

DAILY DIGEST

Hormuz risks ease on peace deal breakthrough

- **Macro:** US-Iran peace deal to be signed Friday. Malaysia's industrial output and retail sales surged.
- **Fixed Income:** UST yields edged higher across the curve on Friday before rallying in today's Asian session, while ASEAN bonds broadly rallied.
- **FX:** DXY weaken marginally, with oil importing country, IDR and THB leading gains in regional FX.

Global macro wrap

- **Global:** The US and Iran reached a peace framework to end the war, halt the US blockade of Iran and reopen the Strait of Hormuz, with Trump saying the deal is "now complete" and the pact set to be officially signed on Friday in Switzerland. The precise terms are not yet known, but Pakistan said the agreement calls for the immediate and permanent end of military operations on all fronts, including Lebanon, while Iran said a broader deal, including sanctions relief and the fate of its nuclear programme, will be negotiated during a 60-day ceasefire period. Meanwhile, US consumer sentiment rebounded to 48.9 in early Jun (consensus: 46.0, May: 44.8) as easing gasoline prices offered relief, while 1Y inflation expectations softened to 4.6% (May: 4.8%) but remained elevated.
- **ASEAN:** Malaysia's industrial production exceeded expectations, rising 8.2% yoy in Apr (Mar: 3.1%) on broad-based strength across all three sectors. Wholesale and retail trade sales value also accelerated, increasing 15.3% yoy to RM174.8bn (Mar: 9.8%), although volume growth was lower at 6.2%. In Thailand, the Bank of Thailand said the baht remained orderly despite a 5.4% depreciation against the US dollar since the Middle East conflict began, citing strong external fundamentals and limited foreign net selling of Thai assets (USD1.3bn), and saw no need for a special policy meeting. In Indonesia, the new export entity under Danantara clarified that it will not assume control of commodity shipments, contracts or customer relationships, instead focusing on data-driven supervision. However, a new regulation allowing potential state budget injections into Danantara raised concerns over fiscal risks.

Fixed Income

- **Global:** UST yields rose 1-2bps across the curve on Friday, with the 5Y-7Y sector modestly underperforming as Treasuries partially retraced Thursday's rally. Nevertheless, the Asian trading session today saw Treasuries rally across the curve, led by the front end, as easing tensions with Iran prompted markets to scale back Fed hike expectations.
- **ASEAN:** Malaysian rates rallied modestly, with MGS and MGII yields down by around 1-3bps, while swaps outperformed, led by the belly. Demand was strong at the MYR3.5bn 2040 GII Murabahah auction, which drew RM11.94bn in bids (BTC: 3.41x) on 15 Jun. BI's SRBI auction kept short-tenor pricing elevated, with the 12M weighted average winner rate at 7.65%. IndoGB bull steepens as BI and MOF stepped back from yield curve control. Thai rates also rallied, with THOR rates falling 3-8.5bps across the curve, led by the belly-to-long end. Non-residents remained net sellers (-THB1.3bn), driven by long-term outflows (-THB1.5bn) with small short-term inflows (+THB0.2bn).

FX

- **Majors:** DXY (-0.1%) edged lower as Iran deal optimism triggered modest USD selling. AUD barely moved (-0.0%) ahead of Tuesday's RBA meeting, while GBP (+0.1%) and EUR (+0.1%) firmed on dollar softness. In contrast, CHF (-0.3%) and JPY (-0.2%) depreciates as safe-haven demand unwind.
- **ASEAN:** Oil importers lead gains on optimism surrounding a potential US-Iran de-escalation. The THB outperformed, appreciating 0.9%, followed by the IDR (+0.7%), coinciding with BI's announcement for tighter oversight of banks' FX transactions to curb speculative positioning. The MYR (+0.1%) edged up slightly.

