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US : Threat of trade tariffs still simmer although the market seem fatigued by it. Tension has eased a notch lower since. Markets generally view these threats as part of the process of ultimately bringing the two economic superpowers to the negotiating table. Several issues are up for realignment of interest namely trade gap, Intellectual property rights and tech access. There is general optimism towards labour and growth numbers. With core inflation breaking above 2%, **we expect a gradual interest rate hike of a total 3 times with a slight leaning towards 4 times for this year.** With one already in March, the next hike could possibly happen in June.

Europe: Latest data have pushed back hawks who were anticipating end to bond buying program as scheduled in September. **President Draghi** is expected to assume cautious approach and maintain his 'patience, persistence and prudence' towards withdrawing monetary stimulus. There is **no clear indication for interest to be raised within this year.**

Malaysia : Lower inflation allows for policy makers to balance against stronger external factors. There still remain a possible 'ahead of the curve' move for **one more 0.25% rate hike by end of 2018**, it all depends on outcome of GE and economic policies moving forward. If the **incumbent retains government, same policies with similar outlook will remain.** However, **if the opposition wins**, their campaign promise of removal of GST will lower inflation hence **less likelihood of any more rate hike** provided external factors do not far exceed expectations.