

## Daily Treasury Outlook

5 December 2025

### Highlights

**Global:** US equities closed mixed overnight (S&P: +0.1%; NASDAQ: +0.2%; Dow: -0.1%), the DXY index edged higher while the UST curve bear flattened. The economic data released overnight from the US was mixed. Initial jobless claims for the week of 29 November eased to 191k from 218k the previous week while continuing claims were still elevated at 1939k versus 1943k the previous week. Challenger job cuts showed that the pace of job cuts eased to 23.5% YoY for November from 175.3% in October. Fed fund futures continue to suggest that a 25bp rate is fully priced in for the 10 December FOMC meeting, with the pricing at 86.6bp in cuts through to end-2026. The backlog of economic data continues to be released. Gains for September factory orders slowed 0.2% MoM sa from 1.3% in August while the final reading of September durable goods orders was unchanged from the preliminary reading. Kevin Hassett, whose name in the hat for the next Federal Reserve Chairperson, said that he thinks the Fed will likely cut its policy rate by 25bp at the 10 December meeting. Elsewhere, the focus on ASEAN's flood rehabilitation efforts remains. Persistent rainfall and cyclone Senyar have hit Indonesia, Thailand, and Malaysia. Thailand authorities noted early this week that export losses could add up to USD400mn if conditions persist, while tourist arrivals particularly from Malaysia are taking a hit. This adds to case for Bank of Thailand to cut its policy rate by 25bp at its 17 Dec meeting, in our view.

**Market Watch:** The focus for today is on the Reserve Bank of India. The Governor of RBI, Sanjay Malhotra, noted on 24 November that he saw room to ease the policy rate, but added that the rate decision depends on the Monetary Policy Committee, which consists of 6 members including the Governor. Since these statements, India's 3Q25 GDP surprised significantly on the upside coming in at 8.2% YoY from 7.8% in 2Q25 while USDINR hit an intra-day spot record high of over 90 on 3 December (subsequently settling below that level). India's headline CPI at 0.3% YoY for October 2025 is the lowest reading on this CPI base but we expect headline CPI to remain within RBI's 2-6% over the forecast horizon range through end-2026 suggesting a reduced need to rush rate cuts at this juncture. While consensus is looking for a 25bp cut, our view is that the meeting is a close call for RBI to remain on hold. Other data releases today include Singapore October retail sales, Philippines Nov CPI, the third estimate of Euro Area 3Q25 GDP, US September PCE and the preliminary Uni of Michigan sentiment index.

### Major Markets

**ID:** Russian President Vladimir Putin will host President Prabowo Subianto in Russia later this month for a working visit, as reported by Interfax. Russian presidential aide Yury Ushakov noted that "this will be a purely working visit

#### Key Market Movements

Equity	Value	% chg
S&P 500	6857.1	0.1%
DJIA	47851	-0.1%
Nikkei 225	51028	2.3%
SH Comp	3875.8	-0.1%
STI	4535.1	-0.4%
Hang Seng	25936	0.7%
KLCI	1621.1	-0.1%
	Value	% chg
DXY	98.989	0.1%
USDJPY	155.1	-0.1%
EURUSD	1.1644	-0.2%
GBPUSD	1.3327	-0.2%
USDIDR	16650	0.2%
USDSGD	1.2961	0.2%
SGDMYR	3.1768	-0.2%
	Value	chg (bp)
2Y UST	3.52	3.91
10Y UST	4.10	3.48
2Y SGS	1.40	2.10
10Y SGS	2.02	0.22
3M SORA	1.25	-0.57
3M SOFR	4.17	-0.52
	Value	% chg
Brent	63.26	0.9%
WTI	59.67	1.2%
Gold	4208	0.1%
Silver	57.14	-2.3%
Palladium	1455	0.0%
Copper	11450	-0.3%
BCOM	111.13	0.4%

Source: Bloomberg

to compare notes, considering expanded cooperation between the two countries and the development of the international situation in all regions of the world, including the region where Indonesia is located." The two leaders met in China in September, where they both reaffirmed their commitment to strengthening cooperation on the economy and investment.

**MY:** Prime Minister Lawrence Wong and Prime Minister Dato' Seri Anwar Ibrahim met in Singapore on 4 December 2025 for the 12th Singapore-Malaysia Leaders' Retreat. PM Anwar and PM Lawrence Wong discussed border congestion, enhancements to the cross-border taxi scheme, maritime and Batu Putih matters, and accelerating energy cooperation, including Singapore's conditional approval to import 1GW of low-carbon electricity from Sarawak. Transport ministers Anthony Loke and Singapore's Acting Transport Minister and Senior Minister of State for Finance Jeffrey Siow signed a supplementary agreement finalising co-located immigration facilities for the RTS Link, which remains on schedule to complete by end-2026 with operations starting in January 2027.

