

DAILY DIGEST

US-China trade reps to meet this week

- **Macro:** US-China trade reps to meet this week, though Trump downplays outcomes. China services activity slipped in Apr. Thailand considers decreasing electricity prices, revision to Phase 3 cash handout.
- **Fixed Income:** UST bull flattened 4-6bps amid solid 10Y UST auction, ahead of Fed's FOMC meeting tonight. MGS session remained tepid while IndoGB and ThaiGB was livelier on primary auction and non-resident inflows.
- **FX:** DXY slipped as trade talk progress dominated sentiment and G10 FX performance. MYR pared recent gains, ahead of BNM meeting tomorrow.

Global macro wrap

- **Global:** US officials including Treasury Secretary Scott Bessent and USTR Jamieson Greer will meet with China's Vice Premier He Lifeng and team for trade talks this week in Switzerland, coming as Bessent reiterated that current tariffs on China are 'unsustainable'. Nevertheless, President Trump downplayed trade negotiations, saying he would prescribe tariff levels and trade concessions with partners, rather than back-and-forth negotiations. China's Caixin services PMI fell to 50.7 in Apr (consensus: 51.8; Mar: 51.9), suggesting sharply slower acceleration in services growth, amid a sharp decline in new business orders while employment declined.
- **ASEAN:** Thailand's headline CPI flipped to deflation in Apr at -0.2% yoy (consensus: -0.1%; Mar: +0.8%), driven by sharply lower motor fuel prices (-8.4% yoy) on lower crude oil prices and the implementation of the THB1/litre reduction in diesel and petrol prices. Core inflation however further quickened to 1.0% yoy (consensus: 0.9%; Mar: 0.9%). Meanwhile, Thai energy authorities are planning to decrease electricity prices following a recent power tariff reduction, coming as PM Paetongtarn said that Phase 3 of the cash handout may require some revisions.

Fixed income

- **Majors:** UST rebounded 4-6bps in a slight bull flattening move, reinforced by calming fears of global trade discords and solid demand for the 10Y UST auction, following the earlier uptick in yields from 'sell America' sentiments. Markets see nil chance (2%) for a FFR cut from the Fed's FOMC meeting tonight, with a focus expected on policy statement language for a possible Jun or Jul cut instead.
- **ASEAN:** Mixed performance for regional bonds. MGS broadly rallied by 1-2bps across the curve, though yields on the two ends (3Y and 30Y) diverged with a 1bp rise, while the 5-7Y yields outperformed ahead of BNM's MPC meeting tomorrow. Activity picked up on the long-end, though overall trading volume remained modest. IndoGB closed overall weaker as activity centered on primary issuance instead, which saw very high incoming bids of IDR80.9tr (prior: IDR77.tr) centered on the 5Y benchmark FR104 (IDR43.tr), leading to the -4bps outperformance for the 5Ys. MOF also opted to upsize issuance to IDR30tr (initial target: 26tr) on solid demand. ThaiGB overall strengthened by up to 2bps post-holiday, coming as the THB also saw sharp gains on a record 1-day non-resident inflows of THB25.9bn.

FX

- **Majors:** Volatility on the rise once again, as DXY closed lower on broad-based G10 FX gains, ahead of the Fed's FOMC meeting tonight. With risk-on sentiment picking up from positive US-China trade talk news, early morning FX movements saw the CHF underperforming while AUD and NZD outperformed most peers. CAD placed mid-packed, after Trump said his meeting with the Canadian PM went 'very well', performing similarly to the GBP which are having intensive UK-US talks for an economic agreement, ahead of an expected BOE rate cut tomorrow.
- **ASEAN:** An end to the Asian FX sharp rally as the TWD (-0.5%) and MYR (-0.7%) pared gains, while the THB (+1.2%) and CNY (+0.7%) caught to recent gains post-holiday. This comes as the PBOC kept the daily CNY fixing rate steady, reflecting its continued desire to maintain FX stability to both upsides and downsides, thereby also reducing other Asian FX volatility. Meanwhile, the PBOC and financial regulators also announced that they will hold a press briefing today to stabilise markets, amid increasing risks to its economic outlook from US tariffs.

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Rates dashboard

Gov't bonds	Close	1D	1W	1M	YTD
UST 2Y	3.78	-5.0	13.3	5.7	-45.9
UST 10Y	4.29	-4.9	12.3	0.2	-27.4
MY 3Y	3.26	0.7	-1.2	-7.1	-22.3
MY 10Y	3.66	-0.5	0.8	-4.0	-15.3
ID 2Y	6.33	-0.8	-10.2	-39.0	-61.8
ID 10Y	6.86	0.8	-1.1	-19.1	-10.4
SG 2Y	2.11	-1.6	-2.2	-26.2	-60.5
SG 10Y	2.46	-1.3	-4.3	-10.7	-39.0
TH 2Y	1.55	-0.2	0.8	1.5	-45.0
TH 10Y	1.88	-2.2	-1.6	-2.9	-37.6

