

## Daily Treasury Outlook

9 September 2025

### Highlights

**Global:** All eyes were on the political upheaval in Argentina, France, Indonesia and Japan on Monday. The party of Argentina's president Milei has suffered a serious setback in local elections in Buenos Aires. Peso slumped to an all-time low while Argentina stock market also tanked. French PM Francois Bayrou lost a confidence vote. Indonesia removed their veteran Finance Minister and was replaced by Purbaya Yudhi Sadewa. Meanwhile, market braced for prolonged political instability in Japan after PM Ishiba's resignation.

World stocks rallied and gold leaped to another record high on Monday. Major US stock indexes ended the session modestly higher, while US treasury yields bull flattens, as market cemented bets of a 25bps Fed rate cut next week. On the other hand, US dollar weakened broadly, and yen slid by as much as 0.8% against dollar before almost erasing all losses.

On the data front, German exports unexpectedly fell in July on a sharp decline in US demand due to tariffs, while industrial output came better than expected. German industrial production increased by 1.3% MoM (Consensus: +1.0%), while export fell by 0.6% (Consensus: +0.1%). China's export growth slowed to a six-month low, growing by 4.4% YoY in August, as tariff frontloading waned and US shipments slid again.

**Market Watch:** Asian markets are likely to trade with a cautious tone today. Economic calendar in APAC market comprises of New Zealand's 2Q manufacturing activity, Australia's September Westpac consumer confidence and NAB Business Confidence, Japan's August machine tool orders and Taiwan's August trade data. Later today, the market will watch France's July manufacturing production and US' August NFIB small business optimism.

### Major Markets

**ID:** Finance Minister Sri Mulyani was replaced in an 8 September reshuffle by Purbaya Yudhi Sadewa, a seasoned economist with both private and public sector experience, most recently as head of the Deposit Insurance Corporation (LPS). He takes charge amid slowing growth, with momentum projected to ease to 4.7% YoY in 2H25 from 5.0% in 1H25, and fiscal concerns tied to rising spending on flagship schemes. The fiscal deficit for 2025 was revised to 2.78% of GDP from an original estimate of 2.48% of GDP. The role of fiscal policy going forward will become critical in rebalancing the perceptions around the government's economic agenda, and Sadewa's role will be in the spotlight.

### Key Market Movements

Equity	Value	% chg
S&P 500	6495.2	0.2%
DJIA	45515	0.3%
Nikkei 225	43644	1.5%
SH Comp	3826.8	0.4%
STI	4308.5	0.0%
Hang Seng	25634	0.8%
KLCI	1585.6	0.5%
	Value	% chg
DXY	97.454	-0.3%
USDJPY	147.5	0.0%
EURUSD	1.1763	0.4%
GBPUSD	1.3545	0.3%
USIDR	16304	-0.7%
USDSGD	1.2831	-0.1%
SGDMYR	3.2848	-0.1%
	Value	chg (bp)
2Y UST	3.49	-2.29
10Y UST	4.04	-3.44
2Y SGS	1.42	-2.10
10Y SGS	1.82	-3.38
3M SORA	1.54	0.77
3M SOFR	4.36	0.44
	Value	% chg
Brent	66.02	0.8%
WTI	62.26	0.6%
Gold	3636	1.4%
Silver	41.35	0.9%
Palladium	1141	2.4%
Copper	9915	0.2%
BCOM	103.14	0.7%

Source: Bloomberg

**MY:** Finance Minister II Amir Hamzah Azizan said the government is finalising eligibility rules and methods for RON95 fuel subsidies, set to roll out at the end of this month. Using data from the Central Database Hub (Padu), the scheme will ensure only qualified citizens benefit, while MyKad use at petrol pumps will support smooth implementation. Separately, Deputy Prime Minister Fadillah Yusof said Malaysia and several ASEAN nations are considering nuclear energy as of their future energy mix to meet growing power demand from AI and data centres. He noted newer nuclear technologies are safer and more accepted, with MyPower agency tasked to study feasibility, though adoption may take 10–15 years. He added the government is also exploring smart grids to improve efficiency and support renewable integration.

**VN:** The World Bank revised its forecast for Vietnam's growth downward to 6.6% in 2025, down from the previously forecasted 6.8%, and 7.1% in 2024. The lower growth forecast partly reflects expectations of export growth normalizing for the rest of the year following a strong first-half performance. The government's growth target for this year is 8.3% to 8.5%.

## ESG

**SG:** The Green Investments Partnership (GIP), a blended finance partnership under Singapore's Financing Asia's Transition Partnership (FAST-P) initiative, has achieved its first close with US\$510 million of committed capital from global and regional private, public and philanthropic institutions, such as Temasek and European governments. The GIP will deploy debt financing for climate-related, marginally bankable sustainable infrastructure projects in South-east and South Asia. Such infrastructure projects include renewable energy plants and storage, electric vehicles, transport, and water and waste management projects, among other sectors critical to the regions' energy transition. As these projects have traditionally struggled to attract financing due to perceived risks, FAST-P can unlock capital for innovative and marginally bankable infrastructure by de-risking these infrastructure investments in the regions.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenors traded 3-4bps lower and 10Y traded 4bps lower. As per Bloomberg, Shui On Land Ltd, a private sector Chinese developer that is yet to default, is considering issuing a USD-denominated bond to refinance its USD400mn 5.5% note maturing in June 2026. If priced, this would be the builder's first bond sale in over four years. In other acquisition and sales, Yuexiu Real Estate Investment Trust agreed to sell a 50% interest in the entities holding Yuexiu Financial Tower in Guangzhou to Guangzhou Yue Xiu Development, an indirect wholly owned subsidiary of Guangzhou Yue Xiu Holdings. Share consideration based on the reference NAV is at RMB3.43bn and net proceeds from disposal are expected to be ~RMB2.3bn. Meanwhile, East Japan Railway Co. has acquired the 14th to 18th floors of the GranTokyo South Tower near Tokyo Station from Goldman Sachs Group Inc. for over JPY50bn, viewing real estate as a key business to offset declining railway income. Bloomberg Asia USD Investment Grade spreads traded flat at 66bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 347bps respectively. (Bloomberg, OCBC)

### New issues:

There were three notable issuances in the Asiadollar market yesterday.

