DAILY DIGEST

BN-PN clinches 2/3 majority in Negeri Sembilan

- *Macro: Oil retreated after Trump cancelled strikes on Iran, while OPEC+ approves a 188k bpd production increase for Sep. BN-PN secured a two-thirds majority in Negeri Sembilan, winning 25 of 36 seats.*
- *Fixed Income: UST yields rose 5-6bps after three Fed dissenters reinforced the case for further tightening. Regional bonds firmed on Friday, with belly IndoGBs outperforming. Negeri Sembilan election results may weigh on MGS this week.*
- *FX: DXY softened this morning on renewed optimism over US-Iran talks, while the JPY stayed supported by intervention expectations. The THB (+0.6%) and IDR (+0.5%) led regional outperformed on Friday.*

Global macro wrap

- **Global:** Oil prices rose (Brent +1.2%) on Fri amid supply concerns, but later retreated below USD85/bbl after President Trump called off planned strikes on Iran and said nuclear talks would resume today, raising hopes for peace talks, while OPEC+ approved a 188k bpd production increase for Sep, completing the reversal of its 1.65mbpd voluntary cuts. St. Louis Fed President Musalem (non-voter) favoured earlier, gradual rate hikes over delayed tightening, while reports indicated US Fed Chair Warsh is considering reducing the frequency of FOMC meetings as part of a broader effort to reduce forward guidance.
- **ASEAN:** BN-PN secured a two-thirds majority in the Negeri Sembilan state elections, winning 25 of 36 seats as PH's representation fell from 17 to 11. Newly appointed Menteri Besar Ismail Lasim said the state executive council lineup would be finalised by Friday after consultations with party leaders and the ruler. Indonesia will separate the MBG budget from education spending no later than the 2028 State Budget after the Constitutional Court ruled that the programme is not a core education component. Thailand's government is reviewing long-term power purchase agreements with private producers to lower electricity costs.

Fixed Income

- **Global:** The UST curve bear-steepened on Friday, with yields rising 5-6bps, after three FOMC dissenters—Cleveland Fed President Beth Hammack, Minneapolis Fed President Neel Kashkari and Dallas Fed President Lorie Logan—reinforced the case for further policy tightening to prevent inflation from becoming entrenched. This week's focus turns to the Treasury's Aug-Oct refunding announcement and key US labour market data, culminating in the Jul nonfarm payrolls report on Friday.
- **ASEAN:** Regional bonds extended gains on Friday, tracking the overnight rally in USTs. IndoGB at the belly outperformed with yields falling 3-4bps. Demand at BI's SRBI auction softened, with incoming bids falling to IDR17.51tr (prior: IDR28.21tr), prompting BI to scale back issuance to IDR9tr (prior: IDR15tr; target: IDR12tr). MGS edged marginally firmer, as sentiment remained cautious ahead of the Negeri Sembilan state election. A PH defeat to the BN-PN coalition could weigh on MGS this week, as PH's poor showing in Sabah and Johor state elections previously was followed by non-resident outflows and higher yields, particularly at the 10Y tenor. Separately, BNM announced the reopening of the RM5bn 5Y GII 10/31 auction on 4 Aug. ThaiGBs rallied 1-2bps, supported by THB7.2bn of non-resident bond inflows.

FX

- **Majors:** The DXY edged lower this morning as oil prices fell sharply. The JPY opened stronger following last week's 3.9% gain, after US and Japanese officials warned that further coordinated FX intervention remains possible. The GBP (+0.1%) firmed as BOE Governor Andrew Bailey highlighted elevated household inflation expectations, reinforcing restrictive policy expectations. The EUR was little changed, while the AUD (-0.1%) and CHF (-0.3%) softened against the dollar.
- **ASEAN:** Regional currencies mostly strengthened against the dollar on Friday, led by the THB (+0.6%). The IDR (+0.5%) advanced after Acting BI Governor Destry Damayanti reaffirmed policy continuity. The MYR (+0.1%) edged higher alongside regional peers amid broad USD weakness, while the SGD (-0.1%) and CNH (-0.1%) posted modest declines.

