DAILY DIGEST

Powell pivots dovish at Jackson Hole

- *Macro: Fed Chair Jerome Powell signalled a dovish pivot at Jackson Hole, flagging rising labour market risks and downplaying tariff inflation concerns. Malaysia's headline CPI held at 1.2% yoy for Jul.*
- *Fixed Income: USTs bull-steepened after Powell's dovish remarks. Regional bonds traded cautiously ahead of Jackson Hole. IndoGBs twist-steepened with front-end supported by lower SRBI issuance.*
- *FX: DXY tumbled by 0.9% after Powell's dovish Jackson Hole speech. All G10 currencies rallied on dollar sell-off. Regional FX were mixed.*

Global macro wrap

- **Global:** US Fed Chair Powell signalled a dovish pivot at Jackson Hole, opening the door for rate cuts, as he highlighted labour market risks and downplayed tariffs as a "one-time price-shock", unless supply chains are disrupted. Powell also guided on a shift away from the 2020 "Flexible Average inflation targeting" (FAIT) framework, back to a forward-looking, flexible inflation-targeting with 2% as a symmetric objective — reaffirming the Fed's commitment to price stability and could imply higher rates for longer, even as markets eye near-term cuts. Contrastingly, St. Louis Fed's Musalem (voter) warned inflation is nearer to 3% than 2%, striking a cautious tone and guiding that more data is needed before supporting a Sep cut. Separately, US President Trump ordered a Section 232 probe on USD25.5bn in furniture imports — 60% from Vietnam and China, raising risks of new tariffs that could lift home furnishing prices.
- **ASEAN:** Malaysia's inflation held at 1.2% yoy in Jul (Consensus: 1.2% yoy, Jun: 1.1% yoy) as price easing in F&B and housing & utilities sector was offset by surges in health insurance prices. Core CPI held steady at 1.8% in Jul. Indonesia's Finance Ministry has pledged to continue disbursing fiscal incentives for the housing sector in 2026, allocating IDR3.4tr for VAT waiver on home purchases, while President Prabowo guided that Danatara will play a bigger role in balancing the state budget.

Fixed income

- **Majors:** USTs bull-steepened on Friday, led by the 3Y falling 10bp, after Fed Chair Powell's dovish remarks. Swap markets price an 85% chance of a Sep rate cut as of today, up from the 70% on Friday before Powell's speech. Some investors flagged stagflation risks and cautioned that current pricing may be too optimistic.
- **ASEAN:** Regional bonds traded cautiously ahead of Powell's remarks. IndoGBs twist-steepened as investors pared risk ahead of the speech. Front-end yields were driven lower by a 29bps drop in SRBI yields after BI issued IDR15tr — below the IDR17tr maturing this week. There is a conventional bond auction scheduled tomorrow with an indicative target of IDR27tr. MYR sovereign bonds were little changed as the CPI report was in line with expectations, while the 5Y IRS rose 1bp to 3.09%. ThaiGBs firmed slightly, with swap rates down 2bps before Powell's speech.

FX

- **Majors:** DXY tumbled by 0.9% after Powell's dovish Jackson Hole speech further solidified a 25bps Fed rate cut in Sep. All G10 currencies rallied on broad-based dollar weakness. EUR rose by 1.0% despite a worse-than-expected GDP data in Germany (2Q25: -0.3% qoq, 1Q25: -0.1%). GBP improved by 0.8%, alongside a surge in AUD (+1.1%), reversing bearish action throughout the week, pending the RBA meeting minutes' release on Tuesday. Separately, CNH rose by 0.2%. Safe haven JPY (+1.0%) and CHF (+0.9%) strengthened with JPY paring earlier losses as BoJ Governor Ueda guided that upward pressure on wages remained.
- **ASEAN:** Regional currencies mostly weakened against the greenback, with SGD (+0.6%) being the exception. MYR (-0.1%) edged lower despite CPI data meeting expectations, alongside THB (-0.1%) extending its weakening. IDR declined by 0.4% after BI's surprise policy rate cut last week, while Governor Perry Warjiyo guided on IDR projection of 16,000 to 16,500 in parliament for 2026.

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Rates dashboard

	22-Aug	1D	1W	1M	YTD
	Close	Change (bps)			
UST 2Y	3.70	-9.5	-5.4	-13.7	-54.5
UST 10Y	4.25	-7.4	-6.2	-9.0	-31.5
MGS 3Y	2.98	0.4	2.4	-9.7	-49.7
MGS 10Y	3.39	0.6	2.0	-4.0	-42.9
IndoGB 2Y	5.41	-3.5	-12.3	-34.2	-149.1
IndoGB 10Y	6.34	2.3	-4.0	-13.8	-63.1
SGS 2Y	1.54	-1.4	1.3	-11.7	-117.5
SGS 10Y	1.90	-0.9	2.5	-18.1	-95.3
ThaiGB 2Y	1.14	-0.4	-0.9	-16.6	-85.9
ThaiGB 10Y	1.34	-1.0	-0.4	-14.8	-91.1

