

Daily Treasury Outlook

7 October 2025

Highlights

Global: The US government shutdown entered Day 6 with no signs of imminent resolution, as Senate rejected the government funding bill once again. President Trump said he would negotiate with the Democrats over healthcare subsidies, but only if the government reopened. Meanwhile, the French government collapsed hours after naming the cabinet, as PM Lecornu unexpectedly resigned. Lecornu had however accepted the request from President Macron to spend the next 48 hours negotiating in a final bid to restore political stability. French government bonds saw a modest selloff and are now yielding more than their counterparts in Italy and Greece. Moving to Asia, Japan's market had a rather strong reaction towards Takaichi's victory, and the fiscal uncertainty that her new term may entail. Nikkei gapped higher at opening and refreshed new highs, while the yen and long-dated Japanese government bonds came under considerable pressure.

AMD's stock prices jumped upon news of signing a multi-billion chip supply deal with OpenAI, which sent the broader S&P 500 and Nasdaq to a fresh closing high. US treasury yields retraced higher, on the back of the global political sagas. Dollar rebounded, most notably against the Japanese yen. Spot gold cleared another resistance level and headed toward USD4000/oz, on the back of safe-haven flows. On the data front, Eurozone's August retail sales rose by 0.1% MoM, in line with the market consensus, while October Sentix investor confidence beat estimates at -5.4. Melbourne Institute's inflation gauge for September picked up by 0.2pp to 3.0%.

Market Watch: Markets will be closed today for mainland China, Hong Kong and South Korea. The economic calendar in APAC market comprises of Australia's October Westpac consumer confidence print, Japan's August leading index and household spending, and Philippines' September CPI. Later today, the market will watch Germany's factor orders, and August trade balance data from France and Canada.

Major Markets

ID: President Prabowo Subianto oversaw the handover of seized assets, including six smelters, 680 tonnes of refined tin, and 108 heavy machines, worth IDR4.6tn in annual revenue potential to state miner PT Timah on Monday (6 October). The assets, confiscated in a corruption case that caused an estimated IDR300tn in state losses, and mark the President's broader push to clamp down on illegal mining and smuggling. His visit to Bangka Island followed the closure of around 1,000 illegal tin mines, which recently lifted global tin prices to a near six-month high, as reported by The Business Times.

Key Market Movements

Equity	Value	% chg
S&P 500	6740.3	0.4%
DJIA	46695	-0.1%
Nikkei 225	47945	4.8%
SH Comp	3882.8	0.0%
STI	4421.7	0.2%
Hang Seng	26958	-0.7%
KLCI	1638.1	0.2%
	Value	% chg
DX	98.108	0.4%
USDJPY	150.35	2.0%
EURUSD	1.1711	-0.3%
GBPUSD	1.3485	0.0%
USDIDR	16554	0.1%
USDSGD	1.2917	0.2%
SGDMYR	3.2580	-0.2%
	Value	chg (bp)
2Y UST	3.59	1.24
10Y UST	4.15	3.28
2Y SGS	1.52	0.50
10Y SGS	1.92	-0.40
3M SORA	1.44	-0.88
3M SOFR	4.34	-0.55
	Value	% chg
Brent	65.47	1.5%
WTI	61.69	1.3%
Gold	3961	1.9%
Silver	48.51	1.1%
Palladium	1322	4.5%
Copper	10655	-0.6%
BCOM	106.00	0.6%

Source: Bloomberg

MY: Prime Minister Anwar Ibrahim said Malaysia will facilitate the import of agricultural and livestock products from Pakistan, including beef and other meats worth up to USD200mn, following assurances from Prime Minister Shehbaz Sharif that prices will remain competitive. The two leaders also agreed to deepen cooperation in defence, agriculture, and renewable energy, with Malaysia also plans to expand palm oil exports to Pakistan and strengthen collaboration in halal certification, ICT, and technical education, as reported by The Edge. Both countries reaffirmed their commitment to enhancing trade and investment through the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA).

VN: The economy grew by 8.2% YoY in 3Q25, matching the revised 2Q25 growth rate of 8.2% (up from the previous 8.0%) and surpassing consensus expectations of a modest slowdown (Consensus: 7.2%; OCBC: 6.9%). Growth was robust across sectors, led by a notable acceleration in industry growth. Importantly, the strong 3Q25 performance came despite the US imposing a reciprocal tariff of 20% on Vietnamese imports starting 7 August. The 3Q25 result brings the average GDP growth for 1Q–3Q25 to 7.8% YoY, outpacing the 6.9% growth recorded during the same period in 2024 and moving closer to the government's annual growth target of 8.3%–8.5%. Overall, we anticipate the 2025 growth slowdown will be more moderate than previously estimated at 7.5% compared to our earlier forecast of 6.3%.