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Rates dashboard

	31-Jul	1D	1W	1M	YTD
	Close	Change (bps)			
UST 2Y	4.29	4.5	-3.9	11.9	81.8
UST 10Y	4.73	6.1	5.8	26.9	56.8
MGS 3Y	3.30	-0.9	0.7	5.5	30.4
MGS 10Y	3.71	-0.9	1.0	10.1	20.3
IndoGB 2Y	7.00	1.7	-4.9	-11.0	210.0
IndoGB 10Y	7.31	-1.5	-2.2	17.9	125.8
SGS 2Y	1.68	-5.0	-10.2	12.7	22.1
SGS 10Y	2.34	-7.1	-10.5	31.5	23.0
ThaiGB 2Y	1.16	-1.0	-0.9	0.1	3.1
ThaiGB 10Y	2.08	-1.0	-3.5	2.5	42.4

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

FX dashboard

	31-Jul	1D	1W	1M	YTD
	Close	Change (%)			
DXY	99.91	0.1	-1.5	-1.3	1.6
EURUSD	1.1527	0.0	1.4	0.9	-1.9
GBPUSD	1.3483	0.1	1.2	1.7	0.1
AUDUSD	0.7019	-0.1	0.6	1.4	5.2
USDCHF	0.8075	0.3	-1.3	-0.1	1.9
USDJPY	157.40	-1.3	-3.9	-3.2	0.4
USDCNH	6.7524	0.1	-0.3	-0.6	-3.2
USDMYR	4.0860	-0.1	-0.1	0.0	0.6
USDIDR	18,000	-0.5	0.3	0.7	7.8
USDSGD	1.2828	0.1	-0.6	-0.9	-0.2
USDTHB	33.39	-0.6	-0.9	0.5	6.0

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

Commodities dashboard

	31-Jul	1D	1W	1M	YTD
	Close	Change (%)			
WTI	84.67	1.3	-5.2	21.8	47.5
Brent	90.12	1.2	-6.9	23.6	48.1
Copper	13,791	-0.1	1.1	3.1	11.0
Gold	4,046	-1.4	-0.2	1.0	-6.3
CPO	4,531	-0.5	-1.3	1.3	13.3

HIGHLIGHTS

Macro: US consumer sentiment rose to a five-month high of 55.2 in Jul (Jun: 49.5), although consumers remain focused on inflation and geopolitical tensions.

Macro: China's Ministry of Commerce has criticized the US decision to add 43 Chinese firms to its forced labour entity list, denying all allegations regarding Xinjiang, labelling the import bans as groundless economic coercion, and warning that it will act to defend its companies' rights.

Macro: Thailand aims to raise public and private investment to 30% of GDP from 23% to achieve high-income status by 2038, with FM Ekniti citing tax incentives, budget spending and public-private partnerships as key measures.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
3 Aug	CH	RatingDog China PMI Mfg	Jul	52.0	51.7
3 Aug	ID	Imports YoY	Jun	22.0%	22.2%
3 Aug	ID	Exports YoY	Jun	-1.0%	-5.7%
3 Aug	ID	Trade Balance	Jun	-$731m	-$1610m
3 Aug	ID	CPI YoY	Jul	3.2%	3.3%
3 Aug	ID	CPI Core YoY	Jul	2.8%	2.8%
3 Aug	ID	CPI NSA MoM	Jul	0.1%	0.4%
3 Aug	SI	Electronics Sector Index	Jul	--	52.2
3 Aug	SI	Purchasing Managers Index	Jul	--	51.3
3 Aug	US	S&P Global US Manufacturing PMI	Jul F	53.8	53.8
3 Aug	US	ISM Manufacturing	Jul	53.9	53.3
3 Aug	US	ISM Prices Paid	Jul	71	73
3 Aug	US	Construction Spending MoM	Jun	0.2%	0.1%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
31 Jul	CH	Manufacturing PMI	Jul	50.1	49.2	50.3
31 Jul	CH	Non-manufacturing PMI	Jul	50.0	49.0	50.2
31 Jul	SI	Unemployment rate SA	Jun	2.1%	2.0%	2.0%
31 Jul	TH	BoP Current Account Balance	Jun	-$3900m	-$3474m	-$6432m
31 Jul	TH	Exports YoY	Jun	--	21.1%	9.8%
31 Jul	TH	Exports	Jun	--	$34439m	$33751m
31 Jul	TH	Imports YoY	Jun	--	48.9%	34.5%
31 Jul	TH	Imports	Jun	--	$37113m	$36384m
31 Jul	TH	Trade Balance	Jun	--	-$2674m	-$2632m
31 Jul	TH	Gross International Reserves	24 Jul	--	$272.6b	$276.0b
31 Jul	UK	BOE Chief Economist Pill Speaks at MPC Briefing				
31 Jul	US	MNI Chicago PMI	Jul	56.0	57.6	56.7
31 Jul	US	U. of Mich. Sentiment	Jul F	54.0	55.2	54.4
3 Aug	ID	S&P Global Indonesia PMI Mfg	Jul	--	50.2	46.9
3 Aug	MA	S&P Global Malaysia PMI Mfg	Jul	--	50.7	50.7
3 Aug	TH	S&P Global Thailand PMI Mfg	Jul	--	54.2	53.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

