

Daily Treasury Outlook

8 December 2025

Highlights

Global: US equity markets closed marginally higher on Friday, the DXY index ended the week on a choppy note and UST yields ended the week higher, with 10 and 30 yr yields 4bp higher on the day. September private consumption expenditures index matched expectations, with the index up 0.3% MoM sa and the year-on-year reading inching marginally higher to 2.8% YoY from 2.7% in August. Core PCE were also in line with expectations, rising 0.2% MoM sa similar to August and easing to 2.8% YoY from 2.9% in August. Interestingly, the University of Michigan 1 year inflation expectations came in significantly lower-than-expected at 4.1% in the preliminary December reading compared to a previous reading and expectations of 4.5%. September personal income growth remained steady at 0.4% MoM sa while personal spending growth slowed to 0.3% from 0.5% in August. Meanwhile, Trade Representative Jamieson Greer noted that China is in compliance with its trade deal with the US. French President Macron warned that EU could take “strong measures” if China does not address its trade imbalance with the bloc. Over in Asia, Vietnam’s November activity data was released over the weekend. Headline CPI was noticeably higher at 3.6% YoY from 3.2% in October on account of flood related food supply disruptions, while export growth moderated to 15.1% YoY from 17.5% albeit remaining resilient, with exports to the US still strong. Industrial production growth sustained at 10.8% in November, similar to October.

Market Watch: This week is all about waiting for key central bank decisions. The 10 December FOMC remains in the spotlight, and Fed fund futures are pricing in a 25bp cut with a probability of 95.2%. The accompanying information, i.e. official statements and the revised dot plot, will be crucial in assessing the path ahead for the US Federal Reserve. The Reserve Bank of Australia meets on 9 December and is expected to keep its policy rate unchanged; Bank of Canada meets on 10 December and will also likely keep rates on hold; we and consensus are looking for a 25bp cut from Bangko Sentral ng Pilipinas on 11 December; SNB meets on 11 December and is expected to remain on hold. ECB will enter into a quiet period ahead of its decision on 18 December. The week ahead is also replete with data. Japan’s final 3Q25 GDP print this morning showed that economic activity contracted more than expected by 0.6% QoQ sa compared to a previous reading of -0.4%. Other key data releases for the week include China’s November trade and activity data, Australia’s November labour market data, Eurozone October industrial production. The backlog of US data releases remains on tap including October JOLTS and September trade data.

Key Market Movements

Equity	Value	% chg
S&P 500	6870.4	0.2%
DJIA	47955	0.2%
Nikkei 225	50492	-1.1%
SH Comp	3902.8	0.7%
STI	4531.4	-0.1%
Hang Seng	26085	0.6%
KLCI	1616.5	-0.3%
	Value	% chg
DXY	98.992	0.0%
USDJPY	155.33	0.1%
EURUSD	1.1642	0.0%
GBPUSD	1.3328	0.0%
USDIDR	16644	0.0%
USDSGD	1.296	0.0%
SGDMYR	3.1756	0.0%
	Value	chg (bp)
2Y UST	3.56	3.77
10Y UST	4.14	3.70
2Y SGS	1.41	0.90
10Y SGS	2.03	0.78
3M SORA	1.25	-0.52
3M SOFR	4.16	-0.56
	Value	% chg
Brent	63.75	0.8%
WTI	60.08	0.7%
Gold	4198	-0.2%
Silver	58.34	2.1%
Palladium	1462	0.4%
Copper	11621	1.5%
BCOM	112.01	0.8%

Source: Bloomberg

Major Markets

ID: Bappenas official Putut Hari Satyaka noted that Indonesia's collaboration with Germany is aimed at mobilising technology, knowledge and financing to support the country's development agenda. At the 2025 Indonesia-Germany Bilateral Consultation Meeting last Friday (5 December), both governments reaffirmed their commitment to deepen cooperation in areas such as digitalisation, the circular economy, urban mobility, forestry, and renewable energy, while aligning projects with Indonesia's medium-term priorities. German officials underscored Indonesia's central role in global transformation, as it pushes ahead with efforts to strengthen food, water and energy security, diversify food sources, modernise agroforestry, and accelerate its transition toward low-carbon and renewable energy, as reported by Antara.

