

# DAILY DIGEST

## UST yields tumble on lower job openings

- Macro:** US job openings retreated far below expectations, signaling a cooling labour market. Moody cut China's credit outlook to negative from stable. Singapore's retail sales fell for the first time in nine months.
- Fixed Income:** UST yields fell amid a larger than expected fall in jobs openings. Regional bonds closed mixed. Indonesia's sukuk auction saw awards of IDR9.14tr. Malaysia reopens 5Y MGS 04/28 at RM5bn issuance size today.
- FX:** DXY rose despite falling UST yields. AUD led the losses in G10 currencies as the RBA kept the cash rate at 4.35%. Regional currencies traded weaker.

### Global macro wrap

- Global:** US job openings pulled back in Oct to the lowest levels since Mar 2021 at 8.7m in Oct (consensus: 9.3m; Sep: 9.4m), signaling a cooling in the labour market ahead of this Friday's nonfarm payroll numbers. China's Caixin Services PMI index accelerated to a three-month high in Nov to 51.5 (consensus: 50.5; Oct: 50.4) thanks to a boost from new orders, complementing the expansion in manufacturing PMI released last week. The strength in services contrasts with growing concerns over China's fiscal position as Moody cut China's credit outlook from stable to negative, citing concerns on surging local government debt and a deepening property crisis.
- ASEAN:** Singapore's retail sales fell by 0.1% yoy for the first time in nine months in Oct (Sep: +0.8%) amid a contraction in departmental and supermarket sales. Sales expanded on a sequential mom basis by 3.2% (Sep: -3.3%), signaling consumer spending is still resilient. In Malaysia, Deputy Finance Minister Ahmad Maslan said the RM 100 e-wallet credit allocated on Monday would not raise inflation as the RM1bn injection was small relative to GDP. Meanwhile, Deputy MITI Minister Liew Chin Tong rejected the idea to import completely built-up (CBU) cars as it would lead to vehicle dumping in the local market. Thailand's cabinet approved a tax refund scheme for shopping up to THB 50,000 between 1 Jan and 15 Feb 2024.

### Fixed income

- Global:** UST curve bull flattened, resuming its slide amid a larger than expected fall in jobs opening. The curve shifted down 6-11bps, with the 2Y yield sliding 6bps, while the 10Y yield fell 9bps to below 4.2%.
- ASEAN:** Regional bonds performed mixed on Tuesday with IndoGB trading slightly cheaper, tracking UST movements, with the 2Y yield up 3bps, there was buying however in the 3Y and 20Y which fell 2bps and 4bps respectively. Yesterday's sukuk auction saw a final awarded amount of IDR 9.14tr, upsized from the initial target of IDR9tr, with total incoming bids just shy of IDR 20tr at IDR19.76tr. MGS meanwhile rallied with the curve shifting down 1-3bps, ahead of today's 5Y MGS 04/28 auction, sized at RM5bn. The 3M KLIBOR climbed 1bps higher to 3.71%. Thailand's bond market was closed for holiday.

### FX

- Majors:** DXY remained resilient, rising 0.3% despite falling UST yields. EUR fell 0.4% as ECB Governing Council member Boris Vujcic said he sees no interest rate cuts in the short term while ECB board member Isabel Schnabel who had been traditionally hawkish, took rate hikes off the table citing the "remarkable" inflation drop. GBP fell 0.3% amid USD strength while JPY closed flat despite CPI moderating in Tokyo to the lowest in 16 months. AUD tumbled 1.0% as the RBA kept the cash rate at 4.35% and noted that more economic cues are needed before considering any more changes to monetary policy, potentially suggesting an end to rate hikes.
- ASEAN:** CNH closed 0.3% lower as Moody cut China's credit outlook to negative from stable. Regional currencies retreated ahead of US PMI and JOLTS job openings data, with the IDR leading the losses with a 0.3% decline. MYR fell 0.2% while SGD was flat during the Asian trading hours but fell 0.3% overnight amid USD strength.

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### Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.58	-5.9	-15.8	-34.1	15.1
UST 10Y	4.16	-8.8	-15.6	-40.2	29.0
MY 3Y	3.46	-0.7	-5.6	-6.1	-18.4
MY 10Y	3.78	-2.8	-7.6	-10.4	-26.5
ID 2Y	6.55	2.4	-10.8	-18.7	65.4
ID 10Y	6.57	0.4	-9.8	-10.0	-34.1
SG 2Y	3.36	0.8	-8.0	-14.1	26.1
SG 10Y	2.91	-2.2	-10.6	-25.8	-16.4
TH 2Y	2.44	0.0	-2.9	-10.6	72.0
TH 10Y	2.94	0.0	-12.8	-18.2	30.5

