

DAILY DIGEST

Prabowo floats 3.0% fiscal deficit breach

- **Macro:** US strikes Iranian targets on Kharg Island, escalating ME tensions. US 4Q25 GDP revised down to 0.7%. Indonesia's President guided at temporarily exceeding the 3.00% deficit cap if oil prices stay high.
- **Fixed Income:** UST twist-steepened as the sharp 4Q25 GDP miss slightly raised rate cut expectation. Inflation risks kept upward pressures on regional bond yields.
- **FX:** The DXY recorded second consecutive week of gains to YTD high amid safe haven flows. G10 and regional FX weakened against the greenback.

Global macro wrap

- **Global:** Geopolitical tensions in the ME deepened as US forces struck Iranian military targets on Kharg Island, the hub handling roughly 90% of Iran's oil exports, with President Trump warning of more and Iran vowing retaliation. Brent and WTI settled higher on Friday at USD 103.14/bbl and USD 98.71, respectively. US macro data saw annualised 4Q25 GDP revised down to 0.7% qoq (Consensus: 1.4% qoq, prior: 1.4% qoq), reflecting weaker consumer spending, softer government outlays and lower exports. JOLTS rose to 6.95m in Jan (Consensus: 6.75m, Dec: 6.55m), though hiring activity remained subdued, while PCE price index (Consensus: 2.9% yoy, Dec: 2.9% yoy) and core PCE (Consensus: 3.1% yoy, Dec: 3.0% yoy) stood persistently at 2.8% yoy and 3.1% yoy, respectively, even before the latest oil shock. The USTR launched a second wave of Section 301 probes covering 60 economies over alleged forced labour violations, reviving tariff pressure after the SCOTUS struck down global tariffs in Feb.
- **ASEAN:** Indonesia's President Prabowo signalled that the 3% of GDP budget deficit cap may be temporarily exceeded in emergencies if oil prices stay elevated, with no plan to permanently revise the ceiling. FM Purbaya said that he is ready to carry out the President's mandate. Malaysia PM Anwar said that the RON95 will be capped at RM1.99/litre, costing the government RM2.0bn monthly. Diesel in Sabah and Sarawak will also remain subsidised at RM2.15/ litre. Thailand is negotiating with a major U.S. LNG producer to raise contracted deliveries from 1.0 mtpa to 1.3 mtpa under a long-term agreement through 2041, while also signalling openness to purchasing Russian crude as part of broader energy diversification.

Fixed Income

- **Global:** USTs performed mixed. Short-dated USTs rallied 2bps as markets raised US rate cut expectations from 18bps to 24bps following the 4Q25 GDP miss due to US government shutdown. Long-dated bonds cheapened by 2bps.
- **ASEAN:** Inflation risks kept upward pressures on regional rates, as MYR 5Y IRS rose by 2bps to 3.49% and THB 5Y THOR by 7bps to 1.57%. In Malaysia, MGS traded within a tight range while GII rallied across the 5-30Y tenors. The new 3Y MGS 03/29 auction was priced at an average yield of 3.237%, with a BTC of 2.218x on the RM5bn size. 3M KLIBOR rose 1bp to 3.28%, the highest level since early Jan. The 5Y IndoGB (+14bps) underperformed, catching up to the recent 2Y yield movement that flattened the 2s5s spread to 39bps (1-year mean: 44bps). With elevated front-end IndoGB yields, BI trimmed SRBI issuance to IDR150bn (prior: IDR8tr). ThaiGBs weakened by 3-6bps on the back of a sixth consecutive day of non-resident bond outflows (13 Mar: -THB6.6bn).

FX

- **Majors:** The DXY rose 0.6% and 1.4% to close at 100.36 on Friday, the highest level this year, as escalating Middle East crisis and oil-driven inflationary pressures drove dollar demand with all G10 FX weakening against the greenback. G10 currencies claw back some losses this morning, with AUD (+0.4%) leading the advance ahead of the anticipated second consecutive RBA rate hike tomorrow.
- **ASEAN:** Regional FX weakened against the dollar. THB underperformed with a 1.4% decline on the back of foreign bond and equity outflows. MYR, IDR, and SGD fell 0.3% respectively, as the PBOC sets a weaker fixing for CNY.

