

Daily Treasury Outlook

6 October 2025

Highlights

Global: Waiting for Nonfarm payrolls amid the prolonged US government shutdown. Since the federal government shutdown on 1 October, roughly 750,000 federal employees have been furloughed while many others are working without pay in essential services, albeit the White House has threatened to prepare for permanent layoffs instead if the shutdown persists. Still, the S&P500 gained 1.1% to a fresh weekly record high, aided by healthcare, utilities and tech stocks, while UST bonds were generally lower (10-year yield up 4bps to 4.12%) despite market expectations for another 25bps rate cut at the upcoming October FOMC. The US' services ISM eased from 52.0 to 50.0, as new orders retreated from 56.0 to 50.4 but the employment gauge improved slightly from 46.5 to 47.2. Meanwhile, OPEC+ is close to an agreement to modestly raise output in November by 137,000 barrels a day, which the IEA has warned could contribute to a record surplus in 2026 amid cooling global demand. Over in Japan, Sanae Takaichi won the LDP leadership contest on Saturday and is poised to become the country's first female PM, but may face a challenging budget process ahead. Separately, French PM Lecornu is at risk of being voted out of office amid demands from the Socialist Party for the 2026 Budget.

Market Watch: Asian markets are likely to remain slightly upbeat tone today, despite the swirling external headwinds. Today's economic data calendar comprises of Vietnam's 3Q25 GDP growth, September trade and industrial production, Thailand's CPI, India's services/composite PMIs, and Eurozone's Sentix investor confidence. ECB chief Lagarde is also testifying to the European Parliament today, while Guindos and Lane are also speaking. For the week ahead, watch for the FOMC minutes on Wednesday, with Fed chair Powell speaking on Thursday, as well as BOE governor's speech on Tuesday. On the economic data front, keep an eye on inflation reports from Taiwan, Vietnam and the Philippines, while China and South Korea are shut for most of the week for holidays. On the central bank front, RBNZ is likely to cut interest rates on Wednesday but market is divided between a 25 or 50bps move, while BOT is likely to trim by 25bps to 1.35% shortly following the release of its September CPI report, whereas the BSP may hold its overnight borrowing rate static at 5% while maintaining its standing overnight deposit rate at 4.5%. Malaysia's 2026 Budget will be tabled in Parliament on 10 October.

Singapore: August retail sales were better than expected at 5.2% YoY (0.5% MoM sa), which exceeded the consensus forecast of 4.8% and our forecast of 4.4%. The S&P Global Singapore PMI also surged from 51.2 in August to 56.4 in September, marking its eight month of expansion above the 50 handle. Market is also awaiting the announcement of the MAS monetary policy decision which is due by 14 October.

Key Market Movements

Equity	Value	% chg
S&P 500	6715.8	0.0%
DJIA	46758	0.5%
Nikkei 225	45770	1.9%
SH Comp	3882.8	0.0%
STI	4412.0	0.4%
Hang Seng	27141	-0.5%
KLCI	1635.1	-0.2%
	Value	% chg
DXY	97.723	-0.1%
USDJPY	147.47	0.1%
EURUSD	1.1742	0.2%
GBPUSD	1.3480	0.3%
USDIDR	16540	-0.3%
USDSGD	1.2888	0.0%
SGDMYR	3.2640	-0.1%
	Value	chg (bp)
2Y UST	3.58	3.71
10Y UST	4.12	3.65
2Y SGS	1.52	1.40
10Y SGS	1.92	1.32
3M SORA	1.44	-0.45
3M SOFR	4.34	-0.17
	Value	% chg
Brent	64.53	0.7%
WTI	60.88	0.7%
Gold	3887	0.8%
Silver	48.00	2.1%
Palladium	1265	1.4%
Copper	10716	2.1%
BCOM	105.35	0.5%

Source: Bloomberg

Major Markets

ID: State Secretary Prasetyo Hadi said the government is finalizing a presidential regulation to improve the rollout of its free meal program, following reports of food poisoning affecting over 6,400 people, as reported by the Jakarta Globe. While the regulation is expected to be completed this week, Minister Hadi stressed that meal distribution will continue, with the new rules aimed at tightening procedures and coordination. The regulation will assign specific roles to ministries and local governments, with the Agriculture Ministry boosting food supply, the Health Ministry monitoring nutrition, and the National Nutrition Agency overseeing implementation for the program's 82.9mn beneficiaries.

MY: Domestic Trade and Cost of Living Minister Armizan Mohd Ali said the government will soon announce a revised rate for the Automatic Pricing Mechanism (APM) to help maintain the viability of petrol stations following the rollout of the targeted RON95 subsidy. The proposal, already submitted to the Finance Ministry, comes after consultations with petroleum firms and station operators. Minister Armizan also warned that the ministry will act against companies abusing the Budi95 scheme by instructing employees to buy subsidised fuel using personal or family ID cards, stressing that such subsidies are strictly for individual citizens.

VN: Total credit rose 13.4% as of 29 September from end-2024, led by strong growth in property (19%) and tech-related (24%) loans. The SBV targets 19–20% credit growth for 2025, aligning with the government's 8.3–8.5% GDP goal.

