

DAILY DIGEST

All Eyes on Jackson Hole

- **Macro:** Rate-cut expectations remain split ahead of the Jackson Hole symposium, following a surge in US jobless claims. Domestically, Bumiputera action remains protected under the 13MP.
- **Fixed Income:** USTs bear-flattened as markets pared Sep cut bets ahead of Jackson Hole. MYR auction drew weak demand, while IndoGBs extended gains post-BI rally.
- **FX:** DXY rose 0.4% on stronger US PMI data despite softer Jobless Claims. Most G10 and Asian FX weakened against broad USD strength, with MYR the sole gainer.

Global macro wrap

- **Global:** Fed speakers delivered a mixed tone. Cleveland's Hammack (non-voter) pushed back against cuts on inflation risks, while Kansas City's Schmid (voter) echoed that policy should only shift on "very definitive data." Chicago's Goolsbee (voter) kept the meeting "live," warning sticky services inflation remains "dangerous." Atlanta's Bostic (non-voter) left the door open for cuts later this year, while Boston's Collins (voter) was the lone dove, citing potential labour market deterioration. US jobless claims rose to 235k (cons: 225k; prior: 224k), with continuing claims at 1.97m, signalling a cooling labour market. Aug flash PMIs showed stronger business activity and hiring.
- **ASEAN:** Finance Minister II Amir Hamzah Azizan confirmed pro-Bumiputera affirmative action under the 13MP while announcing specialized development zones to attract investment. Parliament approved the 13MP, allocating RM430bn to support 4.5-5.5% GDP growth, anchored on AI-driven development, social reforms, and sovereignty. Indonesia's 2026 budget channels more toward fossil fuel subsidies than renewables, casting doubt on Prabowo's 100% renewables pledge within 10 years amid regulatory hurdles.

Fixed income

- **Majors:** USTs bear-flattened, ending a two-day rally ahead of the Jackson Hole symposium. The selloff was reinforced by stronger-than-expected jobless claims and comments from Fed Bank of Cleveland President Beth Hammack (non-voter). Investors pared back their Sep cut bets, with swaps now pricing a 75% probability, down from over 90% a week ago.
- **ASEAN:** MYR bonds were little changed as caution ahead of Jackson Hole dampened demand at the 5Y MGS 05/30 auction (RM5.0bn), which drew weak demand with BTC at 1.867x – the lowest since Mar 2025. Focus shifts to today's CPI release. IndoGBs extended gains post-BI, led by the 2Y (-8bps), with SRBI issuance likely below this week's maturities (IDR17tr). ThaiGBs softened marginally, with swap rates down 1bp on pre-symposium caution.

FX

- **Majors:** XY climbed 0.4% as robust US PMI data outweighed weaker Jobless Claims ahead of Powell's Jackson Hole speech. EUR (-0.4%) slipped despite stronger manufacturing PMI as services slowed. GBP (-0.3%) fell for the fourth day as PMIs showed mixed sector momentum. AUD (-0.2%) weakened on softer inflation expectations despite better PMI. JPY (-0.7%) and CHF (-0.6%) led declines on hawkish Powell fears, with Swiss trade data highlighting weaker exports.
- **ASEAN:** Beside MYR, all other Asian currencies fell against broad-based dollar strength. CNH edged lower after paring back morning gains despite a stronger PBOC fixing. SGD fell by 0.3% while THB weakened by 0.2%. IDR down by 0.1% despite foreign inflows to local bonds. MYR (+0.1%) outperformed peers.

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Rates dashboard

	21-Aug	1D	1W	1M	YTD
	Close	Change (bps)			
UST 2Y	3.79	4.4	5.9	-6.9	-45.0
UST 10Y	4.33	3.7	4.3	-5.0	-24.1
MGS 3Y	2.98	0.2	1.0	-10.2	-50.1
MGS 10Y	3.38	0.3	1.2	-4.7	-43.5
IndoGB 2Y	5.44	-7.6	-9.9	-35.8	-146.6
IndoGB 10Y	6.31	-6.1	-4.9	-19.5	-65.5
SGS 2Y	1.54	-0.7	1.7	-9.1	-116.6
SGS 10Y	1.91	-1.8	2.5	-15.7	-94.5
ThaiGB 2Y	1.14	0.6	-2.9	-19.5	-85.7
ThaiGB 10Y	1.35	1.5	-6.9	-16.5	-90.1

