

# DAILY DIGEST

## JPY halts rally amid solid US data

- **Macro:** US advance 2Q24 GDP, core cap goods orders, and initial claims data supportive of US soft-landing narrative. Thailand considers new commission to regulate domestic energy prices. MAS kept monetary policy settings unchanged.
- **Fixed Income:** UST curve bull flattened, with higher intraday gains trimmed ahead of today's PCE data. Regional bonds closed stronger for the day.
- **FX:** DXY unchanged though most majors fell against the USD. JPY momentum halted as US data renewed interest in carry trades. CNH coasts alongside JPY gains despite PBOC 20bps cut to 1Y MLF rate.

### Global macro wrap

- **Global:** Advance GDP estimates indicate the US economy expanded 2.8% yoy annualised in 2Q24 (consensus: +2.0%; 1Q24: +1.4%), beating estimates amid a recovery in goods consumption (+2.5% vs. -2.3% in 1Q24) and further growth accelerations in government spending and nonresidential investments. Core capital goods orders rebound of +1% in Jun (consensus: +0.2%; May: -0.9%) further reinforced the growth data, despite the 6.6% slump in headline durable goods orders data (consensus: +0.3%; May: +0.1%) due to a sharp decline in nondefense aircraft and parts. US initial claims dipped 10k to 235k for the week ending 20 Jul, though remained significantly above this year's average. Following the earlier reduction in the 7-day repo rate, the PBOC unexpectedly lowered its 1Y medium-term lending facility (MLF) rate to 2.30% (previous: 2.50%) - also its first reduction in a year - underscoring coordinated efforts to reduce key rates across all fronts to stimulate the Chinese economy.
- **ASEAN:** The Monetary Authority of Singapore (MAS) kept all monetary policy settings unchanged for the S\$NEER policy band, as it maintained assessments for the Singapore economy to strengthen for the remaining year and with core inflation to step down discernibly in 4Q24. Thailand Energy Minister Pirapan said the government is considering a new commission to regulate domestic prices of fuel and cooking gas. Malaysia FM2 Amir Hamzah said a total of 3.4m EPF members have withdrawn from the Flexible Account amounting to RM8.9bn as of 19 Jul, more than halfway past its estimate of RM15bn for the first year of withdrawals.

### Fixed Income

- **Global:** UST closed firmer in a choppy trading day after US data supported a US soft-landing outlook, though initial gains were trimmed in the later session as markets position ahead for today's PCE numbers. UST curve bull flattened by up to 6bps for the 30Y's as solid US GDP data trimmed bets on aggressive Fed moves.
- **ASEAN:** Regional bonds closed in the green. MGS continued to strengthen by another 1-2bps in a steepening manner post earlier CPI data. ThaiGB mostly rallied within a 1-4bps range, though notably the 2Y's bucked trend as yields closed up by 2bps to 2.36%. IndoGB meanwhile saw lukewarm trading in the morning before activity picked up subsequently, with the front-to-belly section of the curve strengthening by 1-5bps for the day.

### FX

- **Majors:** DXY closed flat though most majors weakened against the USD. CHF (+0.4%) outperformed, benefiting from earlier risk-aversion trades despite the strong US GDP data, which grinded the JPY's earlier sharp rally to a halt. The JPY closed flat, with earlier intraday gains faded as US GDP data helped calm equity markets and revived market interest in carry trades. Meanwhile, early morning data saw core inflation data for Tokyo missing estimates in Jul, suggesting renewed pressure ahead for the JPY today ahead of the BOJ's policy meeting next week. AUD (-0.7%) continued to underperform amid the earlier yen's strength, shaky equity market confidence, and weak commodity prices.  
**ASEAN:** CNH continued to rally (+0.4%), coasting alongside earlier gains for the JPY despite the PBOC's 20bps cut to the 1Y MLF rate. The MYR (+0.2%) rallied alongside, while IDR moved in the opposite direction (-0.2%). THB and SGD closed unchanged.

