

Daily Treasury Outlook

5 August 2025

Highlights

Global: US and world equity markets had a strong comeback on Monday, more than recovering the lost ground last Friday, after shrugging off worries over the US economy. Investors instead chose to focus on the positivity of a lower interest rate world, in the relatively light data and risk event week. The S&P 500 and NAS100 closed on their respective highs, amid a tech led rebound. UST yields were down 2 bps across the curve, supporting the equity sentiment. The dollar was little changed against major currencies on the day, with the exception of Swiss franc, as Switzerland was hit hard by US' imposition of a 39% tariff. San Francisco Fed's Daly said time is nearing for rate cuts and may need more than two cuts this year, while citing softening job market and no persistent tariff-driven inflation. On data front, US' factory orders declined by 4.8% in June, after an upwardly revised 8.3% increase in May, as commercial aircraft orders plummeted during the month. Separately, Eurozone's Sentix investor confidence missed expectation by a big margin, falling to -3.7 in August, from 4.5 in the previous month. Meanwhile, Australia's July Melbourne Institute inflation accelerated to 0.9% MoM, the highest in 19 months. The HKMA intervened and bought HK\$6.429 billion, on another round of weak side convertibility undertaking triggering.

Market Watch: Asian markets are likely to trade with a constructive tone today. Economic calendar in APAC market comprises of Philippines' July CPI, Australia's June household spending, Indonesia's 2Q GDP, as well as a slew of July PMI reports coming out of Japan, Hong Kong, Singapore, and China. Later today, the market will watch France' June industrial production, Eurozone's June PPI and US' July ISM services index.

Commodities: Crude oil benchmarks extended losses on Monday, with WTI and Brent declining by 1.5% and 1.3%, respectively, to USD66.3/bbl and USD68.8/bbl. Prices slipped amid concerns about a potential oversupply, following an announcement from OPEC+ agreeing to raise production by 547kbpd in September. The September hike completes the unwinding of the 2.2mbpd of voluntary production cuts from these eight member countries. Nevertheless, losses were somewhat limited, as sentiment remained cautious regarding the possibility of stiffer economic penalties on Russian oil exports and the potential supply disruption to the global oil market.

Key Market Movements

Equity	Value	% chg
S&P 500	6329.9	1.5%
DJIA	44174	1.3%
Nikkei 225	40291	-1.2%
SH Comp	3583.3	0.7%
STI	4197.2	1.0%
Hang Seng	24733	0.9%
KLCI	1527.0	-0.4%
	Value	% chg
DX	98.784	-0.4%
USDJPY	147.09	-0.2%
EURUSD	1.1571	-0.1%
GBPUSD	1.3285	0.0%
USDIDR	16390	-0.6%
USDSGD	1.2876	-0.2%
SGDMYR	3.2891	-0.1%
	Value	chg (bp)
2Y UST	3.68	-0.65
10Y UST	4.19	-2.36
2Y SGS	1.63	-8.70
10Y SGS	2.06	-5.88
3M SORA	1.82	-2.20
3M SOFR	4.34	-0.04
	Value	% chg
Brent	68.76	-1.3%
WTI	66.29	-1.5%
Gold	3374	0.3%
Silver	37.41	1.0%
Palladium	1210	-0.2%
Copper	9687	0.6%
BCOM	100.43	-0.2%

Source: Bloomberg

Major Markets

ID: Indonesia has finalized its first Comprehensive Economic Partnership Agreement (CEPA) in North America with Canada, marking a key milestone after over 2.5 years of talks. The ICA-CEPA, expected to be signed by October 2025, will expand market access for Indonesian goods and services, including telecom, tourism, and construction, while also easing investment in sectors like agriculture, energy, and manufacturing, as reported by Antara. The agreement includes chapters on e-commerce, IPR, SMEs, and environmental commitments.

MY: Malaysia has agreed to spend up to USD150bn over five years on equipment from US multinationals in the semiconductor, aerospace, and data centre sectors as part of a broader deal to lower tariffs, as reported by Reuters. Trade Minister Zafrul Aziz revealed that Malaysia will also invest USD70bn in the US and commit to annual LNG purchases worth USD3.4bn via Petronas. In exchange, the US will impose a reduced 19% tariff starting 8 August, instead of the previously threatened 25%. Malaysia will also remove or lower duties on 98.4% of US imports and ease certain digital regulations, though semiconductor exports may still face additional tariffs due to US national security laws.

ESG

Rest of the world: Japan's industry and land ministers have designated Matsumae and Hiyama, areas off the northern island of Hokkaido, as promotion zones for upcoming offshore wind power auctions. This move aims to strengthen the country's renewable energy efforts as Japan targets 45 GW of offshore wind capacity by 2040. The government will develop guidelines for the use of the zones and launch a public tender to choose operators for energy projects. With some projects facing soaring costs and delays, the industry expects the government to offer more attractive terms to developers to boost the offshore wind farm sector.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded significantly lower yesterday with shorter tenors and belly tenors trading 8-9bps lower while 10Y traded 7bps lower. As per Bloomberg, Chinese developer Seazen Holdings ("Seazen") priced a RMB1bn state-backed note at a record-low 2.68% coupon on Friday. Seazen plans to use up to RMB500mn of the proceeds to boost liquidity, with the remainder for repaying dollar bonds and homebuilding. Meanwhile, Blue Bright Limited has commenced offering to repurchase and consent solicitation for its USD300mn AVICCP 2.375% '26, offer is to expire on 15 August. Besides, Fitch has upgraded Sinochem International Corporation's long term issuer rating to A- from BBB+, with a stable outlook. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 69bps and Bloomberg Asia USD High Yield spreads widened by 3bps to 366bps respectively. (Bloomberg, OCBC)

New issues:

There were no notable issuances in the Asiadollar & Singdollar market yesterday.