IN: The Reserve Bank of India (RBI) cut its policy rate by 25bp, in line with consensus expectations, and maintained its neutral stance. We were out of consensus in calling for RBI to hold its policy rate at this meeting based on solid economic activity in 3Q25, headline CPI remaining well within RBI's 2-6% target range until end-2026, and INR remaining under pressure from capital outflows. Our fundamental view, as stated in our 1H26 outlook, remains that "we still see room for the Reserve Bank of India (RBI) to cut its policy rate by a cumulative 50bp" in the current easing cycle. Looking ahead, we believe RBI has left the door open for further monetary policy easing. We maintain our forecast for another 25bp rate cut in the current easing cycle. The rate cut, however, could be spaced out to better support economic growth particularly since RBI retained its neutral stance rather than shifting to an outright accommodative stance. Interestingly, RBI's next meeting on 6 February 2026 comes after the central government's FY27 (i.e., for the period of April 2026 until March 2027) budget announcement on 1 February 2026.

MY: Prime Minister Anwar Ibrahim said the government will intensify efforts to diversify into new markets, including Europe, Latin America, and Africa, to strengthen its position as a competitive trading nation. PM Anwar added that Malaysia cannot rely solely on existing strategic partners and must broaden its global reach while maintaining strong trade ties with the US and China, as well as continuing to deepen intra-ASEAN trade. In addition, PM Anwar is optimistic that the country can address the hardcore poverty rate, currently standing at 0.09%, by the first quarter of 2026.

PH: Headline inflation eased further to 1.5% YoY in November from 1.7% in October (Consensus: 1.7%; OCBC: 1.4%) while core CPI nudged modestly lower to 2.4% from 2.5% in October. The lower inflation print for November was mainly driven by food CPI, which eased further to 0.1% YoY from 0.5% in October. Meanwhile, the CPI print for most other categories were either marginally higher or unchanged for November. CPI for the utilities (2.9% YoY from 2.7% in October), transportation (1.7% YoY from 0.9%) and restaurants (2.6% from 2.4%) categories were higher for November versus October while education (3.0%), clothing & footwear (1.8%) and information & communication (0.7%) were unchanged. Headline inflation for the eleven months of 2025 averaged 1.6% YoY, consistent with our full year 2025 forecast of 1.6%. We

expect headline inflation to rise to 2.5% in 2026, within BSP's target range of 2-4%.

VN: Exports growth slowed to 15.1% YoY in November from 17.5% in October, against expectations for an increase (Consensus: 18.1%; OCBC: 15.6%). Similarly, imports growth slowed to 16.0% from 16.8% in October, below expectations (Consensus: 17.9%; OCBC: 15.8%). Consequently, the trade surplus narrowed to USD1.1bn in November from USD2.6bn in October. The November print brings both exports and imports growth to slow slightly to 16.3% YoY and 16.4% in Oct-Nov 2025 from 18.2% and 20.0% in 3Q25, respectively, suggesting still resilient trade activities and delayed easing in frontloading of export activities. Separately, headline inflation rose by 3.6% YoY in November from 3.3% in October, higher than expectations (Consensus: 3.4%; OCBC: 3.5%), mainly on account of higher food and foodstuff inflation (3.3% YoY in November from 2.1% in October) and still elevated health and personal care CPI (16.4%, similar to October). Meanwhile, the core print remained steady at 3.3% YoY.

ESG

MY: Sabah Parks will impose a complete ban on single-use plastic bags at all its protected areas starting 1 Jan, as part of efforts to protect ecosystems such as marine habitats, forest environments and wildlife from pollution and long-term degradation caused by disposable plastics. This follows as Perak also plans to implement a full ban on single-use plastic bags starting 1 Jan, although there are challenges such as low awareness of environmental and health risks posed by single-use plastics especially in rural areas. The lack of alternatives at wet and night markets, combined with the lack of safe and affordable substitutes make enforcement difficult without coordinated solutions.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower last Friday with shorter tenors trading flat while belly tenors and 10Y traded 1bps lower. As per Bloomberg, China Vanke Co Ltd (“Vanke”) has proposed postponing repayment on a RMB3.7bn note due 28 December and will meet bondholders on 22 December to discuss, as it faces RMB13.4bn in bonds maturing or under pressure through mid-2026. Additionally, Vanke has chosen not to redeem a RMB1.1bn bond ahead of maturity, and it will also not adjust the 3.98% coupon rate on its RMB bond due 22 January 2028. Meanwhile, New World Development Co Ltd announced the final settlement of exchange offers, with USD2.29bn in perpetual securities and USD236mn in notes exchanged and cancelled. Lastly, Fitch upgraded Xiaomi Corporation’s long-term issuer default and senior unsecured debt ratings to BBB+ from BBB, with the outlook revised to stable from positive. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads tightened by 5bps to 375bps 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.

