

DAILY DIGEST

Treasuries extend rally on Fed speak

- **Macro:** Fed speak reinforced the view that US rate hikes are over. US consumer confidence rose for the first time in four months. BOT governor Sethaput said Thailand's Oct inflation would have been higher if without subsidies.
- **Fixed Income:** UST rallied strongly with the 2Y yield falling 15bps. Regional bonds traded on a stronger note. BI to hold debut SUVBI auction today.
- **FX:** Dollar weakened against G10 currencies alongside lower UST yields. THB led gains in regional FX as BOT governor Sethaput said the central bank is in a "decent position to handle volatility".

Global macro wrap

- **Global:** Fed speak overnight reinforces the narrative that the Fed is done with tightening US monetary policy. Notably, two of the Fed's more hawkish Governors Christopher Waller (voter) and Michelle Bowman (voter) opened the door for another pause in rate hikes at the coming FOMC meeting in Dec with Waller suggesting that policy is well positioned to return inflation to the Fed's 2% objective. Bowman said she would support further tightening if the progress on inflation stalls but refrained from endorsing a hike for next month. The Conference Board consumer confidence rose for the first time in four months in Nov, as moderating inflation coupled with a more optimistic labour market outlook sets the stage for real wages to rise.
- **ASEAN:** Thai PM Srettha announced measures to tackle the country's informal debt issue including the creation of mediation centres where local authorities will assist at devising strategies to resolve disputes fairly between borrowers and lenders. BOT governor Sethaput called Thailand's Oct headline inflation "a bit misleading" and that it would have printed a 0.9% yoy reading (actual: -0.3%) without the government's fuel and electricity subsidies. He added that foreign tourists were staying shorter and spending 75% less per trip. The central bank is expected to announce its policy rate decision today with analysts expecting BOT to keep the policy rate unchanged at 2.50%. Malaysia's PPI fell 0.3% yoy in Oct (Sep: +0.2%) amid a decline in prices of manufacturing as well as electricity and gas supply.

Fixed income

- **Global:** Dovish Fed speak reinforces the market's view that the US rate hike cycle is over, sending UST into a rally. The UST curve bull steepened with the 2Y yield seen falling 15bps to 4.73% while the 10Ys fell by 7bps to 4.32%.
- **ASEAN:** Regional bonds traded on a stronger note, tracking UST performance. MGS curve shifted lower by 1-2bps with the belly region seeing the most action ahead of today's 7Y MGII 09/30 auction (issuance size: RM5bn). IndoGB rallied as conventional bond auction saw total incoming bids of ID48.7tr with the MOF slightly upsizing the final award to IDR19.15tr (target: IDR19tr). Separately, the government said that it has issued domestic retail green sukuk totaling USD1.4bn since 2019. BI will hold the first auction for FX sukuk securities (SUVBI) today.

FX

- **Majors:** DXY retreated 0.4% alongside a slump in UST yields as the narrative of the Fed being done with its tightening cycle continues to gain steam. JPY (+0.8%) led the gains among G10 currencies. EUR rose 0.4% ahead of the Eurozone's preliminary Nov inflation (HICP) data tomorrow. GBP gained 0.5% on BOE deputy governor Dave Ramsden's remarks that rates would have to "be restrictive for an extended period of time". AUD surged 0.6% ahead of Australian CPI data today while CNH gained 0.4%.
- **ASEAN:** Regional currencies continued to rally amid a weaker USD. THB once again led the gains, rising 0.5% as BOT governor Sethaput said the central bank was in a "decent position to handle volatility", citing strong reserve levels, low external debt and a current account surplus even if currency volatility has increased to 8-9% from the prior 3%-4%. IDR and SGD gained 0.4% amid a weak USD while MYR rose more moderately by 0.2%.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.73	-15.4	-13.8	-35.3	30.8
UST 10Y	4.32	-6.6	-7.2	-61.0	44.6
MY 3Y	3.52	-0.8	1.9	-13.9	-12.9
MY 10Y	3.85	-0.9	-0.4	-22.1	-18.9
ID 2Y	6.64	2.8	-5.8	-22.0	75.0
ID 10Y	6.67	-3.3	3.6	-41.8	-24.3
SG 2Y	3.44	-2.1	11.7	-18.8	34.5
SG 10Y	3.02	-3.2	9.8	-34.7	-5.9
TH 2Y	2.46	-3.0	1.2	-9.5	74.9
TH 10Y	3.07	-2.0	10.6	-13.9	43.3

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	102.75	-0.4	-0.8	-3.7	-0.7
EURUSD	1.0993	0.4	0.8	4.0	2.7
GBPUSD	1.2694	0.5	1.2	4.5	5.1
AUDUSD	0.6649	0.6	1.4	4.9	-2.4
USDJPY	147.48	-0.8	-0.6	-2.8	12.5
USDCNH	7.1326	-0.4	-0.1	-2.8	3.0
USDMYR	4.6710	-0.2	0.3	-1.9	6.1
USDIDR	15435	-0.4	-0.0	-2.8	-0.9
USDSGD	1.3312	-0.4	-0.5	-2.8	-0.6
USDTHB	34.94	-0.5	-0.8	-2.8	1.0

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	76.41	2.1	-1.7	-5.7	-4.8
Brent	81.68	2.1	-0.9	-6.6	-4.9
Copper	8,364	0.0	-1.0	3.1	-0.1
Gold	2,041	1.3	2.1	2.9	11.9
CPO	3,756	-0.3	-1.6	5.4	-9.9

HIGHLIGHTS

Macro: New York Fed President John Williams (voter) remarked that the trajectory of inflation is encouraging while Chicago Fed President Austan Goolsbee (voter) said inflation while not yet at target, is coming down.

