DAILY DIGEST

Oil prices ease as Russia-Ukraine deal nears

- *Macro: Oil prices slipped after signals of progress in Russia-Ukraine peace talks reduced geopolitical risk premia. Malaysia's IRB disbursed RM14.6bn in tax refunds by end-Nov, prioritising MSMEs.*
- *Fixed income: USTs bull-steepened as markets positioned for weaker NFP data. Regional bonds were mixed, with IndoGBs rallying, while MYR sovereign bonds and ThaiGBs traded range-bound.*
- *FX: DXY eased slightly as markets awaited tonight's labour data release. Regional FX mostly gained; THB (+0.5%) strengthened amid capital inflows and firm gold prices.*

Global macro wrap

- **Global:** Oil prices slipped (Brent: -0.9%; WTI: -1.1%) after President Trump signalled progress on Russia-Ukraine peace talks, while President Zelensky dropped Ukraine's goal of joining NATO. Prediction markets now show former Fed governor Kevin Warsh as the frontrunner to succeed Powell, overtaking Kevin Hassett after reports that Hassett's candidacy faced pushback over concerns that he is too close to President Trump. Fed Vice Chair Williams (voter) said policy has moved from modestly restrictive toward neutral, with inflation still above target but easing, while labour market risks are rising as jobs cool. Fed Governor Miran (voter) argued that inflation is closer to target than headline data suggest, while warning that keeping policy too tight risks job losses. Boston Fed President Collins (voter) said she backed last week's rate cut as inflation risks have eased, but stressed it was a close call.
- **ASEAN:** Malaysia's FM II Amir Hamzah said the federal and Sabah governments are developing a new formula for Sabah's 40% special grant, with interim allocations raised to RM300m in 2023 and to RM600m from 2025. Inland Revenue Board has paid RM14.55bn in tax refunds covering 3.47m cases as of end-Nov, up 17.5% yoy, with most arrears cleared and priority given to MSMEs and companies facing cash-flow constraints. Thailand's foreign ministry outlined three conditions for any ceasefire with Cambodia: (1) a formal ceasefire declaration, (2) ensuring that it is implemented and sustained, and (3) genuine cooperation on landmine clearance. Caretaker FM Ekniti warned the baht has strengthened beyond levels suitable for Thailand's export-driven economy, attributing the move mainly to Fed rate cuts, which prompted capital inflows.

Fixed income

- **Majors:** USTs bull-steepened, widening the 2s10s spread to 67bps as markets positioned for weaker NFP data and higher rate-cut bets, supporting the front end. The 2s30s spread climbed to 135bps, its steepest level since Nov 2021. Swap markets now price a 38% chance of a Mar cut (from 33% on Friday), while expectations for a Jan cut remain near 25% (from 24% on Friday).
- **ASEAN:** MYR sovereign bonds traded range-bound ahead of the 2026 auction calendar and amid thin year-end liquidity. IndoGBs bull-steepened ahead of tomorrow's BI meeting and the final conventional auction of the year, which carries a reduced indicative target of IDR15tr (vs. the usual IDR23tr), limiting the maximum possible issuance to IDR22.5tr. ThaiGBs traded range-bound, while THOR rates fell 2-3bps ahead of tomorrow's BOT meeting where a cut is widely expected.

FX

- **Majors:** DXY (-0.1%) traded with a mild downside bias as markets awaited tonight's labour data release. EUR (+0.1%) gained to 1.175 while JPY (-0.4%) strengthened as big manufacturers' business sentiment rose to a four-year high in 4Q25, reinforcing expectations of a BOJ rate hike this Friday.
- **ASEAN:** Regional FX strengthened against a softer dollar, with THB (+0.5%) outperforming again as caretaker FM Ekniti cited continued capital inflows, while gold prices held above USD4,300. IDR (-0.2%) weakened ahead of the BI meeting tomorrow despite economists widely expecting a hold (21 out of 32 economists predict a hold).

