

DAILY DIGEST

UST falls on hawkish Fed and strong US data

- **Macro:** Fed Governor Waller said no rush for rate cuts, citing inflation risks from recent strong economic data. Thailand agencies instructed to consider funding sources for digital wallet plan. Malaysia open for ECRL extension to Thai border.
- **Fixed Income:** UST curve bear flattened ahead of PCE data and Fed Powell speak on Good Friday holiday today. IndoGB ended recent weaknesses as the overall curve bull flattened by 1-5bps. 5Y MGS 08/29 auction to be held today.
- **FX:** Major currencies mostly declined as DXY inched up. JPY held steady at 151.0 level amid further verbal warnings. THB fell 0.2%, extending recent weaknesses.

Global macro wrap

- **Global:** Fed Governor Christopher Waller expressed reluctance towards rate cuts, emphasising the need for sustained improvements in disinflation before considering cuts, while citing a strong economy and robust hiring. This comes amid an upward revision in US 4Q23 GDP data to an annualised 3.4% qoq growth (previous: +3.2%) amid upward revisions in consumer spending and non-residential investments. Initial jobless claims also eased to 210k for the week ending 23 Mar (consensus: 212k; previous: 212k), bringing the 4w moving average down to 211k (previous: 212k).
- **ASEAN:** Malaysia's parliament session has adjourned on 27 Mar, with the HVGT bill not being introduced in time despite an initially targeted 1 May implementation. The government also projects 2024 revenue to increase to RM312.2bn, contributed by higher tax revenue collection and better economic activity. Thailand's Finance Ministry and the Budget Bureau was instructed to consider possible funding sources for the digital wallet handout scheme, ahead of an expected finalisation in details on 10 Apr. Indonesia will provide an additional budget of IDR28tr for subsidised fertiliser allocation this year (previous: IDR26tr) to increase domestic agricultural productivity to achieve food sufficiency. Singapore will lower electricity and gas tariffs for 2Q24 due to lower energy prices.

Fixed income

- **Global:** UST closed the session in the red amid hawkish comments from Fed Governor Waller, stronger than expected economic data, as well as risk-off sentiment heading into Good Friday holiday today that coincides with PCE data and Fed Powell's comments. UST curve bear flattened with front end yields closing up to 5bps higher, bringing the 2s10s inversion to -42bps (Wed: -38bps). Markets now see effective Fed rate cuts of just 73.5bps for 2024, down from 79.2bps last week.
- **ASEAN:** IndoGB reversed recent weaknesses, with the overall curve bull flattening by 1-5bps amid month-end rebalancing flows on the last trading day of 1Q24, with Indonesia markets to close today for holiday. ThaiGB continued its rally for the second day with overall yields down by 1-2bps. This comes after Wed's primary auction saw strong demand as the 3Y LB273A saw a BTC of 2.69x on an auction amount of THB33bn, while the 30Y LB556A registered a BTC of 1.83x on THB8bn size. MGS markets was closed yesterday for Nuzul Al'Quran holiday. The reopening of the 5Y MGS 08/29 at a public tender size of RM5bn (no public placement) will be held today, which is set to replace the current 5Y MGS benchmark 04/28.

FX

- **Majors:** DXY rose 0.2% while most G10 currencies declined against the dollar. JPY held unchanged as Japan's PM reiterated warnings of yen weaknesses. The PM also noted it is appropriate for the BOJ to maintain easy monetary policies to prevent a recurrence of deflation, coming as this morning's Tokyo headline CPI in Mar beat estimates at 2.6% yoy. EUR fell 0.4% as ECB's Villeroy flagged economic risks in cutting rates too slow, and should make decisions independent of the Fed's timing.
- **ASEAN:** THB fell 0.2%, continuing recent weaknesses trend; while the IDR held flat. Malaysia's MOF said continued remedial efforts are being made to strengthen the ringgit and limit excessive currency fluctuations. Meanwhile on Wed, PBOC Governor Pan Gongsheng said it aims to boost currency cooperation (such as bilateral currency swaps) with regional economies to enhance financial stability.

