

Daily Treasury Outlook

9 October 2025

Highlights

Global: US equities gained led by tech heavy NASDAQ (+1.1%) and to a lesser extent S&P (+0.6%) while the Dow was flat. The DXY index and UST yields largely traded sideways amid absent economic data releases. The MBA mortgage applications for the week of 3 October showed a contraction of 4.7% from -12.7% the previous week. There were two key highlights overnight: first, the US Federal Reserve released the minutes from its 16-17 September meeting. The minutes showed detailed discussed across growth and labour markets conditions as well as quantitative tightening. On the latter, the minutes stated that “if balance sheet runoff were to continue at the current pace, the System Open Market Account (SOMA) portfolio was expected to decline to just over USD6trn by the end of March, with Federal Reserve noting growth at a gradual pace, the TGA fluctuating around current levels, and usage of the overnight reverse repurchase agreement (ON RRP) facility remaining very low except on quarter-end dates.” Reserve could “...be close to the USD2.8trn range by the end of the first quarter of next year if runoff were to continue at the current pace.” On growth, the minutes noted that “recent indicators for consumer spending and business investment spending—particularly for high-tech equipment and software—pointed to further moderate gains in PDFP in the third quarter, but housing sector activity remained weak.” For the labour market, the FOMC observed that “...job gains had slowed” and “downside risks to employment had risen”. The balance of risks around growth, labour markets and inflation were discussed for participants to judge that “a balanced approach” would be important in balancing the FOMC’s goals. Second, on the geopolitical front, Israel and Hamas have agreed to a first phase of a peace deal brokered by the US. Hamas has agreed to release the remaining Israeli prisoners from captivity while Israel will also release Palestinian prisoners and resume aid to Gaza. The oil market reaction was largely muted, with Brent edging marginally lower.

Market Watch: The data focuses on Germany’s August trade data, Taiwan September trade, US weekly initial jobless claims and continuing claims as well as US August final wholesale trade and inventories. Bangko Sentral ng Pilipinas (BSP) meets today, and we expect a pause in rate cuts. We nonetheless see room for another 25bp cut from BSP this year.

Major Markets

CH: The tourism market remained buoyant during the Golden Week holiday, underscoring strong consumer appetite for cross-border travel. According to one travel agency Report, total holiday trips booked on the platform surged nearly 30% YoY, while average spending per traveller rose about 20% YoY, reflecting both pent-up demand and a continued shift toward higher-quality travel experiences.

Key Market Movements

| Equity | Value | % chg |
|------------|--------|----------|
| S&P 500 | 6753.7 | 0.6% |
| DJIA | 46602 | 0.0% |
| Nikkei 225 | 47735 | -0.5% |
| SH Comp | 3882.8 | 0.0% |
| STI | 4456.3 | -0.4% |
| Hang Seng | 26829 | -0.5% |
| KLCI | 1627.5 | -0.2% |
| | Value | % chg |
| DXY | 98.915 | 0.3% |
| USDJPY | 152.69 | 0.5% |
| EURUSD | 1.1628 | -0.2% |
| GBPUSD | 1.3404 | -0.2% |
| USIDR | 16560 | 0.1% |
| USDSGD | 1.2957 | 0.2% |
| SGDMYR | 3.2520 | -0.3% |
| | Value | chg (bp) |
| 2Y UST | 3.58 | 1.66 |
| 10Y UST | 4.12 | -0.59 |
| 2Y SGS | 1.48 | -3.30 |
| 10Y SGS | 1.85 | -4.73 |
| 3M SORA | 1.43 | -0.48 |
| 3M SOFR | 4.33 | -0.20 |
| | Value | % chg |
| Brent | 66.25 | 1.2% |
| WTI | 62.55 | 1.3% |
| Gold | 4042 | 1.4% |
| Silver | 48.89 | 2.2% |
| Palladium | 1448 | 7.3% |
| Copper | 10669 | -0.9% |
| BCOM | 106.94 | 0.5% |

Source: Bloomberg

The National Immigration Administration estimated that the average daily number of cross-border travellers during the National Day–Mid-Autumn holidays would exceed 2 million, marking a 28.7% YoY increase.

