

Daily Treasury Outlook

4 July 2025

Highlights

Global: US trading session was shortened on Thursday, with the stock market closing early ahead of the 4 July Independence Day. US equities rose, with the broad indexes — S&P, Dow, Nasdaq — increasing between 0.8% and 1.0% (S&P: 0.8%; Dow: 0.8%; NASDAQ: 1.0%). Specifically, both the S&P 500 and Nasdaq Composite closed at fresh record highs, with chipmaker Nvidia approaching a USD4trn valuation. These advances were driven primarily by stronger-than-expected June labour market data, which followed Wednesday's ADP report that had surprised to the downside. US nonfarm payrolls unexpectedly surged by 147k in June, supported by strong government hiring. The June figure exceeded consensus forecasts of 106k, while the May data was also revised upward from 139k to 144k. The unemployment rate and labour force participation rate edged lower to 4.1% and 62.3%, respectively, down from 4.2% and 62.4%. Meanwhile, the average hourly earnings slowed to 0.2%MoM (3.7% YoY). With the labour market remaining relatively stable, rate cut expectations got scaled back. Fed funds future suggest that markets are now expecting 51bps in rate cuts by end-2025. Stronger-than-expected readings for the S&P US composite PMI and ISM Services Index also underscored the resilience of the US economy. Specifically, the ISM Services index rose to 50.8 points in June, up from 49.9 points in May, marking a swift return to expansion territory after one month of contraction. Elsewhere, factory orders rebounded to 8.2% MoM sa in May, up from -3.9% in April. US President Trump's 'One Big Beautiful Bill' was narrowly passed at the House of Representatives, with a final vote tally of 218-214. The bill now heads to President Trump for his signature. On the tariff front, President Trump said his administration might start sending letters to countries today, specifying the tariff levels they would face. Treasury Secretary Scott Bessent stated that ~100 countries could receive a reciprocal tariff rate of 10% and expects a "flurry" of trade deals before the 9 July deadline.

Market Watch: The economic calendar is relatively light today, with the release of Singapore's May retail sales data and Philippines' June CPI. The US will observe a public holiday in recognition of Independence Day. Additionally, ECB officials Elderson and Villeroy are scheduled to speak today.

Key Market Movements

Equity	Value	% chg
S&P 500	6279.4	0.8%
DJIA	44829	0.8%
Nikkei 225	39786	0.1%
SH Comp	3461.2	0.2%
STI	4019.6	0.2%
Hang Seng	24070	-0.6%
KLCI	1549.0	-0.1%
	Value	% chg
DX	97.180	0.4%
USDJPY	144.93	0.9%
EURUSD	1.1757	-0.4%
GBPUSD	1.3655	0.1%
USDIDR	16198	-0.3%
USDSGD	1.2753	0.2%
SGDMYR	3.3170	0.0%
	Value	chg (bp)
2Y UST	3.88	9.51
10Y UST	4.35	6.88
2Y SGS	1.72	-3.80
10Y SGS	2.11	-4.93
3M SORA	2.04	-0.78
3M SOFR	4.34	0.01
	Value	% chg
Brent	68.8	-0.4%
WTI	67	-0.7%
Gold	3326	-0.9%
Silver	36.84	0.8%
Palladium	1138	-2.0%
Copper	9955	-0.6%
BCOM	103.39	-0.3%

Source: Bloomberg

Singapore: The MND, MoF and MAS announced longer holding period and higher rates for sellers of private homes, and will come into effect on 4 July. Currently, those who sell a private residential units less than 4 years after the date of purchase are subject to SSD rates set at 12% in the first year, 8% in the second year, and 4% in the third year. The respective rates have been increased by 4% each year, now set at 16% in the first year, 12% in the second year, and 8% in the third year. The reason for the increase comes after a significant increase in sub-sale transactions of private home units. (A sub-sale is similar to resale, except that the sale of a unit takes place prior to the completion of the development.) This change brings the SSD rates back to pre-2017 levels, which were revised due to the significant fall in sub-sales.