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Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.62	5.2	-1.6	0.1	37.0
UST 10Y	4.20	1.0	-6.7	-5.0	32.1
MY 3Y	3.49	0.0	2.2	-0.9	2.6
MY 10Y	3.85	0.0	-0.4	-1.5	12.0
ID 2Y	6.31	1.5	2.1	12.1	-7.1
ID 10Y	6.69	-1.8	7.7	10.0	23.9
SG 2Y	3.46	1.5	7.1	9.0	20.6
SG 10Y	3.09	-0.2	2.8	-0.1	39.9
TH 2Y	2.17	0.0	3.6	3.9	-16.5
TH 10Y	2.52	-1.9	-1.9	-3.5	-15.7

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.55	0.2	0.5	0.4	3.2
EURUSD	1.0789	-0.4	-0.7	-0.1	-2.3
GBPUSD	1.2624	-0.1	-0.3	-0.0	-0.8
AUDUSD	0.6516	-0.3	-0.8	0.3	-4.3
USDJPY	151.38	0.0	-0.2	0.9	7.3
USDCNH	7.2623	0.1	0.6	0.8	1.9
USDMYR	4.7345	0.0	0.4	-0.2	3.1
USDIDR	15855	0.0	1.2	0.9	3.0
USDSGD	1.3503	0.2	0.5	0.3	2.3
USDTHB	36.48	0.2	1.2	1.7	6.9

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	83.17	2.2	2.6	6.3	16.1
Brent	87.48	1.6	2.0	4.6	13.6
Copper	8,850	0.0	-1.1	4.2	3.4
Gold	2,230	1.6	2.2	9.1	8.1
CPO	4,256	0.0	-2.2	5.7	16.2

HIGHLIGHTS

Macro: Thailand’s Finance Ministry and the Budget Bureau was instructed to consider possible funding sources for the digital wallet handout scheme. Permanent Secretary for the Finance Minister Lawaron Saengsanit said there are 3 possible funding sources - a borrowing bill, the national budget, or a combination of both. FY2025’s budget may be adjusted to finance the scheme, though the Ministry is also discussing the possibility of using FY2024’s budget to fund the scheme. Details of the funding source is expected to be finalised on 10 Apr, coming as PM Srettha Thavisin reiterated that stimulus measures are necessary to boost the economy.

Macro: Thailand will offer a tax waiver for organisers of large international events (such as concerts, sports, and festivals) if an investment of at least THB100m is made. The country will also provide import duty exemptions on equipments as well as facilitate the temporary entry of required foreign staff. Separately, Thailand’s Lower House has voted in favour of a study to allow casinos to be housed within large entertainment complexes in the country. The study noted that tourism revenue can be raised by about THB449bn, driven by an increase in average tourist spending of 52% to THB65,050/trip.

Macro: Malaysia said it is open to proposals to extend the East Coast Rail Line (ECRL) to the Malaysia-Thai border and integrating it with Thailand’s rail network. Separately, PM Anwar Ibrahim said it aims for the Northern Corridor Economic Region (NCER) to record RM367.8bn in realized investments by 2030 via a focus on three areas - advanced services, high value manufacturing, and modern agriculture.

Macro: Indonesia’s Nusantara Capital Authority said investor interest in the Nusantara project has been renewed following Prabowo Subianto’s recent presidential election victory, who have promised to continue the development from outgoing Indonesian President Jokowi. Separately, Indonesia’s House of Representatives have designated special status for the city of Jakarta, keeping it as the country’s economic epicentre.

