Daily Treasury Outlook

8 October 2025

Highlights

Global: Wall Street pulled back from record highs overnight as political uncertainty continued to weigh on sentiment. The U.S. government shutdown has now entered its eighth day with no resolution in sight. In Europe, France is facing one of its most serious political crises since the establishment of the Fifth Republic in 1958, with calls for President Macron's resignation gaining traction. His former premier, Edouard Philippe, openly urged the president to step aside to end the political stalemate. However, recent surveys suggest that a snap election would likely yield another fragmented parliament with no clear majority.

Meanwhile, the New York Fed's latest consumer expectations survey showed that Americans grew more concerned about the job market outlook in September. Respondents expect a higher unemployment rate ahead, although optimism about finding a new job after potential displacement also improved. Households reported plans to trim future spending amid mixed expectations for income growth. Inflation expectations inched higher, with one-year expectations rising to 3.4% (from 3.2%) and five-year expectations up slightly to 3.0% (from 2.9%). With no major data releases this week, markets continued to price in a rate cut at the October FOMC meeting.

On the regional front, the World Bank raised its 2025 growth forecast for China to 4.8%, while upgrading its projection for the broader East Asia and Pacific region to 4.4%, up 0.2 percentage points from the prior forecast. Growth for 2026 was maintained at 4.5%. The Bank cautioned that momentum may soften next year amid subdued consumer and business confidence and weak new export orders.

Separately, the IMF warned in its semi-annual Global Financial Stability Report that financial institutions should strengthen liquidity and capital buffers and conduct enhanced stress tests to mitigate systemic risks. Meanwhile, San Francisco Fed President Mary Daly downplayed concerns of a potential AI-driven market bubble, saying she does not view it as a threat to overall financial stability.

Market Watch: For today, the data calendar remains light, with markets likely to focus on the FOMC meeting minutes and a line-up of Fed speakers for further policy cues.

Key Market Movements

Equity	Value	% chg
S&P 500	6714.6	-0.4%
DJIA	46603	-0.2%
Nikkei 225	47951	0.0%
SH Comp	3882.8	0.0%
STI	4472.3	1.1%
Hang Seng	26958	0.0%
KLCI	1630.0	-0.5%
	Value	**% chg**
DXY	98.578	0.5%
USDJPY	151.9	1.0%
EURUSD	1.1657	-0.5%
GBPUSD	1.3426	-0.4%
USDIDR	16540	-0.1%
USDSGD	1.2933	0.1%
SGDMYR	3.2603	0.1%
	Value	**chg (bp)**
2Y UST	3.56	-2.47
10Y UST	4.12	-2.90
2Y SGS	1.51	-1.30
10Y SGS	1.90	-1.59
3M SORA	1.43	-0.54
3M SOFR	4.34	-0.21
	Value	**% chg**
Brent	65.45	0.0%
WTI	61.73	0.1%
Gold	3985	0.6%
Silver	47.83	-1.4%
Palladium	1349	2.1%
Copper	10761	1.0%
BCOM	106.41	0.4%

Source: Bloomberg

Major Markets

ID: The foreign exchange reserves stood at USD148.7bn at end-September 2025, down from USD150.7bn in August. The decline mainly reflected by the government's external debt repayments and the rupiah stabilization policy implemented by Bank Indonesia in response to persistently high global financial market uncertainty" according to Bank Indonesia. The reserves position was equivalent to financing 6.2 months of imports or 6.0 months of imports plus government external debt payments, well above the international adequacy benchmark of three months.

MY: The World Bank has raised Malaysia's 2025 GDP growth forecast to 4.1% from 3.9% previously, citing stronger-than-expected external demand and steady domestic spending. It noted that exports, particularly in the electrical and electronics sector, have performed better than anticipated, while higher wages and government cash aid continue to support consumption. Growth is projected to hold at 4.1% in 2026 but with slower momentum as exports normalize and firms cut back on investment.

VN: FTSE Russell has upgraded Vietnam from frontier to Secondary Emerging market status, effective 21 September 2026, subject to an interim review in March 2026. The move reflects Vietnam's success in building market infrastructure and reforming equity access (e.g. removal of pre-funding for foreign investors), following its placement on FTSE's Watch List since 2018. The FTSE expect the upgrade status to add up to USD6bn in redirected foreign inflows to Vietnam, as reported by Bloomberg.