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Rates dashboard

	12-Jun	1D	1W	1M	YTD
	Close	Change (bps)			
UST 2Y	4.08	1.9	-6.6	8.9	60.8
UST 10Y	4.48	1.8	-5.1	1.6	31.2
MGS 3Y	3.24	-1.0	0.5	4.0	24.7
MGS 10Y	3.58	-1.1	1.0	0.2	7.5
IndoGB 2Y	7.15	-11.7	29.1	83.6	225.0
IndoGB 10Y	7.36	-3.0	51.3	67.9	131.6
SGS 2Y	1.55	-4.4	-2.5	-0.2	8.8
SGS 10Y	2.01	-6.7	-6.4	-5.4	-9.9
ThaiGB 2Y	1.17	-2.8	-6.6	-1.5	3.9
ThaiGB 10Y	2.19	-7.3	-3.0	2.9	53.2

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

FX dashboard

	12-Jun	1D	1W	1M	YTD
	Close	Change (%)			
DXY	99.75	-0.1	-0.3	1.5	1.4
EURUSD	1.1568	-0.1	0.4	-1.5	-1.5
GBPUSD	1.3406	-0.1	0.5	-1.0	-0.5
AUDUSD	0.7047	0.0	0.0	-2.7	5.6
USDCHF	0.7971	0.3	0.1	2.1	0.6
USDJPY	160.24	0.2	0.0	1.7	2.3
USDCNH	6.7636	0.0	-0.4	-0.4	-3.0
USDMYR	4.0595	-0.1	0.7	3.2	0.0
USDIDR	17,870	-0.7	-0.8	2.1	7.1
USDSGD	1.2842	0.0	-0.5	1.0	-0.1
USDTHB	32.66	-0.9	0.1	0.8	3.7

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

Commodities dashboard

	12-Jun	1D	1W	1M	YTD
	Close	Change (%)			
WTI	84.88	-3.2	-6.3	-16.9	47.8
Brent	87.33	-3.4	-6.2	-19.0	43.5
Copper	13,698	1.6	1.3	-2.3	10.3
Gold	4,219	0.2	-2.5	-10.5	-2.3
CPO	4,387	-1.7	-2.3	-1.4	9.7

HIGHLIGHTS

Macro: China's new yuan loans rose to RMB520bn in May (consensus: CNH550bn, Apr: -CNH10bn), missing expectations as the property downturn and soft domestic demand kept borrowing appetite weak, with household loans still contracting (-CNH141.2bn) despite better corporate lending (CNH640bn).

Macro: The Thai government approved THB10.19bn in rice support measures to help manage an expected 11.5m tonnes of paddy output.

Macro: The Indonesia government will allocate IDR500bn for soybean subsidies (IDR2,000/kg) to ease import cost pressures.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
15 Jun	ID	External Debt	Apr	--	\$433.4b
15 Jun	EC	ECB's Nagel Speaks in Frankfurt			
15 Jun	EC	ECB's Lagarde Speaks in Frankfurt			
15 Jun	EC	ECB's Cipollone Chairs Panel			
15 Jun	PO	Portugal central bank June economic bulletin			
15 Jun	EC	ECB's Pereira Speaks in Lisbon			
15 Jun	US	Empire Manufacturing	Jun	13.5	19.6
15 Jun	US	Industrial Production MoM	May	0.3%	0.7%
15 Jun	US	Capacity Utilization	May	76.2%	76.1%
15 Jun	EC	ECB's Kocher Speaks in Vienna			
15 Jun	US	NAHB Housing Market Index	Jun	37	37

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
12 Jun	MA	Industrial Production YoY	Apr	4.5%	8.2%	3.1%
12 Jun	MA	Manufacturing Sales Value YoY	Apr	--	9.1%	5.3%
12 Jun	AS	ECB's Kocher Speaks in Vienna				
12 Jun	TH	Gross International Reserves	5 Jun	--	\$283.5b	\$287.5b
12 Jun	FI	ECB's Rehn Media Briefing on Monetary Policy in Helsinki				
12 Jun	CH	New Yuan Loans CNY YTD	May	9040.0b	9110.0b	8590.0b
12 Jun	CH	Aggregate Financing CNY YTD	May	17150.0b	17480.0b	15450.0b
12 Jun	US	U. of Mich. Sentiment	Jun P	46.0	48.9	44.8
12 Jun	EC	ECB's Nagel Speaks in Berlin				
12 Jun	GE	Bundesbank Publishes New Economic Forecasts				

