

## Daily Treasury Outlook

4 September 2025

### Highlights

**Global:** US equities ended mixed (S&P: +0.51%; NASDAQ: +1.03%; Dow: -0.05%) with technology stocks boosted by prospects of rate cuts from the US Federal Reserve. The DXY index trade choppily while UST yields ended the session lower, with the 30-year at 4.896% after hitting an intra-day high of above 5%. The economic data overnight pointed to signs of further weakness in the jobs markets. The JOLTS job openings were lower than expected for July at 7181K from 7357K (Consensus: 7380K) while the layoff rate remained unchanged at 1.1%, similar to the quits rate at 2.0%. July factory orders and the final print of durables goods orders broadly matched expectations was contracted for the month to -1.3% and -2.8%, respectively. According to the Beige book, US economic activity saw “little or no change” across most of the country in recent weeks. In terms of Fed speak, Christopher Waller said on CNBC that it was time for the US Federal Reserve to start cutting rates – his views are well known considering he was a dissenter at the previous FOMC meeting in July. Views from Alberto Musalem and Raphael Bostic were more mixed with the former suggests that the current rate environment is consistent with the Fed’s dual mandate objective, while the latter still viewed one rate cut for this year as appropriate in an essay released on Wednesday. Fed funds futures are almost fully pricing in a 25bp cut at the September meeting and a total of 58bps in rate cuts for the full year.

Closer home, the jury is out on what happens next in Thailand as competing political parties rush to fill the political vacuum. An election looks likely, but it is the timing of the election that is less certain. India’s GST Council finalised the new rates across the GST, reducing it to two slabs of 5% and 18% from the current four slabs, effective 22 September. The 40% rate on ‘sin’ products remains unchanged. This is projected to reduce GST revenue collections by INR480bn or 0.2% of GDP. There will likely need to be some cutbacks in expenditures if the government is to meet its FY26 fiscal deficit target of 4.4% of GDP, and/or allowing for a fiscal slippage of a similar magnitude.

**Market Watch:** Bank Negara Malaysia meets this afternoon. We and consensus are looking for BNM to stay on hold, but the tone of the official statement will be important as we are looking for another 25bps cut from BNM this year. On the data tap for today are Australia’s July trade data, Thailand’s August CPI and Euro Area July retail sales. For the US, it fairly data heavy with August Challenger job cuts, August ADP employment change, July trade data, weekly initial jobless claim and continuing claim, Aug ISM services scheduled for release tonight ahead of the all-important August nonfarm payrolls on Friday.

### Key Market Movements

Equity	Value	% chg
S&P 500	6448.3	0.5%
DJIA	45271	-0.1%
Nikkei 225	41939	-0.9%
SH Comp	3813.6	-1.2%
STI	4289.3	-0.2%
Hang Seng	25343	-0.6%
KLCI	1578.5	0.1%
	Value	% chg
DXY	98.142	-0.3%
USDJPY	148.1	-0.2%
EURUSD	1.1662	0.2%
GBPUSD	1.3444	0.4%
USIDR	16415	0.1%
USDSGD	1.2878	0.0%
SGDMYR	3.2816	-0.1%
	Value	chg (bp)
2Y UST	3.62	-2.26
10Y UST	4.22	-4.46
2Y SGS	1.46	2.30
10Y SGS	1.89	3.30
3M SORA	1.54	-1.30
3M SOFR	4.36	0.12
	Value	% chg
Brent	67.6	-2.2%
WTI	63.97	-2.5%
Gold	3559	0.7%
Silver	41.21	0.8%
Palladium	1149	0.5%
Copper	9976	-0.1%
BCOM	103.43	-0.2%

Source: Bloomberg

**Commodities:** Crude oil benchmarks fell on Wednesday, with WTI and Brent declining by 2.5% and 2.2%, respectively, to USD64.0/bbl and USD67.6/bbl. Oil steadied during the Asian trading session but declined during the London session following a media report indicating that OPEC+ is considering another upward production adjustment for October. The prospects of a production hike exacerbated concerns about a looming supply glut weighing on oil prices. The eight OPEC+ member countries, where October production levels will be decided, are scheduled to meet on 7 September. Elsewhere, the American Petroleum Institute (API) reported a buildup of 0.6mn bbls in US crude inventories for the week ending 29 August. This contrast with consensus expectations, which had anticipated a drawdown of 2.2mn bbls. The US Energy Information Administration (EIA) crude oil inventories data will be released tonight (5 September).