Commodities: Crude oil benchmarks fell on Thursday, with WTI and Brent declining by 0.7% and 0.4%, respectively, to USD67.0/bbl and USD68.8/bbl. Oil prices dropped due to media reports that the US plans to restart nuclear talks with Iran, thereby reducing the risk of a re-escalation of geopolitical tensions in the Middle East. Nevertheless, losses were somewhat limited by a new sanctions package targeting the Iranian oil trade network, including companies and shadow fleets involved in the shipment of Iranian oil.

Major Markets

ID: Coordinating Minister Airlangga Hartarto announced that Indonesia and the US will sign trade and investment pacts worth USD34bn on 7 July, including USD15.5bn in energy product purchases. The deal, involving state firms and private players like Garuda and Indofood, is part of the government's bid to lower upcoming US tariffs before the 9 July deadline. The government aims to secure more favourable terms than Vietnam's 20% rate announced earlier this week.

MY: Prime Minister Anwar Ibrahim announced that Malaysia secured potential investments worth MYR8.13bn during his visit to Italy, following engagements with 41 Italian firms and agencies. The deals span petrochemicals, E&E, machinery, and oil & gas services, while projected exports include MYR425mn in renewable energy and oleochemical products. Anwar also discussed enhanced energy collaboration with PM Giorgia Meloni, including joint ventures in sustainable aviation fuel and electric vehicle batteries.

TH: Deputy Prime Minister and Interior Minister Phumtham Wechayachai has been appointed as the new interim Prime Minister (PM), succeeding Suriya Juangroongruangkit, who served as interim PM shortly after Ms. Paetongtarn Shinawatra's suspension from the role. The appointment was made at a special cabinet meeting following the swearing-in of the new cabinet by His Majesty King Maha Vajiralongkorn. Ms. Paetongtarn Shinawatra will retain a position in the government as the new Minister of Culture. Meanwhile, opposition parties have agreed to postpone tabling a no-confidence motion against the government until the constitutional court delivers its verdict in Minister Shinawatra's case.

ESG

Rest of the world: The EU Commission has proposed an EU climate target for 2040 that will allow countries to use carbon credits from developing nations to meet a limited proportion of their emissions goal. The carbon credits would be phased in from 2036, and the EU will propose legislation in 2026 to establish quality criteria they must meet and rules on who would buy them. The EU Commission will also propose a scheme that uses revenues raised by the EU's carbon border tariff to support companies exporting goods to foreign markets where competitors do not have to pay carbon border tariffs, thereby supporting companies in staying competitive. Aluminium and steel producers have called for such compensation, as they will gradually lose the free carbon permits they currently receive from the EU when the carbon border tariff kicks in from 2026.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors and 10Y trading 2bps lower while belly tenors traded 2-3bps lower. Chinese builder Longfor Group (“Longfor”) wired about RMB1.766bn to repay bondholders who exercised put options on a 4.1% RMB denominated bond, as per Bloomberg. The payment covered RMB1.697bn in principal and RMB69.7mn in interest. According to a public filing, Longfor must complete the payment by 7 July. The company remains one of the few large private Chinese developers yet to default. In other news by Bloomberg, New World Development Co. plans to raise up to USD2bn through a loan backed by its Victoria Dockside asset with a commitment deadline of 11 July. This loan is its first fresh funding test since completing a record USD11bn refinancing deal earlier this week. The company aims to raise at least HKD4bn, potentially up to HKD15.6bn, to repay debt and ease financial pressure. Bloomberg Asia USD Investment Grade spreads tightened by 3bps to 70bps and Bloomberg Asia USD High Yield spreads tightened by 9bps to 358bps respectively. (Bloomberg, OCBC)

New Issues:

There was one notable issuance in the Asiadollar market yesterday.

- Zhangzhou Jiulongjiang Group Co Ltd priced a USD500mn 3Y Green Transition Fixed Bond at 4.55%.

There was one notable issuance in the Singdollar market yesterday.

