

## Daily Treasury Outlook

3 October 2025

### Highlights

**Global:** US equities closed at record highs overnight, led by a strong rally in tech, as investors largely looked past concerns over the ongoing US government shutdown. With the release of weekly jobless claims and September non-farm payrolls delayed, markets have been turning to alternative data for signals on labour market conditions.

The Chicago Fed, which combines private and public sources, estimated the September unemployment rate at 4.3%, unchanged from August. Separately, Challenger, Gray & Christmas reported that announced layoffs fell in September, but hiring plans so far this year—at 204,939—are the lowest since 2009 when the economy was just emerging from the Great Recession. These highlight a labour market that is essentially stuck in neutral, with both demand and supply of workers dampened by tighter immigration policies and the accelerating impact of technology.

In short, alternative indicators suggest the US job market remained sluggish in September, with limited hiring momentum but no visible deterioration in unemployment. Depending on how long the shutdown lasts, official data may still be available ahead of the Fed's October 28–29 meeting. However, if the impasse extends into next week, key September releases—including CPI, retail sales, housing starts, and PPI—will also likely be delayed.

**Market Watch:** For now, the futures market is pricing in two more Fed rate cuts by year-end. With no US labour market data due today, investors' attention will shift to global PMIs in Europe and the US.

### Major Markets

**ID:** Danantara sovereign wealth fund will deploy ~USD10bn within its first three months starting October, with 80% allocated to domestic projects and the rest overseas, according to its chief investment officer, as reported by Reuters. Launched in February with an initial USD20bn to support 20 strategic projects, Danantara aims to manage state assets transparently while boosting Indonesia's economic transformation, focusing on sectors like energy, food security, healthcare, and digital infrastructure.

#### Key Market Movements

Equity	Value	% chg
S&P 500	6715.4	0.1%
DJIA	46520	0.2%
Nikkei 225	44937	0.9%
SH Comp	3882.8	0.0%
STI	4395.2	1.7%
Hang Seng	27287	1.6%
KLCI	1637.8	1.0%
	Value	% chg
DXY	97.846	0.1%
USDJPY	147.26	0.1%
EURUSD	1.1715	-0.1%
GBPUSD	1.3440	-0.3%
USDIDR	16588	-0.1%
USDSGD	1.2891	0.1%
SGDMYR	3.2688	0.1%
	Value	chg (bp)
2Y UST	3.54	0.41
10Y UST	4.08	-1.54
2Y SGS	1.50	-1.30
10Y SGS	1.91	-2.49
3M SORA	1.45	-0.43
3M SOFR	4.35	-0.17
	Value	% chg
Brent	64.11	-1.9%
WTI	60.48	-2.1%
Gold	3857	-0.2%
Silver	46.99	-0.7%
Palladium	1247	-1.1%
Copper	10491	1.1%
BCOM	104.85	-0.5%

Source: Bloomberg

**MY:** The government will create a sovereign AI cloud to secure national AI capabilities and support digital development, as announced by Prime Minister Anwar Ibrahim during the National Digital Economy and 4IR Council (MED4IRN) meeting. Key initiatives discussed include strengthening the MyDigital ID system, enhancing MyGov Malaysia through inter-agency cooperation, and preparing the nation to become AI-driven by 2030. Additionally, the meeting approved the National Quantum Policy and the formation of a National Quantum Task Force to address quantum technology risks, ensuring Malaysia's competitiveness and data security, as reported by The Edge.

## ESG

**MY:** The Malaysian Palm Oil Council (MPOC) said that it welcomed the European Union's proposal to delay the launch of its anti-deforestation law for a second time, as it provides more time for the EU to address existing operational and structural flaws. Since Malaysia has been classified as a 'standard risk' country under the regulation, it is subject to more stringent due diligence requirements. The MPOC calls on the EU to provide clear pathways for countries to improve their risk classification based on environmental performance. While it is encouraging that the EU has recognised the Malaysian Sustainable Palm Oil (MSPO) certification scheme as a credible standard, the regulation still creates uncertainty for affected companies.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-5bps lower while belly tenors and 10Y traded ~5bps lower. Asiadollar primary markets remained muted as borrowers stayed on the sidelines amid a US government shutdown and a long golden week holiday in China. Meanwhile, Fitch has upgraded Prudential PLC's long term issuer default rating to A+ from A and outlook to positive from stable, citing the firm's consistently low financial leverage and robust fixed-charge coverage while its improved business focus and profitability looks sustainable in Fitch's opinion. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 330bps respectively. (Bloomberg, OCBC)

### New issues:

There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuances in the Singdollar market yesterday.

