

# DAILY DIGEST

## Lawrence Wong to be new SG PM on 15 May

- **Macro:** US retail sales in Mar exceeded expectations, suggesting continued robustness in consumer spending. SG PM Lee Hsien Loong announced handover of role for 15 May. ID assured fuel prices to remain unchanged until Jun. Sources indicate MY's EPF new Account 3 system will commence on May.
- **Fixed Income:** UST bear steepened as parring of rate cut bets continued. New 15Y MGS 04/39 auction (public issuance size: RM3.0bn) to take place tomorrow.
- **FX:** DXY's ascent continued, pressuring most other currencies. JPY breached past the 154.0 level, raising intervention risks. IDR set to weaken past the 16,000 level.

### Global macro wrap

- **Global:** US retail sales rose 0.7% mom in Mar (consensus: +0.4%; Feb: +0.9%) with 8 out of 13 categories posting increases. Core retail sales (which are used to calculate GDP) came in even stronger at 1.1% mom (consensus: +0.4%; Feb: +0.3%), suggesting consumer spending remains robust. Fed Vice Chair of FOMC John Williams said the central bank is still expected to cut rates beginning this year if inflation continues to gradually slow. He added that he does not see recent inflation data being a turning point, even as he thinks the economy will continue to grow at a solid pace.
- **ASEAN:** Singapore PM Lee Hsien Loong will be relinquishing his role on 15 May, with Deputy PM and Finance Minister Lawrence Wong set to become the next PM on the same day. Director General of O&G at Indonesia's Energy Ministry Tutuka Ariadji assured that fuel prices at gas stations will remain stable until at least Jun 2024, despite risks of oil prices exceeding USD100/bbl from the escalating Middle East conflict. Economic Minister Airlangga Hartarto said it will take anticipatory measures to mitigate its impact on Indonesia's economy, which he expects to disrupt commodity supplies and prices. Thailand PM Srettha Thavisin reiterated his confidence that the digital wallet scheme is heading in the right direction. Sources indicate that Malaysia EPF's Account 3 contribution system may start from May.

### Fixed income

- **Global:** UST curve bear steepened, with the solid US retail sales data eliciting the selloff in both bonds and stocks. Yields initially spiked to YTD highs with the 10Y's breaching past the 4.65% level before settling at 4.60%; while the 2Y's jumped 9bps to came close in testing the 5.00% level, before ultimately paring losses at 4.92% into the close.
- **ASEAN:** MGS traded a touch weaker with overall yields up 0-1bp as the thin liquidity environment continued. 15Y MGS yield rose 1bp to close at 4.03%, amid BNM's announcement of the new 15Y MGS 04/39 auction tomorrow, with public issuance size at RM3.0bn and RM2.0bn privately placed. Indonesia markets will reopen today after the Lebaran holidays, while Thai markets remain closed for one more day.

### FX

- **Majors:** The DXY continued its 4th consecutive session of rally amid the continued retreat in market expectations of Fed rate cuts, with the dollar once again advancing against most G10 currencies. EUR fell 0.2% as the euro area IPI rebounded 0.8% mom in Feb as expected (Jan: -3.0%). JPY faltered 0.7% to breach well past the 154.0 level to touch a fresh 34-year high, raising intervention risks by the BOJ. CHF bucked trend (+0.2%), acting as investors' preferred choice of safe haven currency alongside the USD and gold prices (+1.7%).
- **ASEAN:** Asian currencies continued to retreat against the king tide dollar trend, with SGD tracking USD movements during US trading hours to close 0.1% down. USDMYR rose 0.2% to 4.78, despite pledges by BNM to support the currency. CNH gained 0.1% after the PBOC left its 1Y MLF rate unchanged at 2.50%, underscoring the central bank's desire to maintain currency stability and market confidence amid a shaky economic recovery, ahead of a slew of China data today such as 1Q24 GDP. IDR looks set to weaken past the 16,000 level today after reopening from an extended holiday, with the IDR NDF weakening 1.2% since 5 Apr to 16,101.