Macro: Home prices in the US rose above expectations by 0.6% mom in Sep (consensus: 0.5%; Aug: 0.7%) according to the FHFA house price index.

Macro: Malaysia's DOSM published details of trade figures published one week ago. Total trade in Oct amounted to RM239.5bn (Sep: RM224.4bn), with exports of RM126.2bn and imports of RM113.3bn. Exports were lower from most states such as Johor (-RM2.4bn), Sarawak (-RM1.9bn), Sabah (-RM1.5bn), Melaka (-RM495.0m), Negeri Sembilan (-RM328.9m), Labuan (-RM241.6m), Kuala Lumpur (-RM196.3m) and Perlis (-RM12.7m), while imports fell in Johor (-RM4.3bn), Penang (-RM1.9bn), Kedah (-RM1.2bn), Melaka (-RM487.2m), Sarawak (-RM64.5m), and Kelantan (-RM5.3m).

Macro: Malaysian Deputy Finance Minister Ahmad Maslan said the government has no plans to implement GST next year as it is focused on targeted subsidies. This came as Deputy Domestic Trade and Cost of Living Minister Fuziah Salleh reaffirmed that vehicles used to transport construction material would continue to enjoy diesel subsidies.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
29 Nov 2023	JN	BOJ Board Adachi Speech in Ehime			
29 Nov 2023	TH	BoT Benchmark Interest Rate	29 Nov	2.50%	2.50%
29 Nov 2023	US	Wholesale Inventories MoM	Oct P	--	0.2%
29 Nov 2023	US	GDP Annualized QoQ	3Q S	5.0%	4.9%
29 Nov 2023	US	Personal Consumption	3Q S	4.0%	4.0%
29 Nov 2023	UK	BOE's Bailey speaks			
29 Nov 2023	UK	BOE's Hauser speaks			
29 Nov 2023	US	Fed's Mester Speaks on Financial Stability			
29 Nov 2023	US	Federal Reserve Releases Beige Book			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
28 Nov 2023	UK	BOE's Ramsden speaks				
28 Nov 2023	EC	ECB's De Cos Speaks in Hong Kong				
28 Nov 2023	US	FHFA House Price Index MoM	Sep	0.5%	0.6%	0.7%
28 Nov 2023	US	House Price Purchase Index QoQ	3Q	--	2.1%	1.9%
28 Nov 2023	US	Fed's Goolsbee Delivers Opening Remarks				
28 Nov 2023	US	Fed's Waller Speaks on the Economic Outlook				
28 Nov 2023	US	Conf. Board Consumer Confidence	Nov	101.0	102.0	99.1
28 Nov 2023	US	Richmond Fed Manufact. Index	Nov	1	-5	3
28 Nov 2023	US	Dallas Fed Services Activity	Nov	--	-11.6	-18.2
28 Nov 2023	UK	BOE's Haskel speaks				

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	4.32	-6.6	-7.2	-61.0	44.6
UK	4.17	-3.8	6.9	-33.8	50.2
Germany	2.50	-5.2	-7.0	-30.9	-7.0
Japan	0.75	-2.0	5.5	-19.0	33.8
Australia	4.50	-7.0	4.9	-42.8	44.7
China	2.69	-2.1	1.9	-0.3	-14.9
Malaysia	3.85	-0.9	-0.4	-22.1	-18.9
Indonesia	6.67	-3.3	3.6	-41.8	-24.3
Singapore	3.02	-3.2	9.8	-34.7	-5.9
Thailand	3.07	-2.0	10.6	-13.9	43.3

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.75	-4	1	-20	-2
SG	3.65	0	0	0	17
TH	2.57	0	0	0	24

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	42	1	1	-34	-46
ID	76	1	2	-23	-24
TH	49	0	0	-26	-20

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	5.32	0	1	-3	102
EU o/n ESTRON	3.90	0	0	2	201
JP o/n TONAR	-0.02	0	-1	0	1
MY 3m KLIBOR	3.70	0	3	5	2
MY MYOR	3.00	0	0	0	28
ID 3m JIBOR	6.85	0	0	0	35
SG 3m SORA	3.75	0	0	0	66
TH BOT o/n THOR	2.49	0	-0	1	125

