Daily Treasury Outlook

1 December 2025

Highlights

Global: US Thanksgiving holiday weekend saw US markets finish the shortened trading week on a positive tone, with the S&P500 up 0.54% and the 10-year UST bond yield also higher by 2bps at 4.01%. Market pricing of a December Fed rate cut had risen last week amid more dovish Fed rhetoric amid the lack of incoming US economic data. Elsewhere, China's November official manufacturing and non-manufacturing PMIs came in weaker than expected at 49.2 and 49.5 respectively, bringing the composite PMI from 50.0 previously to 49.7.

Asian markets may start December on an upbeat note today, while awaiting the slate of Asian, European and UK manufacturing PMIs and US' manufacturing ISM. Today's economic data calendar also comprises of Indonesia's October trade and inflation data, as well as Hong Kong's retail sales. ECB's Nagel and BOE's Dhingra are also speaking today.

Market Watch: For the week ahead, watch for the services PMIs, South Korea and Australia's 3Q25 GDP growth estimates on Wednesday, and potentially more of the overdue US economic data releases as well as the core PCE and University of Michigan sentiment index. With the Fed speakers on communications blackout, attention will shift to other ECB and BoE speakers including Lagarde in Wednesday. RBI is tipped to cut its repurchase rate by 25bps to 5.25% on Friday.

Singapore: The November manufacturing and electronics PMIs due tomorrow may be rangebound near their October readings of 50.0 and 50.4 respectively, while the S&P Global Singapore PMI is due on Wednesday may stay elevated near its October print of 57.4. October retail sales data is also due on Friday.

Major Markets

CH: China's manufacturing PMI edged up to 49.2 in November from 49.0, showing early signs of stabilization. The standout improvement came from new export orders, which jumped 1.7pts to 47.6, likely reflecting the near-term lift from the US–China trade truce. Production also firmed to 50.0 (from 49.7), while business expectations improved modestly to 53.1 from 52.8.

By contrast, the non-manufacturing PMI softened to 49.5 from 50.1. Within this, construction activity saw a mild rebound, with the construction PMI rising to 49.6 from 49.1. However, services weakened more noticeably: the services PMI slipped to 49.5, falling below the 50 threshold for the first time since September 2024. The pullback in services sentiment was sharper than typical

Key Market Movements

Equity	Value	% chg
S&P 500	6849.1	0.5%
DJIA	47716	0.6%
Nikkei 225	50254	0.2%
SH Comp	3888.6	0.3%
STI	4524.0	0.3%
Hang Seng	25859	-0.3%
KLCI	1604.5	-0.8%
	Value	**% chg**
DXY	99.459	-0.1%
USDJPY	156.18	-0.1%
EURUSD	1.1598	0.0%
GBPUSD	1.3235	0.0%
USDIDR	16660	0.1%
USDSGD	1.2967	0.0%
SGDMYR	3.1835	0.0%
	Value	**chg (bp)**
2Y UST	3.49	1.43
10Y UST	4.01	1.91
2Y SGS	1.38	-1.90
10Y SGS	2.03	-3.36
3M SORA	1.25	0.44
3M SOFR	4.19	-0.65
	Value	**% chg**
Brent	62.38	-0.8%
WTI	58.55	-0.2%
Gold	4239	2.0%
Silver	56.50	5.8%
Palladium	1455	1.3%
Copper	11189	2.3%
BCOM	110.41	1.7%

Source: Bloomberg

seasonal patterns, in my view reflecting both the fading post-holiday boost and spillover weakness from real estate-linked industries.

On the construction side, the marginal recovery likely benefited from the rollout of new policy-based financial instruments in Q4 and the partial deployment of local government debt quotas. A noteworthy development on the fiscal front is the Ministry of Finance's decision to front-load part of the 2026 local government debt quota to support funding needs of key projects in 1Q26. This move has clearly helped lift forward expectations among construction firms.

ID: MSME Minister Maman Abdurrahman pledged to resolve the dispute over secondhand clothing imports, assuring thrift merchants that policies will balance regulation with economic sustainability. During a visit to Senen Market on 30 November, he emphasized that decisions will align with President Prabowo's directive to avoid disrupting trade, stressing that no hasty measures will be taken. The debate has intensified after lawmakers met thrift sellers defending their role in the MSME sector, while Finance Minister Purbaya Yudhi Sadewa opposed legalizing thrifting, citing risks to domestic industries and illegal markets, as reported by Antara. Separately, the Environment and Forestry Ministry is investigating whether timber swept away by recent floods in Sumatra came from illegal logging or permit fraud. The probe follows severe floods and landslides triggered by a rare tropical cyclone, which killed over 300 people, left nearly 280 missing, and displaced about 80,000 residents across Aceh and Sumatra.

MY: The private non-financial sector credit grew 5.7% YoY in October, slightly slower than September's 5.9%, supported by steady loan demand (5.6% from 5.7%) despite weaker corporate bond issuance (5.8% from 7.3%). Business loan growth strengthened to 5.5% in October from 5.4% in September due to higher working capital financing, while household loans remained stable at 5.7%. The banking system continued to maintain healthy liquid asset buffers, with a liquidity coverage ratio of 147.5%. Both gross and net impaired loan ratios remained stable at 1.4% and 0.9%, respectively, in October.

