

## Daily Treasury Outlook

21 April 2025

### Highlights

**Global & Market Watch:** Will US president remove Fed chair Powell before his term ends in May 2026? Kevin Hassett has suggested that Trump is studying if removing Fed chair Powell is an option. The S&P 500 rose 0.13% on Friday while the U.S. Treasury bond yield curve steepened in a holiday-shortened week as rising oil prices contributed to inflation expectations.

Asian markets are awaiting China's 1- and 5-year Loan Prime Rate fixings (likely unchanged at 3.1% and 3.6% respectively) this morning for cues. Indonesia is also reporting its March trade data today. ECB's Centeno is also speaking today. For the week ahead, investors will focus on corporate earnings from European banks including BNP Paribas SA, Nestle, Danone, Volvo, Unilever, Roche and Sanofi, as well as Tesla amid the tariff turmoil. Multiple Fed officials are also scheduled to speak, including Jefferson, Harper, Kashkari, Barkin, Kugler, Goolsbee, Waller, Musalem, and Hammack, and markets will be sensitive to any signals about future rate moves.

In addition, watch for the slew of manufacturing and services PMIs, inflation readings from Malaysia and Singapore and the Fed's Beige Book on Wednesday, South Korea's 1Q25 GDP growth estimate and Germany's IFO business climate index on Thursday, Singapore's March industrial production and the final US print for April University of Michigan's sentiment index and 1- and 5-10 year inflation gauges on Friday. Any signs of economic softness or policy shifts could add volatility to emerging markets this week. On the central bank front, BI meets on Wednesday but is likely static at 5.75%. Meanwhile, the IMF will likely pare its revised global growth forecasts (previously 2.5% and 2.7% for 2025 and 2026 respectively) to reflect a US-led world trade "reboot" on Tuesday as finance ministers and central bankers gather for IMF-World Bank spring meetings. US VP Vance is also visiting India and will meet with Indian PM Modi. Early voting will also start for Australia's May 3 federal election.

**Commodities:** Crude oil benchmarks extended gains for the second consecutive trading session, with WTI and Brent increasing by 3.5% and 3.2%, respectively, to USD64.7/bbl and USD68/bbl. Positive sentiment in the oil market was bolstered by optimism that a US-EU trade deal could be achieved before the end of the 90-day tariff pause. Additionally, concerns over global supplies exerted further upward pressure on oil prices. It was reported that OPEC has received updated plans from its member countries, including Iraq and Kazakhstan, to implement further cuts to their oil production in order to compensate for overproduction beyond their agreed quotas. With markets closed for Good Friday (18 April), crude oil benchmarks rebounded by ~5% for the week.

### Key Market Movements

Equity	Value	% chg
S&P 500	5282.7	0.0%
DJIA	39142	0.0%
Nikkei 225	34730	1.0%
SH Comp	3276.7	-0.1%
STI	3720.3	0.0%
Hang Seng	21395	0.0%
KLCI	1499.4	1.1%
	Value	% chg
DXY	99.230	-0.1%
USDJPY	142.18	-0.2%
EURUSD	1.1393	0.2%
GBPUSD	1.3296	0.2%
USDIDR	16825	0.0%
USDSGD	1.3111	0.0%
SGDMYR	3.3635	0.2%
	Value	chg (bp)
2Y UST	3.80	0.00
10Y UST	4.32	0.00
2Y SGS	2.23	0.00
10Y SGS	2.57	0.00
3M SORA	2.46	0.00
3M SOFR	4.36	0.00
	Value	% chg
Brent	67.96	0.0%
WTI	64.68	0.0%
Gold	3327	0.0%
Silver	32.56	0.0%
Palladium	967	0.0%
Copper	9189	0.0%
BCOM	102.91	0.0%

Source: Bloomberg

## Major Markets

**CH:** There is growing evidence that China's fiscal policy is gaining traction. In the first quarter of 2024, general government expenditure rose 4.2% YoY while revenue contracted by 1.1% YoY, resulting in a fiscal deficit of CNY 1.26 trillion—the highest level for the same period in recent years. This reflects a deliberate front-loading of fiscal execution in line with the policy guidance of “acting early where possible, rather than too late.” Notably, the disbursement of CNY 230 billion in “Two Priorities” funding—targeted at key sectors and emerging growth drivers—likely played a significant role in supporting project construction during the quarter.

On April 16, the Ministry of Finance announced a CNY 1.3 trillion ultra-long-term special government bond issuance plan—both larger in scale and earlier in timeline than last year—with issuance set to begin in April. This signals that fiscal efforts will continue to be front-loaded, with expectations of stronger issuance momentum, heightened spending intensity, and faster disbursement in the months ahead.

**SG:** March headline and core CPI due Wednesday likely to print at 1.1% and 0.9% respectively, versus 0.9% and 0.6% in February. COE premiums may remain sticky around current levels of \$97,724 and \$117,899 for categories A and B respectively on Wednesday.