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

FX dashboard

	21-Aug	1D	1W	1M	YTD
	Close	Change (%)			
DXY	98.62	0.4	0.4	0.8	-9.1
EURUSD	1.1606	-0.4	-0.4	-0.8	12.1
GBPUSD	1.3412	-0.3	-0.9	-0.6	7.2
AUDUSD	0.6420	-0.2	-1.2	-1.6	3.7
USDCHE	0.8087	0.6	0.1	1.4	-10.9
USDJPY	148.37	0.7	0.4	0.7	-5.6
USDCNH	7.1828	0.0	0.0	0.2	-2.1
USDMYR	4.2242	-0.1	0.3	-0.2	-5.5
USDIDR	16,285	0.1	1.1	-0.2	1.1
USDSGD	1.2887	0.3	0.3	0.6	-5.6
USDTHB	32.62	0.2	0.8	0.8	-4.3

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

Commodities dashboard

	21-Aug	1D	1W	1M	YTD
	Close	Change (%)			
WTI	63.52	0.5	-0.7	-5.5	-11.4
Brent	67.67	1.2	1.2	-2.2	-9.3
Copper	9,725	0.0	-0.4	-1.4	10.9
Gold	3,339	-0.3	0.1	-1.7	27.2
CPO	4,391	-0.7	1.2	5.2	-9.7

HIGHLIGHTS

Macro: The US-EU trade deal sets a 15% tariff on most EU exports, including cars, pharmaceuticals, and semiconductors, though EU negotiators failed to secure a zero-tariff exemption for wine and spirits. The agreement also expands US market access for select EU agricultural products, with negotiations on further exemptions and tariff reductions still ongoing.

Macro: Ex-Fed official James Bullard, a candidate for the next Fed chair, said rates are “a little bit high” and called for 100bps of cuts by end-2025, starting in Sep and potentially extending into 2026. He also noted outreach to Treasury Secretary Scott Bessent regarding his candidacy, emphasizing the importance of safeguarding the dollar’s reserve status.

Macro: The US Services PMI eased to 55.4 in Aug (consensus: 54.2, Jul: 55.7), supported by robust new business, the fastest backlog growth since May 2022, and the strongest hiring since Jan. Rising input costs pushed output charges to their highest pace in three years.

Macro: Gold fell 0.3% to USD3,339 as a stronger dollar weighed, with markets awaiting Fed Chair Powell’s Jackson Hole speech for policy signals amid expectations of a Sep rate cut.

Macro: Bursa Malaysia has gained 70 points since the 13MP was tabled, which Finance Minister II Amir Hamzah Azizan said reflects market confidence in the plan. He emphasized the blueprint’s focus on broad reforms spanning the economy, labour, housing, healthcare, and public service, anchored on four pillars and 162 KPIs.

Macro: Thailand adopted a four-point Thai Chamber of Commerce plan to revive the Thai-Cambodia border economy after recent unrest. The plan includes tax relief, financial aid, labour support, and tourism stimulus, with Deputy PM Pichai Chunhavajira pledging swift implementation.

Macro: Indonesia revised its 2026 education budget for teachers, lecturers, and staff to IDR274.7tr (USD16.3bn) from IDR178.7tr (USD10.0bn), mainly reflecting higher allocations for civil servant salaries and allowances. The overall education budget remains at 20% of the state budget, or IDR757.8tr (USD45.0bn).

Macro: Indonesia’s Regional Representatives Council (DPD RI) endorsed President Prabowo’s plan to open 2m hectares of new rice fields, highlighting regional involvement, farmer access to inputs, irrigation, and infrastructure as critical for food self-sufficiency. The council also welcomed higher rice purchase prices to support farmer incomes.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
22 Aug	MA	CPI YoY	Jul	1.2%	1.1%
22 Aug	MA	Foreign Reserves	15 Aug	--	\$121.3b
22 Aug	TH	Gross International Reserves	15 Aug	--	\$265.6b
22 Aug	EC	Negotiated Wages	2Q	--	2.5%
22 Aug	US	Fed's Collins Appears on Bloomberg Television			
22 Aug	US	Fed's Powell Speaks on Economic Outlook at Jackson Hole			
22 Aug	US	Fed's Hammack appears on CNBC			
24 Aug	UK	BOE's Bailey Speaks at Jackson Hole			
24 Aug	EC	ECB's Lagarde Speaks at Jackson Hole			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
21 Aug	ID	BoP Current Account Balance	2Q	-\$2825m	-\$3014m	-\$228m
21 Aug	US	Fed's Bostic Shares Brief Remarks on Economy				
21 Aug	US	Initial Jobless Claims	16 Aug	225k	235k	224k
21 Aug	US	Initial Claims 4-Wk Moving Avg	16 Aug	--	226.25k	221.75k
21 Aug	US	Philadelphia Fed Business Outlook	Aug	6.5	-0.3	15.9
21 Aug	US	S&P Global US Manufacturing PMI	Aug P	49.7	53.3	49.8
21 Aug	US	S&P Global US Services PMI	Aug P	54.2	55.4	55.7
21 Aug	US	S&P Global US Composite PMI	Aug P	53.5	55.4	55.1
21 Aug	US	Leading Index	Jul	-0.1%	-0.1%	-0.3%
21 Aug	US	Existing Home Sales	Jul	3.92m	4.01m	3.93m
21 Aug	US	Existing Home Sales MoM	Jul	-0.3%	2.0%	-2.7%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

