.9	2.3
AUDMYR	3.0835	0.1	-0.4	-1.1	-1.4
SGDMYR	3.5189	0.0	-0.4	-0.1	1.2
CNHMYR	0.6600	-0.3	0.6	1.1	2.3
IDRMYR	0.0296	0.1	-1.2	-1.7	-0.9
THBMYR	13.0012	-0.4	-0.4	0.1	-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	5,011.12	-0.2	-3.6	-4.4	5.1
Nasdaq	15,601.50	-0.5	-5.1	-4.9	3.9
Eurostoxx	4,936.57	0.5	-0.6	-2.3	9.2
Nikkei 225	38,079.70	0.3	-3.5	-6.7	13.8
Hang Seng	16,385.87	0.8	-4.1	-2.8	-3.9
KLCI	1,544.76	0.3	-0.6	0.2	6.2
JCI	7,166.81	0.5	-1.6	-2.3	-1.5
SET	1,361.02	-0.4	-2.5	-1.9	-3.9

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	102.09	-0.1	-0.2	2.7	3.5
WTI (US\$/bbl)	82.73	0.0	-2.7	2.0	15.5
Brent (US\$/bbl)	87.11	-0.2	-2.9	1.6	13.1
Natural Gas (US\$/mmbtu)	1.76	2.6	-0.4	-4.0	-25.8
Copper (US\$/ton)	9,735	1.6	4.2	8.8	13.7
Gold (US\$/oz)	2,379	0.8	0.3	9.1	15.3
CPO (RM/ton)	4,125	-0.8	-8.7	-5.2	12.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2021	2022	2023	2024	2025
Malaysia	3.3	8.7	3.7	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	3.4	3.2

Policy rate	2Q24	3Q24	4Q24	1Q25	2Q25
US (upper bound)	5.50	5.00	4.75	4.25	4.00
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.00	5.75	5.25	5.00	5.00
Thailand	2.25	2.00	2.00	2.00	2.00

Commodity prices	2Q24	3Q24	4Q24	1Q25	2Q25
Brent (USD/bbl)	85	80	75	73	73
WTI (USD/bbl)	81	76	71	69	69
CPO (RM/mt)	4,033	3,800	3,800	3,900	4,000
Gold (USD/oz)	2,025	2,025	2,050	2,100	2,100
Copper (USD/mt)	8,500	8,400	8,200	8,200	8,600

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	2Q24	3Q24	4Q24	1Q25	2Q25
UST 2Y	4.55	4.45	4.35	4.25	4.15
UST 10Y	4.20	4.15	4.10	4.10	4.05
MGS 3Y	3.50	3.50	3.55	3.50	3.50
MGS 10Y	3.85	3.80	3.90	3.90	3.85
IndoGB 2Y	6.30	6.00	5.70	5.60	5.70
IndoGB 10Y	6.65	6.75	6.85	6.90	7.00
ThaiGB 2Y	1.90	1.90	2.05	2.05	2.05
ThaiGB 10Y	2.50	2.65	2.80	2.85	2.85

Currency	2Q24	3Q24	4Q24	1Q25	2Q25
DXY	104.4	99.5	98.1	97.5	97.8
EURUSD	1.06	1.08	1.10	1.12	1.12
GBPUSD	1.29	1.28	1.31	1.32	1.32
USDCHF	0.90	0.89	0.89	0.88	0.88
AUDUSD	0.67	0.68	0.69	0.69	0.69
USDJPY	145	140	135	134	133
USDCNH	7.20	7.15	7.10	7.05	7.00
USDIDR	15,923	15,813	15,633	15,514	15,450
USDMYR	4.67	4.60	4.54	4.50	4.48
USDSGD	1.33	1.32	1.31	1.30	1.30
USDTHB	36.5	36.3	36.0	35.7	35.4

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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