

## Daily Treasury Outlook

6 June 2025

### Highlights

**Global:** Wall Street closed lower overnight (S&P 500: -0.5%, Nasdaq: -0.8%; Dow Jones: -0.3%), weighed down by weakness in the tech sector, lingering geopolitical uncertainty, and some mixed data releases, even after the much-anticipated Trump-Xi call. Specifically, markets initially welcomed the Trump-Xi phone call, which was described as a “very good conclusion for both countries,” with both leaders exchanging pleasantries and invitations to visit. President Trump stated that a meeting between the economic teams would take place “shortly” in a location to be determined. However, sentiment was tempered following the sharp selloff in Tesla after President Trump publicly threatened to cut off federal contracts with Elon Musk’s companies. On the data front, the US trade deficit narrowed to USD61.6bn in April from a downwardly revised USD138.3bn in March, as imports of goods and services fell to a record 16.3% MoM sa, while exports rose by 3%. This may suggest that the front-loading of imports ahead of tariffs has ended. Consequently, this should lift 2Q25 GDP growth, with the Atlanta Fed revising its GDPNow estimate up to 3.8% annualized (vs -0.3% in 1Q25). Still, most of the rebound reflects temporary distortions rather than underlying growth momentum. Across the Atlantic, the ECB cut interest rates by 25 basis points to 2.00%, with ECB President Lagarde signalling a pause.

**Market Watch:** Market attention will remain squarely on US labour market data. Consensus expects total nonfarm payroll employment to increase by 126k and the unemployment rate to hold steady at 4.2%. Elsewhere, the Eurozone will release its final reading of the 1Q25 GDP. Additionally, Thailand will release its CPI print for May. The Reserve Bank of India meets today; we and consensus are looking for a 25bp cut. ECB officials, including Lagarde, Holzmann, Simkus, and Centeno are expected to speak today.

**Commodities:** Crude oil benchmarks closed higher on Thursday, with WTI and Brent increasing by 0.8% and 0.7%, respectively, to USD63.4/bbl and USD65.3/bbl. The rebound was driven by prospects of easing US-China trade tension following a phone call between US President Donald Trump and Chinese President Xi Jinping. The conversation was described as positive, with further meetings between both economic teams planned. Nevertheless, gains may have been limited by concerns over the potential for further production increases by OPEC+.

### Key Market Movements

Equity	Value	% chg
S&P 500	5939.3	-0.5%
DJIA	42320	-0.3%
Nikkei 225	37554	-0.5%
SH Comp	3384.1	0.2%
STI	3917.7	0.4%
Hang Seng	23907	1.1%
KLCI	1518.1	0.7%
	Value	% chg
DXY	98.741	0.0%
USDJPY	143.53	0.5%
EURUSD	1.1445	0.2%
GBPUSD	1.3570	0.1%
USDIDR	16275	-0.1%
USDSGD	1.286	0.0%
SGDMYR	3.2902	-0.1%
	Value	chg (bp)
2Y UST	3.92	5.36
10Y UST	4.39	3.54
2Y SGS	1.87	-4.20
10Y SGS	2.33	-3.18
3M SORA	2.25	-0.80
3M SOFR	4.35	-0.08
	Value	% chg
Brent	65.34	0.7%
WTI	63.37	0.8%
Gold	3353	-0.6%
Silver	35.65	3.3%
Palladium	1007	0.8%
Copper	9740	1.2%
BCOM	102.80	0.4%

Source: Bloomberg

## Major Markets

**ID:** In a meeting with New Zealand's Agriculture, Forestry, Trade, and Investment Minister Todd McClay in Paris on 4 June, Coordinating Minister Airlangga Hartarto revealed that both countries are set to explore deeper bilateral cooperation, especially in trade, agriculture, and investment. Specifically, Indonesia is pushing for greater market access for its tropical fruits and halal products, while both nations aim to boost trade to NZD6bn by 2029 and expand collaboration in clean energy, labor exchange, and strategic sectors, as reported by Antara. Meanwhile, New Zealand reaffirmed its support for Indonesia's accession to the OECD and CPTPP, highlighting a growing strategic partnership beyond trade.

**MY:** Johor Menteri Besar Onn Hafiz Ghazi said the Johor-Singapore SEZ has already attracted foreign direct investment of up to MYR27.4bn in FDI in 1Q25, up sharply compared to MYR4bn in 1Q24. He attributed this surge to growing investor confidence and highlighted federal support, including MYR5mn in infrastructure upgrades around Desaru Coast, as well as the Johor-Singapore Special Economic Zone (JS-SEZ). Onn Hafiz also stressed the focus on local employment and talent development, noting that 70% of Desaru Coast's 1,500 workers are Johoreans.

**PH:** Headline CPI eased to 1.3% YoY in May versus 1.4% in April, and in line with expectations (Consensus: 1.3%; OCBC: 1.2%). Meanwhile, core inflation held steady at 2.2% YoY. Lower inflation in key categories such as utilities (2.3% YoY versus 2.9% in April), furnishing (2.0% versus 2.1%), transport (-2.4% versus -2.1%), and restaurants (2.0% versus 2.3%) more than offset higher inflation in 'alcoholic beverages & tobacco', 'information & communication', 'recreation, sport & culture', and 'education services' categories. Year-to-date, the headline inflation averaged 1.9% YoY in January-May 2025 versus 3.2% in 2024. With inflationary pressures in check, this would be supportive for Bangko Sentral ng Pilipinas (BSP) to continue its monetary policy easing cycle. Our baseline remains for another 25bp in rate cut, taking the policy rate to 5.25% by end-2025. We do not rule out further rate cuts if the external backdrop worsens.

