

DAILY DIGEST

Thailand's 1Q24 GDP beats expectation

- Macro:** Fed officials called for continued policy caution. Thailand's 1Q24 GDP growth came in stronger than expected, and the government plans to seek approval for additional THB122bn budget to finance the economic stimulus.
- Fixed Income:** UST extended losses on Monday. IndoGB sukuk auction saw weak demand and MOF trimmed final award. Reopening of 15Y MGII 09/39 today.
- FX:** DXY gained 0.1% amid cautious Fed comments. THB rallied on the back of a strong GDP reading, leading the gains among the Asian currencies.

Global macro wrap

- Global:** Comments by Fed officials remained hawkish, as Fed Vice Chair Philip Jefferson said it is too soon to tell if the recent slowdown in disinflationary process will be long lasting. Fed Vice Chair of Supervision Michael Barr guided that more time is needed for restrictive monetary policy to work. Cleveland Fed President Mester said she no longer thinks three rate cuts in 2024, adding that more evidence on inflation trajectory is needed before adjusting interest rates. San Francisco Fed President Daly sees no urgency to cut rates.
- ASEAN:** Thailand's 1Q24 GDP growth surprised to the upside, as the economy grew 1.5% yoy (consensus: +0.8%; 4Q23: +1.7%). The sequential qoq growth also came in stronger than expected at 1.1% (consensus: +0.6%; 4Q23: -0.4%). The economy was supported by solid personal consumption at 6.9% yoy which offsets the weakness in government spending and investment activity. The NESDC trimmed its 2024 GDP forecast to 2-3% (prior: 2.2-3.2%). Separately, the Thai Cabinet is planning to seek approval for an additional budget of THB122bn for FY2024 to finance the government's economic stimulus. This is in line with the MOF's indication that the digital wallet scheme will be jointly funded across FY24 and FY25 under a financing plan of THB327.7bn whereas the remaining THB172.3bn is expected to be carved out of a state-owned bank's budget which will be paid directly to the about 17m farmers. Malaysia's trade surplus narrowed to RM7.7bn in Apr (consensus: RM11.8bn; Mar: 12.7bn) due to the double-digit growth in imports (+15.6% yoy). Export growth rebounded sharply to 9.1% yoy but missed analysts' forecast of +14.1% yoy. Indonesia's current account deficit widened to -USD2.2bn in 1Q24 (consensus: -USD1.9bn; 4Q23: -USD1.1bn).

Fixed income

- Global:** UST yields rose for a third day, with the curve seen 2-3bps higher as Fed officials struck a cautious tone on interest rate outlook.
- ASEAN:** The overall demand for IndoGB sukuk auction yesterday was rather weak with -IDR16tr of total incoming bids. MOF downsized the issuance to IDR8.1tr (vs. target: IDR10tr). MGS curve was little changed ahead of today's 15Y MGII 09/39 auction (issuance size: RM5bn including RM2bn private placement). Thailand's MOF completed THB80bn bond switching program as part of its debt restructuring plan. The PDMO said that this exercise will help extend the average bond repayment period (of shorter tenor papers) from nine months to about 25 years, while also expanding investor base due to demand from institutional investors.

FX

- Majors:** The DXY gained 0.1%, tracking higher UST yields as Fed officials stayed cautious on inflation and policy rate outlook. Most G10 currencies weakened against the dollar, with decliners led by NZD (-0.5%), JPY (-0.4%) and AUD (-0.4%). EURUSD fell 0.1% as ECB Governing Council member Martins Kazaks warned against hasty interest rate cuts after Jun. GBPUSD was little changed ahead of Apr CPI data release on Wed which is expected to show a further moderation in price pressures. BOE Deputy Governor Ben Broadbent guided that interest rate cut this summer is possible if inflation eases.
- ASEAN:** THB rallied on the back of a strong GDP reading, leading the gains among the Asian currencies with a 0.5% appreciation vs the USD. USDIDR rose 0.1% amid a wider-than-expected 1Q24 current account deficit. SGD fell 0.2% against the dollar, while MYR was little changed.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.85	2.3	-1.3	-12.4	59.8
UST 10Y	4.44	2.3	-4.3	-16.5	56.4
MY 3Y	3.55	0.3	-5.2	-5.0	8.7
MY 10Y	3.87	0.2	-6.1	-9.6	13.5
ID 2Y	6.70	1.3	-21.8	-20.1	35.9
ID 10Y	6.86	0.0	-10.3	-16.9	40.4
SG 2Y	3.38	3.6	-5.2	-8.1	12.1
SG 10Y	3.24	4.5	-8.2	-14.0	55.0
TH 2Y	2.34	1.1	-0.2	1.1	-3.5
TH 10Y	2.75	2.0	-0.7	3.9	7.5