### Research Analysts

**Michelle Chia**  
 Head of Research  
 +603 2261 8353  
 michelle.chia@cimb.com

**Lim Yee Ping**  
 Senior Economist  
 +603 2261 8339  
 yeeping.limyp@cimb.com

**Chew Khai Yen**  
 Economist  
 +603 2261 8557  
 khaiyen.chew@cimb.com

**Michael Yim**  
 Economist  
 +603 2261 8296  
 michael.yim@cimb.com

### Rates dashboard

Gov't bonds	Close	Change (bps)			
		1D	1W	1M	YTD
UST 2Y	4.43	0.0	-4.1	-28.1	18.1
UST 10Y	4.24	-4.3	3.9	-4.6	36.2
MY 3Y	3.44	-1.9	-2.5	-9.4	-2.4
MY 10Y	3.78	-1.8	-2.3	-8.7	5.3
ID 2Y	6.63	-3.4	-3.8	-5.0	28.5
ID 10Y	6.97	-1.5	5.8	-11.9	51.9
SG 2Y	3.00	-12.9	-13.8	-35.9	-25.8
SG 10Y	2.97	-8.0	-4.7	-27.8	27.5
TH 2Y	2.36	2.0	2.6	1.0	-1.8
TH 10Y	2.62	-1.4	1.1	-8.4	-6.1

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

### FX dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.36	-0.0	0.2	-1.5	3.0
EURUSD	1.0846	0.1	-0.5	1.3	-1.7
GBPUSD	1.2851	-0.4	-0.7	1.7	0.9
AUDUSD	0.6538	-0.7	-2.5	-1.6	-4.0
USDCHF	0.8817	-0.4	-0.7	-1.9	4.8
USDJPY	153.94	0.0	-2.2	-4.2	9.1
USDCNH	7.2402	-0.4	-0.5	-0.9	1.6
USDMYR	4.6613	-0.2	-0.2	-1.2	1.5
USDIDR	16250	0.2	0.6	-0.9	5.5
USDSGD	1.3434	0.0	-0.0	-1.1	1.7
USDTHB	36.15	-0.0	0.5	-2.0	5.9

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

### Commodities dashboard

	Close	1D (%)	1W (%)	1M (%)	YTD (%)
WTI	78.28	0.9	-5.5	-4.2	9.3
Brent	82.37	0.8	-3.2	-4.7	6.9
Copper	9,104	0.0	-3.0	-4.3	6.4
Gold	2,365	-1.4	-3.3	1.6	14.6
CPO	4,008	0.4	0.6	1.6	9.4

## HIGHLIGHTS

**Macro:** Thailand Energy Minister Pirapan said a new bill is being considered by the Council of State, which will establish a new commission that will allow them to regulate domestic oil and cooking gas prices through the use of varying tax rates on oil products (currently under the Finance Ministry's Purview). The oil fund office would also be dissolved with its duty transferred to the new commission.

**Macro:** Indonesia launched a "Golden Visa" scheme intended to attract foreign investors with visa validity of up to 10-years, based on the investment amount. Chief of Immigration Agency Silmy said since they began testing permits last year, Indonesia has granted almost 300 golden visas and attracted USD300m in foreign investments.

**Macro:** Malaysia Plantations Minister Johari Abdul Ghani said the government is considering simplifying the loan process from banks to oil palm smallholders for the upcoming Budget 2025.

**Macro:** Malaysia's leading index rose 3.8% yoy to 114.2 points in May (May 2023: 110.0 points), as DOSM Chief Statistician Dr Mahidin commented that it reflects the economy's resilience, with increasing tourism and external demand being the main drivers. Malaysia's 2023 nominal GDP amounted to RM1.8tr, with growth slowing down to 1.6% (previously: +15.9%). Growth was driven by improvements in the labour market, after a new minimum wage of RM1,500 was implemented starting May 2023.

**Macro:** Thailand's auto production forecast for 2024 was revised down to 1.7m units (previously: 1.9m units) due to poor domestic car sales plummeting by 26% yoy in June.

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
26 Jul 2024	SI	Singapore MAS July 2024 Monetary Policy Statement			
26 Jul 2024	TH	Customs Imports YoY	Jun	2.6%	-1.7%
26 Jul 2024	TH	Customs Exports YoY	Jun	2.6%	7.2%
26 Jul 2024	TH	Customs Trade Balance	Jun	\$600m	\$656m
26 Jul 2024	SI	Industrial Production SA MoM	Jun	-0.6%	1.1%
26 Jul 2024	SI	Industrial Production YoY	Jun	-0.1%	2.9%
26 Jul 2024	TH	Gross International Reserves	19 Jul	--	\$227.8b
26 Jul 2024	EC	ECB 1 Year CPI Expectations	Jun	--	2.8%
26 Jul 2024	EC	ECB 3 Year CPI Expectations	Jun	--	2.3%
26 Jul 2024	US	Personal Income	Jun	0.4%	0.5%
26 Jul 2024	US	Personal Spending	Jun	0.3%	0.2%
26 Jul 2024	US	PCE Price Index MoM	Jun	0.1%	0.0%
26 Jul 2024	US	PCE Price Index YoY	Jun	2.4%	2.6%
26 Jul 2024	US	Core PCE Price Index MoM	Jun	0.2%	0.1%
26 Jul 2024	US	Core PCE Price Index YoY	Jun	2.5%	2.6%
26 Jul 2024	US	U. of Mich. Sentiment	Jul F	66.4	66