ESG

ID: The Indonesian government has identified 10 regions as top priorities in the initial phase of developing waste-to-energy (WTE) facilities as part of a national strategy to improve waste management. Designated regions include Jakarta, Bali and Yogyakarta, which were selected based on certain criteria such as having available land for WTE development and demonstrating clear commitment from local governments to manage waste. Danantara estimates that converting 1,000 tons of waste will require an investment of USD127 mn to USD190 mn. There are plans to inaugurate a batch of waste-to-energy (WTE) projects in late October.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded flat to higher last Friday with shorter tenors trading flat to 1bps higher while belly tenors traded ~1bps higher and 10Y traded flat. Asiadollar primary market continued to be relatively muted amidst a weeklong holiday in mainland China alongside the US government shutdown. As per Bloomberg, Fantasia Holdings Group Co Ltd's creditors holding 84.54% of existing notes back the proposed restructuring of offshore debts. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 60bps and Bloomberg Asia USD High Yield spreads tightened by 7bps to 323bps respectively. (Bloomberg, OCBC)

New issues:

There were no notable issuances in the Asiadollar market last Friday.

There was one notable issuance in the Singdollar market last Friday.

- Cagamas Global PLC (guarantor: Cagamas Bhd) priced a SGD200mn 1Y Fixed Bond at 1.73%.

Mandates:

- There were no notable mandates last Friday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.723	-0.13%	USD-SGD	1.2888
USD-JPY	147.470	0.14%	EUR-SGD	1.5132
EUR-USD	1.174	0.23%	JPY-SGD	0.8739
AUD-USD	0.660	0.12%	GBP-SGD	1.7369
GBP-USD	1.348	0.30%	AUD-SGD	0.8510
USD-MYR	4.208	0.03%	NZD-SGD	0.7517
USD-CNY	7.122	#DIV/0!	CHF-SGD	1.6203
USD-IDR	16540	-0.29%	SGD-MYR	3.2640
USD-VND	26376	-0.08%	SGD-CNY	5.5238

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9390	0.67%	1M	4.0882
3M	2.0200	1.00%	2M	4.0247
6M	2.0950	0.58%	3M	3.9429
12M	2.2240	0.00%	6M	3.7960
			1Y	3.5939

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.946	-94.60%	-0.237	3.858
12/10/2025	-1.82	-87.40%	-0.455	3.639

Equity and Commodity

Index	Value	Net change
DJIA	46,758.28	238.56
S&P	6,715.79	0.44
Nasdaq	22,780.51	-63.54
Nikkei 225	45,769.50	832.77
STI	4,411.95	16.74
KLCI	1,635.06	-2.74
JCI	8,118.30	47.22
Baltic Dry	1,901.00	-8.00
VIX	16.65	0.02

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.52 (+0.01)	3.58(--)
5Y	1.66 (+0.02)	3.71 (+0.05)
10Y	1.92 (+0.01)	4.14 (+0.04)
15Y	1.95 (+0.01)	--
20Y	1.92 (--)	--
30Y	1.98 (+0.01)	4.74 (+0.02)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.20
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	60.88	0.66%	Corn (per bushel)	4.190	-0.7%
Brent (per barrel)	64.53	0.66%	Soybean (per bushel)	10.180	-0.6%
Heating Oil (per gallon)	223.63	-0.32%	Wheat (per bushel)	5.153	0.1%
Gasoline (per gallon)	186.05	0.51%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.32	-3.43%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10715.50	2.14%	Gold (per oz)	3886.5	0.8%
Nickel (per mt)	15433.00	0.76%	Silver (per oz)	48.0	2.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/06/2025 10:05	VN	CPI YoY	Sep	3.40%	--	3.24%	--
10/06/2025 10:05	VN	GDP YoY	3Q	7.15%	--	7.96%	--
10/06/2025 10:05	VN	Exports YoY	Sep	15.20%	--	14.50%	--
10/06/2025 10:05	VN	Imports YoY	Sep	16.00%	--	17.70%	--
10/06/2025 10:05	VN	Trade Balance	Sep	\$1850m	--	\$3720m	--
10/06/2025 10:05	VN	Industrial Production YoY	Sep	--	--	8.90%	--
10/06/2025 10:05	VN	Retail Sales YoY	Sep	--	--	10.60%	--
10/06/2025 11:30	TH	CPI YoY	Sep	-0.60%	--	-0.79%	--
10/06/2025 11:30	TH	CPI NSA MoM	Sep	0.10%	--	-0.01%	--
10/06/2025 11:30	TH	CPI Core YoY	Sep	0.75%	--	0.81%	--
10/06/2025 16:30	EC	Sentix Investor Confidence	Oct	-7.7	--	-9.2	--
10/06/2025 16:30	UK	S&P Global UK Construction PMI	Sep	46	--	45.5	--
10/06/2025 17:00	EC	Retail Sales MoM	Aug	0.10%	--	-0.50%	--
10/06/2025 17:00	EC	Retail Sales YoY	Aug	1.30%	--	2.20%	--

Source: Bloomberg

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