**ID:** Indonesia plans to boost imports of US food, energy, and capital goods by up to USD19bn, including USD10bn in energy, as part of efforts to offset its trade surplus with the US and avert the 32% tariff on its exports. Following a meeting with the US Trade Representative and Secretary of Commerce in Washington on 17 April, Coordinating Minister Airlangga Hartarto noted that Indonesia would shift some purchases away from other suppliers and facilitate US firms operating domestically through permits and incentives. The plan includes imports of wheat, soybeans, and soybean meal, as well as support for US critical mineral cooperation. Both sides aim to conclude negotiations within 60 days.

**MY:** The advance estimate showed that GDP growth eased to 4.4% YoY in 1Q25 from 5.0% in 4Q24, led by services (5.2% from 5.5%), manufacturing (4.2% from 4.4%), and construction (14.5% from 20.7%). Growth in services was driven by wholesale and retail trade, transport, and ICT, while manufacturing benefited from stronger electronics and food processing. Agriculture returned to modest growth at 0.7% YoY from -0.5% in 4Q24, while the mining and quarrying contraction deepened to -4.9% from -0.9%, partly due to weaker crude oil and gas output. The Department of Statistics Malaysia (DOSM) will publish the preliminary 1Q25 GDP data on 16 May 2025.

**PH:** The Bangko Sentral ng Pilipinas (BSP) and the International Finance Corporation (IFC) have agreed to jointly develop the Philippines' movable finance market, aiming to improve credit access for micro, small, and medium enterprises (MSEMs) as well as the agriculture sector. Through movable asset finance (MAF), borrowers can secure loans using movable assets like equipment, inventories, and receivables, benefiting those without real property for

collateral. The partnership will focus on regulatory reform, sector capacity building, and developing support services to promote financial inclusion. This partnership will be effective until 2027. Although the Philippines already has the Personal Property Security Act, MAF adoption remains underutilised. Citing a 2022 IFC study, the BSP highlighted that “finance involving movable assets in the country remained under 5%.” Additionally, the partnership between both institutions “is meant to complement the law and significantly increase loans secured by movable assets.”

**TH:** The Ministry of Finance has formed a selection committee to appoint the next governor of the Bank of Thailand (BoT). This decision follows as BoT Governor Sethaput Suthiwartnarueput five-year term will end on 30 September 2025, and he is ineligible for a second term due to reaching the retirement age of 60 this year. The selection committee will be chaired by Sathit Limpongpan, a former finance permanent secretary. The committee will soon outline the candidate requirements and application timeline. According to the law, the selection committee is required to present two candidates for the finance minister’s decision at least 90 days before the end of the incumbent governor’s term. According to the Bangkok Post, potential candidates that were reported by local media include “Roong Mallikamas, a BoT deputy governor; Sutapa Amornvivat, a former IMF economist and currently CEO of the SCB X fintech affiliate Abacus Digital; Santitarn Sathirathai, an independent member of the Monetary Policy Committee and future economy adviser with the Thailand Development Research Institute; and Ekniti Nitithanprapas, head of the finance ministry’s treasury department.”

## ESG

**CN:** China’s thermal power generation, fuelled mainly by coal, fell 2.3% in March and 4.7% in the first quarter of this year as hydropower and other renewable energy generation increased. This comes after China’s thermal power generation increased by 1.5% in 2024, contrary to expectations that coal production was peaking. Q1 2025 has shown improvement, but the challenges in phasing out coal-fired power persist while supplying China’s energy-intensive industries and advancing the electrification of its economy.

**Rest of the world:** The EU Commission is providing simplifications to the EU Deforestation Regulation (EUDR) to reduce the administrative burden of the regulation for international partners. Simplification measures include large companies being allowed to reuse existing due diligence statements when goods previously on the EU market are reimported, as well as an authorised representative being allowed to submit a due diligence statement on behalf of members of company groups. This can better support companies exporting the commodities included in the scope of the EUDR. By the end of June, the EU will categorise countries as high, standard or low risk, with imports from low-risk ones facing lighter compliance requirements. There may still be concerns regarding the expectations from small-scale farmers that are expected to be disproportionately impacted by the demands of the EUDR due to the lack of resources to comply with the regulations.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded mostly higher last Thursday with shorter tenors trading flat to 1bps higher, belly tenors trading 1-2bps higher and 10Y trading 1bps higher. According to data compiled by Bloomberg, the issuance of sustainable debt in Asia has reached **USD92.3bn** this year, reflecting a 23% decline compared to the same period last year. This figure has been bolstered by **USD16.3bn** in the past two weeks. Moody's Ratings has revised its forecast for defaults this year upward, citing that escalating global trade wars are likely to hinder economic growth and make financing more challenging. The credit-rating agency now anticipates that the default rate for speculative-grade companies will reach 3.1% by year-end, an increase from its previous estimate of 2.5%. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 97bps while Bloomberg Asia USD High Yield spreads tightened by 11bps to 563bps respectively last Thursday. Markets were closed on Friday in observance of Good Friday. (Bloomberg, OCBC)

### New Issues:

There were four notable issuances in the Asiadollar market last Thursday.

