

DAILY DIGEST

Pichai named new Thai FM and Deputy PM

- Macro: US PCE deflator data met expectations at 0.3% mom. TH PM reshuffled cabinet, appointing Pichai as successor to his FM role. ID FM announced state budget surplus of IDR8.1tr for 1Q24 despite higher spending needs.
- Fixed Income: UST bull flattened amid an easing of fears of the sticky inflation narrative. Regional bonds faltered amid the earlier spike in UST yields.
- FX: DXY (+0.3%) continued range-bound pattern. USDJPY rose sharply past 158.0 after the BOJ maintained rates with no stern verbal intervention warnings despite recent yen weaknesses. Regional currencies saw mixed performance.

Global macro wrap

- Global:** US PCE deflator rose 0.3% mom in Mar (consensus: +0.3%; Feb: +0.3%) with services inflation of 0.4% mom and goods at 0.1% mom, bringing the annual rate to 2.7% that slightly beat estimates of 2.6%. Core PCE inflation (the Fed's preferred inflation measure) also held steady at 0.3% mom (consensus: +0.3%). Meanwhile, personal spending continued to remain resilient at +0.8% mom in Mar (consensus: +0.6%; Feb: +0.8%), buoyed by a 1.3% increase in goods due to higher expenditures on energy items. UOM sentiment was revised lower to 77.2 for Apr (preliminary: 77.9; Mar: 79.4) as consumer sentiment continue to decline due to economic and election uncertainties.
- ASEAN:** Ex-SET chairman and former energy executive Pichai Chunhavajira has been named Thailand's new Finance Minister (a role that was held by PM Srettha Thavisin) as well as Deputy Prime Minister. In the cabinet reshuffle, a total of six newcomers will join the cabinet, four cabinet members were removed, while some members' cabinet posts were shuffled. Indonesia FM Sri Mulyani announced a state budget surplus of IDR8.1tr (0.04% of GDP) as of 31 Mar despite election spending and an increase in employee expenditure; while also forecasting 1Q24 GDP growth at 5.2% yoy, driven by strong household consumption. Singapore's IPI fell 9.2% yoy in Mar (consensus: -1.5%; Feb: +4.4%), its steepest decline since Mar 2023. Excluding the volatile biomedical manufacturing segment, IPI still contracted 5.9% yoy in Mar (Feb: +2.0%), following a sharp 11.3% yoy fall in electronics output.

Fixed income

- Global:** UST rose in a bull flattening manner following US Mar PCE deflator readings that eased market fears of a sticky inflation narrative. The rally was led by the belly-to-tail end tenors that strengthened 4-5bps, while the front-end underperformed, with rate-cut expectations little changed despite the data. Ahead of the Fed's meeting on Wed, markets await the last pieces of data including consumer confidence, ADP employment, and ISM manufacturing data.
- ASEAN:** Regional bonds saw losses after UST yields spiked up on the earlier hot US core PCE index. MGS yields shifted up by 1-3bps with bond weaknesses led by the 5Y and 20Y tenor. IndoGB saw varying weaknesses across tenors as yields closed higher by 1-13bps, with underperformance centered around the belly regions. ThaiGB meanwhile fell broadly equally across the curve by 2-4bps, with weaknesses led by the 2Y tenor amid earlier news of a cabinet reshuffle.

FX

- Majors:** DXY rose 0.3%, continuing its range-bound pattern ahead of the Fed's FOMC meeting this Wed. Most G10 currencies declined against the USD, save for the AUD (+0.2%) that continued to hold firm due to the earlier unexpected acceleration in Australia's inflation. USDJPY (+1.7%) blew well past the 158.0 handle, after the BOJ opted to maintain rates despite sharp pressure on the yen, as the Governor Kazuo Ueda noted that currency weaknesses have not had a big impact on underlying inflation, suggesting that the BOJ may be willing to stomach further volatility until their inflation objectives is achieved.
- ASEAN:** Mixed performance for regional currencies. MYR and THB once again saw similar performance, with both closing up 0.2% for the day. IDR (-0.1%) however closed weaker for a second day post-BI meeting, with the USDIDR pair now breaching past the 16,200 level.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.99	-0.4	0.8	37.3	74.4
UST 10Y	4.66	-4.1	4.2	46.3	78.4
MY 3Y	3.63	0.6	3.3	14.3	17.0
MY 10Y	4.00	1.1	4.4	15.0	27.4
ID 2Y	6.86	0.0	3.9	54.5	47.3
ID 10Y	7.16	8.7	18.1	46.8	70.7
SG 2Y	3.49	3.3	5.6	3.1	23.7
SG 10Y	3.46	5.4	10.7	36.5	76.4
TH 2Y	2.38	3.7	5.3	24.9	0.7
TH 10Y	2.75	2.2	5.5	24.6	7.2