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

FX dashboard

	22-Aug	1D	1W	1M	YTD
	Close	Change (%)			
DXY	97.72	-0.9	-0.1	0.3	-9.9
EURUSD	1.1718	1.0	0.1	-0.3	13.2
GBPUSD	1.3525	0.8	-0.2	-0.1	8.1
AUDUSD	0.6490	1.1	-0.3	-1.0	4.9
USDCHF	0.8015	-0.9	-0.7	1.2	-11.7
USDJPY	146.94	-1.0	-0.2	0.2	-6.5
USDCNH	7.1719	-0.2	-0.2	0.0	-2.3
USDMYR	4.2267	0.1	0.3	-0.1	-5.5
USDIDR	16,345	0.4	1.1	0.2	1.5
USDSGD	1.2814	-0.6	-0.1	0.2	-6.2
USDTHB	32.65	0.1	0.7	1.0	-4.3

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

Commodities dashboard

	22-Aug	1D	1W	1M	YTD
	Close	Change (%)			
WTI	63.66	0.2	1.4	-3.9	-11.2
Brent	67.73	0.1	2.9	-1.3	-9.3
Copper	9,797	0.7	0.2	-1.2	11.7
Gold	3,372	1.0	1.1	-1.7	28.5
CPO	4,453	1.4	2.7	6.1	-8.4

HIGHLIGHTS

Macro: US President Trump escalated pressure on the Fed by threatening to fire Governor Lisa Cook over disputed mortgage allegations, drawing pushback from Democrats who warn it undermines central bank independence, while his allies move to reshape the Fed's board ahead of Powell's 2026 term end.

Macro: The US will acquire a 9.9% stake in Intel for USD8.9bn by converting unpaid CHIPS Act grants and Secure Enclave funds, giving the struggling chipmaker USD10bn in support to expand US factories, while raising concerns over growing government intervention in corporate America.

Macro: China's FDI fell 13.4% yoy to CNY467.34 bn in 1H25, but inflows to high-tech sectors rose strongly, led by e-commerce (+146.8% yoy) and aerospace manufacturing (+42.2% yoy), with notable gains from ASEAN, Switzerland, Japan, and the UK.

Macro: Phumtham ordered nationwide readiness as Storm Kajiki (20 km/h) is set to hit the north. Vietnam on 25–26 Aug, bringing heavy rain and winds across Thailand (24–27 Aug), with emergency plans and a 24-hour hotline activated.

Macro: The Thai–Cambodian RBC meeting agreed on 13 ceasefire points and 3 Thai proposals covering mine clearance, cross-border crime, and new coordination mechanisms, but Cambodia rejected addressing the MOU 43 border issue, insisting it be handled via the JBC.

Macro: The Criminal Court on 22 Aug dismissed lese majeste and computer crimes charges against former PM Thaksin Shinawatra over a 2015 TV interview, ruling no offense was committed after closed-door hearings with testimony from Thaksin and senior ex-officials.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
25 Aug	SI	CPI YoY	Jul	0.8%	0.8%
25 Aug	SI	CPI NSA MoM	Jul	-0.3%	-0.1%
25 Aug	SI	CPI Core YoY	Jul	0.6%	0.6%
25 Aug	TH	Customs Exports YoY	Jul	9.6%	15.5%
25 Aug	TH	Customs Imports YoY	Jul	3.7%	13.1%
25 Aug	TH	Customs Trade Balance	Jul	$200m	$1062m
25 Aug	US	New Home Sales	Jul	630k	627k
25 Aug	US	New Home Sales MoM	Jul	0.5%	0.6%
25 Aug	US	Dallas Fed Manf. Activity	Aug	-1.7	0.9
25 Aug - 26 Aug	US	Building Permits	Jul F	--	1354k
25 Aug - 26 Aug	US	Building Permits MoM	Jul F	--	-2.8%
26 Aug	US	Fed's Logan Speaks at Bank of Mexico Centennial Conference			
26 Aug	US	Fed's Williams Gives Keynote Remarks			

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
22 Aug	MA	CPI YoY	Jul	1.2%	1.2%	1.1%
22 Aug	MA	Foreign Reserves	15 Aug	--	$122.0b	$121.3b
22 Aug	TH	Gross International Reserves	15 Aug	--	$266.6b	$265.6b
22 Aug	EC	Negotiated Wages	2Q	--	4.0%	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 3: Sovereign yields and CDS