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

### FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.05	0.3	1.3	-1.4	0.5
EURUSD	1.0797	-0.4	-1.8	0.9	0.9
GBPUSD	1.2595	-0.3	-0.8	2.4	4.2
AUDUSD	0.6552	-1.0	-1.5	1.8	-3.8
USDJPY	147.15	-0.0	-0.2	-2.1	12.2
USDCNH	7.1734	0.3	0.6	-1.5	3.6
USDMYR	4.6660	0.2	-0.1	-0.1	5.9
USDIDR	15505	0.3	0.5	-0.8	-0.4
USDSGD	1.3411	0.3	0.7	-1.0	0.1
USDTHB	34.94	0.0	0.0	-1.7	1.0

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

### Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	72.32	-1.0	-5.4	-6.5	-9.9
Brent	77.20	-1.1	-5.5	-5.4	-10.1
Copper	8,443	0.0	-0.4	3.1	0.8
Gold	2,019	-0.5	-1.1	2.5	10.7
CPO	3,636	-1.1	-3.2	0.9	-12.8

## HIGHLIGHTS

**Macro:** US ISM Service PMI picked up in Nov to 52.7 (consensus: 52.3; Oct: 51.8) amid an increase in business activity, although new orders remained flat, and a gauge of input inflation dipped indicating that the lagged effects of higher interest rates start to have a greater impact on the services sector.

**Macro:** Singapore's S&P Global PMI index continued its expansion in Nov to 55.8 (Oct: 53.7). This comes as the housing development board launched 6,057 Build-To-Order (BTO) flats for sale across eight projects in Bedok, Bishan, Bukit Merah, Bukit Panjang, Jurong West, Queenstown and Woodlands.

**Macro:** Indonesia's government announced plans for a Tourism Fund aimed at tourism promotion as Indonesia sought to increase its chances of hosting prestigious events. The fund aims to manage IDR2tr in the first year and will be entirely funded from the government budget. The Finance Ministry's Indonesia Endowment Fund for Education (LPDP) will be in charge of managing the tourism fund.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
06 Dec 2023	UK	Bank of England financial stability report			
06 Dec 2023	UK	BOE press conference on financial stability			
06 Dec 2023	US	ADP Employment Change	Nov	120k	113k
06 Dec 2023	US	Trade Balance	Oct	-\$63.0b	-\$61.5b

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
05 Dec 2023	SI	S&P Global Singapore PMI	Nov	--	55.8	53.7
05 Dec 2023	CH	Caixin China PMI Composite	Nov	--	51.6	50
05 Dec 2023	CH	Caixin China PMI Services	Nov	50.5	51.5	50.4
05 Dec 2023	AU	RBA Cash Rate Target	05 Dec	4.35%	4.35%	4.35%
05 Dec 2023	SI	Retail Sales YoY	Oct	0.2%	-0.1%	0.8%
05 Dec 2023	SI	Retail Sales SA MoM	Oct	--	-0.8%	-1.6%
05 Dec 2023	SI	Retail Sales Ex Auto YoY	Oct	--	-1.0%	0.7%
05 Dec 2023	EC	ECB 1 Year CPI Expectations	Oct	3.8%	4.0%	4.0%
05 Dec 2023	EC	ECB 3 Year CPI Expectations	Oct	2.5%	2.5%	2.5%
05 Dec 2023	US	S&P Global US Services PMI	Nov F	50.8	50.8	50.8
05 Dec 2023	US	S&P Global US Composite PMI	Nov F	50.7	50.7	50.7
05 Dec 2023	US	JOLTS Job Openings	Oct	9300k	8733k	9350k
05 Dec 2023	US	ISM Services Index	Nov	52.3	52.7	51.8

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	4.16	-8.8	-15.6	-40.2	29.0
UK	4.03	-16.9	-14.9	-24.5	35.3
Germany	2.25	-10.7	-25.0	-41.2	-32.0
Japan	0.67	-2.5	-8.6	-21.4	25.2
Australia	4.41	-3.4	-8.4	-28.2	36.3
China	2.69	-0.2	0.2	2.1	-14.7
Malaysia	3.78	-2.8	-7.6	-10.4	-26.5
Indonesia	6.57	0.4	-9.8	-10.0	-34.1
Singapore	2.91	-2.2	-10.6	-25.8	-16.4
Thailand	2.94	0.0	-12.8	-18.2	30.5
5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.64	2	-11	-26	-13
SG	3.65	0	0	0	17
TH	2.57	0	0	0	24
5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	43	5	1	-23	-46
ID	76	2	-0	-12	-24
TH	44	2	-11	-26	-28

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	5.37	0	5	5	107
EU o/n ESTRON	3.90	0	0	0	201
JP o/n TONAR	-0.01	0	1	-0	1
MY 3m KLIBOR	3.71	1	1	6	3
MY MYOR	3.00	0	0	0	28
ID 3m JIBOR	6.85	0	0	0	35
SG 3m SORA	3.74	-0	-1	-2	65
TH BOT o/n THOR	2.49	0	-0	-0	125
Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	257	0.0	0.5	3.6	5.2
Bloomberg US Aggregate	2094	0.0	0.8	2.7	2.2
Bloomberg EUR Aggregate	233	0.7	1.8	3.2	5.3
Bloomberg Asia Aggregate	176	-0.1	0.0	0.8	6.5
Bloomberg Asia Pac Treasury	119	-0.0	0.7	3.4	-5.7
Bloomberg ASEAN Corp/Quasi	113	0.0	0.8	3.2	6.2