- GITI Tire Pte Ltd priced a SGD150mn 5Y Sustainability Fixed Bond at 5.75%.

### Mandates:

- There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.846	0.14%	USD-SGD	1.2891
USD-JPY	147.260	0.13%	EUR-SGD	1.5102
EUR-USD	1.172	-0.14%	JPY-SGD	0.8754
AUD-USD	0.660	-0.26%	GBP-SGD	1.7326
GBP-USD	1.344	-0.28%	AUD-SGD	0.8504
USD-MYR	4.207	-0.01%	NZD-SGD	0.7498
USD-CNY	7.122	0.00%	CHF-SGD	1.6157
USD-IDR	16588	-0.13%	SGD-MYR	3.2688
USD-VND	26398	-0.07%	SGD-CNY	5.5204

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9090	-1.04%	1M	4.1015
3M	2.0170	-0.74%	2M	4.0208
6M	2.0790	-0.81%	3M	3.9384
12M	2.2040	0.50%	6M	3.7831
			1Y	3.5692

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.978	-97.80%	-0.245	3.852
12/10/2025	-1.893	-91.50%	-0.473	3.624

## Equity and Commodity

Index	Value	Net change
DJIA	46,519.72	78.62
S&P	6,715.35	4.15
Nasdaq	22,844.05	88.89
Nikkei 225	44,936.73	385.88
STI	4,395.21	72.09
KLCI	1,637.80	16.93
JCI	8,071.08	27.26
Baltic Dry	1,980.00	-154.00
VIX	16.63	0.34

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.5 (-0.01)	3.54(--)
5Y	1.64 (-0.02)	3.67(--)
10Y	1.91 (-0.02)	4.09 (-0.02)
15Y	1.94 (-0.04)	--
20Y	1.92 (-0.04)	--
30Y	1.97 (-0.06)	4.69 (-0.02)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	4.20
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	60.48	-2.10%	Corn (per bushel)	4.218	1.3%
Brent (per barrel)	64.11	-1.90%	Soybean (per bushel)	10.238	1.1%
Heating Oil (per gallon)	224.35	-2.54%	Wheat (per bushel)	5.148	1.1%
Gasoline (per gallon)	185.10	-1.85%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.44	-0.98%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10490.50	1.07%	Gold (per oz)	3856.6	-0.2%
Nickel (per mt)	15317.00	0.88%	Silver (per oz)	47.0	-0.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/03/2025 13:00	SI	Retail Sales YoY	Aug	4.80%	--	4.80%	--
10/03/2025 13:00	SI	Retail Sales SA MoM	Aug	--	--	4.10%	--
10/03/2025 15:30	TH	Gross International Reserves	26-Sep	--	--	\$272.3b	--
10/03/2025 15:55	GE	HCOB Germany Composite PMI	Sep F	52.4	--	52.4	--
10/03/2025 16:00	EC	HCOB Eurozone Services PMI	Sep F	51.4	--	51.4	--
10/03/2025 16:00	EC	HCOB Eurozone Composite PMI	Sep F	51.2	--	51.2	--
10/03/2025 16:30	UK	S&P Global UK Composite PMI	Sep F	51	--	51	--
10/03/2025 17:00	EC	PPI MoM	Aug	-0.10%	--	0.40%	--
10/03/2025 17:00	EC	PPI YoY	Aug	-0.40%	--	0.20%	--
10/03/2025 20:30	US	Change in Nonfarm Payrolls	Sep	53k	--	22k	--
10/03/2025 20:30	US	Unemployment Rate	Sep	4.30%	--	4.30%	--
10/03/2025 20:30	US	Average Hourly Earnings MoM	Sep	0.30%	--	0.30%	--
10/03/2025 20:30	US	Average Hourly Earnings YoY	Sep	3.70%	--	3.70%	--
10/03/2025 20:30	US	Average Weekly Hours All Employees	Sep	34.2	--	34.2	--
10/03/2025 21:45	US	S&P Global US Composite PMI	Sep F	53.6	--	53.6	--
10/03/2025 22:00	US	ISM Services Index	Sep	51.7	--	52	--

Source: Bloomberg

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