

Daily Treasury Outlook

7 August 2025

Highlights

Global: US equities rebounded on Wednesday, with the major indexes of S&P, Nasdaq, Dow rising between 0.2% and 1.2%. The rebound was driven by a shift in focus toward robust corporate earnings, which overshadowed developments on the tariff front. The White House announced additional tariffs on India in a new executive order titled *Addressing Threats to the United States by the Government of the Russian Federation* (6 August 2025). The executive order states that US President Donald Trump finds “that the Government of India is currently directly or indirectly importing Russian Federation oil.” Accordingly, India’s export to the US will be subject to an additional 25% tariff, which is set to take effect in 21 days (around 27 August 2025). This would bring the total imposed tariffs to 50%, making it one of the highest amongst US trading partners. China and Türkiye are also key importers of Russian oil. The White House announcement was released after US envoy Steve Witkoff concluded his meeting with Russian President Vladimir Putin. In a social media post, President Trump said “great progress was made” in that meeting. The meeting took place two days before President Trump’s deadline for Russia to agree to a ceasefire with Ukraine. Reports also emerged that a Trump-Putin meeting could take place “as soon as next week”. Prior to the release of the new executive order, the Reserve Bank of India (RBI) kept its policy repo rate unchanged at 5.50% at its 6 August meeting, in line with consensus expectations. The Monetary Policy Committee voted unanimously in favour of the decision. The RBI maintained its GDP forecast for the current year at 6.5%. However, its inflation forecast has been revised lower to 3.1% (June meeting: 3.7%), with risks remain evenly balanced. In the post-policy press conference, RBI Governor Sanjay Malhotra said that reduced oil purchases from Russia would not have a major impact on inflation as he expects “the government will take an appropriate decision on the fiscal side in case there is any shock.” Regarding sectoral tariffs, President Trump followed up with the announcement that he would impose a 100% tariff rate on chips and semiconductor imports. However, he stated that companies “building in the United States” would be exempt. Details about the qualifying exemptions, however, were not clearly defined.

Market Watch: Today, the Bank of England is set to meet, with markets expecting a 25bp rate cut from 4.25% to 4.00%, in line with our house view. On the Asian calendar, the Philippines will be releasing its GDP figures, Malaysia will report industrial production and manufacturing sales data, and China will release trade balance figures. Meanwhile, data from the US include initial jobless claims, and wholesale inventories.

Key Market Movements

Equity	Value	% chg
S&P 500	6345.1	0.7%
DJIA	44193	0.2%
Nikkei 225	40795	0.6%
SH Comp	3634.0	0.5%
STI	4227.7	0.5%
Hang Seng	24911	0.0%
KLCI	1541.5	0.2%
	Value	% chg
DX	98.177	-0.6%
USDJPY	147.37	-0.2%
EURUSD	1.1660	0.7%
GBPUSD	1.3357	0.4%
USDIDR	16363	-0.1%
USDSGD	1.2855	-0.2%
SGDMYR	3.2838	0.1%
	Value	chg (bp)
2Y UST	3.71	-1.05
10Y UST	4.23	1.57
2Y SGS	1.63	0.80
10Y SGS	2.02	-1.13
3M SORA	1.81	-0.63
3M SOFR	4.34	0.05
	Value	% chg
Brent	66.89	-1.1%
WTI	64.35	-1.2%
Gold	3369	-0.3%
Silver	37.83	0.0%
Palladium	1141	-3.0%
Copper	9676	0.4%
BCOM	100.45	0.2%

Source: Bloomberg

Commodities: Crude oil benchmarks continued their selloff, with WTI and Brent declining by 1.2% and 1.1%, respectively, to USD64.4/bbl and USD66.9/bbl. Bearish sentiment persists in the oil complex following emerging reports that a Trump-Putin meeting could take place “as soon as next week”. Prospects of a softer-than-expected stance towards Russia have eased concerns over potential supply disruption in the global oil market. Accordingly, the market structure has softened, with Brent's time spread narrowing. Specifically, the M1-M2 time spread for Brent narrowed to USD0.6/bbl, down from USD0.9/bbl on 1 August. Nevertheless, losses were limited by a surprise drawdown in US crude oil inventories. According to the Energy Information Administration (EIA), US crude oil inventories declined by 3.0mn bbls (consensus: +0.4mn bbls), reaching 423.7mn bbls for the week ending 1 August July.