ESG

CH: China installed 12.6GW of new solar capacity in October, 30% more than the previous month, according to the statistics by the National Energy Administration (NEA). Installations continued to recover from a mid-year drop-off triggered by a new renewables pricing mechanism that created uncertainty for investors. Despite the mid-year drop-off, installations were up 39% from the 2024 level at 252.87GW from January to October. If new additions continue at the same pace for the rest of the year, 2025 solar installations will be just about on par with 2024's record annual surge of 277GW. Simultaneously, China is implementing grid upgrades to address increasing curtailment rates for solar in China.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower last Friday with shorter tenors trading 3-4bps lower while belly tenors and 10Y traded ~4bps lower. As per Bloomberg, China Vanke Co Ltd ("Vanke") has pledged its entire 57.16% stake in Onewo Inc. to Shenzhen Metro Group as collateral under a framework allowing Shenzhen Metro to secure loan support from Vanke. Approximately RMB13.4bn of Vanke's onshore bonds mature or face redemption options by the end of June next year. S&P has also downgraded Vanke's long-term rating to CCC- from CCC while outlook negative was adjusted to watch negative. The downgrade was in relation to the higher risk of a distressed restructuring amidst a sizable bond maturity wall. Bloomberg Asia USD Investment Grade spreads traded flat at 64bps and Bloomberg Asia USD High Yield spreads widened by 6bps to 386bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable retap in the Asiadollar market last Friday.

- CSI MTN Ltd (guarantor: CITIC Securities International Co Ltd) priced a USD170mn retap of its CSILTD Float '28.

There was one notable issuance in the Singdollar market last Friday.

- HSBC priced a SGD50mn 3Y Fixed Bond at 1.98%.

Mandates:

There were no notable mandates last Friday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.459	-0.08%	**USD-SGD**	1.2967
USD-JPY	156.180	-0.08%	**EUR-SGD**	1.5038
EUR-USD	1.160	0.02%	**JPY-SGD**	0.8301
AUD-USD	0.655	0.24%	**GBP-SGD**	1.7159
GBP-USD	1.324	-0.04%	**AUD-SGD**	0.8493
USD-MYR	4.133	0.03%	**NZD-SGD**	0.7435
USD-CNY	7.075	-0.07%	**CHF-SGD**	1.6129
USD-IDR	16660	0.10%	**SGD-MYR**	3.1835
USD-VND	26365	-0.04%	**SGD-CNY**	5.4596

Equity and Commodity

Index	Value	Net change
DJIA	47,716.42	289.30
S&P	6,849.09	36.48
Nasdaq	23,365.69	151.00
Nikkei 225	50,253.91	86.81
STI	4,523.96	14.62
KLCI	1,604.47	-12.99
JCI	8,508.71	-37.16
Baltic Dry	2,560.00	80.00
VIX	16.35	-0.86

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9460	-0.26%	**1M**	3.8679
3M	2.0600	-0.05%	**2M**	3.8121
6M	2.1100	-0.24%	**3M**	3.7747
12M	2.2090	-0.05%	**6M**	3.6924
			1Y	3.5065

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.38 (-0.02)	3.49(--)
5Y	1.76 (-0.03)	3.6 (+0.03)
10Y	2.03 (-0.03)	4.03 (+0.02)
15Y	2.12 (-0.04)	--
20Y	2.12 (-0.03)	--
30Y	2.18 (-0.03)	4.68 (+0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/10/2025	-1.021	-102.10%	-0.255	3.659
01/28/2026	-1.286	-26.60%	-0.322	3.592

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	4.05

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	58.55	-0.17%	Corn (per bushel)	4.355	0.9%
Brent (per barrel)	63.20	-0.22%	Soybean (per bushel)	11.378	0.6%
Heating Oil (per gallon)	233.30	0.32%	Wheat (per bushel)	5.310	0.4%
Gasoline (per gallon)	189.59	0.37%	Crude Palm Oil (MYR/MT)	40.990	1.2%
Natural Gas (per MMBtu)	4.85	6.41%	Rubber (JPY/KG)	3.384	0.0%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	11189.00	2.28%	Gold (per oz)	4239.4	2.0%
Nickel (per mt)	14829.00	-0.03%	Silver (per oz)	56.5	5.8%

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

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/01/2025 12:00	ID	Trade Balance	Oct	$3717m	--	$4340m	--
12/01/2025 12:00	ID	CPI YoY	Nov	2.75%	--	2.86%	--
12/01/2025 12:00	ID	CPI Core YoY	Nov	2.32%	--	2.36%	--
12/01/2025 13:00	IN	HSBC India PMI Mfg	Nov F	--	--	57.4	--
12/01/2025 15:30	TH	Business Sentiment Index	Nov	--	--	48.7	--
12/01/2025 16:30	HK	Retail Sales Value YoY	Oct	--	--	5.90%	--
12/01/2025 16:30	HK	Retail Sales Volume YoY	Oct	3.70%	--	4.80%	--
12/01/2025 17:00	EC	HCOB Eurozone Manufacturing PMI	Nov F	49.7	--	49.7	--
12/01/2025 17:30	UK	Net Consumer Credit	Oct	1.3b	--	1.5b	--
12/01/2025 17:30	UK	S&P Global UK Manufacturing PMI	Nov F	50.2	--	50.2	--
12/01/2025 18:30	IN	Industrial Production YoY	Oct	2.50%	--	4.00%	--
12/01/2025 22:45	US	S&P Global US Manufacturing PMI	Nov F	51.9	--	51.9	--
12/01/2025 23:00	US	ISM Manufacturing	Nov	49	--	48.7	--
12/01/2025 23:00	US	ISM Prices Paid	Nov	57.5	--	58	--
12/01/2025 23:00	US	ISM New Orders	Nov	--	--	49.4	--
12/01/2025 23:00	US	ISM Employment	Nov	--	--	46	--

Source: Bloomberg

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