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	254	0.0	0.3	4.8	4.2
Bloomberg US Aggregate	2071	0.0	0.3	4.0	1.1
Bloomberg EUR Aggregate	229	0.3	0.4	2.4	3.4
Bloomberg Asia Aggregate	176	-0.2	-0.4	1.5	6.5
Bloomberg Asia Pac Treasury	119	0.6	-0.5	4.2	-6.3
Bloomberg ASEAN Corp/Quasi	111	0.0	0.4	4.2	5.1

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXD	102.75	-0.4	-0.8	-3.7	-0.7
EURUSD	1.0993	0.4	0.8	4.0	2.7
GBPUSD	1.2694	0.5	1.2	4.5	5.1
AUDUSD	0.6649	0.6	1.4	4.9	-2.4
USDJPY	147.48	-0.8	-0.6	-2.8	12.5
USDCNH	7.1326	-0.4	-0.1	-2.8	3.0
USDMYR	4.6710	-0.2	0.3	-1.9	6.1
USDIDR	15,435	-0.4	-0.0	-2.8	-0.9
USDSGD	1.3312	-0.4	-0.5	-2.8	-0.6
USDTHB	34.94	-0.5	-0.8	-2.8	1.0
GBPMYR	5.8987	-0.0	1.1	1.6	11.3
AUDMYR	3.0901	0.1	1.2	1.8	3.3
SGDMYR	3.4964	-0.0	0.4	0.2	6.5
CNHMYR	0.6549	0.2	0.5	0.9	2.9
IDRMYR	0.0303	0.2	0.4	0.9	6.9
THBMYR	13.4413	0.8	1.6	1.8	5.4

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	4,554.89	0.1	0.4	8.6	18.6
Nasdaq	14,281.76	0.3	0.6	11.1	36.5
Eurostoxx	4,348.02	-0.1	0.4	7.1	14.6
Nikkei 225	33,408.39	-0.1	0.2	8.3	28.0
Hang Seng	17,354.14	-1.0	-2.1	1.4	-12.3
KLCI	1,448.02	-0.0	-1.1	0.4	-3.2
JCI	7,041.07	0.4	1.1	4.3	2.8
SET	1,401.42	0.6	-1.6	1.4	-16.0

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	101.97	1.0	-0.9	-2.5	-9.6
WTI (US\$/bbl)	76.41	2.1	-1.7	-5.7	-4.8
Brent (US\$/bbl)	81.68	2.1	-0.9	-6.6	-4.9
Natural Gas (US\$/mmbtu)	2.84	-3.7	-5.2	-25.6	-44.5
Copper (US\$/ton)	8,364	0.0	-1.0	3.1	-0.1
Gold (US\$/oz)	2,041	1.3	2.1	2.9	11.9
CPO (RM/ton)	3,756	-0.3	-1.6	5.4	-9.9

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2020	2021	2022	2023	2024
Malaysia	-5.5	3.1	8.7	4.0	4.9
Indonesia	-2.1	3.7	5.3	5.1	5.0
Singapore	-3.9	8.9	3.6	1.0	2.3
Thailand	-6.2	1.6	2.6	2.9	3.4

Policy rate	4Q23	1Q24	2Q24	3Q24	4Q24
US (upper bound)	5.50	5.50	5.25	4.75	4.25
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.00	6.00	5.75	5.50	5.25
Thailand	2.25	2.25	2.25	2.25	2.25

Commodity prices	4Q23	1Q24	2Q24	3Q24	4Q24
Brent (USD/bbl)	91	87	87	84	80
WTI (USD/bbl)	88	84	84	81	77
CPO (RM/mt)	3,900	4,100	4,067	4,067	4,167
Gold (USD/oz)	1,875	1,850	1,825	1,825	1,850
Copper (USD/mt)	7,700	7,900	7,900	8,200	8,300

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	4Q23	1Q24	2Q24	3Q24	4Q24
UST 2Y	4.60	4.30	4.00	3.80	3.60
UST 10Y	4.00	3.75	3.65	3.60	3.55
MGS 3Y	3.80	3.45	3.45	3.40	3.40
MGS 10Y	4.20	3.80	3.90	3.95	4.00
IndoGB 2Y	6.90	6.40	6.30	6.20	6.20
IndoGB 10Y	7.40	6.70	6.75	6.70	6.80
ThaiGB 2Y	2.50	2.25	2.25	2.25	2.25
ThaiGB 10Y	3.30	2.70	2.80	2.90	3.00

Currency	4Q23	1Q24	2Q24	3Q24	4Q24
DXD	101.9	100.7	98.1	100.3	97.9
EURUSD	1.11	1.12	1.15	1.10	1.14
GBPUSD	1.25	1.27	1.29	1.25	1.23
USDCHF	0.87	0.88	0.87	0.86	0.88
AUDUSD	0.67	0.67	0.69	0.68	0.69
USDJPY	140	136	130	125	120
USDCNH	7.31	7.25	7.13	7.18	7.07
USDIDR	15,466	15,358	15,139	15,326	15,115
USDMYR	4.55	4.40	4.35	4.31	4.27
USDSGD	1.36	1.34	1.31	1.34	1.31
USDTHB	35.0	34.8	34.4	34.7	34.3

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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