



Edward Iskandar Toh
Chief Investment Officer,
Fixed Income

US : Amidst the noise of the upcoming US elections in November, the market is ready for one rate hike this year. The debates however have highlighted Trump's anti immigration, anti environment and anti trade rhetoric. Some may say even inflationary in nature. A **0.25% rate hike to the Fed Fund rate is imminent and likely in December.**

Europe and Japan : The **ECB** and **BOJ** have cemented their easy monetary stance with recent comments. **Zero or deeper negative interest rates policy will prevail in Europe and Japan.**

China : With Govt spending still the route taken, easy monetary policy that may encourage weaker Yuan or competitive devaluation will prevail. **Easing bias** with ample room **to cut if need be as accommodative monetary policy** take hold as growth and GDP slows.

Malaysia : A wait and see stance is most logical **as the world awaits the US presidential elections.** Its impact is far reaching and wide as both candidates have different views as to heal the US economy. For now for Malaysia, **easy monetary policy** stands as domestic fundamentals of low inflation and muted growth rule.