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
25 Jul 2024	US	Fed's Bowman, Logan Give Opening Remarks				
25 Jul 2024	EC	ECB's Nagel Speaks				
25 Jul 2024	US	GDP Annualized QoQ	2Q A	2.0%	2.8%	1.4%
25 Jul 2024	US	Personal Consumption	2Q A	2.0%	2.3%	1.5%
25 Jul 2024	US	Initial Jobless Claims	20 Jul	238k	235k	245k
25 Jul 2024	US	Durable Goods Orders	Jun P	0.3%	-6.6%	0.1%
25 Jul 2024	US	Cap Goods Orders Nondef Ex Air	Jun P	0.2%	1.0%	-0.9%

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	4.24	-4.3	3.9	-4.6	36.2
UK	4.13	-2.6	6.6	0.0	59.3
Germany	2.42	-2.6	-1.4	-3.1	39.5
Japan	1.05	-2.2	1.7	-1.9	44.3
Australia	4.31	-1.5	7.3	-9.7	35.7
China	2.21	-2.3	-5.4	0.2	-35.2
Malaysia	3.78	-1.8	-2.3	-8.7	5.3
Indonesia	6.97	-1.5	5.8	-11.9	51.9
Singapore	2.97	-8.0	-4.7	-27.8	27.5
Thailand	2.62	-1.4	1.1	-8.4	-6.1

  

5Y IRS	Close	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	3.48	-2	-6	-15	-11
SG	2.66	-8	-10	-35	9
TH	2.57	0	0	0	0

  

5Y CDS	Close (bps)	1D (bps)	1W (bps)	1M (bps)	YTD (bps)
MY	44	3	4	-6	4
ID	77	3	3	-2	7
TH	42	3	5	-5	3

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	5.34	0	0	0	-4
EU o/n ESTRON	3.67	0	0	0	-22
JP o/n TONAR	0.08	0	0	0	12
MY 3m KLIBOR	3.57	-1	-1	-2	-20
MY MYOR	3.00	0	0	-1	0
ID 3m JIBOR	7.10	0	0	0	25
SG o/n SORA	3.55	0	1	10	-8
TH BOT o/n THOR	2.49	0	0	-0	-0

  

Credit indices	Close	1D (%)	1W (%)	1M (%)	YTD (%)
Bloomberg Global Aggregate	268	0.1	-0.5	1.2	0.4
Bloomberg US Aggregate	2171	0.2	-0.3	0.7	0.4
Bloomberg EUR Aggregate	238	0.2	-0.1	1.2	0.1
Bloomberg Asia Aggregate	182	0.5	-1.1	-1.8	3.9
Bloomberg Asia Pac Treasury	117	0.1	1.1	3.0	-6.2
Bloomberg ASEAN Corp/Quasi	120	0.1	-0.3	0.7	2.9

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

Currencies	Close	1D (%)	1W (%)	1M (%)	YTD (%)
DXY	104.36	-0.0	0.2	-1.5	3.0
EURUSD	1.0846	0.1	-0.5	1.3	-1.7
GBPUSD	1.2851	-0.4	-0.7	1.7	0.9
AUDUSD	0.6538	-0.7	-2.5	-1.6	-4.0
USDJPY	153.94	0.0	-2.2	-4.2	9.1
USDCNH	7.2402	-0.4	-0.5	-0.9	1.6
USDMYR	4.6613	-0.2	-0.2	-1.2	1.5
USDIDR	16,250	0.2	0.6	-0.9	5.5
USDSGD	1.3434	0.0	-0.0	-1.1	1.7
USDTHB	36.15	-0.0	0.5	-2.0	5.9
GBPMYR	6.0063	-0.4	-1.0	0.7	2.9
AUDMYR	3.0415	-1.3	-3.3	-3.3	-2.7
SGDMYR	3.4725	-0.0	-0.3	-0.1	-0.2
CNHMYR	0.6438	0.1	0.3	-0.3	-0.2
IDRMYR	0.0287	-0.5	-0.8	-0.2	-3.9
THBMYR	12.8626	-0.7	-0.8	0.5	-4.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity indices and commodity prices