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.57	0.1	-0.6	-1.4	3.2
EURUSD	1.0857	-0.1	0.6	1.9	-1.6
GBPUSD	1.2706	0.0	1.2	2.9	-0.2
AUDUSD	0.6667	-0.4	0.9	3.4	-2.1
USDJPY	156.26	0.4	0.0	0.9	10.8
USDCNH	7.2469	0.2	0.1	-0.1	1.7
USDMYR	4.6862	-0.0	-0.9	-1.9	2.0
USDIDR	15975	0.1	-0.7	-1.6	3.8
USDSGD	1.3475	0.2	-0.4	-1.1	2.1
USDTHB	36.03	-0.5	-2.1	-2.6	5.5

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	79.80	-0.3	0.9	-3.7	11.4
Brent	83.71	-0.3	0.4	-3.8	8.7
Copper	10,889	2.1	6.9	10.8	27.2
Gold	2,425	0.4	3.8	4.2	17.6
CPO	3,905	0.3	-0.1	-4.2	6.6

HIGHLIGHTS

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
21 May 2024	EC	Yellen, ECB's Lagarde, Germany's Lindner Speak			
21 May 2024	US	Fed's Barkin Gives Welcome Remarks			
21 May 2024	US	Fed's Waller Discusses US Economy			
21 May 2024	US	Fed's Williams Gives Opening Remarks			
21 May 2024	US	Fed's Bostic Offers Brief Welcome Remarks			
21 May 2024	US	Fed's Barr Speaks in Fireside Chat			
21 May 2024	UK	BOE's Bailey speaks			
22 May 2024	US	Fed's Bostic Moderates Panel with Collins and Mester			
22 May 2024	ID	BI-Rate	31 May	6.25%	6.25%
22 May 2024	UK	BOE's Breeden speaks			
22 May 2024	US	Fed's Goolsbee Gives Opening Remarks			
22 May 2024	US	Existing Home Sales	Apr	4.22m	4.19m
22 May 2024	US	Existing Home Sales MoM	Apr	0.8%	-4.3%
22 May 2024	US	FOMC Meeting Minutes	01 May	--	--
23 May 2024	SI	GDP YoY	1Q F	2.5%	2.7%
23 May 2024	SI	GDP SA QoQ	1Q F	-0.3%	0.1%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
20 May 2024	CH	5-Year Loan Prime Rate	20 May	3.95%	3.95%	3.95%
20 May 2024	CH	1-Year Loan Prime Rate	20 May	3.45%	3.45%	3.45%
20 May 2024	TH	GDP YoY	1Q	0.8%	1.5%	1.7%
20 May 2024	TH	GDP SA QoQ	1Q	0.6%	1.1%	-0.4%
20 May 2024	ID	BoP Current Account Balance	1Q	-\$1866m	-\$2161m	-\$1120m
20 May 2024	MA	Exports YoY	Apr	14.1%	9.1%	-0.9%
20 May 2024	MA	Imports YoY	Apr	17.8%	15.6%	12.5%
20 May 2024	MA	Trade Balance MYR	Apr	11.80b	7.70b	12.72b
20 May 2024	US	Fed's Bostic Gives Welcome Remarks				
20 May 2024	US	Fed's Barr Gives Keynote Remarks				
21 May 2024	US	Fed's Bostic Moderates Keynote Remarks				

