

## Daily Treasury Outlook

9 June 2025

### Highlights

**Global:** Risk on. Resilient US nonfarm payrolls of 139k (consensus: 126k) and a steady 4.2% unemployment rate gave financial markets a reason to rally on Friday. That said, the March NFP was revised down from 177k to 147k, bringing the three-month average to a still solid 135k, while the labour participation rate eased to 62.4% (previously 62.6%). However, the average hourly earnings continued to grow by 3.9% YoY (0.4% MoM), while the average weekly hours also sustained at 34.3 hours. The S&P 500 climbed 1% to cross 6,000 (nearing 2–3% of its all-time peak) for the first time since February, with solid gains across sectors including tech and small caps alike after Thursday's spat between Trump and Musk. Over the weekend, optimism grew as US–China trade talks were scheduled for London starting today. China has approved temporary export licenses to rare-earth suppliers of top US automakers, while Boeing Co has begun shipping commercial jets to China for the first time since early April, as trade ties improve. Meanwhile, the 10-year UST yield jumped from 4.39% on Thursday to a two-week high of 4.51% as market players trimmed bets of Fed rate cuts this year to less than two 25bps cuts. Still, the US president Trump again urged the Fed to cut rates by a “full point”. This comes ahead of the 17-18 June FOMC meeting where no change is tipped as Fed officials await more clarity on tariffs and the inflation implications. The US Treasury Department did not name any country a currency manipulator but added Ireland and Switzerland to the monitoring list and warned China for its “lack of transparency”. Elsewhere, the Eurozone's 1Q25 GDP growth estimates were revised down to 1.2% YoY sa and 0.4% QoQ sa as household consumption ease to 0.2% QoQ sa, but the April retail sales accelerated to 2.3% YoY (0.1% MoM). The ECB had recently cut 25bps for the 8th time in a year to 2% as widely expected, and Lagarde opined is now “in a good position” as inflation is currently at around its target, which could suggest the central bank is nearing the end of its rate-cut cycle.

### Key Market Movements

Equity	Value	% chg
S&P 500	6000.4	1.0%
DJIA	42763	1.0%
Nikkei 225	37742	0.5%
SH Comp	3385.4	0.0%
STI	3934.3	0.4%
Hang Seng	23793	-0.5%
KLCI	1516.8	-0.1%
	Value	% chg
DXY	99.190	0.5%
USDJPY	144.85	0.9%
EURUSD	1.1397	-0.4%
GBPUSD	1.3528	-0.3%
USDIDR	16275	0.0%
USDSGD	1.2895	0.3%
SGDMYR	3.2896	0.0%
	Value	chg (bp)
2Y UST	4.04	11.64
10Y UST	4.51	11.50
2Y SGS	1.81	-5.80
10Y SGS	2.27	-6.44
3M SORA	2.24	-0.94
3M SOFR	4.35	-0.05
	Value	% chg
Brent	66.47	1.7%
WTI	64.58	1.9%
Gold	3310	-1.3%
Silver	35.98	0.9%
Palladium	1051	4.4%
Copper	9693	-0.5%
BCOM	103.31	0.5%

Source: Bloomberg

**Market Watch:** Asian markets are likely to open on a firm note this morning. Today's economic data calendar comprises of China and Taiwan's May trade data, Japan's Eco Watchers survey and US' wholesale trade sales. ECB's Elderson is speaking today, while the Fed is already in the communications blackout period ahead of the next FOMC meeting. Looking ahead for the rest of this week, key things to track include US' May CPI (last reading of core CPI tipped at 2.9% YoY and 0.3% MoM before the next FOMC meeting and may start to partially reflect some tariff impact), China's monetary aggregates for May, India's CPI, Eurozone's industrial production and trade data, Germany's CPI, ECB's wage tracker on Wednesday, UK's April GDP and trade data, and University of Michigan consumer sentiment (particularly for inflation expectations). Japanese PM Ishiba is expected to meet with President Trump for a trade deal on the sidelines of the G7 summit starting 15 June. On the events front, watch for Apple's annual developers conference, Nvidia's CEO speech, a SpaceX rocket launch, a UK government rating review (on how to allocate GBP600bn), the 30-year UST bond auction (critical to assess market demand for longer-dated tenors).