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### Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.92	2.4	13.2	18.9	67.1
UST 10Y	4.60	8.0	18.2	27.7	72.2
MY 3Y	3.55	0.9	3.1	9.1	9.0
MY 10Y	3.91	0.1	1.8	3.9	17.9
ID 2Y	6.34	0.0	0.0	0.2	-4.6
ID 10Y	6.65	0.0	0.0	1.7	20.0
SG 2Y	3.45	1.4	4.5	-0.3	19.5
SG 10Y	3.31	-0.6	5.2	22.2	62.2
TH 2Y	2.33	0.0	18.0	19.1	-4.9
TH 10Y	2.72	0.0	14.9	19.5	4.7

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

### FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	106.21	0.2	2.0	2.5	4.8
EURUSD	1.0624	-0.2	-2.2	-2.3	-3.8
GBPUSD	1.2446	-0.0	-1.7	-2.2	-2.2
AUDUSD	0.6442	-0.4	-2.5	-1.8	-5.4
USDJPY	154.28	0.7	1.6	3.4	9.4
USDCNH	7.2590	-0.1	0.2	0.7	1.9
USDMYR	4.7800	0.2	0.6	1.3	4.0
USDIDR	15845	0.0	0.0	1.0	2.9
USDSGD	1.3630	0.1	1.2	1.8	3.2
USDTHB	36.61	0.0	-0.1	1.7	7.2

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

### Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	85.41	-0.3	-1.2	3.3	19.2
Brent	90.10	-0.4	-0.3	3.7	17.0
Copper	9,576	1.3	1.7	5.4	11.9
Gold	2,383	1.7	1.9	10.3	15.5
CPO	4,405	-2.1	-2.4	1.8	20.3

## HIGHLIGHTS

**Macro:** Sources indicate that Malaysia’s EPF system is expected to be structured into three ways - 75% into Account 1, 15% into Account 2, and 10% into Account 3 - whereby Account 3 savings can be withdrawn at any time. Existing funds from Accounts 1 and 2 will be untouched, while the new contribution system will start from May onwards - meaning account 3 for all Malaysians will start from zero balance. Additionally, it is understood that EPF members wishing to maximize capital gains may transfer funds from their Account 3 into Accounts 1 and 2.

**Macro:** Malaysia PM Anwar Ibrahim said escalating tensions in the Middle East have had only a minimal impact on the Malaysian economy so far.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
16 Apr 2024	CH	New Home Prices MoM	Mar	--	-0.4%
16 Apr 2024	CH	Used Home Prices MoM	Mar	--	-0.6%
16 Apr 2024	CH	GDP SA QoQ	1Q	1.5%	1.0%
16 Apr 2024	CH	Industrial Production YoY	Mar	6.0%	--
16 Apr 2024	CH	GDP YoY	1Q	4.8%	5.2%
16 Apr 2024	CH	Retail Sales YoY	Mar	4.8%	--
16 Apr 2024	CH	Fixed Assets Ex Rural YTD YoY	Mar	4.0%	4.2%
16 Apr 2024	FI	ECB's Rehn Speaks			
16 Apr 2024	UK	BOE Deputy Governor Clare Lombardelli testifies			
16 Apr 2024	US	Building Permits MoM	Mar	-0.9%	2.4%
16 Apr 2024	US	Building Permits	Mar	1510k	1524k
16 Apr 2024	US	Housing Starts	Mar	1485k	1521k
16 Apr 2024	US	Housing Starts MoM	Mar	-2.7%	10.7%
16 Apr 2024	US	Fed's Jefferson Speaks at Monetary Policy Forum			
16 Apr 2024	US	Industrial Production MoM	Mar	0.4%	0.1%
16 Apr 2024	US	Capacity Utilization	Mar	78.5%	78.3%
15 Apr 2024	ID	Consumer Confidence Index	Mar	--	123.1
16 Apr 2024	EC	ECB's Villeroy Speaks			
16 Apr 2024	UK	BOE Governor Andrew Bailey speaks			
16 Apr 2024	EC	ECB's Vujcic Speaks			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
15 Apr 2024	CH	1-Yr Medium-Term Lending Facility Rate	15 Apr	2.50%	2.50%	2.50%
15 Apr 2024	CH	1-Yr Medium-Term Lending Facilities Volume	15 Apr	170.0b	100.0b	387.0b
15 Apr 2024	US	Fed's Logan Speaks on Panel in Tokyo				
15 Apr 2024	UK	BOE's Breeden speaks				
15 Apr 2024	EC	ECB's Lane Speaks				
15 Apr 2024	US	Empire Manufacturing	Apr	-5.2	-14.3	-20.9
15 Apr 2024	US	Retail Sales Advance MoM	Mar	0.4%	0.7%	0.9%
15 Apr 2024	US	Retail Sales Control Group	Mar	0.4%	1.1%	0.3%
15 Apr 2024	US	NAHB Housing Market Index	Apr	51	51	51
16 Apr 2024	US	Fed's Daly Gives Keynote Remarks				