## Major Markets

**ID:** Bank Indonesia (BI) Governor Perry Warjiyo noted that the ongoing burden-sharing scheme with the Ministry of Finance, with BI having already purchased IDR200trn of government bonds this year through the secondary market, aims to support growth, including by helping to fund initiatives such as low-cost housing and village cooperatives, as reported by Bloomberg. Elsewhere, foreign tourist arrivals rose by 13.0% YoY to 1.54mn in July from 1.42mn in June, bringing the year-to-July cumulative arrivals to 8.53mn, a 10.0% YoY rise. Nonetheless, the figures are still below the 9.18mn arrivals during the same period in 2019.

**MY:** Deputy Investment, Trade, and Industry Minister Liew Chin Tong said Malaysia secured MYR190.3bn in approved investments in 1H25, up 18.7% YoY, led by technology, AI, and renewable energy. Foreign investors contributed MYR106.8bn, while domestic investments totalled MYR83.5bn, with a total of about 3,011 projects expected to generate nearly 89,300 jobs. The government has rolled out initiatives such as NIMP 2030, the National Semiconductor Strategy, and the Green Investment Strategy, supported by the New Investment Incentive Framework and the Digital Investment Office. He noted that these efforts boosted the country's World Competitiveness Ranking by 11 spots to 23rd, its best since 2020.

**TH:** Prime Minister (PM) candidate and Bhumjaithai Party leader Anutin Charnvirakul has signed a written agreement with the People's Party (PP). Under this agreement, members of the PP will endorse Mr Charnvirakul as the new PM. However, their support is conditional upon various terms, including "the new prime minister must dissolve the House of Representatives within four months from the date of the policy speech to Parliament, to organise a general election for Members of Parliament" and "The People's Party will remain in the opposition, fully exercising its role in scrutinising the administration of the new government, and no member of the People's Party will hold a ministerial position." Following this, Acting PM Phumtham Wechayachai announced that he has submitted a draft royal decree to His Majesty King Maha Vajiralongkorn requesting the dissolution of the House of Representatives. Media reports indicate that complaints have been lodged with the police accusing Acting PM Wechayachai of lese majeste. Nevertheless, Speaker of the House of Representatives Wan Muhamad Noor Matha has called for a vote for a new PM on 5 September.

## ESG

**SG:** The Energy Market Authority has appointed Mott MacDonald, a consultancy firm with experience in the nuclear energy industry, to study the safety and feasibility of advanced nuclear technologies such as small modular reactors (SMR). SMRs have gained growing attention in Singapore and the region, as they are thought to be suitable for Singapore as a land-scarce and population-dense country. The one-year study will be based on the safety features, technology maturity and commercial readiness of the advanced technologies. Mott MacDonald's appointment follows EMA's December 2024 call for proposals from consultants to study the safety performance of various advanced nuclear technologies being developed globally. Besides technology, Singapore will also need to build capabilities and conduct assessments across multiple areas such as environmental impact analysis.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading ~3bps higher while belly tenors traded 2-3bps higher and 10Y traded ~2bps higher. As per Bloomberg, China's central bank and finance ministry will enhance coordination to promote the stable and healthy development of the bank market, following recent talks on financial market operations and government management. Meanwhile, Shenzhen Metro Group Co Ltd, China Vanke Co Ltd's largest shareholder, plans to issue a RMB10bn private onshore bond. Bloomberg Asia USD Investment Grade spreads widened by 2bps to 64bps and Bloomberg Asia USD High Yield spreads widened by 3bps to 342bps respectively. (Bloomberg, OCBC)

### New issues:

There were four notable issuances by three issuers in the Asiadollar market yesterday.

- Sumitomo Life Insurance Co priced a USD1.2bn 30NC10 Fixed Subordinated Note at 5.875%.
- GC Treasury Center Co Ltd (guarantor: PTT Global Chemical PCL) priced USD1.1bn of debt in two tranches: a USD600mn PerpNC5.25 Fixed Subordinated Perpetual at T+281.50bps (99.962 to yield 6.5%) and a 500mn PerpNC10 Fixed Subordinated Perpetual at T+291.20bps (Yield: 7.125%).
- Fubon Life Singapore Pte. Ltd. (guarantor: Fubon Life Insurance Co Ltd) priced a USD650mn 10.25Y Tier 2 Subordinated Note at T+120bps (Reoffer price 99.826 to yield 5.469%).