Macro: Malaysia Economic Minister Rafizi Ramli said the PADU database might be reopened to the public after the 31 Mar deadline, though added it would be after the implementation of targeted subsidies.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
29 Mar 2024	TH	BoP Current Account Balance	Feb	\$1500m	-\$191m
29 Mar 2024	TH	Gross International Reserves	22 Mar	--	--
29 Mar 2024	TH	Exports	Feb	--	\$22012m
29 Mar 2024	TH	Imports	Feb	--	\$23112m
29 Mar 2024	TH	Exports YoY	Feb	--	7.2%
29 Mar 2024	TH	Imports YoY	Feb	--	1.5%
29 Mar 2024	TH	Trade Balance	Feb	--	-\$1100m
29 Mar 2024	US	Personal Income	Feb	0.4%	1.0%
29 Mar 2024	US	Personal Spending	Feb	0.5%	0.2%
29 Mar 2024	US	PCE Deflator MoM	Feb	0.4%	0.3%
29 Mar 2024	US	PCE Deflator YoY	Feb	2.5%	2.4%
29 Mar 2024	US	PCE Core Deflator MoM	Feb	0.3%	0.4%
29 Mar 2024	US	PCE Core Deflator YoY	Feb	2.8%	2.8%
29 Mar 2024	US	Wholesale Inventories MoM	Feb P	0.2%	-0.2%
29 Mar 2024	US	Fed's Daly Delivers Opening Remarks			
29 Mar 2024	US	Fed's Powell Speaks in Moderated Discussion			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
27 Mar 2024	JN	BOJ Board Tamura Speech in Aomori				
27 Mar 2024	EC	ECB's Cipollone Speaks				
27 Mar 2024	UK	Bank of England financial policy committee r				
28 Mar 2024	US	Fed's Waller Speaks on Ecoomic Outlook				
28 Mar 2024	JN	BOJ Summary of Opinions (March MPM)				
28 Mar 2024	US	GDP Annualized QoQ	4Q T	3.2%	3.4%	3.2%
28 Mar 2024	US	Personal Consumption	4Q T	3.0%	3.3%	3.0%
28 Mar 2024	US	Initial Jobless Claims	23 Mar	212k	210k	212k
28 Mar 2024	US	MNI Chicago PMI	Mar	46	41.4	44
28 Mar 2024	US	Pending Home Sales MoM	Feb	1.5%	1.6%	-4.7%
28 Mar 2024	US	U. of Mich. Sentiment	Mar F	76.5	79.4	76.5
28 Mar 2024	EC	ECB's Villeroy 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	4.20	1.0	-6.7	-5.0	32.1
UK	3.93	0.1	-6.2	-19.1	39.6
Germany	2.30	0.6	-10.7	-11.3	27.6
Japan	0.71	-1.3	-3.0	0.3	9.8
Australia	3.96	-3.8	-12.8	-17.4	0.7
China	2.30	1.1	1.5	-5.0	-25.6
Malaysia	3.85	0.0	-0.4	-1.5	12.0
Indonesia	6.69	-1.8	7.7	10.0	23.9
Singapore	3.09	-0.2	2.8	-0.1	39.9
Thailand	2.52	-1.9	-1.9	-3.5	-15.7

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.66	0	1	-2	7
SG	3.02	0	9	2	45
TH	2.57	0	0	0	0

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	41	-1	2	3	-1
ID	72	-0	1	1	-0
TH	44	-0	0	37	6

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	5.33	0	2	1	-5
EU o/n ESTRON	3.91	0	-0	2	2
JP o/n TONAR	0.08	0	0	8	12
MY 3m KLIBOR	3.58	0	1	2	-19
MY MYOR	3.01	0	0	1	1
ID 3m JIBOR	6.85	0	0	0	0
SG o/n SORA	3.90	0	-6	15	27
TH BOT o/n THOR	2.50	0	0	1	0