	22-Aug	1D	1W	1M	YTD
10Y yields, %	**Close**	**Change (bps)**			
US	4.25	-7.4	-6.2	-9.0	-31.5
UK	4.69	-3.7	-0.4	12.3	12.6
Germany	2.72	-3.6	-6.7	13.1	35.6
Japan	1.62	1.3	5.1	10.5	53.2
Australia	4.31	3.5	8.5	0.9	-4.9
China	1.78	2.0	4.1	9.3	11.7
Malaysia	3.39	0.6	2.0	-4.0	-42.9
Indonesia	6.34	2.3	-4.0	-13.8	-63.1
Singapore	1.90	-0.9	2.5	-18.1	-95.3
Thailand	1.34	-1.0	-0.4	-14.8	-91.1
5Y IRS, %	**Close**	**Change (bps)**			
MY	3.09	0.6	3.0	-7.0	-46.0
SG	1.53	-0.5	2.7	-12.0	-114.1
TH	1.14	-2.3	1.7	-16.8	-84.3
5Y CDS, bps	**Close**	**Change (bps)**			
MY	39.35	-78.9	-161.4	-186.2	-904.0
ID	66.91	-78.7	-147.6	-561.9	-1,197.5
TH	39.91	-9.9	-40.8	-242.2	-335.2

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	22-Aug	1D	1W	1M	YTD
Interbank rates, %	**Close**	**Change (bps)**			
US O/N SOFR	4.32	0.0	-4.0	4.0	-17.0
EU O/N ESTRON	1.93	0.0	0.2	0.3	-97.9
JP O/N TONAR	0.48	0.0	-0.1	-0.3	24.9
MY 3M KLIBOR	3.21	0.0	0.0	-2.0	-52.0
MY MYOR	2.75	0.0	-1.0	0.0	-25.0
ID 3M JIBOR	5.91	-0.4	-25.8	-27.3	-101.2
SG O/N SORA	1.51	0.0	31.1	5.0	-60.6
SG 3M SORA	1.68	-0.6	-5.9	-19.8	-139.1
TH BOT O/N THOR	1.50	0.1	-0.1	-25.1	-74.9
Credit indices	**Close**	**Change (%)**			
Bloomberg Global Aggregate	291	0.7	0.3	0.7	8.5
Bloomberg US Aggregate	2,295	0.5	0.4	1.1	4.8
Bloomberg EUR Aggregate	246	0.2	0.3	-0.5	0.8
Bloomberg Asia Aggregate	181	-0.5	-0.4	-0.4	-3.3
Bloomberg Asia Pac Treasury	121	0.4	-0.5	-0.7	3.6
Bloomberg ASEAN Corp/Quasi	129	0.3	0.4	1.7	5.8

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	22-Aug	1D	1W	1M	YTD
FX	**Close**	**Change (%)**			
DXY	97.72	-0.9	-0.1	0.3	-9.9
EURUSD	1.1718	1.0	0.1	-0.3	13.2
GBPUSD	1.3525	0.8	-0.2	-0.1	8.1
AUDUSD	0.6490	1.1	-0.3	-1.0	4.9
USDJPY	146.94	-1.0	-0.2	0.2	-6.5
USDCNH	7.1719	-0.2	-0.2	0.0	-2.3
USDMYR	4.2267	0.1	0.3	-0.1	-5.5
USDIDR	16,345	0.4	1.1	0.2	1.5
USDSGD	1.2814	-0.6	-0.1	0.2	-6.2
USDTHB	32.65	0.1	0.7	1.0	-4.3
GBPMYR	5.6687	-0.4	-0.8	-0.8	1.0
AUDMYR	2.7133	0.0	-1.0	-1.6	-2.4
SGDMYR	3.2784	-0.2	-0.2	-0.8	-0.2
CNHMYR	0.5885	0.0	0.4	-0.3	-3.5
IDRMYR	0.0259	-0.3	-0.8	-0.3	-6.7
THBMYR	12.95	0.1	-0.3	-1.6	-0.6

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

	22-Aug	1D	1W	1M	YTD
Equities	**Close**	**Change (%)**			
S&P 500	6,467	1.5	0.3	2.5	10.0
Nasdaq 100	23,498	1.5	-0.9	1.9	11.8
Eurostoxx	5,488	0.5	0.7	3.7	12.1
Nikkei 225	42,633	0.1	-1.7	7.2	6.9
Hang Seng	25,339	0.9	0.3	0.8	26.3
KLCI	1,597	0.3	1.3	5.1	-2.7
JCI	7,859	-0.4	-0.5	7.0	11.0
SET	1,253	0.7	-0.5	5.2	-10.5
Commodities	**Close**	**Change (%)**			
Bloomberg Commodity Index	101.63	0.6	1.2	-2.9	2.9
WTI (USD/bbl)	63.66	0.2	1.4	-3.9	-11.2
Brent (USD/bbl)	67.73	0.1	2.9	-1.3	-9.3
Natural Gas (USD/mmbtu)	2.70	-4.5	-7.5	-17.9	-23.8
Copper (USD/ton)	9,797	0.7	0.2	-1.2	11.7
Gold (USD/oz)	3,372	1.0	1.1	-1.7	28.5
CPO (RM/ton)	4,453	1.4	2.7	6.1	-8.4

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**
DXY	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
USDCHF	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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