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- Korea Housing Finance Corp may issue a USD-denominated 3Y to 5Y Fixed/FRN note.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.142	-0.26%	USD-SGD	1.2878
USD-JPY	148.100	-0.18%	EUR-SGD	1.5016
EUR-USD	1.166	0.19%	JPY-SGD	0.8695
AUD-USD	0.654	0.35%	GBP-SGD	1.7316
GBP-USD	1.344	0.37%	AUD-SGD	0.8427
USD-MYR	4.227	-0.07%	NZD-SGD	0.7572
USD-CNY	7.142	0.05%	CHF-SGD	1.6014
USD-IDR	16415	0.09%	SGD-MYR	3.2816
USD-VND	26388	0.18%	SGD-CNY	5.5441

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8980	1.23%	1M	4.2227
3M	2.0750	0.05%	2M	4.1630
6M	2.0890	0.14%	3M	4.1250
12M	2.1620	0.65%	6M	3.9708
			1Y	3.7261

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.989	-98.90%	-0.247	4.086
10/29/2025	-1.524	-53.40%	-0.381	3.953
12/10/2025	-2.305	-78.90%	-0.578	3.755

## Equity and Commodity

Index	Value	Net change
DJIA	45,271.23	-24.58
S&P	6,448.26	32.72
Nasdaq	21,497.73	218.10
Nikkei 225	41,938.89	-371.60
STI	4,289.33	-9.18
KLCI	1,578.52	1.82
JCI	7,885.86	84.28
Baltic Dry	1,986.00	-38.00
VIX	16.35	-0.82

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.46 (+0.02)	3.61(--)
5Y	1.59 (+0.03)	3.69 (-0.03)
10Y	1.89 (+0.03)	4.21 (-0.04)
15Y	1.99 (+0.04)	--
20Y	2 (+0.05)	--
30Y	2.07 (+0.05)	4.89 (-0.06)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.39
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.97	-2.47%	Corn (per bushel)	3.978	-1.3%
Brent (per barrel)	67.60	-2.23%	Soybean (per bushel)	10.160	-1.0%
Heating Oil (per gallon)	236.09	-0.57%	Wheat (per bushel)	5.040	-1.8%
Gasoline (per gallon)	201.20	-1.51%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.06	1.83%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9975.50	-0.05%	Gold (per oz)	3559.4	0.7%
Nickel (per mt)	15304.00	0.47%	Silver (per oz)	41.2	0.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/04/2025 14:30	TH	CPI YoY	Aug	-0.70%	--	-0.70%	--
9/04/2025 14:30	TH	CPI NSA MoM	Aug	0.20%	--	-0.27%	--
9/04/2025 14:30	TH	CPI Core YoY	Aug	0.78%	--	0.84%	--
9/04/2025 15:00	MA	BNM Overnight Policy Rate	4-Sep	2.75%	--	2.75%	--
9/04/2025 16:30	UK	S&P Global UK Construction PMI	Aug	45	--	44.3	--
9/04/2025 17:00	EC	Retail Sales MoM	Jul	-0.30%	--	0.30%	--
9/04/2025 17:00	EC	Retail Sales YoY	Jul	2.30%	--	3.10%	--
9/04/2025 20:15	US	ADP Employment Change	Aug	68k	--	104k	--
9/04/2025 20:30	US	Nonfarm Productivity	2Q F	2.70%	--	2.40%	--
9/04/2025 20:30	US	Initial Jobless Claims	30-Aug	230k	--	229k	--
9/04/2025 20:30	US	Continuing Claims	23-Aug	1959k	--	1954k	--
9/04/2025 20:30	US	Trade Balance	Jul	-\$77.9b	--	-\$60.2b	--
9/04/2025 21:45	US	S&P Global US Composite PMI	Aug F	55.3	--	55.4	--
9/04/2025 22:00	US	ISM Services Index	Aug	51	--	50.1	--
9/04/2025 22:00	US	ISM Services Prices Paid	Aug	69.5	--	69.9	--
9/04/2025 22:00	US	ISM Services New Orders	Aug	51.1	--	50.3	--

Source: Bloomberg



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