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DX	104.05	0.3	1.3	-1.4	0.5
EURUSD	1.0797	-0.4	-1.8	0.9	0.9
GBPUSD	1.2595	-0.3	-0.8	2.4	4.2
AUDUSD	0.6552	-1.0	-1.5	1.8	-3.8
USDJPY	147.15	-0.0	-0.2	-2.1	12.2
USDCNH	7.1734	0.3	0.6	-1.5	3.6
USDMYR	4.6660	0.2	-0.1	-0.1	5.9
USDIDR	15,505	0.3	0.5	-0.8	-0.4
USDSGD	1.3411	0.3	0.7	-1.0	0.1
USDTHB	34.94	0.0	0.0	-1.7	1.0
GBPMYR	5.8938	-0.1	-0.1	2.6	11.2
AUDMYR	3.0686	-0.9	-0.7	2.3	2.6
SGDMYR	3.4862	-0.1	-0.3	1.2	6.2
CNHMYR	0.6510	-0.2	-0.6	1.6	2.3
IDRMYR	0.0301	-0.2	-0.6	0.7	6.2
THBMYR	13.2210	-0.8	-1.6	0.7	3.7

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	4,567.18	-0.1	0.3	4.3	19.0
Nasdaq	14,229.91	0.3	-0.4	4.3	36.0
Eurostoxx	4,452.77	0.9	2.4	7.2	17.4
Nikkei 225	32,775.82	-1.4	-1.9	1.6	25.6
Hang Seng	16,327.86	-1.9	-5.9	-7.6	-17.5
KLCI	1,449.46	-0.1	0.1	-1.0	-3.1
JCI	7,100.86	0.1	0.8	3.8	3.7
SET	1,383.54	0.0	-1.3	-1.8	-17.1
Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	99.57	-0.4	-2.4	-3.3	-11.7
WTI (US\$/bbl)	72.32	-1.0	-5.4	-6.5	-9.9
Brent (US\$/bbl)	77.20	-1.1	-5.5	-5.4	-10.1
Natural Gas (US\$/mmbtu)	2.71	0.6	-4.5	-21.7	-47.0
Copper (US\$/ton)	8,443	0.0	-0.4	3.1	0.8
Gold (US\$/oz)	2,019	-0.5	-1.1	2.5	10.7
CPO (RM/ton)	3,636	-1.1	-3.2	0.9	-12.8

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2020	2021	2022	2023	2024
Malaysia	-5.5	3.1	8.7	4.0	4.9
Indonesia	-2.1	3.7	5.3	5.1	5.0
Singapore	-3.9	8.9	3.6	1.0	2.3
Thailand	-6.2	1.6	2.6	2.9	3.4
Policy rate	4Q23	1Q24	2Q24	3Q24	4Q24
US (upper bound)	5.50	5.50	5.25	4.75	4.25
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.00	6.00	5.75	5.50	5.25
Thailand	2.25	2.25	2.25	2.25	2.25
Commodity prices	4Q23	1Q24	2Q24	3Q24	4Q24
Brent (USD/bbl)	91	87	87	84	80
WTI (USD/bbl)	88	84	84	81	77
CPO (RM/mt)	3,900	4,100	4,067	4,067	4,167
Gold (USD/oz)	1,875	1,850	1,825	1,825	1,850
Copper (USD/mt)	7,700	7,900	7,900	8,200	8,300

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	4Q23	1Q24	2Q24	3Q24	4Q24
UST 2Y	4.60	4.30	4.00	3.80	3.60
UST 10Y	4.00	3.75	3.65	3.60	3.55
MG3 3Y	3.80	3.45	3.45	3.40	3.40
MG3 10Y	4.20	3.80	3.90	3.95	4.00
IndoGB 2Y	6.90	6.40	6.30	6.20	6.20
IndoGB 10Y	7.40	6.70	6.75	6.70	6.80
ThaiGB 2Y	2.50	2.25	2.25	2.25	2.25
ThaiGB 10Y	3.30	2.70	2.80	2.90	3.00
Currency	4Q23	1Q24	2Q24	3Q24	4Q24
DX	101.9	100.7	98.1	100.3	97.9
EURUSD	1.11	1.12	1.15	1.10	1.14
GBPUSD	1.25	1.27	1.29	1.25	1.23
USDCHF	0.87	0.88	0.87	0.86	0.88
AUDUSD	0.67	0.67	0.69	0.68	0.69
USDJPY	140	136	130	125	120
USDCNH	7.31	7.25	7.13	7.18	7.07
USDIDR	15,466	15,358	15,139	15,326	15,115
USDMYR	4.55	4.40	4.35	4.31	4.27
USDSGD	1.36	1.34	1.31	1.34	1.31
USDTHB	35.0	34.8	34.4	34.7	34.3

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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