	21-Aug	1D	1W	1M	YTD
10Y yields, %	Close	Change (bps)			
US	4.33	3.7	4.3	-5.0	-24.1
UK	4.73	5.7	9.0	12.7	16.4
Germany	2.76	4.0	4.5	14.4	39.2
Japan	1.60	0.0	6.1	6.9	51.9
Australia	4.28	-2.0	6.9	-4.5	-8.4
China	1.76	-1.8	3.0	8.8	9.7
Malaysia	3.38	0.3	1.2	-4.7	-43.5
Indonesia	6.31	-6.1	-4.9	-19.5	-65.5
Singapore	1.91	-1.8	2.5	-15.7	-94.5
Thailand	1.35	1.5	-6.9	-16.5	-90.1
5Y IRS, %	Close	Change (bps)			
MY	3.08	0.3	5.1	-7.6	-46.7
SG	1.53	-0.5	4.5	-9.7	-113.6
TH	1.16	-0.5	2.5	-18.5	-82.0
5Y CDS, bps	Close	Change (bps)			
MY	40.14	15.2	-98.3	-109.7	-825.1
ID	67.70	3.8	-136.6	-496.3	-1,118.8
TH	40.01	18.9	-46.8	-254.0	-325.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	21-Aug	1D	1W	1M	YTD
Interbank rates, %	Close	Change (bps)			
US O/N SOFR	4.31	0.0	-3.0	3.0	-18.0
EU O/N ESTRON	1.93	0.0	0.0	0.2	-97.9
JP O/N TONAR	0.48	0.0	-0.1	-0.1	24.9
MY 3M KLIBOR	3.21	0.0	0.0	-2.0	-52.0
MY MYOR	2.75	0.0	0.0	0.0	-25.0
ID 3M JIBOR	5.91	-25.4	-25.4	-26.9	-100.8
SG O/N SORA	1.71	0.0	40.2	40.7	-40.5
SG 3M SORA	1.69	-0.5	-6.2	-20.1	-138.4
TH BOT O/N THOR	1.49	-0.1	-0.2	-25.1	-75.0
Credit indices	Close	Change (%)			
Bloomberg Global Aggregate	290	-0.4	-0.4	0.3	7.7
Bloomberg US Aggregate	2,284	-0.2	-0.2	0.8	4.3
Bloomberg EUR Aggregate	245	-0.3	-0.4	-0.6	0.5
Bloomberg Asia Aggregate	182	0.5	-0.3	-0.2	-2.8
Bloomberg Asia Pac Treasury	120	-0.4	-0.8	-0.8	3.1
Bloomberg ASEAN Corp/Quasi	129	-0.2	0.0	1.5	5.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	21-Aug	1D	1W	1M	YTD
FX	Close	Change (%)			
DX1	98.62	0.4	0.4	0.8	-9.1
EURUSD	1.1606	-0.4	-0.4	-0.8	12.1
GBPUSD	1.3412	-0.3	-0.9	-0.6	7.2
AUDUSD	0.6420	-0.2	-1.2	-1.6	3.7
USDJPY	148.37	0.7	0.4	0.7	-5.6
USDCNH	7.1828	0.0	0.0	0.2	-2.1
USDMYR	4.2242	-0.1	0.3	-0.2	-5.5
USDIDR	16,285	0.1	1.1	-0.2	1.1
USDSGD	1.2887	0.3	0.3	0.6	-5.6
USDTHB	32.62	0.2	0.8	0.8	-4.3
GBPMYR	5.6922	-0.2	-0.5	-0.1	1.4
AUDMYR	2.7139	-0.2	-1.3	-1.6	-2.4
SGDMYR	3.2839	-0.1	-0.1	-0.5	-0.1
CNHMYR	0.5884	0.0	0.3	-0.4	-3.5
IDRMYR	0.0259	-0.2	-0.8	0.0	-6.4
THBMYR	12.94	-0.3	-0.2	-1.5	-0.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