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Rates dashboard

	15-Dec	1D	1W	1M	YTD
	Close	Change (bps)			
UST 2Y	3.50	-2.1	-7.4	-10.4	-74.0
UST 10Y	4.17	-1.2	0.8	2.4	-39.7
MGS 3Y	3.03	0.7	1.6	0.9	-44.7
MGS 10Y	3.57	-0.6	8.9	13.2	-24.2
IndoGB 2Y	4.96	-3.4	-0.9	23.1	-194.0
IndoGB 10Y	6.15	-1.4	-4.2	3.7	-81.9
SGS 2Y	1.45	-2.2	4.0	16.7	-126.5
SGS 10Y	2.17	-3.4	13.4	32.6	-68.0
ThaiGB 2Y	1.23	-0.1	1.6	-14.2	-79.6
ThaiGB 10Y	1.72	-0.3	3.3	-5.1	-58.0

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

FX dashboard

	15-Dec	1D	1W	1M	YTD
	Close	Change (%)			
DXY	98.31	-0.1	-0.8	-1.0	-9.4
EURUSD	1.1753	0.1	1.0	1.1	13.5
GBPUSD	1.3376	0.0	0.4	1.6	6.9
AUDUSD	0.6641	-0.2	0.3	1.6	7.3
USDCHF	0.7962	0.1	-1.3	0.3	-12.3
USDJPY	155.23	-0.4	-0.4	0.4	-1.3
USDCNH	7.0433	-0.1	-0.4	-0.8	-4.0
USDMYR	4.0925	-0.1	-0.5	-1.0	-8.5
USDIDR	16,668	0.2	-0.1	-0.2	3.5
USDSGD	1.2895	-0.2	-0.6	-0.7	-5.6
USDTHB	31.43	-0.5	-1.3	-3.0	-7.8

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

Commodities dashboard

	15-Dec	1D	1W	1M	YTD
	Close	Change (%)			
WTI	56.82	-1.1	-3.5	-5.4	-20.8
Brent	60.56	-0.9	-3.1	-5.9	-18.9
Copper	11,515	0.0	-1.0	6.1	31.3
Gold	4,305	0.1	2.7	5.4	64.0
CPO	4,000	0.5	-1.4	1.7	-17.7

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
16 Dec	US	ADP Weekly Employment Preliminary Estimate			
16 Dec	US	BLS to Release Nov. Employment with Partial Oct. Data			
16 Dec	US	Change in Nonfarm Payrolls	Nov	50k	--
16 Dec	US	Nonfarm Payrolls 3-Mo Avg Chg	Nov	--	--
16 Dec	US	Average Hourly Earnings MoM	Nov	0.3%	--
16 Dec	US	Average Hourly Earnings YoY	Nov	3.6%	--
16 Dec	US	Unemployment Rate	Nov	4.4%	--
16 Dec	US	Retail Sales Advance MoM	Oct	0.2%	0.2%
16 Dec	US	Retail Sales Control Group	Oct	0.4%	-0.1%
16 Dec	US	S&P Global US Manufacturing PMI	Dec P	--	52.2
16 Dec	US	S&P Global US Services PMI	Dec P	--	54.1
16 Dec	US	S&P Global US Composite PMI	Dec P	--	54.2

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
15 Dec	CH	New Home Prices MoM	20 Nov	--	-0.4%	-0.5%
15 Dec	CH	Used Home Prices MoM	20 Nov	--	-0.7%	-0.7%
15 Dec	CH	Retail Sales YoY	Nov	2.9%	1.3%	2.9%
15 Dec	CH	Industrial Production YoY	Nov	5.0%	4.8%	4.9%
15 Dec	CH	Fixed Assets Ex Rural YTD YoY	Nov	-2.3%	-2.6%	-1.7%
15 Dec	ID	External Debt	15 Nov	--	$423.9b	$424.4b
15 Dec	US	Empire Manufacturing	15 Nov	9.7	-3.9	18.7
15 Dec	US	Fed's Miran Delivers Talk on Inflation Outlook				
15 Dec	US	NAHB Housing Market Index	Dec	38.0	39.0	38.0
15 Dec	US	Fed's Williams delivers Keynote Remarks				