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	264	0.0	0.4	1.1	-0.9
Bloomberg US Aggregate	2145	-0.0	0.6	0.9	-0.8
Bloomberg EUR Aggregate	237	-0.0	0.5	1.1	-0.3
Bloomberg Asia Aggregate	181	0.1	-0.2	0.6	3.2
Bloomberg Asia Pac Treasury	118	0.2	0.0	-0.7	-4.6
Bloomberg ASEAN Corp/Quasi	118	0.0	0.5	1.2	1.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.55	0.2	0.5	0.4	3.2
EURUSD	1.0789	-0.4	-0.7	-0.1	-2.3
GBPUSD	1.2624	-0.1	-0.3	-0.0	-0.8
AUDUSD	0.6516	-0.3	-0.8	0.3	-4.3
USDJPY	151.38	0.0	-0.2	0.9	7.3
USDCNH	7.2623	0.1	0.6	0.8	1.9
USDMYR	4.7345	0.0	0.4	-0.2	3.1
USDIDR	15,855	0.0	1.2	0.9	3.0
USDSGD	1.3503	0.2	0.5	0.3	2.3
USDTHB	36.48	0.2	1.2	1.7	6.9
GBPMYR	5.9612	-0.3	-1.0	-0.8	2.1
AUDMYR	3.0716	-0.6	-1.4	-0.4	-1.7
SGDMYR	3.5044	-0.2	-0.5	-0.7	0.8
CNHMYR	0.6518	-0.1	-0.2	-0.9	1.0
IDRMYR	0.0299	0.0	-0.8	-1.1	0.0
THBMYR	12.9940	-0.1	0.0	-1.8	-3.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,254.35	0.1	0.2	3.1	10.2
Nasdaq	16,379.46	-0.1	-0.1	1.8	9.1
Eurostoxx	5,083.42	0.0	0.6	4.2	12.4
Nikkei 225	40,168.07	-1.5	-1.6	2.6	20.0
Hang Seng	16,541.42	0.9	-1.9	0.2	-3.0
KLCI	1,530.60	0.0	-0.7	-1.3	5.2
JCI	7,288.81	-0.3	-0.7	-0.4	0.2
SET	1,370.34	-0.8	-1.2	-0.0	-3.2

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	99.49	1.2	0.0	2.9	0.9
WTI (US\$/bbl)	83.17	2.2	2.6	6.3	16.1
Brent (US\$/bbl)	87.48	1.6	2.0	4.6	13.6
Natural Gas (US\$/mmbtu)	1.76	2.6	-3.7	-12.2	-25.5
Copper (US\$/ton)	8,850	0.0	-1.1	4.2	3.4
Gold (US\$/oz)	2,230	1.6	2.2	9.1	8.1
CPO (RM/ton)	4,256	0.0	-2.2	5.7	16.2

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	2.3	2.5
Thailand	1.5	2.6	1.9	2.8	3.0

Policy rate	1Q24	2Q24	3Q24	4Q24	1Q25
US (upper bound)	5.50	5.50	5.00	4.50	4.00
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.00	5.75	5.50	5.25	5.00
Thailand	2.50	2.50	2.25	2.00	2.00

Commodity prices	1Q24	2Q24	3Q24	4Q24	1Q25
Brent (USD/bbl)	75	78	77	75	73
WTI (USD/bbl)	71	74	73	71	69
CPO (RM/mt)	3,967	4,033	3,800	3,800	3,900
Gold (USD/oz)	1,900	1,925	1,925	1,950	2,000
Copper (USD/mt)	7,900	7,900	8,200	8,300	8,100

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	1Q24	2Q24	3Q24	4Q24	1Q25
UST 2Y	4.60	4.30	4.05	3.85	3.60
UST 10Y	4.15	3.95	3.75	3.60	3.45
MGS 3Y	3.45	3.50	3.55	3.55	3.50
MGS 10Y	3.75	3.80	3.85	3.90	3.90
IndoGB 2Y	6.45	6.20	5.95	5.70	5.45
IndoGB 10Y	6.85	6.85	6.80	6.80	6.80
ThaiGB 2Y	2.35	2.30	2.10	2.00	2.00
ThaiGB 10Y	2.70	2.75	2.85	2.80	2.75

Currency	1Q24	2Q24	3Q24	4Q24	1Q25
DXY	102.6	101.1	99.9	98.9	97.9
EURUSD	1.09	1.10	1.11	1.12	1.13
GBPUUSD	1.27	1.29	1.30	1.31	1.32
USDCHF	0.90	0.90	0.89	0.89	0.88
AUDUSD	0.67	0.67	0.68	0.69	0.69
USDJPY	140	135	132	130	128
USDCNH	7.15	7.10	7.05	7.00	6.95
USDIDR	15,328	15,213	15,129	15,050	14,974
USDMYR	4.55	4.48	4.40	4.38	4.33
USDSGD	1.34	1.33	1.32	1.31	1.30
USDTHB	34.7	34.3	34.0	33.7	33.4

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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