

Daily Digest

Muted market movements

- **Macro:** Some downbeat European data was released overnight. On the flipside, the US is mulling to roll back some tariffs on Chinese imports.
- **Fixed Income:** US futures markets were in cautious mood and ASEAN bond markets were little changed, except for a rally in ThaiGBs and another drop in Malaysia's 3M interbank rate.
- **FX:** Lack of substantial movements in USD amid thin flows despite some demand for safety.

Global macro wrap

Some downbeat European data was released overnight. On the flipside, news reports include the US mulling to roll back some tariffs on Chinese imports.

- **Global:** Some downbeat European data was released overnight. German exports fell 0.5% mom in May amid demand disruptions (consensus: +0.7%; Apr: +4.4%) and Eurozone PPI rose 0.7% mom (consensus: +0.9%; Apr: +1.2%). South Korea's CPI rose strongly in Jun at the fastest pace in nearly 24 years, at 6.0% yoy (consensus: 5.9%; May: 5.4%). WSJ reported that US President Biden is expected to roll back some tariffs on Chinese imports (such as clothing) in order to allay rising inflation. The Office of the US Trade Representative is conducting a mandatory four-year review of the Trump-era tariffs.
- **ASEAN:** Singapore's manufacturing PMI fell slightly to 50.3 in Jun (consensus: 50.4; May: 50.4) but remains on a 24-month expansion streak. The electronics index showed an improved number at 50.8 (May: 50.5) or its 23rd month of expansion. Meanwhile, the S&P Global Singapore PMI fell to 57.5 in Jun from 59.4. Yesterday, Finance Minister Lawrence Wong said the Singapore economy is not at risk of recession or stagflation, though the situation is volatile and open to shocks.

Fixed income

US futures markets were in cautious mood and ASEAN bond markets were also little changed, except for a rally in ThaiGBs and another drop in Malaysia's 3M interbank rate.

- **US:** The Treasuries market was closed for the US holiday. In the Treasury futures market, prices were little changed in lieu of incoming market drivers, including US data and FOMC meeting minutes. However, US stock futures fell as investors remained cautious. This week, markets await data such as durable goods orders, ISM services and non-farm payrolls as well as FOMC meeting minutes.
- **ASEAN:** In Malaysia, bond yields moved sideways in thin trading. Ahead of this week's MPC, the 3M KLIBOR rose 3bps after last week's 4bps rise. However, IRS rates fell for a second day, due mainly to lower global bond yields. IndoGBs saw yields lower on <1Y tenors while rest of the curve moved little as the US holiday saw a lack of market guidance. There were greater flows in the ThaiGB market where a rally yesterday was driven mainly by last week's dip in UST yields. 7Y up to 20Y benchmark papers posted gains with their yields down 3-8bps. However, there was net offshore outflows from the TH bond market, at estimated THB2.2bn.

FX

Lack of substantial movements in USD amid thin flows despite some demand for safety.

- **USD:** FX markets saw a slow start to the week due to the US holiday. There was some support for safe haven USD but interest remained thin.
- **Majors:** EUR was pressured by weak data as German exports fell in May and Eurozone PPI rose at a slower clip than consensus expectation. The safe haven JPY weakened on speculation the US may rollback tariffs on some Chinese products.
- **ASEAN:** The ringgit weakened in a cautious market before MPC this week. USDIDR moved higher, tracking broad USD strength. The pair touched lows near 14,939, but gradually moved higher to close at 14,968. IDR weakness was also due to inflation concerns after its strong CPI release last week. THB opened firm and seen near 35.58 before weakening towards 35.66 amid outflows from ThaiGB market.

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Rates dashboard

Gov't bonds	Close	1D	1W	1M	YTD
UST 2Y	2.83	0.0	-28.8	10.7	210.1
UST10Y	2.88	0.0	-31.9	-16.0	137.0
MY 3Y	3.46	-1.8	-1.9	3.9	66.8
MY 10Y	4.21	-1.7	-2.4	0.7	61.7
ID 2Y	5.21	1.1	18.2	30.0	108.4
ID 10Y	7.28	1.7	1.1	31.3	89.9
SG 2Y	2.51	-5.4	-21.2	17.2	150.8
SG 10Y	2.84	-7.7	-16.9	0.5	117.5
TH 2Y	1.78	-2.5	-6.3	5.5	102.5
TH 10Y	2.66	-6.0	-21.0	-23.0	76.8

FX dashboard

FX pairs	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	105.14	0.0	1.2	2.6	9.9
EURUSD	1.05	0.4	-1.3	-2.6	-8.1
GBPUSD	1.21	0.4	-1.1	-3.3	-10.3
AUDUSD	0.69	1.0	-0.7	-4.6	-5.2
USDJPY	135.39	-0.1	-0.1	-3.5	-15.0
USDCNH	6.69	0.2	-0.0	-0.7	-4.9
USDMYR	4.41	-0.1	-0.2	-0.6	-5.6
USDIDR	14,968	-0.2	-1.1	-3.4	-4.8
USDSGD	1.40	0.1	-0.8	-1.6	-3.3
USDTHB	35.66	-0.1	-1.0	-3.8	-6.3