	21-Aug	1D	1W	1M	YTD
Equities	Close	Change (%)			
S&P 500	6,370	-0.4	-1.5	1.0	8.3
Nasdaq 100	23,143	-0.5	-2.9	-0.2	10.1
Eurostoxx	5,462	-0.2	0.5	2.2	11.6
Nikkei 225	42,610	-0.6	-0.1	7.0	6.8
Hang Seng	25,105	-0.2	-1.6	0.4	25.1
KLCI	1,593	0.3	0.7	4.5	-3.0
JCI	7,891	-0.7	-0.5	6.7	11.5
SET	1,245	-0.3	-1.7	3.0	-11.1
Commodities	Close	Change (%)			
Bloomberg Commodity Index	101.03	0.8	1.0	-3.5	2.3
WTI (USD/bbl)	63.52	0.5	-0.7	-5.5	-11.4
Brent (USD/bbl)	67.67	1.2	1.2	-2.2	-9.3
Natural Gas (USD/mmbtu)	2.83	2.7	-0.5	-15.8	-20.2
Copper (USD/ton)	9,725	0.0	-0.4	-1.4	10.9
Gold (USD/oz)	3,339	-0.3	0.1	-1.7	27.2
CPO (RM/ton)	4,391	-0.7	1.2	5.2	-9.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2022	2023	2024	2025	2026
US	2.5	2.9	2.8	1.4	1.9
Malaysia	9.0	3.5	5.1	4.3	4.5
Indonesia	5.3	5.0	5.0	4.8	5.0
Thailand	2.6	2.0	2.5	2.0	2.3
Inflation	2022	2023	2024	2025	2026
US	8.0	4.1	3.0	3.0	2.4
Malaysia	3.4	2.5	1.8	2.2	2.5
Indonesia	4.2	3.7	2.3	1.8	2.5
Thailand	6.1	1.2	0.4	0.4	1.0
Policy Rate	3Q25	4Q25	1Q26	2Q26	3Q26
US (upper bound)	4.25	4.00	3.75	3.50	3.50
Malaysia	2.75	2.75	2.75	2.75	2.75
Indonesia	5.00	4.75	4.75	4.75	4.75
Thailand	1.50	1.00	1.00	1.00	1.00
Commodities	3Q25	4Q25	1Q26	2Q26	3Q26
Brent (USD/bbl)	75	80	75	75	70
Gold (USD/oz)	3,350	3,500	3,450	3,350	3,450

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	3Q25	4Q25	1Q26	2Q26	3Q26
UST 2Y	3.75	3.65	3.50	3.45	3.45
UST 10Y	4.20	4.05	4.00	3.95	4.00
MGS 3Y	3.00	3.05	3.05	3.10	3.05
MGS 10Y	3.45	3.50	3.55	3.55	3.55
IndoGB 2Y	5.40	5.15	5.20	5.25	5.25
IndoGB 10Y	6.30	6.10	6.15	6.25	6.30
ThaiGB 2Y	1.15	1.00	1.00	1.00	1.00
ThaiGB 10Y	1.35	1.25	1.25	1.30	1.30
SORA 3M	1.90	1.75	1.70	1.65	1.65
Currency	3Q25	4Q25	1Q26	2Q26	3Q26
DX1	101.1	100.2	99.3	98.3	97.9
EURUSD	1.11	1.12	1.13	1.14	1.15
GBPUSD	1.33	1.34	1.35	1.36	1.35
USDCNH	0.82	0.83	0.84	0.83	0.84
AUDUSD	0.65	0.66	0.66	0.67	0.68
USDJPY	148	145	142	140	140
USDCNH	7.25	7.30	7.25	7.25	7.20
USDIDR	16,600	16,500	16,350	16,300	16,350
USDMYR	4.30	4.28	4.25	4.25	4.20
USDSGD	1.30	1.32	1.34	1.34	1.33
USDTHB	33.30	33.60	33.80	33.80	34.00

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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