Equities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
S&P500	5,399.22	-0.5	-2.6	-1.5	13.2
Nasdaq	17,181.72	-0.9	-3.9	-3.8	14.5
Eurostoxx	4,811.28	-1.0	-1.2	-1.9	6.4
Nikkei 225	37,869.51	-3.3	-5.6	-3.7	13.2
Hang Seng	17,004.97	-1.8	-4.4	-4.0	-0.2
KLCI	1,615.18	-0.4	-1.1	1.9	11.0
JCI	7,240.28	-0.3	-1.1	3.9	-0.4
SET	1,291.58	-0.5	-2.5	-1.4	-8.8

  

Commodities	Close	1D (%)	1W (%)	1M (%)	YTD (%)
BCOM Index	96.78	-0.5	-2.2	-4.5	-1.9
WTI (US\$/bbl)	78.28	0.9	-5.5	-4.2	9.3
Brent (US\$/bbl)	82.37	0.8	-3.2	-4.7	6.9
Natural Gas (US\$/mmbtu)	2.04	-3.6	-4.0	-24.0	-24.3
Copper (US\$/ton)	9,104	0.0	-3.0	-4.3	6.4
Gold (US\$/oz)	2,365	-1.4	-3.3	1.6	14.6
CPO (RM/ton)	4,008	0.4	0.6	1.6	9.4

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

GDP	2021	2022	2023	2024	2025
Malaysia	3.3	8.9	3.6	4.9	4.7
Indonesia	3.7	5.3	5.0	5.0	5.0
Singapore	9.7	3.8	1.1	2.1	2.6
Thailand	1.6	2.5	1.9	2.8	3.0

  

Policy rate	3Q24	4Q24	1Q25	2Q25	3Q25
US (upper bound)	5.50	5.25	5.00	4.75	4.50
Malaysia	3.00	3.00	3.00	3.00	3.00
Indonesia	6.25	6.00	5.75	5.50	5.50
Thailand	2.50	2.50	2.50	2.50	2.50

  

Commodity prices	3Q24	4Q24	1Q25	2Q25	3Q25
Brent (USD/bbl)	80	75	73	73	75
WTI (USD/bbl)	76	71	69	69	71
CPO (RM/mt)	3,800	3,800	3,900	4,000	3,900
Gold (USD/oz)	2,300	2,300	2,325	2,350	2,400
Copper (USD/mt)	9,000	9,200	9,500	10,000	9,800

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

Rates	3Q24	4Q24	1Q25	2Q25	3Q25
UST 2Y	4.60	4.55	4.45	4.35	4.25
UST 10Y	4.15	4.20	4.15	4.10	4.10
MGS 3Y	3.55	3.55	3.55	3.50	3.45
MGS 10Y	3.75	3.75	3.80	3.80	3.80
IndoGB 2Y	6.65	6.50	6.35	6.20	6.25
IndoGB 10Y	6.95	7.00	7.05	7.10	7.15
ThaiGB 2Y	2.40	2.40	2.40	2.40	2.45
ThaiGB 10Y	2.85	2.90	2.95	2.95	3.05

  

Currency	3Q24	4Q24	1Q25	2Q25	3Q25
DXY	105.1	104.4	103.7	103.1	102.5
EURUSD	1.07	1.08	1.09	1.10	1.10
GBPUSD	1.28	1.29	1.30	1.29	1.29
USDCHF	0.89	0.89	0.89	0.89	0.89
AUDUSD	0.67	0.68	0.69	0.70	0.71
USDJPY	150	148	146	144	143
USDCNH	7.26	7.25	7.25	7.24	7.23
USDIDR	16,268	16,249	16,158	16,080	16,002
USDMYR	4.70	4.66	4.61	4.57	4.53
USDSGD	1.35	1.34	1.33	1.32	1.30
USDTHB	36.46	36.13	35.79	35.50	35.22

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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