Major Markets

ID: President Prabowo Subianto declared that Indonesia's food reserves have reached a record high, signalling that the government's food security policies are on the right track. He credited this achievement to strong coordination across ministries, with support from the military, police, and the Attorney General's Office. Separately, Deputy Minister of Trade Dyah Roro Esti met Singapore's Minister of State for Trade and Industry on 4 August to enhance trade cooperation, with both countries committed to initiatives such as Singapore's SME Center and the proposed Annual Ministerial Dialogue to align trade priorities and facilitate smoother export-import processes.

MY: Investment, Trade and Industry Minister Zafrul projects Malaysia's approved investments in 2025 to reach MYR104bn, driven by continued interest in manufacturing and selected services. Approved investments rose 3.7% YoY to MYR89.8bn in 1Q25. Despite the US imposing a 19% tariff, Miti is maintaining its 5% trade growth forecast to MYR3.01tn, though it warns of a slight slowdown in 2H25 and a more visible impact in 1Q26, as reported by The Edge.

TH: Headline inflation declined by 0.7% YoY in July, down from -0.2% YoY in June. Meanwhile, core inflation eased to 0.8% YoY versus 1.1% YoY in June. The main drivers were lower inflation in the 'food & non-alcoholic beverages', 'apparel & footwears', 'medical & personal care', and 'transport & communication' categories. The July print brings the Jan-Jul 2025 headline CPI to an average of 0.2% YoY. Inflationary pressures have been low supported by fiscal and quasi-fiscal measures along with lower global oil prices. We expect headline inflation to average 0.9% YoY in 2025, implying higher price pressures in the months ahead.

ESG

Rest of the world: Germany's economy ministry and the European wind industry have launched plans to diversify the supply of key components primarily used in offshore wind turbines by 2035 to reduce its dependence on China. This is part of its broader de-risking strategy amid geopolitical tensions with China, and after the energy crisis sparked by Russia's war in Ukraine underscored the risks of relying heavily on a single country for essential supplies.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded largely flat yesterday with shorter tenors trading flat while belly tenors traded 0-1bps lower and 10Y traded 1bps lower. As per Bloomberg, Zhenro Properties Group Ltd is actively negotiating with advisers on offshore liability management to resolve liquidity issues and stabilize operations. It is exploring new offshore restructuring proposals, maintaining close contact with onshore lenders to renew or extend approximately RMB1.95bn in borrowings for periods ranging from one to six years, and seeking alternative financing and new loans to fund ongoing projects and obligations. Meanwhile, Hong Kong broadband provider HKBN Ltd. is in talk for a HKD4bn (USD510mn) refinancing loan with banks, while Shandong Gold has raised its one-year loan target from USD300mn to USD400mn. Bloomberg Asia USD Investment Grade spreads traded flat at 68bps and Bloomberg Asia USD High Yield spreads widened by 6bps to 373bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Chengdu Sino French Ecological Park Investment Development Co Ltd (guarantor: Tianfu Bond Insurance Co Ltd) priced a USD100mn 3Y Fixed Bond at 6.50%.

There were two notable issuances in the Singdollar market yesterday.