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	105.94	0.3	-0.2	1.4	4.5
EURUSD	1.0693	-0.3	0.3	-0.9	-3.1
GBPUSD	1.2493	-0.2	1.0	-1.0	-1.9
AUDUSD	0.6533	0.2	1.8	0.2	-4.1
USDJPY	158.33	1.7	2.4	4.6	12.3
USDCNH	7.2687	0.2	0.2	0.2	2.0
USDMYR	4.7680	-0.2	-0.3	0.9	3.8
USDIDR	16210	0.1	-0.3	2.2	5.3
USDSGD	1.3628	0.3	0.1	1.0	3.2
USDTHB	36.96	-0.2	0.3	1.6	8.3

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	83.85	0.3	0.9	0.8	17.0
Brent	89.50	0.6	2.5	2.3	16.2
Copper	9,966	1.0	0.9	12.4	16.4
Gold	2,338	0.2	-2.3	4.8	13.3
CPO	3,931	-0.7	-3.1	-9.1	7.3

HIGHLIGHTS

Politics: The four ministers who were removed from Thailand's cabinet are Public Health Minister Cholnan Srikaew, PM's Office Minister Puangpetch Chunlaiad, Deputy Agriculture Minister Chaiya Promma and Deputy Agriculture Minister Anucha Nakasai. The six new faces in the cabinet are Pichai Chunhavajira who is appointed deputy prime minister and finance minister; Pichit Chuenban, PM's Office Minister; Jiraporn Sindhuprai, PM's Office Minister; Paopoom Rajanasakul, Deputy Finance Minister; Suchart Chomklin, Deputy Commerce Minister; and Atthakorn Sirilatthayakorn, Deputy Agriculture Minister. Separately, Foreign Minister Parnpree Bahiddha-Nukara said he has resigned from his ministerial position.

Macro: Indonesia FM Sri Mulyani announced a state budget surplus of IDR8.1tr (0.04% of GDP) as of 31 Mar, with a primary balance of IDR122.1tr. State revenue stood at IDR620tr (22.1 of target), representing a 4.1% yoy decrease for the period; while state expenditure reached IDR611.9tr (18.4% of FY2024 ceiling), representing a 18% yoy increase driven by election spending and increased employee expenditure. The FM also said GDP growth is expected at 5.2% yoy in 1Q24, with growth supported by strong household consumption but constrained by exports' performance.

Macro: Thailand will not be raising the minimum daily wage to THB400 on Labour Day (1 May) as previously announced, and will instead wait for the results of a tripartite committee on 14 May.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
29 Apr 2024	TH	Customs Imports YoY	Mar	6.0%	3.2%
29 Apr 2024	TH	Customs Exports YoY	Mar	-4.0%	3.6%
29 Apr 2024	TH	Customs Trade Balance	Mar	\$1000m	-\$554m
29 Apr 2024	EC	ECB's De Cos, Lane Speaks			
29 Apr 2024	US	Dallas Fed Manf. Activity	Apr	-11.3	-14.4
29 Apr 2024	SI	Unemployment rate SA	Mar	--	2.0%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
26 Apr 2024	SI	Industrial Production YoY	Mar	-1.5%	-9.2%	4.4%
26 Apr 2024	SI	Industrial Production SA MoM	Mar	-8.8%	-16.0%	14.6%
26 Apr 2024	TH	Gross International Reserves	19 Apr	--	\$221.3b	\$222.1b
26 Apr 2024	EC	ECB 1 Year CPI Expectations	Mar	--	3.0%	3.1%
26 Apr 2024	EC	ECB 3 Year CPI Expectations	Mar	2.4%	2.5%	2.5%
26 Apr 2024	EC	ECB's Centeno Participates in Panel in Frankf				
26 Apr 2024	US	Personal Income	Mar	0.5%	0.5%	0.3%
26 Apr 2024	US	Personal Spending	Mar	0.6%	0.8%	0.8%
26 Apr 2024	US	PCE Deflator MoM	Mar	0.3%	0.3%	0.3%
26 Apr 2024	US	PCE Deflator YoY	Mar	2.6%	2.7%	2.5%
26 Apr 2024	US	PCE Core Deflator MoM	Mar	0.3%	0.3%	0.3%
26 Apr 2024	US	PCE Core Deflator YoY	Mar	2.7%	2.8%	2.8%
26 Apr 2024	US	U. of Mich. Sentiment	Apr F	77.9	77.2	77.9
26 Apr 2024	JN	BOJ Target Rate (Lower Bound)	26 Apr	0%	0%	0%