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

	12-Jun	1D	1W	1M	YTD
10Y yields, %	Close	Change (bps)			
US	4.48	1.8	-5.1	1.6	31.2
UK	4.84	-6.9	-6.7	-26.6	35.9
Germany	2.99	-3.7	-4.3	-10.6	14.0
Japan	2.62	-6.1	-4.1	7.2	55.8
Australia	4.81	-8.3	-9.6	-22.0	7.2
China	1.74	-0.5	2.5	-1.2	-10.2
Malaysia	3.58	-1.1	1.0	0.2	7.5
Indonesia	7.36	-3.0	51.3	67.9	131.6
Singapore	2.01	-6.7	-6.4	-5.4	-9.9
Thailand	2.19	-7.3	-3.0	2.9	53.2
5Y IRS, %	Close	Change (bps)			
MY	3.49	-4.4	-5.1	1.1	13.6
SG	1.87	-7.2	-2.4	-5.7	-4.7
TH	1.70	-8.3	-8.0	-4.0	46.8
5Y CDS, bps	Close	Change (bps)			
MY	34.00	-0.6	-1.5	-0.7	-4.3
ID	92.75	-4.2	-4.3	8.0	23.9
TH	46.61	-1.3	-1.8	-3.5	8.1

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	12-Jun	1D	1W	1M	YTD
FX	Close	Change (%)			
DXY	99.75	-0.1	-0.3	1.5	1.4
EURUSD	1.1568	-0.1	0.4	-1.5	-1.5
GBPUSD	1.3406	-0.1	0.5	-1.0	-0.5
AUDUSD	0.7047	0.0	0.0	-2.7	5.6
USDJPY	160.24	0.2	0.0	1.7	2.3
USDCNH	6.7636	0.0	-0.4	-0.4	-3.0
USDMYR	4.0595	-0.1	0.7	3.2	0.0
USDIDR	17,870	-0.7	-0.8	2.1	7.1
USDSGD	1.2842	0.0	-0.5	1.0	-0.1
USDTHB	32.66	-0.9	0.1	0.8	3.7
GBPMYR	5.4481	0.3	0.4	2.3	-0.1
AUDMYR	2.8603	0.6	-0.6	0.6	5.4
SGDMYR	3.1624	0.2	0.7	2.3	0.2
CNHMYR	0.6000	0.0	0.7	3.6	3.2
IDRMYR	0.0227	0.5	1.7	1.3	-6.6
THBMYR	12.41	0.5	0.4	2.3	-3.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

	2023	2024	2025	2026
GDP				
US	2.9	2.8	2.2	1.9
Malaysia	3.5	5.1	5.2	4.3
Indonesia	5.0	5.0	5.1	5.2
Thailand	2.2	2.9	2.4	1.7
Inflation				
US	4.1	3.0	2.7	2.4
Malaysia	2.5	1.8	1.4	2.3
Indonesia	3.7	2.3	1.9	3.6
Thailand	1.2	0.4	-0.1	2.4
Policy Rate	1Q26 (A)	2Q26	3Q26	4Q26
US (upper bound)	3.75	3.75	3.75	3.50
Malaysia	2.75	2.75	2.75	2.75
Indonesia	4.75	5.75	5.75	5.75
Thailand	1.00	1.00	1.25	1.25
Commodities	1Q26 (A)	2Q26	3Q26	4Q26
Brent (USD/bbl)	118	85	75	70
Gold (USD/oz)	4,668	5,000	5,000	5,000

