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US : With Biden in the White House, a sense of normality and stability may return. Policies are likely to lean left as they attempt to narrow wealth gap with more socialistic views and support for the under privileged masses. However, with Biden pressing for more relief budget, the Dow Jones will likely run way ahead as vaccine optimism filter through. Besides, inflation remains far below long term target. Federal Reserve has expressed need for **low for longer, therefore Federal Fund Rate should remain at current 0-0.25% for the year.**

Malaysia: The resurgence of Covid cases have knocked our recovery momentum with movement restrictions reimposed while global economy picks up. However we remain on track to gain pace from 2Q as vaccines begin to arrive. At the very least, sentiment will improve as restrictions are relaxed and consumerism reignites. For now, rate cuts likelihood is diminished but a hike is equally unlikely in the near term. Inflation will begin to rise from 2Q and will remain artificially high for the next 12 months. It is believed growth will have to return to sustainable momentum before considering rate hikes. **Low rates for the year likely.**