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	4.66	-4.1	4.2	46.3	78.4
UK	4.32	-3.8	9.4	39.1	78.7
Germany	2.57	-5.5	7.5	27.7	55.3
Japan	0.89	-0.9	4.0	16.3	27.7
Australia	4.52	11.3	26.5	55.8	56.5
China	2.30	4.1	4.6	1.2	-25.6
Malaysia	4.00	1.1	4.4	15.0	27.4
Indonesia	7.16	8.7	18.1	46.8	70.7
Singapore	3.46	5.4	10.7	36.5	76.4
Thailand	2.75	2.2	5.5	24.6	7.2
5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.84	2	8	19	26
SG	3.28	4	7	27	72
TH	2.57	0	0	0	0
5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	48	-1	-1	17	16
ID	78	-2	-2	8	9
TH	46	-2	-2	6	12

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	-3	-7
EU o/n ESTRON	3.91	0	-0	1	3
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.59	0	0	0	-18
MY MYOR	3.01	0	-1	-1	1
ID 3m JIBOR	7.05	0	20	20	20
SG o/n SORA	3.59	0	-6	-10	-4
TH BOT o/n THOR	2.49	0	-0	0	-0
Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	258	0.2	-0.0	-2.3	-3.1
Bloomberg US Aggregate	2093	0.3	-0.1	-2.4	-3.2
Bloomberg EUR Aggregate	234	0.4	-0.2	-1.3	-1.6
Bloomberg Asia Aggregate	183	0.5	0.7	1.2	4.4
Bloomberg Asia Pac Treasury	114	-0.7	-1.3	-3.3	-7.9
Bloomberg ASEAN Corp/Quasi	115	-0.1	-0.4	-2.2	-1.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DX	105.94	0.3	-0.2	1.4	4.5
EURUSD	1.0693	-0.3	0.3	-0.9	-3.1
GBPUSD	1.2493	-0.2	1.0	-1.0	-1.9
AUDUSD	0.6533	0.2	1.8	0.2	-4.1
USDJPY	158.33	1.7	2.4	4.6	12.3
USDCNH	7.2687	0.2	0.2	0.2	2.0
USDMYR	4.7680	-0.2	-0.3	0.9	3.8
USDIDR	16,210	0.1	-0.3	2.2	5.3
USDSGD	1.3628	0.3	0.1	1.0	3.2
USDTHB	36.96	-0.2	0.3	1.6	8.3
GBPMYR	5.9679	-0.1	0.2	0.1	2.2
AUDMYR	3.1174	-0.0	1.5	1.3	-0.3
SGDMYR	3.5044	-0.3	-0.3	0.1	0.8
CNHMYR	0.6561	-0.3	-0.6	0.8	1.7
IDRMYR	0.0294	-0.3	0.0	-1.3	-1.4
THBMYR	12.8891	-0.1	-0.6	-0.8	-3.8

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,099.96	1.0	2.7	-2.9	6.9
Nasdaq	15,927.90	2.0	4.2	-2.8	6.1
Eurostoxx	5,006.85	1.4	1.8	-1.5	10.7
Nikkei 225	37,934.76	0.8	2.3	-6.0	13.4
Hang Seng	17,651.15	2.1	8.8	6.7	3.5
KLCI	1,575.16	0.4	1.8	2.5	8.3
JCI	7,036.08	-1.7	-0.7	-3.5	-3.3
SET	1,359.94	-0.3	2.1	-1.3	-3.9
Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	102.92	-0.1	-0.1	3.4	4.3
WTI (US\$/bbl)	83.85	0.3	0.9	0.8	17.0
Brent (US\$/bbl)	89.50	0.6	2.5	2.3	16.2
Natural Gas (US\$/mmbtu)	1.92	-3.2	-3.3	-3.7	-23.7
Copper (US\$/ton)	9,966	1.0	0.9	12.4	16.4
Gold (US\$/oz)	2,338	0.2	-2.3	4.8	13.3
CPO (RM/ton)	3,931	-0.7	-3.1	-9.1	7.3

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	6.25	6.25	6.00	5.50	5.25
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
DX	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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