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	4.44	2.3	-4.3	-16.5	56.4
UK	4.17	4.2	-0.5	-3.6	63.2
Germany	2.53	1.3	1.9	4.3	50.7
Japan	0.97	3.0	4.1	9.0	36.6
Australia	4.24	2.5	-9.0	-8.2	28.2
China	2.31	-0.5	1.8	6.4	-24.9
Malaysia	3.87	0.2	-6.1	-9.6	13.5
Indonesia	6.86	0.0	-10.3	-16.9	40.4
Singapore	3.24	4.5	-8.2	-14.0	55.0
Thailand	2.75	2.0	-0.7	3.9	7.5

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.70	0	-6	-8	12
SG	3.06	5	-8	-19	49
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	44	-1	-4	-9	5
ID	70	-1	-2	-12	-3
TH	41	-2	-6	-12	-0

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	3.90	0	-1	-1	2
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.59	0	0	0	-18
MY MYOR	3.02	0	2	-1	2
ID 3m JIBOR	7.10	0	0	25	25
SG o/n SORA	3.59	0	-13	-2	-3
TH BOT o/n THOR	2.49	-0	0	-0	-0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	264	-0.1	0.6	2.0	-1.1
Bloomberg US Aggregate	2129	-0.1	0.3	1.6	-1.5
Bloomberg EUR Aggregate	235	-0.1	-0.1	0.1	-1.1
Bloomberg Asia Aggregate	183	0.1	0.2	0.7	4.4
Bloomberg Asia Pac Treasury	115	-0.4	0.1	-0.4	-7.2
Bloomberg ASEAN Corp/Quasi	118	-0.0	0.7	2.1	1.1

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.57	0.1	-0.6	-1.4	3.2
EURUSD	1.0857	-0.1	0.6	1.9	-1.6
GBPUSD	1.2706	0.0	1.2	2.9	-0.2
AUDUSD	0.6667	-0.4	0.9	3.4	-2.1
USDJPY	156.26	0.4	0.0	0.9	10.8
USDCNH	7.2469	0.2	0.1	-0.1	1.7
USDMYR	4.6862	-0.0	-0.9	-1.9	2.0
USIDR	15,975	0.1	-0.7	-1.6	3.8
USDSGD	1.3475	0.2	-0.4	-1.1	2.1
USDTHB	36.03	-0.5	-2.1	-2.6	5.5
GBPMYR	5.9537	0.4	0.5	1.0	2.0
AUDMYR	3.1373	0.6	0.4	2.1	0.4
SGDMYR	3.4820	0.1	-0.3	-0.7	0.1
CNHMYR	0.6467	-0.2	-1.0	-1.8	0.2
IDRMYR	0.0293	-0.4	-0.5	-0.5	-1.9
THBMYR	12.9750	0.4	1.0	0.7	-3.2

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,308.13	0.1	1.7	5.9	11.3
Nasdaq	16,794.88	0.7	2.5	8.7	11.9
Eurostoxx	5,074.34	0.2	-0.1	2.8	12.2
Nikkei 225	39,069.68	0.7	2.3	4.4	16.8
Hang Seng	19,636.22	0.4	2.7	18.9	15.2
KLCI	1,627.50	0.7	1.5	4.4	11.9
JCI	7,266.69	-0.7	2.4	2.7	-0.1
SET	1,378.70	-0.3	0.5	2.2	-2.6

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	107.24	1.4	3.8	4.3	8.7
WTI (US\$/bbl)	79.80	-0.3	0.9	-3.7	11.4
Brent (US\$/bbl)	83.71	-0.3	0.4	-3.8	8.7
Natural Gas (US\$/mmbtu)	2.75	4.8	15.5	33.2	9.2
Copper (US\$/ton)	10,889	2.1	6.9	10.8	27.2
Gold (US\$/oz)	2,425	0.4	3.8	4.2	17.6
CPO (RM/ton)	3,905	0.3	-0.1	-4.2	6.6

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	2.8	3.0

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	6.25	6.25	6.00	5.50	5.25
Thailand	2.50	2.50	2.25	2.25	2.25

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

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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