ESG

Rest of the World: The Net-Zero Banking Alliance (NZBA) ceased operations after a vote, after already losing many of its members with President Trump's re-election amid faltering climate commitments. Singapore banks DBS, OCBC and UOB were members of the NZBA. The alliance, set up in 2021, was the banking industry's main body leading the sector's global effort to reduce emissions. An overhaul was proposed in August after major US banks left, to create a "framework initiative" rather than a membership-based organisation. Even with the NZBA ceasing operations, resources such as the Guidance for Climate Target Setting for Banks will remain publicly available for use.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded slightly higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors and 10Y traded ~1bps higher. As per Bloomberg, Lai Sun Development Co Ltd has obtained a HKD3.46bn loan refinancing, easing its liquidity strain amidst Hong Kong prolonged property slump. The proceeds from the 5Y syndicated loan will be used to refinance HKD3.6bn of loans originally due on 06 October. However, it still faces challenges, including a bank loan maturing later in this year and a USD493mn bond due in July next year. Meanwhile, CapitalLand Ascendas REIT has proposed to acquire three industrial and logistics properties in Singapore for ~SGD565.8mn, the properties include 2 Pioneer Sector 1, Tuas Connection and 9 Kallang Sector. In Europe, the focus was on French assets and banks in particular with the resignation of Prime Minister Sebastien Lecornu with yields rising and the spread between French and German debt rising to almost 90bps. Bloomberg Asia USD Investment Grade spreads tightened by ~1bps to 59bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 320bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Muthoot Finance Ltd. priced a USD150mn repap of its MUTHIN 6.375% '30 at 101.75 to yield 5.863%.

There were two notable issuances by one issuer in the Singdollar market yesterday.

- Muangthai Capital PCL (guarantor: Credit Guarantee & Investment Facility) priced SGD129 of debt in 2 tranches: a SGD64mn 3Y Social Fixed Bond at 2.15% and a SGD65mn 5Y Social Fixed Bond at 2.28%.

Mandates:

- Avation PLC may issue Bond of USD300-400mn and up to 5.5NC2.
- Momentive Performance Materials Inc. (guarantor: Kookmin Bank) may issue a USD-denominated 3Y note.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.108	0.39%	USD-SGD	1.2917
USD-JPY	150.350	1.95%	EUR-SGD	1.5129
EUR-USD	1.171	-0.26%	JPY-SGD	0.8591
AUD-USD	0.662	0.20%	GBP-SGD	1.7419
GBP-USD	1.349	0.04%	AUD-SGD	0.8546
USD-MYR	4.215	0.18%	NZD-SGD	0.7546
USD-CNY	#N/A N/A	#VALUE!	CHF-SGD	1.6249
USD-IDR	16554	0.08%	SGD-MYR	3.2580
USD-VND	26365	-0.04%	SGD-CNY	5.5148

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9390	0.67%	1M	4.0839
3M	2.0200	1.00%	2M	4.0200
6M	2.0950	0.58%	3M	3.9384
12M	2.2240	0.00%	6M	3.7960
			1Y	3.5983

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	-1.815	-86.90%	-0.454	3.64

Equity and Commodity

Index	Value	Net change
DJIA	46,694.97	-63.31
S&P	6,740.28	24.49
Nasdaq	22,941.67	161.16
Nikkei 225	47,944.76	2175.26
STI	4,421.71	9.76
KLCI	1,638.09	3.03
JCI	8,139.89	21.59
Baltic Dry	1,901.00	-8.00
VIX	16.37	-0.28

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.52 (--)	3.58 (--)
5Y	1.67 (+0.01)	3.73 (+0.02)
10Y	1.92 (--)	4.16 (+0.03)
15Y	1.96 (--)	--
20Y	1.94 (+0.01)	--
30Y	2 (+0.01)	4.76 (+0.04)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.18
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	61.69	1.33%	Corn (per bushel)	4.218	0.7%
Brent (per barrel)	65.47	1.46%	Soybean (per bushel)	10.178	0.0%
Heating Oil (per gallon)	224.43	0.36%	Wheat (per bushel)	5.128	-0.5%
Gasoline (per gallon)	190.16	2.21%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.36	0.99%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10654.50	-0.57%	Gold (per oz)	3961.0	1.9%
Nickel (per mt)	15482.00	0.32%	Silver (per oz)	48.5	1.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/07/2025 11:00	ID	Foreign Reserves	Sep	--	--	\$150.7b	--
10/07/2025 13:00	JN	Leading Index CI	Aug P	107.1	--	106.1	--
10/07/2025 13:00	JN	Coincident Index	Aug P	113.1	--	114.1	--
10/07/2025 15:00	MA	Foreign Reserves	30-Sep	--	--	\$122.8b	--
10/07/2025 17:00	SI	Foreign Reserves	Sep	--	--	\$391.27b	--
10/07/2025 20:30	US	International Trade Report May Be Delayed by US Shutdown					
10/07/2025 20:30	US	Trade Balance	Aug	-\$61.0b	--	-\$78.3b	--
10/07/2025 20:30	US	Exports MoM	Aug	--	--	0.30%	--
10/07/2025 20:30	US	Imports MoM	Aug	--	--	5.90%	--
10/07/2025 23:00	US	NY Fed 1-Yr Inflation Expectations	Sep	--	--	3.20%	--
10/07/2025	CH	Foreign Reserves	Sep	\$3332.00b	--	\$3322.10b	--
10/07/2025	PH	Foreign Reserves	Sep	--	--	\$105.9b	\$107.1b

Source: Bloomberg



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