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US : No end in sight for the pandemic with leadership in the US prioritizing wealth over health. Inevitably, this will likely lead to a prolonged drag on the economy with the citizens torn between fear and anger. Unlikely economic turnaround even in the third quarter means **US interest rates will stay at zero for extended period through 2021**. However, an early vaccine discovery may spark a very sharp V-shaped recovery and may flip monetary policy 180°.

China: Remains poised to stimulate economy with ‘bullets’ in hand. Timing of cut is equally important to quantum. No point cutting rates aggressively when global environment is not conducive. Expect **rate cuts to either Long Term Policy Rate or Reserve Requirement Ratios ahead**.

Malaysia: Recent S&P outlook downgrade of Malaysia can be viewed as ‘expected’ as our necessary pump priming; which is of no difference to most responsible governments’ actions all over the world; will consequently and unfortunately raise our fiscal debt level. In these unprecedented times, dipping into government coffers is not only responsible but crucial. Coordinating fiscal with monetary policy can only mitigate the economic fallout we currently face. BNM delivering the fourth cut this year by another 0.25% (1.25% year to date) underscores their strategy of dropping ‘crumbs’ gradually for as stretched out a period as possible. Thankfully, we still have some ammunition in the pocket. **Possibly one more rate cut this year.**