- Industrial and Commercial Bank of China Limited of Singapore priced a SGD350mn 2Y Green Fixed Bond at 1.95%
- CapitaLand Ascendas REIT priced a SGD300mn PerpNC5 Green Fixed Subordinated Note at 3.18%.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.177	-0.61%	USD-SGD	1.2855	-0.18%
USD-JPY	147.370	-0.17%	EUR-SGD	1.4987	0.53%
EUR-USD	1.166	0.73%	JPY-SGD	0.8723	-0.01%
AUD-USD	0.650	0.46%	GBP-SGD	1.7166	0.23%
GBP-USD	1.336	0.44%	AUD-SGD	0.8357	0.25%
USD-MYR	4.230	0.03%	NZD-SGD	0.7621	0.28%
USD-CNY	7.182	-0.02%	CHF-SGD	1.5940	-0.05%
USD-IDR	16363	-0.11%	SGD-MYR	3.2838	0.06%
USD-VND	26234	0.00%	SGD-CNY	5.5912	0.20%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9110	0.00%	1M	4.3556	0.00%
3M	1.9730	-1.05%	2M	4.2805	-0.36%
6M	2.0750	-0.10%	3M	4.2247	-0.18%
12M	2.1290	-1.25%	6M	4.0573	-0.18%
			1Y	3.8111	-0.16%

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	-0.945	-94.5	-0.236
12/10/2025	-2.42	-82.5	-0.605
			3.721

Equity and Commodity

Index	Value	Net change
DJIA	44,193.12	81.38
S&P	6,345.06	45.87
Nasdaq	21,169.42	252.87
Nikkei 225	40,794.86	245.32
STI	4,227.70	19.12
KLCI	1,541.48	2.84
JCI	7,503.75	-11.44
Baltic Dry	1,921.00	-49.00
VIX	16.77	-1.08

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.63 (+0.01)	3.71(--)
5Y	1.71 (--)	3.78(--)
10Y	2.02 (-0.01)	4.24 (+0.02)
15Y	2.1 (-0.01)	--
20Y	2.11 (-0.01)	--
30Y	2.17 (--)	4.82 (+0.04)

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)	64.35	-1.24%	Corn (per bushel)	3.798	-0.5%
Brent (per barrel)	66.89	-1.11%	Soybean (per bushel)	9.615	-0.8%
Heating Oil (per gallon)	226.28	0.56%	Wheat (per bushel)	5.085	0.0%
Gasoline (per gallon)	209.04	-0.05%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.08	2.23%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9676.00	0.39%	Gold (per oz)	3369.3	-0.3%
Nickel (per mt)	15135.00	0.74%	Silver (per oz)	37.8	0.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/07/2025 10:00	PH	GDP YoY	2Q	5.40%	--	5.40%	--
8/07/2025 11:00	ID	Foreign Reserves	Jul	--	--	\$152.6b	--
8/07/2025 12:00	MA	Industrial Production YoY	Jun	0.50%	--	0.30%	--
8/07/2025 12:00	MA	Manufacturing Sales Value YoY	Jun	--	--	2.40%	--
8/07/2025 13:00	JN	Leading Index Cl	Jun P	106	--	104.8	--
8/07/2025 13:00	JN	Coincident Index	Jun P	116.6	--	116	--
8/07/2025 15:00	MA	Foreign Reserves	31-Jul	--	--	\$120.9b	--
8/07/2025 16:00	CH	Foreign Reserves	Jul	\$3281.00b	--	\$3317.42b	--
8/07/2025 16:30	HK	Foreign Reserves	Jul	--	--	\$431.9b	--
8/07/2025 17:00	SI	Foreign Reserves	Jul	--	--	\$404.96b	--
8/07/2025 19:00	UK	Bank of England Bank Rate	7-Aug	4.00%	--	4.25%	--
8/07/2025 20:30	US	Initial Jobless Claims	2-Aug	222k	--	218k	--
8/07/2025 20:30	US	Continuing Claims	26-Jul	1950k	--	1946k	--
8/07/2025 22:00	US	Wholesale Trade Sales MoM	Jun	0.10%	--	-0.30%	--
8/07/2025 22:00	US	Wholesale Inventories MoM	Jun F	0.20%	--	0.20%	--
8/07/2025 23:00	US	NY Fed 1-Yr Inflation Expectations	Jul	--	--	3.02%	--

Source: Bloomberg

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