## ESG

**MY:** The International Finance Corporation (IFC), Johor's investment arm Permodalan Darul Ta'zim (PDT), and Malaysia-based integrated energy company Ditrolic Energy are partnering to build a USD6bn solar-and-storage corridor, with the aim of powering Johor's next phase of industrial expansion. The Southern Johor Renewable Energy Corridor (SJREC) will be a 2,000-square-kilometre hybrid solar and battery energy-storage system zone, expected to be a core pillar of the state's Green Development Policy 2030 and Johor-Singapore Special Economic Zone master plan. The SJREC is designed to supply clean electricity to manufacturers, data centre operators and other fast-growing industries. It also aims to enable renewable energy transmission to Singapore, supporting the ASEAN power grid.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-3bps higher while belly tenors and 10Y traded 4bps higher. As per Bloomberg, AIA Group Ltd's long-term rating was upgraded by S&P from A+ to AA-, with the outlook revised to stable from positive. Meanwhile, S&P upgraded Prudential PLC's long-term rating from A to A+, with a stable outlook. Additionally, Logan Group Co Ltd allotted RMB13.66bn in bonds under its onshore debt restructuring plan, exceeding 62% of the total outstanding principal of 21 public bonds as of 10 July, and includes cash repurchases, asset-for-debt swaps, and asset trust options. In other news, Country Garden Holdings Co Ltd ("Country Garden")'s restructuring proposals for nine onshore bonds were approved by bondholders, per a HKEX filing. Lastly, Country Garden also secured HKSAR court approval for its USD14.1bn offshore debt restructuring, allowing it to reduce debt by up to USD11.6bn. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 62bps and Bloomberg Asia USD High Yield spreads tightened by 8bps to 380bps respectively. (Bloomberg, OCBC)

### New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Bank of China Limited/Hong Kong priced a USD300mn 3Y FRN at SOFR1X+41bps.

There was no notable issuance in the Singdollar market yesterday.

### Mandates:

There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DX	98.989	0.14%	USD-SGD	1.2961
USD-JPY	155.100	-0.10%	EUR-SGD	1.5091
EUR-USD	1.164	-0.23%	JPY-SGD	0.8353
AUD-USD	0.661	0.14%	GBP-SGD	1.7271
GBP-USD	1.333	-0.19%	AUD-SGD	0.8564
USD-MYR	4.113	-0.22%	NZD-SGD	0.7465
USD-CNY	7.072	0.11%	CHF-SGD	1.6128
USD-IDR	16650	0.17%	SGD-MYR	3.1768
USD-VND	26370	-0.01%	SGD-CNY	5.4566

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8860	-0.53%	1M	3.8047
3M	2.0290	-0.69%	2M	3.7653
6M	2.1130	-0.38%	3M	3.7411
12M	2.2510	0.31%	6M	3.6680
			1Y	3.5005

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/10/2025	-0.983	-98.30%	-0.246	3.654
01/28/2026	-1.271	-28.80%	-0.318	3.583

## Equity and Commodity

Index	Value	Net change
DJIA	47,850.94	-31.96
S&P	6,857.12	7.40
Nasdaq	23,505.14	51.05
Nikkei 225	51,028.42	1163.74
STI	4,535.14	-19.38
KLCI	1,621.07	-1.77
JCI	8,640.20	28.41
Baltic Dry	2,845.00	245.00
VIX	15.78	-0.30

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.4 (+0.02)	3.52(--)
5Y	1.75 (+0.01)	3.67 (+0.04)
10Y	2.02 (--)	4.1 (+0.03)
15Y	2.15 (+0.01)	--
20Y	2.16 (+0.01)	--
30Y	2.21 (+0.01)	4.75 (+0.02)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	3.95
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	59.67	1.22%	Corn (per bushel)	4.378	1.4%
Brent (per barrel)	63.26	0.94%	Soybean (per bushel)	11.195	0.3%
Heating Oil (per gallon)	230.37	0.13%	Wheat (per bushel)	5.410	0.6%
Gasoline (per gallon)	182.71	-0.01%	Crude Palm Oil (MYR/MT)	40.650	-0.6%
Natural Gas (per MMBtu)	5.06	1.36%	Rubber (JPY/KG)	3.200	-1.5%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11450.00	-0.33%	Gold (per oz)	4207.6	0.1%
Nickel (per mt)	14897.00	0.16%	Silver (per oz)	57.1	-2.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/05/2025 11:00	ID	Foreign Reserves	Nov	--	--	\$149.9b	--
12/05/2025 12:30	IN	RBI Repurchase Rate	5-Dec	5.25%	--	5.50%	--
12/05/2025 13:00	SI	Retail Sales Ex Auto YoY	Oct	--	--	2.00%	--
12/05/2025 13:00	SI	Retail Sales YoY	Oct	2.60%	--	2.80%	--
12/05/2025 13:00	JN	Leading Index CI	Oct P	109.3	--	108.6	--
12/05/2025 13:00	JN	Coincident Index	Oct P	115	--	114.6	--
12/05/2025 15:00	MA	Foreign Reserves	30-Nov	--	--	\$124.1b	--
12/05/2025 16:30	HK	Foreign Reserves	Nov	--	--	\$426.0b	--
12/05/2025 18:00	EC	GDP SA YoY	3Q T	1.40%	--	1.40%	--
12/05/2025 18:00	EC	Employment YoY	3Q F	--	--	0.50%	--
12/05/2025 23:00	US	Personal Income	Sep	0.30%	--	0.40%	--
12/05/2025 23:00	US	Personal Spending	Sep	0.30%	--	0.60%	--
12/05/2025 23:00	US	PCE Price Index YoY	Sep	2.80%	--	2.70%	--
12/05/2025 23:00	US	Core PCE Price Index YoY	Sep	2.80%	--	2.90%	--
12/05/2025 23:00	US	U. of Mich. Sentiment	Dec P	52	--	51	--
12/05/2025	IN	Foreign Exchange Reserves	28-Nov	--	--	\$688.1b	--

Source: Bloomberg

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## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberthtwong@ocbc.com](mailto:herberthtwong@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathanng4@ocbc.com](mailto:jonathanng4@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavanvavenkateswaran@ocbc.com](mailto:lavanvavenkateswaran@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

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