- Q & M Dental Group (Singapore) Limited priced a SGD130mn 3Y Fixed Bond at 3.95%.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	97.180	0.42%	USD-SGD	1.2753	0.19%
USD-JPY	144.930	0.88%	EUR-SGD	1.4996	-0.15%
EUR-USD	1.176	-0.36%	JPY-SGD	0.8800	-0.68%
AUD-USD	0.657	-0.20%	GBP-SGD	1.7417	0.35%
GBP-USD	1.366	0.14%	AUD-SGD	0.8381	0.00%
USD-MYR	4.222	-0.11%	NZD-SGD	0.7742	-0.10%
USD-CNY	7.171	0.10%	CHF-SGD	1.6033	-0.22%
USD-IDR	16198	-0.27%	SGD-MYR	3.3170	-0.04%
USD-VND	26202	0.15%	SGD-CNY	5.6213	-0.14%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8890	-0.89%	1M	4.3351	0.26%
3M	1.9580	-0.15%	2M	4.3500	0.69%
6M	2.0330	-0.88%	3M	4.3315	1.15%
12M	2.0550	-0.72%	6M	4.2150	2.04%
			1Y	3.9834	0.01%

Fed Rate Hike Probability

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	Implied Rate Change		Expected Effective Fed Funds Rate
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.047	-4.7	-0.012	4.318
09/17/2025	-0.732	-68.6	-0.183	4.146
12/10/2025	-2.078	-72.1	-0.519	3.81

Equity and Commodity

Index	Value	Net change
DJIA	44,828.53	344.11
S&P	6,279.35	51.93
Nasdaq	20,601.10	207.97
Nikkei 225	39,785.90	23.42
STI	4,019.57	8.80
KLCI	1,548.99	-1.22
JCI	6,878.05	-3.19
Baltic Dry	1,434.00	-9.00
VIX	16.38	-0.26

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.72 (-0.04)	3.88(--)
5Y	1.72 (-0.04)	3.94 (+0.07)
10Y	2.11 (-0.05)	4.35 (+0.07)
15Y	2.21 (-0.05)	--
20Y	2.2 (-0.06)	--
30Y	2.22 (-0.07)	4.86 (+0.06)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.40
------	------

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	67.00	-0.67%	Corn (per bushel)	4.315	0.5%
Brent (per barrel)	68.80	-0.45%	Soybean (per bushel)	10.563	0.5%
Heating Oil (per gallon)	236.98	-1.74%	Wheat (per bushel)	5.478	-1.5%
Gasoline (per gallon)	211.86	-0.20%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.41	-2.26%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9954.50	-0.58%	Gold (per oz)	3326.1	-0.9%
Nickel (per mt)	15451.00	0.97%	Silver (per oz)	36.8	0.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/04/2025 13:00	SI	Retail Sales SA MoM	May	--	--	0.30%	--
7/04/2025 13:00	SI	Retail Sales YoY	May	1.80%	--	0.30%	--
7/04/2025 13:00	SI	Retail Sales Ex Auto YoY	May	--	--	0.80%	--
7/04/2025 14:00	GE	Factory Orders MoM	May	-0.20%	--	0.60%	--
7/04/2025 14:00	GE	Factory Orders WDA YoY	May	5.70%	--	4.80%	--
7/04/2025 14:45	FR	Industrial Production MoM	May	0.30%	--	-1.40%	--
7/04/2025 14:45	FR	Industrial Production YoY	May	0.10%	--	-2.10%	--
7/04/2025 14:45	FR	Manufacturing Production YoY	May	--	--	-1.60%	--
7/04/2025 15:00	SZ	Unemployment Rate	Jun	--	--	2.80%	--
7/04/2025 15:00	SZ	Unemployment Rate SA	Jun	--	--	2.90%	--
7/04/2025 15:30	GE	HCOB Germany Construction PMI	Jun	--	--	44.4	--
7/04/2025 15:30	TH	Gross International Reserves	27-Jun	--	--	\$258.4b	--
7/04/2025 16:30	UK	S&P Global UK Construction PMI	Jun	48.5	--	47.9	--
7/04/2025 17:00	EC	PPI MoM	May	-0.60%	--	-2.20%	--
7/04/2025 17:00	EC	PPI YoY	May	0.30%	--	0.70%	--
7/04/2025	IN	Foreign Exchange Reserves	27-Jun	--	--	\$697.9b	--

Source: Bloomberg



Macro Research

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

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

Jonathan Ng
ASEAN Economist
jonathann4@ocbc.com

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

Lavanya Venkateswaran
Senior ASEAN Economist
lavyanavenkateswaran@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

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

Ahmad A Enver
ASEAN Economist
ahmad.enver@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

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W