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Rates dashboard

	13-Mar	1D	1W	1M	YTD	
	Close	Change (bps)				
UST 2Y	3.72	-2.4	15.6	30.9	26.9	
UST 10Y	4.28	1.6	13.8	22.8	15.5	
MGS 3Y	3.13	1.3	4.7	7.9	12.2	
MGS 10Y	3.56	0.6	0.9	1.6	3.9	
IndoGB 2Y	5.92	3.8	68.3	86.6	101.5	
IndoGB 10Y	6.78	7.2	18.4	39.2	70.9	
SGS 2Y	1.43	2.2	7.1	12.1	-8.0	
SGS 10Y	2.08	3.0	10.1	15.5	-6.5	
ThaiGB 2Y	1.18	2.9	5.9	-0.1	5.1	
ThaiGB 10Y	2.03	5.8	14.1	16.3	37.3	

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

FX dashboard

	13-Mar	1D	1W	1M	YTD	
	Close	Change (%)				
DXY	100.36	0.6	1.4	3.6	2.2	
EURUSD	1.1417	-0.8	-1.7	-3.8	-2.8	
GBPUSD	1.3230	-0.8	-1.4	-3.1	-1.8	
AUDUSD	0.6981	-1.4	-0.7	-1.3	4.3	
USDCHE	0.7911	0.6	1.9	3.0	-0.1	
USDJPY	159.73	0.2	1.2	4.6	2.1	
USDCNH	6.9065	0.4	0.1	0.1	-1.2	
USDMYR	3.9375	0.3	-0.3	0.8	-2.7	
USDIDR	16,944	0.3	0.2	0.6	1.0	
USDSGD	1.2829	0.3	0.4	1.6	-0.1	
USDTHB	32.30	1.4	1.1	3.9	2.5	

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

Commodities dashboard

	13-Mar	1D	1W	1M	YTD	
	Close	Change (%)				
WTI	98.71	3.1	8.6	57.0	70.3	
Brent	103.14	2.7	11.3	52.2	66.6	
Copper	12,781	-1.7	-0.6	-0.8	1.8	
Gold	5,019	-1.2	-2.9	-0.4	15.7	
CPO	4,525	2.3	6.5	14.6	12.4	

HIGHLIGHTS

Figure 1: Data Preview

Date	Country	Indicator	Period	Survey	Prior
16 Mar	CH	New Home Prices MoM	Feb	--	-0.4%
16 Mar	CH	Used Home Prices MoM	Feb	--	-0.5%
16 Mar	CH	Fixed Assets Ex Rural YTD YoY	Feb	-5.1%	--
16 Mar	ID	External Debt	Jan	--	\$431.7b
16 Mar	US	Empire Manufacturing	Mar	3.90	7.10
16 Mar	US	Industrial Production MoM	Feb	0.1%	0.7%
16 Mar	US	Capacity Utilization	Feb	76.2%	76.2%
16 Mar	US	NAHB Housing Market Index	Mar	37.0	36.0

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 2: Data Review

Date	Country	Indicator	Period	Survey	Actual	Prior
13 Mar	TH	Consumer Confidence	Feb	--	53.7	52.8
13 Mar	TH	Gross International Reserves	6-Mar	--	\$288.3b	\$293.9b
13 Mar	US	Personal Income	Jan	0.5%	0.4%	0.3%
13 Mar	US	Personal Spending	Jan	0.30%	0.40%	0.40%
13 Mar	US	PCE Price Index MoM	Jan	0.30%	0.30%	0.40%
13 Mar	US	PCE Price Index YoY	Jan	2.9%	2.8%	2.9%
13 Mar	US	Core PCE Price Index MoM	Jan	0.4%	0.4%	0.4%
13 Mar	US	Core PCE Price Index YoY	Jan	3.1%	3.1%	3.0%
13 Mar	US	Durable Goods Orders	Jan P	1.1%	0.0%	-0.9%
13 Mar	US	Cap Goods Orders Nondef Ex Air	Jan P	0.5%	0.0%	0.8%
13 Mar	US	GDP Annualized QoQ	4Q S	1.40%	0.7%	1.4%
13 Mar	US	Personal Consumption	4Q S	2.4%	2.0%	2.4%
13 Mar	US	U. of Mich. Sentiment	Mar P	54.8	55.5	56.6
13 Mar	US	JOLTS Job Openings	Jan	6750k	6946k	6550k
13 Mar	US	JOLTS Job Openings Rate	Jan	4.0%	4.2%	3.9%
13 Mar	US	JOLTS Quits Level	Jan	3118k	3137k	3225k
13 Mar	US	JOLTS Quits Rate	Jan	--	2.0%	2.0%
13 Mar	US	JOLTS Layoffs Level	Jan	1766k	1631k	1666k
13 Mar	US	JOLTS Layoffs Rate	Jan	--	1.0%	1.1%

