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US : Easing inflation has lifted the foot off the pedal for now. Failure to pass the Republican health bill also raises doubts as to Trump's ability to push through expansionary reforms. The desire to scale back balance sheet further offsets a more bullish interest rates stance. The market remains expectant of **one more rate hike for this year**.

Europe: Despite striking a dovish tone and noting inflation not at desired levels, the market has begun to build up expectations of a QE taper in the months ahead. This process allows for **policy rates to remain at current levels** for awhile more. **Watch out for further economic signals** for the end of stimulus after almost 1½ years of zero rates.

Japan : Citing underwhelming inflation in 1H2017, inflation target of 2% has now been pushed back a year to 2019. **Negative rates and accommodative interest rates policies to prevail till year end**.

Malaysia : While noting an improved global growth outlook and suggesting that inflation should moderate in second half of the year, **interest rates should remain unchanged for the rest of this year**. Run-up to elections also add to the argument for an accommodative monetary policy for now. However, improving external factors and resilient domestic data suggest that days for ultra low rates are numbered.