- Hyundai Capital Services, Inc. priced a SGD70mn 2Y Fixed bond at 2.0%.

Mandates:

- Halcyon Agri Corporation Limited (guarantor: China Hainan Rubber Industry Group Co., Ltd.) may issue a USD-denominated guaranteed subordinated perpetual PerpNC3 sustainable securities.

Foreign Exchange

	Day Close	% Change		Day Close
DX	98.992	0.00%	USD-SGD	1.2960
USD-JPY	155.330	0.15%	EUR-SGD	1.5092
EUR-USD	1.164	-0.02%	JPY-SGD	0.8340
AUD-USD	0.664	0.45%	GBP-SGD	1.7276
GBP-USD	1.333	0.01%	AUD-SGD	0.8604
USD-MYR	4.111	-0.04%	NZD-SGD	0.7486
USD-CNY	7.071	-0.01%	CHF-SGD	1.6094
USD-IDR	16644	-0.04%	SGD-MYR	3.1756
USD-VND	26363	-0.03%	SGD-CNY	5.4572

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9110	-0.05%	1M	3.7988
3M	2.0750	0.97%	2M	3.7676
6M	2.1470	0.99%	3M	3.7442
12M	2.2540	0.00%	6M	3.6743
			1Y	3.5174

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/10/2025	-0.952	-95.20%	-0.238	3.659
01/28/2026	-1.24	-28.80%	-0.31	3.588

Equity and Commodity

Index	Value	Net change
DJIA	47,954.99	104.05
S&P	6,870.40	13.28
Nasdaq	23,578.13	72.99
Nikkei 225	50,491.87	-536.55
STI	4,531.36	-3.78
KLCI	1,616.52	-4.55
JCI	8,632.76	-7.43
Baltic Dry	2,727.00	-87.00
VIX	15.41	-0.37

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (+0.01)	3.55(--)
5Y	1.75 (--)	3.71 (+0.04)
10Y	2.03 (+0.01)	4.13 (+0.04)
15Y	2.16 (+0.01)	--
20Y	2.17 (+0.02)	--
30Y	2.22 (+0.01)	4.79 (+0.04)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.92
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	60.08	0.69%	Corn (per bushel)	4.368	-0.2%
Brent (per barrel)	63.75	0.77%	Soybean (per bushel)	11.053	-1.3%
Heating Oil (per gallon)	236.29	2.57%	Wheat (per bushel)	5.375	-0.6%
Gasoline (per gallon)	183.41	0.38%	Crude Palm Oil (MYR/MT)	40.950	0.7%
Natural Gas (per MMBtu)	5.29	4.46%	Rubber (JPY/KG)	3.200	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11620.50	1.49%	Gold (per oz)	4197.8	-0.2%
Nickel (per mt)	14940.00	0.29%	Silver (per oz)	58.3	2.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/08/2025 11:00	SI	Bloomberg Dec. Singapore Economic Survey					
12/08/2025 13:00	HK	Bloomberg Dec. Hong Kong Economic Survey					
12/08/2025 13:00	JN	Eco Watchers Survey Current SA	Nov	49.4	--	49.1	--
12/08/2025 13:00	JN	Eco Watchers Survey Outlook SA	Nov	52.6	--	53.1	--
12/08/2025 17:00	SI	Foreign Reserves	Nov	--	--	\$392.20b	--
12/08/2025 17:30	EC	Sentix Investor Confidence	Dec	-6.3	--	-7.4	--
12/08/2025	CH	Exports YoY	Nov	4.00%	--	-1.10%	--
12/08/2025	CH	Imports YoY	Nov	3.00%	--	1.00%	--
12/08/2025	CH	Trade Balance	Nov	\$103.10b	--	\$90.07b	--
12/08/2025	CH	Exports YoY CNY	Nov	--	--	-0.80%	--
12/08/2025	CH	Imports YoY CNY	Nov	--	--	1.40%	--
12/08/2025	CH	Trade Balance CNY	Nov	--	--	640.00b	--

Source: Bloomberg



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