



Edward Iskandar Toh
Chief Investment Officer,
Fixed Income

US : On-off-on trade tariffs and on-off-on US-North Korea summit underscores the unpredictable and transient style of US President. Is this order by chaos or desperation? History has it that the last major trade war in the 1930's contributed somewhat and exacerbated the Great Depression. Nonetheless, economically, the US continue to shine with full employment and inflation target achieved. Hawks are gaining ground that **there could be a 4th hike this year. For now, the market has priced in 3 (one in every two FOMC meetings-next one expected in June).**

Europe: Spain and Italy have populist leaning governments in the helm. There is still Brexit to digest and now suspicion of Italy following the Greek path, there is uncertainties all round. **Trade tariffs by the US** are not helping. Despite improving inflation and labour data, **there is no hint of a change in its ultra easy monetary policy** for now. **Bond purchase program likely continue to run its course by September.** Assessment may point to extension.

Malaysia : New Malaysia means transparent and accountable government with people centric policies. With the larger proportion concerned with cost of living, **a very easy monetary policy will likely prevail** to ease borrowing cost. This is intended to also **spur domestic consumption growth. Likelihood of any more hikes for the year has diminished.**