- Fujian Zhanglong Group Co., Ltd. priced a USD500mn 3Y Sustainable Fixed bond at 5.10%.
- Linyi City Development International Co., Limited (guarantor: Linyi City Development Group Co Ltd) priced a USD262mn 3Y Fixed bond at 6.00%.
- Daewoo Engineering & Construction Co., Ltd. (guarantor: CI Guarantee) priced a USD245mn 3Y FRN at quarterly SOFR+125bps.
- Industrial & Commercial Bank of China Ltd. (ICBC) of Doha priced a USD100mn 3Y Fixed bond at 4.050%.

There were no notable issuances in the Singdollar market last Thursday.

### Mandates:

- There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	99.230	-0.15%	USD-SGD	1.3111	-0.02%
USD-JPY	142.180	-0.18%	EUR-SGD	1.4938	0.25%
EUR-USD	1.139	0.25%	JPY-SGD	0.9222	0.15%
AUD-USD	0.638	-0.20%	GBP-SGD	1.7431	0.21%
GBP-USD	1.330	0.23%	AUD-SGD	0.8358	-0.27%
USD-MYR	4.414	0.15%	NZD-SGD	0.7772	-0.74%
USD-CNY	7.300	0.01%	CHF-SGD	1.6061	0.39%
USD-IDR	16825	0.00%	SGD-MYR	3.3635	0.18%
USD-VND	25926	0.21%	SGD-CNY	5.5679	-0.03%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.1340	-2.96%	1M	4.3231	-0.06%
3M	2.1830	-2.37%	2M	4.3148	-0.13%
6M	2.1540	-1.82%	3M	4.2769	-0.19%
12M	2.1040	-1.31%	6M	4.1224	-0.35%
			1Y	3.8401	-0.54%

## Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
05/07/2025	-0.136	-13.6	-0.034	4.295
06/18/2025	-0.763	-62.8	-0.191	4.138
07/30/2025	-1.615	-85.2	-0.404	3.925
09/17/2025	-2.381	-76.6	-0.595	3.733
12/10/2025	-3.634	-64.9	-0.908	3.42

## Equity and Commodity

Index	Value	Net change
DJIA	39,142.23	-527.16
S&P	5,282.70	7.00
Nasdaq	16,286.45	-20.71
Nikkei 225	34,730.28	352.68
STI	3,720.33	57.88
KLCI	1,499.40	16.13
JCI	6,438.27	38.22
Baltic Dry	1,261.00	20.00
VIX	29.65	-2.99

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.23 (--)	3.77(--)
5Y	2.3 (+0.03)	3.94(--)
10Y	2.57 (+0.02)	4.35(--)
15Y	2.66 (+0.02)	--
20Y	2.67 (+0.02)	--
30Y	2.68 (+0.02)	4.85(--)

## Financial Spread (bps)

Value	Change
EURIBOR-OIS	#N/A N/A (--)
TED	35.36 --

## Secured Overnight Fin. Rate

SOFR	4.31
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.68	#DIV/0!	Corn (per bushel)	4.823	#DIV/0!
Brent (per barrel)	67.96	#DIV/0!	Soybean (per bushel)	10.365	#DIV/0!
Heating Oil (per gallon)	215.23	#DIV/0!	Wheat (per bushel)	5.488	#DIV/0!
Gasoline (per gallon)	209.88	#DIV/0!	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.25	#DIV/0!	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9188.50	#DIV/0!	Gold (per oz)	3326.9	#DIV/0!
Nickel (per mt)	15622.00	#DIV/0!	Silver (per oz)	32.6	#DIV/0!

Source: Bloomberg, Reuters  
(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/21/2025 8:00	SK	Exports 20 Days YoY	Apr	--	-5.20%	4.50%	--
4/21/2025 8:00	SK	Imports 20 Days YoY	Apr	--	-11.80%	-1.40%	--
4/21/2025 9:00	CH	1-Year Loan Prime Rate	21-Apr	3.10%	--	3.10%	--
4/21/2025 9:00	CH	5-Year Loan Prime Rate	21-Apr	3.60%	--	3.60%	--
4/21/2025 12:00	ID	Imports YoY	Mar	6.00%	--	2.30%	--
4/21/2025 12:00	ID	Exports YoY	Mar	-2.40%	--	14.05%	--
4/21/2025 12:00	ID	Trade Balance	Mar	\$2868m	--	\$3117m	--
4/21/2025 13:00	ES	PPI MoM	Mar	--	--	3.30%	--
4/21/2025 13:00	ES	PPI YoY	Mar	--	--	6.10%	--
4/21/2025 13:00	JN	Tokyo Condominiums for Sale YoY	Mar	--	--	-2.40%	--
4/21/2025 18:00	IS	GDP Annualized	4Q F	--	--	2.00%	--
4/21/2025 20:00	CA	Bloomberg Nanos Confidence	18-Apr	--	--	45.9	--
4/21/2025 22:00	US	Leading Index	Mar	-0.50%	--	-0.30%	--

Source: Bloomberg



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