Daily Treasury Outlook

1 October 2025

Highlights

Global: Wall Street closed September on a firmer note, marking the S&P 500's fifth straight monthly gain. The 10Y UST yield held broadly steady at ~4.15% despite rising political risks, including a looming US government shutdown. President Trump intensified his rhetoric, suggesting "a lot" federal workers layoffs. The CBO estimates up to 750k federal workers could be furloughed, which may delay key data releases like payrolls later this week, complicating the Fed's data-dependent stance. On the data front, the Conference Board Consumer Confidence Index fell more than expected to 94.2 in September from 97.8 in August. The expectations index dropped to 73.4, below the recession-watch threshold, while consumers' average 12-month inflation expectations inched down to 5.8% YoY in September from 6.1% in August. In the labour market, the JOLTS report showed 7.23mn job openings in August, but hiring slowed to 5.1mn and the quits rate edged down to 2.2%. Looking ahead, nonfarm payrolls for September, if released on schedule, are expected to show +52k jobs (vs. +22k prior), with unemployment steady at 4.3% and wage growth at 3.7% YoY.

Market Watch: On the central bank front, the Reserve Bank of India is widely expected to keep its repurchase rate unchanged at 5.50%, although we anticipate a 25 bps rate cut. Manufacturing PMI prints are scheduled to be released globally today. On the Asian calendar, key data includes Indonesia's trade balance and inflation figures, Singapore's URA quarterly private home prices, and Thailand's business sentiment index. Meanwhile, inflation figures for the euro area will be published, along with US MBA mortgage applications, ADP employment change and ISM data.

Major Markets

ID: The newly launched state farm company, Agrinas Pangan Nusantara, plans to invest IDR8trn by end-2026 to boost rice production and support President Prabowo's self-sufficiency goal. It aims to build 20 food production centres equipped with modern machinery, partnering with small farmers or operating its own farms. The company expects to receive 225k hectares of land and targets annual rice output of 4mn metric tons, as reported by CNA. Agrinas has begun developing a pilot centre in South Sumatra using advanced equipment like drones and satellite monitoring to modernize farming and reduce reliance on manual labour.

Key Market Movements

Equity	Value	% chg
S&P 500	6688.5	0.4%
DJIA	46398	0.2%
Nikkei 225	44933	-0.2%
SH Comp	3882.8	0.5%
STI	4300.2	0.7%
Hang Seng	26856	0.9%
KLCI	1611.9	0.1%
	Value	**% chg**
DXY	97.775	-0.1%
USDJPY	147.9	-0.5%
EURUSD	1.1734	0.1%
GBPUSD	1.3446	0.1%
USDIDR	16665	-0.1%
USDSGD	1.2901	0.0%
SGDMYR	3.2620	-0.2%
	Value	**chg (bp)**
2Y UST	3.61	-1.22
10Y UST	4.15	1.16
2Y SGS	1.50	-2.30
10Y SGS	1.91	-3.83
3M SORA	1.46	-0.28
3M SOFR	4.35	-0.35
	Value	**% chg**
Brent	66.03	-1.6%
WTI	62.37	-1.7%
Gold	3859	0.7%
Silver	46.65	-0.6%
Palladium	1261	-0.6%
Copper	10269	-1.4%
BCOM	104.63	-0.4%

Source: Bloomberg

MY: Malaysia saw sustained growth in credit to the private non-financial sector in August, as gross loans picked up to 5.6% YoY in August from 5.5% in July. This supported by stronger business loans and corporate bond issuance. Outstanding corporate bonds grew by 5.6% in August (July: 4.8%) while growth in outstanding loans remained unchanged at 5.6% (July: 5.6%). Meanwhile outstanding business loans increased to 5.2% (July: 4.9%), driven by higher growth for working capital loans, particularly among non-SMEs, as reported by Bank Negara Malaysia. Household loan growth eased slightly to 5.9% (July: 6%) although loan growth sustained across most purposes.

ESG

MY: Malaysia unveiled its Steel Industry Roadmap 2035 which aims to reduce overproduction, strengthen the industry and shift to low-carbon practices to meet net zero goals. Overcapacity remains one of the most critical structural issues facing steelmakers in ASEAN. There are plans to manage overcapacity, restructure licensing frameworks, enforce discipline against illegal operators and secure domestic raw materials. From 2027 to 2035, the plan will focus on transforming the steel industry by accelerating carbon reduction efforts, developing green technologies and standards, as well as investing in innovation.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenors traded 4-5bps lower and 10Y traded 4bps lower. As per Bloomberg, KWG Group Holdings Ltd's restructuring proposals for three onshore corporate bonds were approved by bondholders. Meanwhile, China Aoyuan Group Ltd said that its onshore debt restructuring plan has been basically finalised and opinions from all parties are being solicited. In other debt restructuring and financing plans, Central China Real Estate Ltd is formulating preliminary restructuring plan while Sunac China Holdings Ltd, Guangzhou R&F Properties Co Ltd and Sunshine 100 China Holdings Ltd have said that their debt restructuring plans are making progress. Lastly, S&P has revised Yuexiu Real Estate Investment Trust's outlook to stable from negative following debt reduction from asset sales, outstanding public bonds and loans amount to HKD23.2bn, as per Bloomberg data. Bloomberg Asia USD Investment Grade spreads traded flat at 60bps and Bloomberg Asia USD High Yield spreads widened by 2bps to 321bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Vedanta Resources Finance II PLC (Parent Guarantee: Vedanta Resources Limited on the issue date of the notes, Subsidiary Guarantee: On or prior to October 31, 2025, from each of Twin Star Holdings Ltd., Welter Trading Limited And Vedanta Holdings Mauritius II Limited) priced a USD500mn 7NC2 Fixed Bond at 9.125%.