**Commodities:** Crude oil benchmarks extended gains for the second consecutive session, with WTI and Brent rising by 1.9% and 1.7%, respectively, to USD64.6/bbl and USD66.5/bbl. This follows stronger-than-expected US jobs reports that eased concerns about a potential slowdown in the US economy. Additionally, optimism over renewed US-China trade talks supported the rally. For the week, the oil market recorded a gain for the first time in three weeks.

## Major Markets

**ID:** Coordinating Minister Airlangga Hartarto said the EU will offer special treatment under its deforestation rules as part of Indonesia-European Union Comprehensive Economic Partnership (IEU-CEPA) negotiations, as reported by Bloomberg. Around 80% of Indonesian exports to the EU are expected to enjoy zero import duties once the deal takes effect in one to two years. The EU will also ensure equal treatment for fishery products from Indonesia. Talks in Brussels last week covered palm oil, EV ecosystems, and renewable energy on Indonesia's side, while the EU focused on local content rules, automotives, and critical minerals.

**MY:** Former envoy Tan Kok Wai highlighted Malaysia's intent to deepen ties with China's Anhui Province under the RCEP, focusing on digital economy, clean energy, and palm oil. He invited firms like Chery, iFlytek, and Gotion High-Tech to support Malaysia's EV push, smart city plans, and battery R&D. In addition, he also encouraged collaboration in downstream palm oil processing and agri-tech, with exports to China reaching MYR10.6bn in 2024. With bilateral trade hitting USD212.0bn, Mr Tan pushed for industrial park upgrades, direct flights, and stronger ESG practices.

**PH:** According to the Philippine Statistics Authority (PSA), the unemployment rate edged higher to 4.1% in April versus 3.9% in March. (April 2024: 4.0%). Meanwhile, the labour force participation rate rose to 63.7% versus 62.9% in March (April 2024: 64.1%). By economic sector, the data from the PSA showed the largest annual increase in the number of employed persons in the following areas: 'administrative and support service activities', 'public administration and defense; compulsory social security', 'agriculture and forestry', 'construction', and 'education'. Despite the uptick in the unemployment, Undersecretary Rosemarie Edillon shared that the labour market remains resilient amid global headwinds, and that the government remains on track to meet the 4.4-4.7% unemployment range under the Philippine Development Plan 2023-2028.

**TH:** Headline inflation declined by 0.6% YoY in May, down from -0.2% YoY in April. In contrast, core inflation edged higher to 1.1% YoY versus 1.0% in April. The main drivers were lower inflation in the 'food & non-alcoholic beverages', 'apparel & footwears', 'medical & personal care', 'transport & communication', and 'recreation, reading, education and religion' categories. Year-to-date, the January-May 2025 headline CPI has averaged 0.5% YoY versus 0.4% in 2024. For 2025, we forecast headline inflation to average at 0.9% YoY in 2025 reflecting the government's energy policies, lower global oil prices and weak domestic demand conditions.

## ESG

**CN:** China approved 11.29GW of new coal power plants in Q1 2025, exceeding the 10.34GW approved in the first half of 2024. While approvals of new coal-fired power capacity fell by 41.5% year-on-year to 62.24GW in 2024, new data suggests that approvals are increasing this year. The growing pipeline signals a continued reliance on coal as energy demand increases, despite the transition away from coal being a key strategy for China's goal to achieve carbon neutrality by 2060. China has said it will start to phase down coal during the 2026 – 2030 five-year plan but has not committed to specific targets.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower last Friday with shorter tenors trading 5-7bps lower, belly tenors trading 4-5bps lower and 10Y trading 4bps lower. In Chinese property developer news, China Vanke Co Ltd ("VANKE") announced that its largest shareholder, Shenzhen Metro Group, plans to provide a loan of up to RMB3bn to help repay Vanke's bond principal and interest as well as some loan interest while Sunac China Holdings Ltd ("Sunac") has extended the deadline for the base consent fee related to its offshore debt restructuring to 5p.m Hong Kong time on June 20 (previous deadline: 6 June), as some creditors need more time to finalize their internal procedures. Meanwhile, New World Development Co Ltd ("New World") will defer payments of USD500mn and USD1bn in perpetual securities due on June 16 and June 22, respectively, according to an HKEX filing. Bloomberg Asia USD Investment Grade spreads tightened by 4bps to 72bps and Bloomberg Asia USD High Yield spreads widened by 2bps to 487bps respectively. (Bloomberg, OCBC)

**New Issues:**

There were no notable issuances in the Asiadollar and Singdollar markets last Friday.