Mandates:

- CALC BONDS Limited (guarantor: China Aircraft Leasing Group Holdings Limited) may issue USD-denominated bonds.
- Henan Water Conservancy Investment Group Co., Ltd may issue USD-denominated bonds.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.784	-0.36%	USD-SGD	1.2876	-0.17%
USD-JPY	147.090	-0.21%	EUR-SGD	1.4900	-0.28%
EUR-USD	1.157	-0.14%	JPY-SGD	0.8754	0.06%
AUD-USD	0.647	-0.11%	GBP-SGD	1.7106	-0.08%
GBP-USD	1.329	0.05%	AUD-SGD	0.8328	-0.22%
USD-MYR	4.237	-0.98%	NZD-SGD	0.7607	-0.29%
USD-CNY	7.181	-0.17%	CHF-SGD	1.5933	-0.67%
USD-IDR	16390	-0.62%	SGD-MYR	3.2891	-0.12%
USD-VND	26185	-0.11%	SGD-CNY	5.5746	-0.13%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8930	0.37%	1M	4.3475	-0.01%
3M	1.9940	-0.70%	2M	4.2903	-0.06%
6M	2.0700	-0.24%	3M	4.2312	-0.08%
12M	2.1470	0.99%	6M	4.0460	-0.22%
			1Y	3.7901	-0.14%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/18/2025	#N/A N/A	#N/A N/A	#N/A N/A
07/30/2025	-0.031	-3.1	-0.008
09/17/2025	-0.95	-95	-0.238
12/10/2025	-2.462	-83.7	-0.616
			3.708

Equity and Commodity

Index	Value	Net change
DJIA	44,173.64	585.06
S&P	6,329.94	91.93
Nasdaq	21,053.58	403.45
Nikkei 225	40,290.70	-508.90
STI	4,197.23	43.40
KLCI	1,526.98	-6.37
JCI	7,464.65	-73.12
Baltic Dry	2,018.00	15.00
VIX	17.52	-2.86

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.63 (-0.09)	3.67(--)
5Y	1.74 (-0.06)	3.74 (-0.02)
10Y	2.06 (-0.06)	4.19 (-0.02)
15Y	2.15 (-0.07)	--
20Y	2.15 (-0.06)	--
30Y	2.2 (-0.04)	4.79 (-0.03)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.34
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	66.29	-1.54%	Corn (per bushel)	3.870	-0.6%
Brent (per barrel)	68.76	-1.31%	Soybean (per bushel)	9.690	0.8%
Heating Oil (per gallon)	231.76	0.77%	Wheat (per bushel)	5.168	0.0%
Gasoline (per gallon)	210.22	-0.77%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.93	-4.90%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9687.00	0.59%	Gold (per oz)	3373.6	0.3%
Nickel (per mt)	15066.00	0.53%	Silver (per oz)	37.4	1.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/05/2025 9:45	CH	S&P Global China PMI Composite	Jul	--	--	51.3	--
8/05/2025 9:45	CH	S&P Global China PMI Services	Jul	50.4	--	50.6	--
8/05/2025 12:00	ID	GDP YoY	2Q	4.80%	--	4.87%	--
8/05/2025 13:00	IN	HSBC India PMI Composite	Jul F	--	--	60.7	--
8/05/2025 13:00	SI	Retail Sales SA MoM	Jun	--	--	1.00%	--
8/05/2025 13:00	SI	Retail Sales YoY	Jun	2.00%	--	1.40%	--
8/05/2025 13:00	SI	Retail Sales Ex Auto YoY	Jun	--	--	0.00%	--
8/05/2025 16:00	EC	HCOB Eurozone Services PMI	Jul F	51.2	--	51.2	--
8/05/2025 16:00	EC	HCOB Eurozone Composite PMI	Jul F	51	--	51	--
8/05/2025 16:30	UK	S&P Global UK Services PMI	Jul F	51.2	--	51.2	--
8/05/2025 16:30	UK	S&P Global UK Composite PMI	Jul F	51	--	51	--
8/05/2025 17:00	EC	PPI YoY	Jun	0.60%	--	0.30%	--
8/05/2025 20:30	US	Trade Balance	Jun	-\$61.0b	--	-\$71.5b	--
8/05/2025 21:45	US	S&P Global US Services PMI	Jul F	55.2	--	55.2	--
8/05/2025 21:45	US	S&P Global US Composite PMI	Jul F	54.6	--	54.6	--
8/05/2025 22:00	US	ISM Services Index	Jul	51.5	--	50.8	--

Source: Bloomberg



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