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**US :** The recently concluded US Presidential election has been highly divisive. With the incumbent continuing to whine and raise questions on the election's legitimacy, uncertainties may reign awhile longer. Some states may be subject to recount and results may be brought to the courts to consider. Volatility may drag depending how the transition pans out. On the other hand, news of vaccine discovery by Pfizer and Moderna have helped lift sentiment. In reality the economy will take awhile to pick up but the mere news of the vaccine provides a sense of finality. There now appears a light in the tunnel with an estimated timeline of production, distribution and vaccination. It is expected for **low rates to be maintained for an extended period to accompany economic recovery.**

**China:** With a potential global recovery in 2021, **the need for further stimulus is diminishing.** There is also renewed optimism that Biden may not be as hard on China as Trump. More measured policies can be expected to improve US-China relations including trade.

**Malaysia:** Holding back any more cuts in the November MPC was BNM way of saying 'we are ahead of the curve'. Cutting rates by 1.25% this year is now seen as pre-emptive and sufficient. With vaccine availability in the horizon, economic activity will gradually resume once we get the recent spread of infection under control. It is hoped that fiscal policies through the latest budget can then carry us back to growth without further cuts to rates. However, **though rate cuts probability has declined, the absence of real inflation will likely keep rates at current levels through out 2021.**