## ESG

**SG:** Renewable energy and carbon credits are among the priority areas for cooperation between Singapore and the Philippines. The two countries agreed to accelerate efforts to achieve the broader vision of the ASEAN power grid to enable power sharing and improve cross-border electricity trade. They are also working towards finalising a legally binding Implementation Agreement for carbon credits collaboration aligned with Article 6 of the Paris Agreement. Increasing renewable energy capacities and utilising high-quality carbon credits can support the climate goals of both countries.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 3bps lower, and belly tenors and 10Y trading 4bps lower. According to Bloomberg, New World Development Co. Ltd. ("New World") has launched a luxury residential project on Hong Kong Island at a record low price for new residential developments to boost sales amid debt concerns and pressure to repay loans and refinance HKD87.5bn in borrowings by month-end. In aviation news, Thailand's bankruptcy court is set to determine on 16 June whether Thai Airways International PCL can exit its debt rehabilitation program and executive powers can be transferred from the plan administrators back to the company's shareholders and board. Also, Delta Air Lines Inc. priced USD2bn of investment-grade bonds yesterday in the US to repay pandemic era government loans provided under a Payroll Support Program. The loans are due in 2030 and recently switched from a low fixed rate loan to a floating-rate structure that is ~200bps over the Secured Overnight Financing Rate. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 76bps and Bloomberg Asia USD High Yield spreads tightened by 6bps to 485bps respectively. (Bloomberg, OCBC)

### **New Issues:**

There were no notable issuances in the Asiadollar and Singdollar markets.

### **Mandates:**

There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.741	-0.05%	USD-SGD	1.2860	-0.02%
USD-JPY	143.530	0.53%	EUR-SGD	1.4715	0.19%
EUR-USD	1.145	0.25%	JPY-SGD	0.8957	-0.59%
AUD-USD	0.651	0.22%	GBP-SGD	1.7452	0.10%
GBP-USD	1.357	0.12%	AUD-SGD	0.8365	0.18%
USD-MYR	4.227	-0.45%	NZD-SGD	0.7760	0.08%
USD-CNY	7.178	0.00%	CHF-SGD	1.5684	-0.21%
USD-IDR	16275	-0.09%	SGD-MYR	3.2902	-0.09%
USD-VND	26081	0.02%	SGD-CNY	5.5792	-0.13%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9540	0.36%	1M	4.3130	0.00%
3M	1.9600	-0.56%	2M	4.3136	0.02%
6M	2.0640	-0.48%	3M	4.3080	0.01%
12M	2.0510	-0.92%	6M	4.2272	-0.03%
			1Y	4.0100	-0.15%

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/18/2025	-0.025	-2.5	-0.006
07/30/2025	-0.335	-31	-0.084
09/17/2025	-0.981	-64.6	-0.245
12/10/2025	-2.165	-65	-0.541

## Equity and Commodity

Index	Value	Net change
DJIA	42,319.74	-108.00
S&P	5,939.30	-31.51
Nasdaq	19,298.45	-162.04
Nikkei 225	37,554.49	-192.96
STI	3,917.69	13.81
KLCI	1,518.12	10.15
JCI	7,113.43	44.39
Baltic Dry	1,489.00	59.00
VIX	18.48	0.87

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.87 (-0.04)	3.92(--)
5Y	1.99 (-0.04)	3.99 (+0.07)
10Y	2.33 (-0.03)	4.39 (+0.04)
15Y	2.45 (-0.02)	--
20Y	2.49 (-0.02)	--
30Y	2.51 (-0.02)	4.88(--)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.28
------	------

## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.37	0.83%	Corn (per bushel)	4.395	0.2%
Brent (per barrel)	65.34	0.74%	Soybean (per bushel)	10.518	0.6%
Heating Oil (per gallon)	209.45	1.18%	Wheat (per bushel)	5.455	0.4%
Gasoline (per gallon)	206.29	1.42%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.68	-1.05%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9739.50	1.23%	Gold (per oz)	3352.7	-0.6%
Nickel (per mt)	15523.00	0.83%	Silver (per oz)	35.7	3.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/06/2025 7:30	JN	Household Spending YoY	Apr	1.50%	-0.10%	2.10%	--
6/06/2025 13:00	JN	Leading Index CI	Apr P	103.9	--	108.1	--
6/06/2025 16:30	HK	Foreign Reserves	May	--	--	\$408.7b	--
6/06/2025 17:00	EC	Retail Sales YoY	Apr	1.50%	--	1.50%	--
6/06/2025 17:00	EC	GDP SA QoQ	1Q T	0.40%	--	0.30%	--
6/06/2025 17:00	EC	GDP SA YoY	1Q T	1.20%	--	1.20%	--
6/06/2025 17:00	EC	Employment QoQ	1Q F	--	--	0.30%	--
6/06/2025 17:00	EC	Employment YoY	1Q F	--	--	0.80%	--
6/06/2025 20:30	US	Change in Nonfarm Payrolls	May	126k	--	177k	--
6/06/2025 20:30	US	Change in Private Payrolls	May	120k	--	167k	--
6/06/2025 20:30	US	Change in Manufact. Payrolls	May	-5k	--	-1k	--
6/06/2025 20:30	US	Unemployment Rate	May	4.20%	--	4.20%	--
6/06/2025 20:30	US	Average Hourly Earnings MoM	May	0.30%	--	0.20%	--
6/06/2025 20:30	US	Average Hourly Earnings YoY	May	3.70%	--	3.80%	--
6/06/2025 20:30	US	Average Weekly Hours All Employees	May	34.3	--	34.3	--
6/06/2025-6/09/2025	SI	Foreign Reserves	May	--	--	\$389.23b	--

Source: Bloomberg

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!



## Macro Research

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

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

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

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

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

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

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

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

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 endorsing 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