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 3: Sovereign yields and CDS

	13-Mar	1D	1W	1M	YTD
10Y yields, %	Close	Change (bps)			
US	4.28	1.6	13.8	22.8	15.5
UK	4.82	4.9	19.6	40.7	32.5
Germany	2.98	2.5	12.2	22.6	12.6
Japan	2.25	7.3	8.6	3.5	19.2
Australia	4.95	-0.1	10.8	20.3	20.5
China	1.82	0.6	2.6	4.1	-2.7
Malaysia	3.56	0.6	0.9	1.6	3.9
Indonesia	6.78	7.2	18.4	39.2	70.9
Singapore	2.08	3.0	10.1	15.5	-6.5
Thailand	2.03	5.8	14.1	16.3	37.3
5Y IRS, %	Close	Change (bps)			
MY	3.49	2.0	2.5	4.7	13.3
SG	1.83	8.2	10.8	15.2	-11.2
TH	1.57	7.2	15.3	19.5	33.3
5Y CDS, bps	Close	Change (bps)			
MY	46.70	18.0	491.1	969.8	846.1
ID	92.46	222.1	594.9	1,091.1	2,368.6
TH	49.26	49.3	623.6	1,159.8	1,043.8

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 4: Interbank rates and credit indices

	13-Mar	1D	1W	1M	YTD
Interbank rates, %	Close	Change (bps)			
US O/N SOFR	3.65	0.0	0.0	-1.0	-6.0
EU O/N ESTRON	1.93	0.0	-0.1	0.2	0.2
JP O/N TONAR	0.73	0.0	0.6	0.6	0.7
MY 3M KLIBOR	3.28	1.0	3.0	5.0	0.0
MY MYOR	2.75	0.0	0.0	0.0	0.0
ID IndONIA	4.01	-1.3	-1.0	6.6	-10.6
SG O/N SORA	0.89	0.0	0.6	-16.5	-43.5
SG 3M SORA	1.10	-0.3	-1.4	-4.0	-8.7
TH BOT O/N THOR	0.99	-0.3	-0.1	-25.0	-25.3
Credit indices	Close	Change (%)			
Bloomberg Global Aggregate	293	-0.5	-1.4	-2.9	-1.5
Bloomberg US Aggregate	2,345	-0.1	-0.9	-1.4	-0.3
Bloomberg EUR Aggregate	246	-0.2	-0.7	-1.6	-0.3
Bloomberg Asia Aggregate	192	-0.3	0.3	2.2	1.8
Bloomberg Asia Pac Treasury	116	-0.6	-1.2	-2.4	-1.0
Bloomberg ASEAN Corp/Quasi	132	-0.2	-0.9	-1.2	-0.5

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 5: Currencies

	13-Mar	1D	1W	1M	YTD
FX	Close	Change (%)			
DXY	100.36	0.6	1.4	3.6	2.2
EURUSD	1.1417	-0.8	-1.7	-3.8	-2.8
GBPUSD	1.3230	-0.8	-1.4	-3.1	-1.8
AUDUSD	0.6981	-1.4	-0.7	-1.3	4.3
USDJPY	159.73	0.2	1.2	4.6	2.1
USDCNH	6.9065	0.4	0.1	0.1	-1.2
USDMYR	3.9375	0.3	-0.3	0.8	-2.7
USDIDR	16,944	0.3	0.2	0.6	1.0
USDSGD	1.2829	0.3	0.4	1.6	-0.1
USDTHB	32.30	1.4	1.1	3.9	2.5
GBPMYR	5.2221	-0.7	-0.7	-1.9	-4.6
AUDMYR	2.7703	-1.1	0.3	0.2	2.1
SGDMYR	3.0749	-0.2	-0.2	-0.6	-2.5
CNHMYR	0.5702	-0.2	-0.2	0.8	-1.5
IDRMYR	0.0232	0.0	-0.4	0.1	-3.8
THBMYR	12.19	-0.8	-1.6	-2.9	-5.3