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	108.43	0.0	-1.0	-8.5	44.2
Brent	113.50	1.7	-1.4	-5.0	45.9
Copper	8,006	-0.5	-4.9	-17.8	-17.6
Gold	1,804	-0.4	-1.8	-2.6	-1.4
CPO	4,460	-8.7	-11.7	-33.5	-13.5

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
05 Jul 2022	CH	Caixin China PMI Composite	Jun	--	42.2
05 Jul 2022	CH	Caixin China PMI Services	Jun	49.5	41.4
05 Jul 2022	TH	CPI YoY	Jun	--	7.1%
05 Jul 2022	TH	CPI NSA MoM	Jun	--	1.4%
05 Jul 2022	TH	CPI Core YoY	Jun	--	2.3%
05 Jul 2022	SI	Retail Sales YoY	May	--	12.1%
05 Jul 2022	SI	Retail Sales SA MoM	May	--	1.2%
05 Jul 2022	SI	Retail Sales Ex Auto YoY	May	--	17.4%
05 Jul 2022	UK	Bank of England financial stability report			
05 Jul 2022	UK	Bank of England press briefing on financial stability			
05 Jul 2022	US	Factory Orders	May	0.5%	0.3%
05 Jul 2022	US	Factory Orders Ex Trans	May	--	0.3%
05 Jul 2022	US	Durable Goods Orders	May F	0.7%	0.7%
05 Jul 2022	US	Durables Ex Transportation	May F	--	0.7%
06 Jul 2022	UK	BOEs Tenreyro speaks			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
01 Jul 2022	CH	Caixin China PMI Mfg	Jun	50.2	51.7	48.1
01 Jul 2022	ID	CPI YoY	Jun	4.2%	4.4%	3.6%
01 Jul 2022	ID	CPI NSA MoM	Jun	0.5%	0.6%	0.4%
01 Jul 2022	ID	CPI Core YoY	Jun	2.7%	2.6%	2.6%
01 Jul 2022	CZ	CNB minutes				
01 Jul 2022	TH	Business Sentiment Index	Jun	--	50.5	49.3
01 Jul 2022	TH	Foreign Reserves	24 Jun		\$221.7b	\$221.4b
01 Jul 2022	US	S&P Global US Manufacturing PMI	Jun F	52.4	52.7	52.4
01 Jul 2022	US	Construction Spending MoM	May	0.4%	-0.1%	0.2%
01 Jul 2022	US	ISM Manufacturing	Jun	54.5	53	56.1
01 Jul 2022	US	ISM Prices Paid	Jun	80.0	78.5	82.2
02 Jul 2022	SP	ECB's de Cos speaks at CEMFI event in Madrid				

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

Sovereign bonds 10Y	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
US	2.88	0.0	-31.9	-16.0	137.0
UK	2.20	11.0	-19.7	-5.1	122.5
Germany	1.33	10.1	-21.4	1.1	151.2
Japan	0.22	0.5	-1.5	-1.7	15.7
Australia	2.91	-1.7	7.4	54.8	124.4
China	2.85	2.3	2.2	3.3	7.5
Malaysia	4.21	-1.7	-2.4	0.7	61.7
Indonesia	7.28	1.7	1.1	31.3	89.9
Singapore	2.84	-7.7	-16.9	0.5	117.5
Thailand	2.66	-6.0	-21.0	-23.0	76.8
5Y IRS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.76	-4	-10	-4	82
SG	2.84	-8	-20	0	134
TH	2.65	-2	-14	12	139
5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	105	2	60	51	132
ID	146	2	38	60	94
TH	49	0	0	0	52