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	12-Jun	1D	1W	1M	YTD
Interbank rates, %	Close	Change (bps)			
US O/N SOFR	3.60	0.0	-3.0	0.0	-27.0
EU O/N ESTRON	1.93	0.0	0.0	0.2	1.0
JP O/N TONAR	0.73	0.0	0.0	0.0	0.0
MY 3M KLIBOR	3.36	0.0	0.0	1.0	8.0
MY MYOR	2.75	0.0	-1.0	0.0	0.0
ID IndONIA	6.03	0.8	69.5	184.6	190.8
SG O/N SORA	1.17	0.0	13.1	5.2	28.0
SG 3M SORA	1.08	0.2	1.8	0.0	-11.5
TH BOT O/N THOR	1.00	0.1	0.3	0.4	-25.1
Credit indices	Close	Change (%)			
Bloomberg Global Aggregate	297	0.2	0.4	0.2	0.2
Bloomberg US Aggregate	2,357	-0.1	0.5	0.4	0.3
Bloomberg EUR Aggregate	248	0.2	0.3	0.8	0.5
Bloomberg Asia Aggregate	193	0.3	0.1	1.0	2.5
Bloomberg Asia Pac Treasury	115	0.5	0.2	-0.9	-1.2
Bloomberg ASEAN Corp/Quasi	133	0.0	0.2	0.2	0.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity and commodity prices

	12-Jun	1D	1W	1M	YTD
Equities	Close	Change (%)			
S&P 500	7,431	0.5	0.6	0.4	8.6
Nasdaq 100	29,636	0.6	2.3	2.0	17.4
Eurostoxx	6,188	2.2	2.1	6.5	6.8
Nikkei 225	66,020	2.8	-0.9	5.2	31.1
Hang Seng	24,718	1.9	-1.0	-6.2	-3.6
KLCI	1,684	0.2	-0.6	-3.8	0.2
JCI	6,008	2.1	7.4	-12.4	-30.5
SET	1,592	1.3	0.6	7.3	26.4
Commodities	Close	Change (%)			
Bloomberg Commodity Index	129.42	-0.3	-2.4	-9.6	18.0
WTI (USD/bbl)	84.88	-3.2	-6.3	-16.9	47.8
Brent (USD/bbl)	87.33	-3.4	-6.2	-19.0	43.5
Natural Gas (USD/mmbtu)	3.12	1.1	-3.4	2.2	-15.0
Copper (USD/ton)	13,698	1.6	1.3	-2.3	10.3
Gold (USD/oz)	4,219	0.2	-2.5	-10.5	-2.3
CPO (RM/ton)	4,387	-1.7	-2.3	-1.4	9.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

	1Q26 (A)	2Q26	3Q26	4Q26
Rates				
UST 2Y	3.79	3.80	3.70	3.55
UST 10Y	4.32	4.35	4.25	4.20
MGS 3Y	3.27	3.25	3.20	3.15
MGS 10Y	3.63	3.60	3.50	3.50
IndoGB 2Y	6.23	7.40	7.10	7.00
IndoGB 10Y	6.83	7.65	7.50	7.20
ThaIGB 2Y	1.38	1.25	1.40	1.35
ThaIGB 10Y	2.21	2.20	2.30	2.40
SORA 3M	1.07	1.55	1.65	1.60
Currency	1Q26 (A)	2Q26	3Q26	4Q26
DXY	100.0	95.9	95.0	94.5
EURUSD	1.15	1.21	1.22	1.23
GBPUSD	1.32	1.36	1.37	1.37
USDCHF	0.80	0.78	0.78	0.78
AUDUSD	0.69	0.71	0.72	0.73
USDJPY	160	150	149	148
USDCNH	6.89	6.85	6.83	6.80
USDIDR	16,995	16,750	16,700	16,700
USDMYR	4.05	3.80	3.78	3.80
USDSGD	1.29	1.26	1.25	1.24
USDTHB	32.97	30.85	30.50	30.70

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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