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

	15-Dec	1D	1W	1M	YTD
10Y yields, %	Close	Change (bps)			
US	4.17	-1.2	0.8	2.4	-39.7
UK	4.49	-2.1	-3.2	-7.9	-7.0
Germany	2.85	-0.4	-0.9	13.3	48.8
Japan	1.95	0.6	-1.6	24.7	86.7
Australia	4.73	-0.2	2.1	28.7	36.4
China	1.85	1.7	2.1	4.8	18.7
Malaysia	3.57	-0.6	8.9	13.2	-24.2
Indonesia	6.15	-1.4	-4.2	3.7	-81.9
Singapore	2.17	-3.4	13.4	32.6	-68.0
Thailand	1.72	-0.3	3.3	-5.1	-58.0
5Y IRS, %	Close	Change (bps)			
MY	3.38	-3.5	2.5	6.5	-16.5
SG	1.93	-7.1	11.9	40.0	-73.7
TH	1.39	-3.3	4.5	0.3	-58.8
5Y CDS, bps	Close	Change (bps)			
MY	39.07	8.9	-12.6	-157.2	-931.6
ID	71.23	-124.7	-56.2	-375.6	-766.1
TH	38.85	-100.5	-146.1	-328.4	-441.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	15-Dec	1D	1W	1M	YTD
Interbank rates, %	Close	Change (bps)			
US O/N SOFR	3.67	0.0	-28.0	-28.0	-82.0
EU O/N ESTRON	1.93	0.0	0.2	0.1	-97.3
JP O/N TONAR	0.48	0.0	0.0	-0.1	25.0
MY 3M KLIBOR	3.26	0.0	0.0	4.0	-47.0
MY MYOR	2.75	0.0	0.0	0.0	-25.0
ID 3M JIBOR	5.46	0.0	0.1	-0.1	-145.8
SG O/N SORA	1.18	0.0	2.7	15.5	-93.6
SG 3M SORA	1.20	-0.7	-2.7	-4.6	-187.1
TH BOT O/N THOR	1.49	0.2	0.2	-0.2	-75.1
Credit indices	Close	Change (%)			
Bloomberg Global Aggregate	296	0.2	0.4	0.7	10.1
Bloomberg US Aggregate	2,339	0.1	0.0	0.2	6.8
Bloomberg EUR Aggregate	246	0.1	0.2	-0.4	1.1
Bloomberg Asia Aggregate	187	-0.2	0.0	0.0	0.1
Bloomberg Asia Pac Treasury	117	0.3	0.4	-0.7	0.3
Bloomberg ASEAN Corp/Quasi	132	0.0	0.1	0.1	7.8

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	15-Dec	1D	1W	1M	YTD
FX	Close	Change (%)			
DXY	98.31	-0.1	-0.8	-1.0	-9.4
EURUSD	1.1753	0.1	1.0	1.1	13.5
GBPUSD	1.3376	0.0	0.4	1.6	6.9
AUDUSD	0.6641	-0.2	0.3	1.6	7.3
USDJPY	155.23	-0.4	-0.4	0.4	-1.3
USDCNH	7.0433	-0.1	-0.4	-0.8	-4.0
USDMYR	4.0925	-0.1	-0.5	-1.0	-8.5
USDIDR	16,668	0.2	-0.1	-0.2	3.5
USDSGD	1.2895	-0.2	-0.6	-0.7	-5.6
USDTHB	31.43	-0.5	-1.3	-3.0	-7.8
GBPMYR	5.4788	-0.1	0.0	0.8	-2.4
AUDMYR	2.7209	-0.4	-0.3	1.0	-2.2
SGDMYR	3.1767	0.1	0.1	0.1	-3.3
CNHMYR	0.5814	0.1	-0.1	-0.1	-4.7
IDRMYR	0.0246	-0.2	-0.2	-0.6	-11.4
THBMYR	13.02	0.3	0.8	2.2	0.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