	31-Jul	1D	1W	1M	YTD
10Y yields, %	Close	Change (bps)			
US	4.73	6.1	5.8	26.9	56.8
UK	5.05	6.5	1.8	29.2	57.3
Germany	3.21	5.2	3.4	34.7	35.2
Japan	2.79	-1.6	-1.1	11.3	72.7
Australia	4.93	-6.8	-16.0	20.5	18.7
China	1.71	-0.3	-1.1	-1.5	-13.3
Malaysia	3.71	-0.9	1.0	10.1	20.3
Indonesia	7.31	-1.5	-2.2	17.9	125.8
Singapore	2.34	-7.1	-10.5	31.5	23.0
Thailand	2.08	-1.0	-3.5	2.5	42.4
5Y IRS, %	Close	Change (bps)			
MY	3.62	-1.0	-2.3	10.5	26.8
SG	2.03	-4.4	-11.1	21.9	11.3
TH	1.74	-3.3	-5.3	15.5	50.0
5Y CDS, bps	Close	Change (bps)			
MY	37.20	-1.2	-0.6	-0.5	-1.2
ID	93.60	-2.0	-0.3	4.2	24.7
TH	42.63	-1.7	-1.8	2.2	4.1

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	31-Jul	1D	1W	1M	YTD
Interbank rates, %	Close	Change (bps)			
US O/N SOFR	3.65	0.0	1.0	-3.0	-22.0
EU O/N ESTRON	2.19	0.0	-0.1	0.3	26.4
JP O/N TONAR	0.98	0.0	0.2	0.3	25.2
MY 3M KLIBOR	3.45	0.0	0.0	0.0	17.0
MY MYOR	2.75	0.0	0.0	-1.0	0.0
ID IndONIA	6.23	-0.7	-6.8	22.7	210.5
SG O/N SORA	0.97	0.0	-20.8	-22.2	7.2
SG 3M SORA	1.15	-0.2	-0.6	7.2	-3.8
TH BOT O/N THOR	0.99	-0.4	-0.7	-0.3	-26.0
Credit indices	Close	Change (%)			
Bloomberg Global Aggregate	294	-0.1	0.4	-1.0	-0.9
Bloomberg US Aggregate	2,333	-0.3	-0.1	-1.3	-0.7
Bloomberg EUR Aggregate	246	-0.1	0.0	-1.5	-0.2
Bloomberg Asia Aggregate	193	0.2	-1.2	-0.8	2.4
Bloomberg Asia Pac Treasury	116	0.2	1.8	1.4	-0.8
Bloomberg ASEAN Corp/Quasi	131	0.0	-0.1	-1.1	-0.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	31-Jul	1D	1W	1M	YTD
FX	Close	Change (%)			
DXY	99.91	0.1	-1.5	-1.3	1.6
EURUSD	1.1527	0.0	1.4	0.9	-1.9
GBPUSD	1.3483	0.1	1.2	1.7	0.1
AUDUSD	0.7019	-0.1	0.6	1.4	5.2
USDJPY	157.40	-1.3	-3.9	-3.2	0.4
USDCNH	6.7524	0.1	-0.3	-0.6	-3.2
USDMYR	4.0860	-0.1	-0.1	0.0	0.6
USDIDR	18,000	-0.5	0.3	0.7	7.8
USDSGD	1.2828	0.1	-0.6	-0.9	-0.2
USDTHB	33.39	-0.6	-0.9	0.5	6.0
GBPMYR	5.4957	0.4	0.9	1.7	0.7
AUDMYR	2.8742	0.8	0.5	2.2	5.9
SGDMYR	3.1840	0.4	0.5	0.9	0.9
CNHMYR	0.6052	-0.2	0.2	0.6	4.1
IDRMYR	0.0227	0.4	-0.4	-0.6	-6.9
THBMYR	12.23	0.3	0.7	-0.5	-4.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity and commodity prices