There was one notable issuance in the Singdollar market yesterday.

- Housing & Development Board priced a SGD1.2bn 5Y Green Fixed Bond at 1.838%.

Mandates:

- Ipoteka-Bank may issue a USD-denominated 5Y Bond.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.775	-0.13%	**USD-SGD**	1.2901
USD-JPY	147.900	-0.46%	**EUR-SGD**	1.5136
EUR-USD	1.173	0.06%	**JPY-SGD**	0.8720
AUD-USD	0.661	0.55%	**GBP-SGD**	1.7343
GBP-USD	1.345	0.13%	**AUD-SGD**	0.8532
USD-MYR	4.207	-0.20%	**NZD-SGD**	0.7474
USD-CNY	7.122	0.00%	**CHF-SGD**	1.6195
USD-IDR	16665	-0.09%	**SGD-MYR**	3.2620
USD-VND	26424	0.02%	**SGD-CNY**	5.5231

Equity and Commodity

Index	Value	Net change
DJIA	46,397.89	81.82
S&P	6,688.46	27.25
Nasdaq	22,660.01	68.86
Nikkei 225	44,932.63	-111.12
STI	4,300.16	30.18
KLCI	1,611.88	0.93
JCI	8,061.06	-62.18
Baltic Dry	2,220.00	-39.00
VIX	16.28	0.16

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9310	0.94%	**1M**	4.1320
3M	2.0160	0.80%	**2M**	4.0362
6M	2.1090	-0.66%	**3M**	3.9622
12M	2.1890	0.46%	**6M**	3.8276
			1Y	3.6347

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.5 (-0.02)	3.61(--)
5Y	1.64 (-0.03)	3.74 (+0.01)
10Y	1.91 (-0.04)	4.15 (+0.01)
15Y	1.97 (-0.04)	--
20Y	1.96 (-0.05)	--
30Y	2.02 (-0.06)	4.73 (+0.03)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.967	-96.70%	-0.242	3.852
12/10/2025	-1.744	-77.60%	-0.436	3.658

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.13

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	62.37	-1.70%	Corn (per bushel)	4.155	-1.4%
Brent (per barrel)	67.02	-1.40%	Soybean (per bushel)	10.018	-0.9%
Heating Oil (per gallon)	233.25	-1.02%	Wheat (per bushel)	5.080	-2.2%
Gasoline (per gallon)	197.29	-1.11%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.30	1.10%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	10268.50	-1.40%	Gold (per oz)	3859.0	0.7%
Nickel (per mt)	15235.00	-0.54%	Silver (per oz)	46.6	-0.6%

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

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/01/2025 12:00	ID	Trade Balance	Aug	$4086m	--	$4174m	--
10/01/2025 12:00	ID	CPI YoY	Sep	2.50%	--	2.31%	--
10/01/2025 12:30	IN	RBI Repurchase Rate	1-Oct	5.50%	--	5.50%	--
10/01/2025 15:30	TH	Business Sentiment Index	Sep	--	--	47.5	--
10/01/2025 15:50	FR	HCOB France Manufacturing PMI	Sep F	48.1	--	48.1	--
10/01/2025 15:55	GE	HCOB Germany Manufacturing PMI	Sep F	48.5	--	48.5	--
10/01/2025 16:00	EC	HCOB Eurozone Manufacturing PMI	Sep F	49.5	--	49.5	--
10/01/2025 16:30	UK	S&P Global UK Manufacturing PMI	Sep F	46.2	--	46.2	--
10/01/2025 17:00	EC	CPI Estimate YoY	Sep P	2.20%	--	2.00%	--
10/01/2025 17:00	EC	CPI Core YoY	Sep P	2.30%	--	2.30%	--
10/01/2025 19:00	US	MBA Mortgage Applications	26-Sep	--	--	0.60%	--
10/01/2025 20:15	US	ADP Employment Change	Sep	51k	--	54k	--
10/01/2025 21:45	US	S&P Global US Manufacturing PMI	Sep F	52	--	52	--
10/01/2025 22:00	US	ISM Manufacturing	Sep	49	--	48.7	--
10/01/2025 22:00	US	ISM Prices Paid	Sep	62.7	--	63.7	--
10/01/2025 22:00	US	ISM New Orders	Sep	50	--	51.4	--

Source: Bloomberg

GLOBAL MARKETS RESEARCH

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberthtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com