**Mandates:**

There were no notable mandates last Friday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	99.190	0.45%	USD-SGD	1.2895	0.27%
USD-JPY	144.850	0.92%	EUR-SGD	1.4695	-0.14%
EUR-USD	1.140	-0.42%	JPY-SGD	0.8902	-0.61%
AUD-USD	0.649	-0.25%	GBP-SGD	1.7443	-0.05%
GBP-USD	1.353	-0.31%	AUD-SGD	0.8372	0.08%
USD-MYR	4.232	0.11%	NZD-SGD	0.7756	-0.05%
USD-CNY	7.193	0.21%	CHF-SGD	1.5673	-0.07%
USD-IDR	16275	-0.09%	SGD-MYR	3.2896	-0.02%
USD-VND	26056	-0.10%	SGD-CNY	5.5785	-0.01%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9720	0.41%	1M	4.3143	0.03%
3M	1.9590	0.26%	2M	4.3205	0.18%
6M	2.0360	-0.49%	3M	4.3238	0.38%
12M	2.0410	-0.15%	6M	4.2647	-0.09%
			1Y	4.0840	-0.28%

## Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.145	-14.5	-0.036	4.293
09/17/2025	-0.706	-56	-0.176	4.152
12/10/2025	-1.838	-61.3	-0.46	3.869

## Equity and Commodity

Index	Value	Net change
DJIA	42,762.87	443.13
S&P	6,000.36	61.06
Nasdaq	19,529.95	231.50
Nikkei 225	37,741.61	187.12
STI	3,934.29	16.60
KLCI	1,516.79	-1.33
JCI	7,113.43	44.39
Baltic Dry	1,633.00	7.00
VIX	16.77	-1.71

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.81 (-0.06)	4.04(--)
5Y	1.92 (-0.06)	4.12 (+0.13)
10Y	2.27 (-0.06)	4.51 (+0.12)
15Y	2.39 (-0.06)	--
20Y	2.44 (-0.05)	--
30Y	2.47 (-0.05)	4.97 (+0.09)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.29
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.58	1.91%	Corn (per bushel)	4.425	0.7%
Brent (per barrel)	66.47	1.73%	Soybean (per bushel)	10.573	0.5%
Heating Oil (per gallon)	212.53	1.47%	Wheat (per bushel)	5.548	1.7%
Gasoline (per gallon)	207.68	0.67%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.78	2.91%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9693.00	-0.48%	Gold (per oz)	3310.4	-1.3%
Nickel (per mt)	15487.00	-0.23%	Silver (per oz)	36.0	0.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/09/2025 7:50	JN	GDP SA QoQ	1Q F	-0.20%	--	-0.20%	--
6/09/2025 7:50	JN	GDP Annualized SA QoQ	1Q F	-0.70%	--	-0.70%	--
6/09/2025 7:50	JN	GDP Nominal SA QoQ	1Q F	0.80%	--	0.80%	--
6/09/2025 9:30	CH	PPI YoY	May	-3.20%	--	-2.70%	--
6/09/2025 9:30	CH	CPI YoY	May	-0.20%	--	-0.10%	--
6/09/2025 15:00	MA	Foreign Reserves	30-May	--	--	\$119.1b	--
6/09/2025 17:00	SI	Foreign Reserves	May	--	--	\$389.23b	--
6/09/2025 22:00	US	Wholesale Inventories MoM	Apr F	0.00%	--	0.00%	--
6/09/2025 22:00	US	Wholesale Trade Sales MoM	Apr	0.20%	--	0.60%	--
6/09/2025 23:00	US	NY Fed 1-Yr Inflation Expectations	May	--	--	3.63%	--
6/09/2025	CH	Exports YoY	May	6.00%	--	8.10%	--
6/09/2025	CH	Imports YoY	May	-0.80%	--	-0.20%	--
6/09/2025	CH	Trade Balance	May	\$101.10b	--	\$96.18b	--
6/09/2025-6/15/2025	CH	Money Supply M2 YoY	May	8.10%	--	8.00%	--
6/09/2025-6/15/2025	CH	Money Supply M1 YoY	May	1.70%	--	1.50%	--
6/09/2025-6/15/2025	CH	Money Supply M0 YoY	May	--	--	12.00%	--

Source: Bloomberg

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