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 3m LIBOR	2.29	0	6	63	208
EUR 3m LIBOR	-0.58	0	0	0	0
JP 3m LIBOR	-0.03	0	-0	-0	4
MY 3m KLIBOR	2.44	3	14	17	39
ID 3m JIBOR	3.65	0	0	0	2
SG 3m SORA	0.81	4	9	26	62
SG 3m SIBOR	1.91	0	35	57	148
SG 3m SOR	2.03	0	-5	39	166
TH 3m BIBOR	0.72	-0	0	10	10
Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	249	-0.1	0.4	-2.3	-15.3
Bloomberg US Aggregate	2124	0.0	1.6	0.0	-9.8
Bloomberg EUR Aggregate	235	-0.9	1.0	-0.8	-12.0
Bloomberg Asia Aggregate	171	0.3	0.4	0.3	3.3
Bloomberg ASEAN Corp/Quasi	108	0.0	0.5	-1.6	-11.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currency	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	105.14	0.0	1.2	2.6	9.9
EURUSD	1.05	0.4	-1.3	-2.6	-8.1
GBPUSD	1.21	0.4	-1.1	-3.3	-10.3
AUDUSD	0.69	1.0	-0.7	-4.6	-5.2
USDJPY	135.39	-0.1	-0.1	-3.5	-15.0
USDCNH	6.69	0.2	-0.0	-0.7	-4.9
USDMYR	4.41	-0.1	-0.2	-0.6	-5.6
USDIDR	14,968	-0.2	-1.1	-3.4	-4.8
USDSGD	1.40	0.1	-0.8	-1.6	-3.3
USDTHB	35.66	-0.1	-1.0	-3.8	-6.3
GBPMYR	5.35	0.2	-1.4	-3.1	-5.0
AUDMYR	3.04	1.1	-0.4	-4.3	0.2
SGDMYR	3.16	-0.1	-0.7	-1.2	2.4
MYRCNH	1.52	0.5	0.2	-0.1	0.6
MYRIDR	3,392	-0.1	-1.0	-3.0	0.9
MYRTHB	8.08	0.1	-0.8	-3.2	-1.4

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	3,825.33	0.0	-1.9	-7.2	-19.7
Nasdaq	11,127.84	0.0	-3.4	-7.7	-28.9
Eurostoxx	3,452.42	0.1	-2.4	-10.1	-19.7
Nikkei 225	26,153.81	0.8	-2.7	-6.3	-9.2
Hang Seng	21,830.35	-0.1	-1.8	0.8	-6.7
KLCI	1,437.52	-0.8	-0.0	-6.5	-8.3
JCI	6,639.17	-2.3	-5.4	-6.4	0.9
SET	1,560.27	-0.8	-1.3	-5.2	-5.9
Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	117.13	0.0	-3.9	-14.1	18.1
WTI (US\$/bbl)	108.43	0.0	-1.0	-8.5	44.2
Brent (US\$/bbl)	113.50	1.7	-1.4	-5.0	45.9
Natural Gas (US\$/mmbtu)	5.73	0.0	-12.5	-38.4	56.7
Copper (US\$/ton)	8,006	-0.5	-4.9	-17.8	-17.6
Gold (US\$/oz)	1,804	-0.4	-1.8	-2.6	-1.4
CPO (RM/ton)	4,460	-8.7	-11.7	-33.5	-13.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2019	2020	2021	2022	2023
Malaysia	4.3	-5.6	3.1	6.2	4.5
Indonesia	5.0	-2.1	3.7	5.3	5.2
Singapore	1.3	-5.4	7.9	3.9	2.8
Thailand	2.3	-6.1	1.6	4.1	2.5
Policy rate	3Q22	4Q22	1Q23	2Q23	3Q23
US	3.00	3.50	3.75	3.75	3.75
Malaysia	2.25	2.50	2.75	3.00	3.25
Indonesia	3.75	4.00	4.25	4.50	4.75
Thailand	0.75	1.00	1.00	1.25	1.50
Commodity prices	3Q22	4Q22	1Q23	2Q23	3Q23
Brent (USD/bbl)	110	105	100	95	90
WTI (USD/bbl)	100	95	95	90	85
CPO (RM/ton)	4,750	4,600	4,400	4,000	3,800
Gold (USD/oz)	1,850	1,800	1,780	1,750	1,730
Copper (USD/ton)	9,000	9,000	8,900	8,800	8,500

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	3Q22	4Q22	1Q23	2Q23	3Q23
UST 2Y	3.10	3.05	3.00	3.00	2.95
UST10Y	3.40	3.35	3.30	3.25	3.15
MY 3Y	3.75	3.60	3.50	3.40	3.20
MY 10Y	4.20	4.05	4.00	3.90	3.80
ID 2Y	5.80	6.00	6.00	5.90	5.80
ID 10Y	7.70	7.70	7.50	7.40	7.30
TH 2Y	1.80	1.75	1.70	1.70	1.60
TH 10Y	3.20	3.00	2.90	2.90	2.70
Currency	3Q22	4Q22	1Q23	2Q23	3Q23
DXY	104	98	96	95	96
EURUSD	1.04	1.07	1.09	1.12	1.13
GBPUSD	1.18	1.20	1.24	1.27	1.28
AUDUSD	0.70	0.72	0.74	0.75	0.75
USDJPY	135	133	129	127	125
USDCNH	6.72	6.72	6.68	6.65	6.60
USDMYR	4.35	4.20	4.15	4.15	4.13
USDIDR	14,750	14,600	14,500	14,400	14,300
USDSGD	1.37	1.35	1.32	1.31	1.32
USDTHB	35.00	34.40	33.80	33.60	33.80

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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