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

FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	99.24	-0.6	0.0	-3.6	-8.5
EURUSD	1.1369	0.5	-0.2	3.8	9.8
GBPUSD	1.3369	0.5	-0.3	4.7	6.8
AUDUSD	0.6495	0.4	1.7	9.0	5.0
USDCHF	0.8220	-0.0	-0.2	-3.0	-9.4
USDJPY	142.45	-0.9	0.1	-2.6	-9.4
USDCNH	7.2098	0.1	-0.8	-2.9	-1.7
USDMYR	4.2323	0.7	-2.2	-5.8	-5.4
USDIDR	16450	0.1	-1.9	-2.5	2.2
USDSGD	1.2883	-0.1	-1.5	-4.8	-5.7
USDTHB	32.66	-1.2	-2.2	-6.2	-4.2

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

Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	59.09	3.4	-2.2	-0.8	-17.6
Brent	62.15	3.2	-3.3	-1.1	-16.7
Copper	9,538	1.8	1.0	10.2	8.8
Gold	3,432	2.9	3.4	15.0	30.8
CPO	3,795	-2.4	-5.4	-16.8	-21.9

HIGHLIGHTS

FX: Taiwan's central bank says upward pressure on the local currency is easing and will inspect banks to ensure inflows are for investments, not speculation. This comes after recent moves to calm local insurers by ensuring that the TWD surge won't hurt insurers by reducing the nominal value of their USD assets.

Macro: The UK and India have agreed to a trade deal that slashes tariffs on various goods, including cosmetics, vehicles, and alcoholic beverages. The landmark deal is significant, with India burnishing its credentials as an alternative investment destination to China, while the UK show it has alternatives in the wake of its exit from the EU and US tariffs. The deal is expected to boost bilateral trade by £25.5 billion a year over the long run and will provide benefits to working people across the UK, including cheaper access to Indian goods and lower prices on British exports.

Macro: EU trade commissioner Maros Sefcovic said the EU will not be pushed to an unfair trade deal with the US, indicating that other countries are also seeking to forge closer ties with the 27-nation bloc.

Macro: Malaysia's government is considering a special package to mitigate the impact of US tariffs on impacted sectors, though no further details were announced as Tengku Zafrul said it is still under discussion and pending results of Malaysia's negotiations with the US.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
07 May 2025	SI	Foreign Reserves	Apr	--	\$381.08b
07 May 2025	CH	Foreign Reserves	Apr	--	\$3240.67b
07 May 2025	TH	Consumer Confidence	Apr	--	56.7
07 May 2025	US	FOMC Rate Decision (Upper Bound)	07 May	4.50%	4.50%
07 May 2025	US	FOMC Rate Decision (Lower Bound)	07 May	4.25%	4.25%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
06 May 2025	SI	S&P Global Singapore PMI	Apr	--	52.8	52.7
06 May 2025	CH	Caixin China PMI Composite	Apr	--	51.1	51.8
06 May 2025	CH	Caixin China PMI Services	Apr	51.8	50.7	51.9
06 May 2025	TH	CPI YoY	Apr	-0.1%	-0.2%	0.8%
06 May 2025	TH	CPI NSA MoM	Apr	-0.2%	0.2%	-0.2%
06 May 2025	TH	CPI Core YoY	Apr	0.9%	1.0%	0.9%
06 May 2025	EC	ECB's Panetta, BOK's Rhee, Cambodia's Chea in Milan				
06 May 2025	US	Trade Balance	Mar	-\$137.2b	-\$140.5b	-\$123.2b

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	4.29	-4.9	12.3	0.2	-27.4
UK	4.51	0.6	3.4	-9.1	-5.4
Germany	2.54	2.3	4.3	-9.0	17.5
Japan	1.26	0.0	-5.8	-0.1	17.1
Australia	4.33	6.3	14.3	9.3	-2.9
China	1.62	-0.2	-0.4	-3.8	-4.3
Malaysia	3.66	-0.5	0.8	-4.0	-15.3
Indonesia	6.86	0.8	-1.1	-19.1	-10.4
Singapore	2.46	-1.3	-4.3	-10.7	-39.0
Thailand	1.88	-2.2	-1.6	-2.9	-37.6
5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.27	-2	-2	-4	-28
SG	1.89	0	-2	-17	-77
TH	-	-	-	-	-
5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	62	2	1	-18	28
ID	97	1	2	-25	23
TH	61	0	1	-17	41