	31-Jul	1D	1W	1M	YTD
Equities	Close	Change (%)			
S&P 500	7,490	0.7	1.0	-0.1	9.4
Nasdaq 100	28,274	0.6	0.5	-6.6	12.0
Eurostoxx	6,358	0.2	1.2	0.5	9.8
Nikkei 225	64,362	4.0	-0.4	-8.1	27.9
Hang Seng	25,884	0.1	3.7	13.1	1.0
KLCI	1,725	0.3	1.4	3.7	2.7
JCI	6,236	0.8	0.6	10.5	-27.9
SET	1,624	1.6	-1.3	2.0	28.9
Commodities	Close	Change (%)			
Bloomberg Commodity Index	132.05	-0.1	-2.1	7.2	20.4
WTI (USD/bbl)	84.67	1.3	-5.2	21.8	47.5
Brent (USD/bbl)	90.12	1.2	-6.9	23.6	48.1
Natural Gas (USD/mmbtu)	2.75	-0.4	-4.9	-14.0	-26.1
Copper (USD/ton)	13,791	-0.1	1.1	3.1	11.0
Gold (USD/oz)	4,046	-1.4	-0.2	1.0	-6.3
CPO (RM/ton)	4,531	-0.5	-1.3	1.3	13.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2023	2024	2025	2026	2027
US	2.9	2.8	2.1	2.1	2.0
Malaysia	3.6	5.2	5.2	4.8	4.5
Indonesia	5.0	5.0	5.1	5.2	5.1
Thailand	2.2	2.9	2.4	2.2	2.7
Inflation	2023	2024	2025	2026	2027
US	4.1	3.0	2.7	3.5	2.4
Malaysia	2.5	1.8	1.4	2.2	2.0
Indonesia	3.7	2.3	1.9	3.4	2.8
Thailand	1.2	0.4	-0.1	2.1	1.2
Policy Rate	3Q26	4Q26	1Q27	2Q27	3Q27
US (upper bound)	3.75	4.00	4.00	4.00	4.00
Malaysia	2.75	2.75	2.75	2.75	2.75
Indonesia	5.75	5.75	5.75	5.75	5.75
Thailand	1.00	1.00	1.00	1.00	1.00
Commodities	3Q26	4Q26	1Q27	2Q27	3Q27
Brent (USD/bbl)	85	85	80	80	75
Gold (USD/oz)	4,400	4,500	4,500	4,600	4,700

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	3Q26	4Q26	1Q27	2Q27	3Q27
UST 2Y	4.30	4.40	4.20	4.10	4.00
UST 10Y	4.50	4.50	4.45	4.40	4.40
MGS 3Y	3.25	3.20	3.20	3.15	3.15
MGS 10Y	3.70	3.55	3.55	3.55	3.55
IndoGB 2Y	7.10	7.00	6.80	6.60	6.60
IndoGB 10Y	7.20	7.10	7.00	6.90	6.90
ThaiGB 2Y	1.20	1.20	1.15	1.15	1.15
ThaiGB 10Y	2.15	2.25	2.25	2.20	2.20
SORA 3M	1.20	1.30	1.50	1.60	1.60
Currency	3Q26	4Q26	1Q27	2Q27	3Q27
DXY	101.0	102.0	101.0	100.0	99.0
EURUSD	1.12	1.12	1.13	1.15	1.17
GBPUSD	1.32	1.30	1.32	1.34	1.36
USDCHF	0.82	0.83	0.82	0.81	0.80
AUDUSD	0.69	0.68	0.70	0.71	0.72
USDJPY	160	159	158	157	155
USDCNH	6.75	6.73	6.71	6.69	6.68
USDIDR	17,900	17,800	17,700	17,600	17,500
USDMYR	4.08	4.11	4.07	4.00	3.98
USDSGD	1.28	1.28	1.27	1.26	1.25
USDTHB	32.80	33.10	32.60	32.30	32.00

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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