- Westpac New Zealand Limited priced a USD750mn 5Y Fixed Bond at T+65bps (Yield: 4.218%).
- Shaoxing Shangyu State-owned Capital Investment Operation Co Ltd priced a USD300mn 3Y Fixed Bond at 4.38%.
- Taiwan Life Insurance Co Ltd priced a USD102.5mn 10Y Subordinated Fixed Bond at 6.00%.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- CCB Shipping and Aviation Leasing Corporation Limited (Keepwell: CCB Financial Leasing Corporation Limited) may issue a USD-denominated 3Y Green FRN.
- SMPHI SG Holdings Pte Ltd (guarantor: SM Prime Holdings Inc) may issue a USD-denominated 5Y Senior Note.
- Denso Corporation may issue a USD-denominated Bond.
- KODIT Global 2025-1 Co Ltd (guarantor: Korea Credit Guarantee Fund) may issue a USD-denominated 3Y Fixed Bond or FRN.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.454	-0.32%	USD-SGD	1.2831
USD-JPY	147.500	0.05%	EUR-SGD	1.5095
EUR-USD	1.176	0.39%	JPY-SGD	0.8699
AUD-USD	0.659	0.53%	GBP-SGD	1.7383
GBP-USD	1.355	0.27%	AUD-SGD	0.8460
USD-MYR	4.219	-0.24%	NZD-SGD	0.7624
USD-CNY	7.130	-0.04%	CHF-SGD	1.6179
USD-IDR	16304	-0.71%	SGD-MYR	3.2848
USD-VND	26409	0.04%	SGD-CNY	5.5576

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8800	0.43%	1M	4.1788
3M	2.0530	-1.20%	2M	4.1108
6M	2.1000	-0.14%	3M	4.0521
12M	2.1780	-0.55%	6M	3.8589
			1Y	3.5860

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.129	-112.90%	-0.282	4.051
10/29/2025	-1.984	-85.50%	-0.496	3.838
12/10/2025	-2.881	-89.70%	-0.72	3.613

## Equity and Commodity

Index	Value	Net change
DJIA	45,514.95	114.09
S&P	6,495.15	13.65
Nasdaq	21,798.70	98.31
Nikkei 225	43,643.81	625.06
STI	4,308.52	1.44
KLCI	1,585.59	7.44
JCI	7,766.85	-100.50
Baltic Dry	1,979.00	16.00
VIX	15.11	-0.07

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.42 (-0.02)	3.49(--)
5Y	1.51 (-0.04)	3.56 (-0.02)
10Y	1.82 (-0.03)	4.05 (-0.03)
15Y	1.91 (-0.04)	--
20Y	1.95 (-0.03)	--
30Y	2.04 (-0.02)	4.69 (-0.07)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.42
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.26	0.63%	Corn (per bushel)	4.030	1.0%
Brent (per barrel)	66.02	0.79%	Soybean (per bushel)	10.135	0.7%
Heating Oil (per gallon)	231.19	1.09%	Wheat (per bushel)	5.055	0.9%
Gasoline (per gallon)	195.86	-0.29%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.09	1.38%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9915.00	0.18%	Gold (per oz)	3636.0	1.4%
Nickel (per mt)	15229.00	-0.04%	Silver (per oz)	41.4	0.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/09/2025 9:30	AU	NAB Business Confidence	Aug	--	--	7	--
9/09/2025 9:30	AU	NAB Business Conditions	Aug	--	--	5	--
9/09/2025 12:00	SK	Bloomberg Sept. South Korea Economic Survey					
9/09/2025 14:00	JN	Machine Tool Orders YoY	Aug P	--	--	3.60%	--
9/09/2025 15:00	MA	Foreign Reserves	29-Aug	--	--	\$122.0b	--
9/09/2025 18:00	US	NFIB Small Business Optimism	Aug	100.5	--	100.3	--
9/09/2025 22:00	US	Prelim. Benchmark Payrolls Revision	2025	-700k	--	-818k	--
9/09/2025-9/15/2025	CH	New Yuan Loans CNY YTD	Aug	13570.9b	--	12870.0b	12870.9b
9/09/2025-9/13/2025	VN	Domestic Vehicle Sales YoY	Aug	--	--	7.30%	--
9/09/2025-9/15/2025	CH	Aggregate Financing CNY YTD	Aug	26487.0b	--	23990.0b	23990.7b
9/09/2025-9/15/2025	CH	Money Supply M2 YoY	Aug	8.60%	--	8.80%	--
9/09/2025-9/15/2025	CH	Money Supply M1 YoY	Aug	6.00%	--	5.60%	--
9/09/2025-9/15/2025	CH	Money Supply M0 YoY	Aug	--	--	11.80%	--

Source: Bloomberg



## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathann4@ocbc.com](mailto:jonathann4@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavyanavenkateswaran@ocbc.com](mailto:lavyanavenkateswaran@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

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