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	4.33	0	-3	-7	-16
EU o/n ESTRON	2.17	0	0	-25	-74
JP o/n TONAR	0.48	0	0	0	25
MY 3m KLIBOR	3.65	0	0	0	-8
MY MYOR	3.01	0	1	1	1
ID 3m JIBOR	6.60	0	0	0	-20
SG o/n SORA	2.27	0	10	-12	16
SG 3m SIBOR	3.30	0	0	0	0
TH BOT o/n THOR	1.74	-1	-25	-26	-50
Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	281	0.1	-0.6	2.5	4.6
Bloomberg US Aggregate	2243	0.2	-0.7	0.5	2.5
Bloomberg EUR Aggregate	245	-0.1	-0.2	1.0	0.4
Bloomberg Asia Aggregate	179	-0.1	0.9	-0.2	-4.4
Bloomberg Asia Pac Treasury	124	0.5	0.5	2.9	6.0
Bloomberg ASEAN Corp/Quasi	124	0.0	-0.8	0.9	1.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	99.24	-0.6	0.0	-3.6	-8.5
EURUSD	1.1369	0.5	-0.2	3.8	9.8
GBPUSD	1.3369	0.5	-0.3	4.7	6.8
AUDUSD	0.6495	0.4	1.7	9.0	5.0
USDJPY	142.45	-0.9	0.1	-2.6	-9.4
USDCNH	7.2098	0.1	-0.8	-2.9	-1.7
USDMYR	4.2323	0.7	-2.2	-5.8	-5.4
USDIDR	16,450	0.1	-1.9	-2.5	2.2
USDSGD	1.2883	-0.1	-1.5	-4.8	-5.7
USDTHB	32.66	-1.2	-2.2	-6.2	-4.2
GBPMYR	5.6359	0.8	-2.8	-1.6	0.4
AUDMYR	2.7281	0.0	-1.7	0.6	-1.9
SGDMYR	3.2782	0.4	-0.8	-1.4	-0.2
CNHMYR	0.5871	0.6	-1.4	-2.9	-3.7
IDRMYR	0.0257	0.8	-0.3	-3.2	-7.2
THBMYR	12.9672	1.5	0.3	0.8	-0.4

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P 500	5,606.91	-0.8	0.8	12.5	-4.7
Nasdaq 100	19,791.35	-0.9	1.3	15.8	-5.8
Eurostoxx	5,263.38	-0.4	2.0	10.3	7.5
Nikkei 225	36,830.69	0.0	2.8	11.6	-7.7
Hang Seng	22,662.71	0.7	3.0	12.6	13.0
KLCI	1,536.80	-0.2	1.4	6.5	-6.4
JCI	6,898.20	1.0	2.2	15.0	-2.6
SET	1,187.86	-0.9	1.4	10.5	-15.2
Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	102.29	1.1	-0.1	5.1	3.6
WTI (US\$/bbl)	59.09	3.4	-2.2	-0.8	-17.6
Brent (US\$/bbl)	62.15	3.2	-3.3	-1.1	-16.7
Natural Gas (US\$/mmbtu)	3.46	-2.5	2.3	-2.8	3.8
Copper (US\$/ton)	9,538	1.8	1.0	10.2	8.8
Gold (US\$/oz)	3,432	2.9	3.4	15.0	30.8
CPO (RM/ton)	3,795	-2.4	-5.4	-16.8	-21.9

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	8.9	3.6	5.1	4.0	4.9
Indonesia	5.3	5.0	5.0	4.5	5.0
Thailand	2.6	2.0	2.5	1.8	2.7
Inflation	2022	2023	2024	2025	2026
US	8.0	4.1	3.0	3.7	2.4
Malaysia	3.4	2.5	1.8	2.6	2.5
Indonesia	4.2	3.7	2.3	2.0	2.2
Thailand	6.1	1.2	0.4	1.0	1.6
Policy Rate	1Q25	2Q25	3Q25	4Q25	1Q26
US (upper bound)	4.50	4.25	4.00	3.75	3.75
Malaysia	3.00	3.00	2.75	2.75	2.75
Indonesia	5.75	5.50	5.25	5.00	5.00
Thailand	2.00	1.75	1.50	1.25	1.25
Commodities	1Q25	2Q25	3Q25	4Q25	1Q26
Brent (USD/bbl)	75	72	69	68	67
Gold (USD/oz)	3124	3100	3200	3225	3250

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	1Q25	2Q25	3Q25	4Q25	1Q26
UST 2Y	3.88	3.85	3.80	3.80	3.85
UST 10Y	4.21	4.00	3.90	4.00	4.05
MGS 3Y	3.39	3.35	3.05	3.00	3.05
MGS 10Y	3.77	3.75	3.60	3.55	3.55
IndoGB 2Y	6.60	6.40	6.30	6.20	6.10
IndoGB 10Y	6.99	6.95	6.80	6.65	6.50
ThaiGB 2Y	1.71	1.55	1.50	1.30	1.35
ThaiGB 10Y	2.05	1.80	1.75	1.60	1.70
SORA 3m	2.56	2.50	2.40	2.35	2.30
Currency	1Q25	2Q25	3Q25	4Q25	1Q26
DXY	104.2	102.9	102.6	102.9	103.2
EURUSD	1.08	1.09	1.09	1.08	1.07
GBPUSD	1.29	1.31	1.31	1.32	1.33
USDCHF	0.88	0.86	0.85	0.85	0.86
AUDUSD	0.62	0.65	0.64	0.63	0.63
USDJPY	150	145	143	143	141
USDCNH	7.27	7.40	7.45	7.50	7.55
USDIDR	16,560	16,400	16,500	16,600	16,600
USDMYR	4.44	4.50	4.50	4.45	4.45
USDSGD	1.34	1.34	1.34	1.34	1.33
USDTHB	33.9	34.7	35.0	35.2	35.7

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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