



Edward Iskandar Toh
Chief Investment Officer,
Fixed Income

US : With some reopening of commercial activities, against conventional wisdom what with unabated viral spread, there is now a growing optimism of a recovery by end of the year. That is provided that the US avoid a second wave of viral infection resurgence. Trump is desperate to salvage some economic 'wins' in the run-up to November presidential elections. On interest rates, the Fed Reserve chairman has recently recognized the need for a prolong supportive interest rates environment to resuscitate the US economy. **US interest rates will stay at zero through 2021 at least.**

China: Cutting benchmark interest rates and reducing Reserve Requirement Ratios remains on the table as options as BOC strives to stimulate economic activities through lowering credit cost. High likelihood of **rate cut in the months ahead.**

Malaysia: With our financial markets most developed, second only to Singapore in this region, domestic benchmark rates have a rich interest rate differential, **supporting continued accommodative interest rates policy for an extended period.** However, our expanded fiscal debt position may raise challenges in the near term through supply pressures and currency weakness. It is believed that keeping cost of living low remains a priority in this difficult economic environment, hence the **growing expectation of more OPR cuts to come.**