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 6: Global equity and commodity prices

	13-Mar	1D	1W	1M	YTD
Equities	Close	Change (%)			
S&P 500	6,632	-0.6	-1.6	-3.0	-3.8
Nasdaq 100	24,381	-0.6	-1.1	-1.4	-4.2
Eurostoxx	5,717	-0.6	-0.1	-4.5	-1.4
Nikkei 225	53,820	-1.2	-3.2	-5.5	6.9
Hang Seng	25,466	-1.0	-1.1	-4.1	-1.5
KLCI	1,699	-0.7	-1.1	-2.3	0.9
JCI	7,137	-3.1	-5.9	-13.1	-17.5
SET	1,409	-1.4	-0.1	-1.5	11.9
Commodities	Close	Change (%)			
Bloomberg Commodity Index	134.94	-0.1	2.6	15.0	20.5
WTI (USD/bbl)	98.71	3.1	8.6	57.0	70.3
Brent (USD/bbl)	103.14	2.7	11.3	52.2	66.6
Natural Gas (USD/mmbtu)	3.13	-3.2	-1.7	0.9	-6.1
Copper (USD/ton)	12,781	-1.7	-0.6	-0.8	1.8
Gold (USD/oz)	5,019	-1.2	-2.9	-0.4	15.7
CPO (RM/ton)	4,525	2.3	6.5	14.6	12.4

SOURCE: BLOOMBERG, CIMB TREASURY AND MARKETS RESEARCH

Figure 7: Economic and commodity price forecasts

	2023	2024	2025	2026
GDP				
US	2.9	2.8	2.2	1.9
Malaysia	3.5	5.1	5.2	4.5
Indonesia	5.0	5.0	5.1	5.3
Thailand	2.2	2.9	2.4	2.1
Inflation				
US	4.1	3.0	2.7	2.4
Malaysia	2.5	1.8	1.4	1.5
Indonesia	3.7	2.3	1.9	3.0
Thailand	1.2	0.4	-0.1	0.3
Policy Rate				
US (upper bound)	3.75	3.50	3.25	3.25
Malaysia	2.75	2.75	2.75	2.75
Indonesia	4.75	4.75	4.75	4.75
Thailand	1.00	1.00	1.00	1.00
Commodities				
Brent (USD/bbl)	80	85	75	70
Gold (USD/oz)	5,000	5,000	5,000	5,000

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

Figure 8: Rates and currency forecasts

	1Q26	2Q26	3Q26	4Q26
Rates				
UST 2Y	3.55	3.50	3.40	3.45
UST 10Y	4.20	4.20	4.15	4.20
MGS 3Y	3.10	3.05	3.05	3.10
MGS 10Y	3.50	3.45	3.50	3.55
IndoGB 2Y	5.30	5.20	5.15	5.15
IndoGB 10Y	6.70	6.60	6.50	6.60
ThaiGB 2Y	1.00	1.00	1.05	1.05
ThaiGB 10Y	1.75	1.70	1.65	1.65
SORA 3M	1.10	1.00	1.10	1.30
Currency				
DXY	96.9	95.9	95.0	94.5
EURUSD	1.20	1.21	1.22	1.23
GBPUSD	1.36	1.36	1.37	1.37
USDCHEF	0.77	0.78	0.78	0.78
AUDUSD	0.70	0.71	0.72	0.73
USDJPY	152	150	149	148
USDCNH	6.86	6.85	6.83	6.80
USDIDR	16,700	16,750	16,700	16,700
USDMYR	3.86	3.80	3.78	3.80
USDSGD	1.27	1.26	1.25	1.24
USDTHB	31.00	30.85	30.50	30.70

SOURCE: CIMB TREASURY AND MARKETS RESEARCH

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