	15-Dec	1D	1W	1M	YTD
Equities	Close	Change (%)			
S&P 500	6,817	-0.2	-0.4	1.2	15.9
Nasdaq 100	25,067	-0.5	-2.2	0.2	19.3
Eurostoxx	5,753	0.6	0.5	1.0	17.5
Nikkei 225	50,168	-1.3	-0.8	-0.4	25.8
Hang Seng	25,629	-1.3	-0.5	-3.6	27.8
KLCI	1,644	0.4	1.9	1.1	0.1
JCI	8,650	-0.1	-0.7	3.3	22.2
SET	1,273	1.5	1.0	0.3	-9.1
Commodities	Close	Change (%)			
Bloomberg Commodity Index	108.67	-0.3	-1.4	-0.4	10.0
WTI (USD/bbl)	56.82	-1.1	-3.5	-5.4	-20.8
Brent (USD/bbl)	60.56	-0.9	-3.1	-5.9	-18.9
Natural Gas (USD/mmbtu)	4.01	-2.5	-18.3	-15.9	-13.8
Copper (USD/ton)	11,515	0.0	-1.0	6.1	31.3
Gold (USD/oz)	4,305	0.1	2.7	5.4	64.0
CPO (RM/ton)	4,000	0.5	-1.4	1.7	-17.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2022	2023	2024	2025	2026
US	2.5	2.9	2.8	1.4	1.9
Malaysia	9.0	3.5	5.1	4.5	4.1
Indonesia	5.3	5.0	5.0	5.0	5.3
Thailand	2.6	2.0	2.5	2.1	1.9
Inflation	2022	2023	2024	2025	2026
US	8.0	4.1	3.0	3.0	2.4
Malaysia	3.4	2.5	1.8	1.5	2.0
Indonesia	4.2	3.7	2.3	1.9	3.0
Thailand	6.1	1.2	0.4	-0.2	0.3
Policy Rate	4Q25	1Q26	2Q26	3Q26	4Q26
US (upper bound)	3.75	3.50	3.25	3.25	3.25
Malaysia	2.75	2.75	2.50	2.50	2.50
Indonesia	4.75	4.75	4.75	4.75	4.75
Thailand	1.25	1.00	1.00	1.00	1.00
Commodities	4Q25	1Q26	2Q26	3Q26	4Q26
Brent (USD/bbl)	70	70	70	72	75
Gold (USD/oz)	4,200	4,300	4,400	4,500	4,600

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	4Q25	1Q26	2Q26	3Q26	4Q26
UST 2Y	3.50	3.45	3.40	3.35	3.35
UST 10Y	4.15	4.10	4.05	4.05	4.05
MGS 3Y	3.05	3.00	2.85	2.80	2.85
MGS 10Y	3.45	3.45	3.30	3.30	3.35
IndoGB 2Y	5.00	5.20	5.10	5.15	5.20
IndoGB 10Y	6.30	6.30	6.35	6.45	6.55
ThaiGB 2Y	1.15	1.05	1.10	1.10	1.10
ThaiGB 10Y	1.60	1.60	1.65	1.70	1.70
SORA 3M	1.20	1.10	1.00	1.10	1.30
Currency	4Q25	1Q26	2Q26	3Q26	4Q26
DXY	97.4	96.9	95.9	95.0	94.5
EURUSD	1.19	1.19	1.21	1.22	1.23
GBPUSD	1.35	1.35	1.36	1.37	1.37
USDCHF	0.79	0.79	0.78	0.78	0.78
AUDUSD	0.66	0.67	0.68	0.68	0.69
USDJPY	154	152	150	149	148
USDCNH	7.10	7.08	7.10	7.10	7.12
USDIDR	16,650	16,700	16,750	16,700	16,700
USDMYR	4.08	4.05	4.10	4.13	4.15
USDSGD	1.27	1.27	1.26	1.26	1.26
USDTHB	32.60	33.00	33.00	33.30	33.50

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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   (iv) The market for bonds issued by the Government of Thailand

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