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	4.60	8.0	18.2	27.7	72.2
UK	4.24	10.4	15.6	15.2	70.4
Germany	2.44	8.1	0.5	-1.9	41.8
Japan	0.86	0.9	7.9	9.6	25.0
Australia	4.26	-0.5	6.4	15.2	30.7
China	2.28	-0.2	-0.6	-4.3	-27.8
Malaysia	3.91	0.1	1.8	3.9	17.9
Indonesia	6.65	0.0	0.0	1.7	20.0
Singapore	3.31	-0.6	5.2	22.2	62.2
Thailand	2.72	0.0	14.9	19.5	4.7

  

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.78	1	0	16	20
SG	3.23	-2	2	23	67
TH	2.57	0	0	0	0

  

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	45	2	6	19	8
ID	76	-1	3	12	5
TH	45	0	2	9	9

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	0	-7
EU o/n ESTRON	3.91	0	0	0	3
JP o/n TONAR	0.08	0	0	8	12
MY 3m KLIBOR	3.59	0	0	2	-18
MY MYOR	3.02	0	2	1	2
ID 3m JIBOR	6.85	0	0	0	0
SG o/n SORA	3.47	0	10	-33	-15
TH BOT o/n THOR	2.49	0	-0	0	-0

  

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	259	-0.5	-1.6	-1.6	-3.1
Bloomberg US Aggregate	2095	-0.6	-1.2	-1.3	-3.1
Bloomberg EUR Aggregate	235	-0.5	-0.0	0.1	-1.0
Bloomberg Asia Aggregate	182	0.5	0.4	1.2	3.5
Bloomberg Asia Pac Treasury	116	-0.5	-1.6	-2.7	-6.6
Bloomberg ASEAN Corp/Quasi	116	-0.3	-0.8	-0.6	-0.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	106.21	0.2	2.0	2.5	4.8
EURUSD	1.0624	-0.2	-2.2	-2.3	-3.8
GBPUSD	1.2446	-0.0	-1.7	-2.2	-2.2
AUDUSD	0.6442	-0.4	-2.5	-1.8	-5.4
USDJPY	154.28	0.7	1.6	3.4	9.4
USDCNH	7.2590	-0.1	0.2	0.7	1.9
USDMYR	4.7800	0.2	0.6	1.3	4.0
USDIDR	15,845	0.0	0.0	1.0	2.9
USDSGD	1.3630	0.1	1.2	1.8	3.2
USDTHB	36.61	0.0	-0.1	1.7	7.2
GBPMYR	5.9681	0.1	-0.5	-0.7	2.2
AUDMYR	3.0986	-0.2	-1.0	-0.0	-0.9
SGDMYR	3.5133	0.0	-0.3	-0.4	1.0
CNHMYR	0.6585	0.3	0.3	0.6	2.0
IDRMYR	0.0302	0.2	0.6	0.3	1.1
THBMYR	13.0042	-0.6	0.6	-0.9	-2.9

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,061.82	-1.2	-2.7	-1.7	6.1
Nasdaq	15,885.02	-1.8	-2.3	-1.4	5.8
Eurostoxx	4,984.48	0.6	-1.2	0.0	10.2
Nikkei 225	39,232.80	-0.7	-0.3	-1.3	17.2
Hang Seng	16,600.46	-0.7	-0.8	-0.8	-2.6
KLCI	1,542.53	-0.5	-1.1	-0.7	6.0
JCI	7,286.88	0.0	0.0	-0.2	0.2
SET	1,396.38	0.0	1.5	0.8	-1.4

  

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	102.81	-0.1	-0.1	3.1	4.2
WTI (US\$/bbl)	85.41	-0.3	-1.2	3.3	19.2
Brent (US\$/bbl)	90.10	-0.4	-0.3	3.7	17.0
Natural Gas (US\$/mmbtu)	1.69	-4.5	-8.3	-7.7	-28.6
Copper (US\$/ton)	9,576	1.3	1.7	5.4	11.9
Gold (US\$/oz)	2,383	1.7	1.9	10.3	15.5
CPO (RM/ton)	4,405	-2.1	-2.4	1.8	20.3

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	6.00	5.75	5.25	5.00	5.00
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
DXY	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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