ESG

SG: Singapore and Mongolia signed an implementation agreement on carbon credits agreement under Article 6 of the Paris Agreement, marking the tenth carbon credit agreement that Singapore has entered into, following deals signed with Papua New Guinea, Ghana, Bhutan, Peru, Chile, Rwanda, Paraguay, Thailand and Vietnam. These bilateral agreements establish a legally binding framework for the generation and transfer of carbon credits from carbon-mitigation projects aligned with Article 6 of the Paris Agreement. This continues to build up positive momentum towards COP30 where stakeholders are expecting advancements in operationalising international carbon markets.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading 1-2bps lower while belly tenors traded ~1bps lower and 10Y flat. As per Bloomberg, state-owned steelmaker, Krakatau Steel Persero Tbk PT, have gotten approval from four private lenders for early debt payments with some relief. The total debt settled was IDR248.2bn and USD159.1mn but the company paid only IDR49.6bn and USD31.8mn. Interest and penalty write-offs amounted to IDR112.9bn and USD18.8mn. The deal reduces restructured debt from USD1.4bn to USD174.3mn, easing interest costs and cash flow pressure. Meanwhile, DBS Trustee Limited, in its capacity as trustee of OUE Real Estate Investment Trust have established a SGD500mn commercial paper program, under which OUE REIT Trustee may from time to time issue notes with tenors not exceeding 364 days at fixed or floating rate. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 60bps and Bloomberg Asia USD High Yield spreads widened by 4bps to 324bps respectively. (Bloomberg, OCBC)

New issues:
There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuance in the Singdollar market yesterday.

- Starhub Ltd priced a SGD200mn PerpNC7 Subordinated Fixed Perpetual at Par to Yield 3.35%.

Mandates:
There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.578	0.48%	**USD-SGD**	1.2933
USD-JPY	151.900	1.03%	**EUR-SGD**	1.5076
EUR-USD	1.166	-0.46%	**JPY-SGD**	0.8513
AUD-USD	0.658	-0.54%	**GBP-SGD**	1.7360
GBP-USD	1.343	-0.44%	**AUD-SGD**	0.8511
USD-MYR	4.214	-0.03%	**NZD-SGD**	0.7501
USD-CNY	#N/A N/A	#VALUE!	**CHF-SGD**	1.6201
USD-IDR	16540	-0.08%	**SGD-MYR**	3.2603
USD-VND	26365	0.00%	**SGD-CNY**	5.5088

Equity and Commodity

Index	Value	Net change
DJIA	46,602.98	-91.99
S&P	6,714.59	-25.69
Nasdaq	22,788.36	-153.31
Nikkei 225	47,950.88	6.12
STI	4,472.26	50.55
KLCI	1,630.03	-8.06
JCI	8,169.28	29.39
Baltic Dry	1,932.00	31.00
VIX	17.24	0.87

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9200	-0.98%	**1M**	4.0783
3M	2.0260	0.30%	**2M**	4.0120
6M	2.1030	0.38%	**3M**	3.9257
12M	2.2260	0.09%	**6M**	3.7911
			1Y	3.5903

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.51 (-0.01)	3.57(--)
5Y	1.67 (-0.01)	3.7 (-0.03)
10Y	1.9 (-0.02)	4.13 (-0.03)
15Y	1.95 (--)	--
20Y	1.94 (--)	--
30Y	2.02 (+0.02)	4.73 (-0.02)

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	-1.83	-88.40%	-0.457	3.637

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.15

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	61.73	0.06%	Corn (per bushel)	4.198	-0.5%
Brent (per barrel)	65.45	-0.03%	Soybean (per bushel)	10.220	0.4%
Heating Oil (per gallon)	226.53	0.94%	Wheat (per bushel)	5.068	-1.2%
Gasoline (per gallon)	189.39	-0.40%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.50	4.20%	Rubber (JPY/KG)	309.500	2.8%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	10761.00	1.00%	Gold (per oz)	3984.9	0.6%
Nickel (per mt)	15489.00	0.05%	Silver (per oz)	47.8	-1.4%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/08/2025 9:00	NZ	RBNZ Official Cash Rate	8-Oct	2.75%	--	3.00%	--
10/08/2025 9:00	PH	Unemployment Rate	Aug	--	--	5.30%	--
10/08/2025 11:00	ID	Consumer Confidence Index	Sep	--	--	117.2	--
10/08/2025 11:30	TH	Consumer Confidence	Sep	--	--	50.1	--
10/08/2025 11:30	TH	Consumer Confidence Economic	Sep	--	--	44.1	--
10/08/2025 13:00	JN	Eco Watchers Survey Current SA	Sep	47	--	46.7	--
10/08/2025 13:00	JN	Eco Watchers Survey Outlook SA	Sep	47.8	--	47.5	--
10/08/2025 13:30	AU	Foreign Reserves	Sep	--	--	A$103.9b	--
10/08/2025 14:00	GE	Industrial Production SA MoM	Aug	-1.00%	--	1.30%	--
10/08/2025 14:00	GE	Industrial Production WDA YoY	Aug	-0.90%	--	1.50%	--
10/08/2025 15:00	TH	BoT Benchmark Interest Rate	8-Oct	1.25%	--	1.50%	--
10/08/2025 16:30	HK	Foreign Reserves	Sep	--	--	$421.6b	--
10/08/2025 19:00	US	MBA Mortgage Applications	3-Oct	--	--	-12.70%	--

Source: Bloomberg

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