At the local level, the Zhuhai Immigration Inspection Bureau projected total cross-border traffic through its ports to reach 6.16 million during the holiday period—up more than 35% YoY—highlighting the sustained momentum in travel demand, particularly between the mainland and Macau.

ID: Energy Minister Bahlil Lahadalia confirmed plans to mandate the use of biodiesel with 50% palm oil content (B50) starting in 2026, up from B40 (40% blending) currently implemented. The B50 has completed laboratory tests and is reportedly will soon begin road trials. The new mandate is expected to require 20.1mn kilolitres of palm oil-based biofuel annually, up from 15.6mn under B40. Separately, the government is also reportedly will mandate a 10% ethanol-blended gasoline, as part of efforts to reduce oil imports and promote cleaner fuels.

MY: Investment Minister Zafrul Abdul Aziz said more incentives for the Johor-Singapore Special Economic Zone (JS-SEZ) will be announced at a Singapore conference on Oct 14, jointly hosted by Malaysia's MITI, Singapore's MTI, and the Johor government. He highlighted the JS-SEZ as a symbol of Malaysia-Singapore cooperation to attract global investors, urging both nations to stay economically and politically stable. Zafrul also called for ASEAN unity and neutrality amid global rivalry, noting the upcoming signing of the upgraded ATIGA and progress on the DEFA. He added that Malaysia is cutting red tape through the Invest Malaysia Facilitation Centre-Johor and AI-driven systems to improve investment approvals.

PH: We expect BSP to pause in the rate cutting cycle, but we still expect another 25bp rate for the rest of the year. GDP growth has average 5.5% YoY in 1H25 while inflation remained within the BSP's headline inflation target range, albeit rising to 1.7%YoY in September from 1.5% in August, even as the political noise in recent weeks rose due to a flood control corruption related scandal. President Marcos has ordered a realignment of PHP255.5bn (0.9% of GDP) from questionable flood related projects toward social expenditures.

TH: BoT kept its policy rate unchanged at 1.50%, versus expectations of a 25bp cut. The MPC voted 5-2 in favour of the decision, with the majority of the committee paying heed to "the timing and effectiveness of monetary policy given the limited policy space". BoT lowered its 2025 and 2026 GDP growth forecasts to 2.2% and 1.6% from 2.3% and 1.7%, respectively. Our forecast is 1.8% for both years. On inflation, BoT lowered its headline inflation forecast to 0.0% and 0.5% for 2025 and 2026, with core inflation expected to remain at 0.9%. The dovishness of the official statement, BoT's subdued growth and inflation outlooks suggests that the room for further easing remains open. We remain comfortable with our forecast for an additional 25bp rate cut from BoT in 2025.

VN: Deputy Trade Minister Nguyen Sinh Nhat Tan noted that Vietnam will send trade negotiators to the US in this month and in November to advance talks on a reciprocal tariff agreement, as reported by Bloomberg citing Tuoi Tre. Both sides have maintained close contact, with Washington reportedly viewing progress positively. Although the US government shutdown may delay discussions, Vietnam remains committed to finalising the deal by November.

ESG

ID: Indonesia's PT PLN is promoting a program called the Green Enabling Supergrid in the new electricity supply business plan, which is a framework designed to connect renewable energy sources with major demand centers across Indonesia. This aims to address Indonesia's geographical imbalance in resource availability by distributing renewable energy sources evenly. PLN also plans to implement a phased energy transition, including retiring coal-fired power plants and replacing them with renewable energy-based facilities, in efforts to achieve net zero emissions by 2060 or sooner.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-3bps lower while belly tenors traded 3-4bps lower and 10Y traded 4bps lower. As per Bloomberg, Trafigura Group Pte Ltd has closed a new syndicated revolving credit facility and term loan facility totalling approximately USD3.4bn, including a 365-day USD1.1bn revolving credit facility, a 1-year CNH term loan of USD1.1bn, and a 3-year USD1.2bn term loan. The funds will refinance maturing loans from 2022 and 2024 and support general corporate purposes. Bloomberg Asia USD Investment Grade spreads traded flat at 60bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 325bps respectively. (Bloomberg, OCBC)

New issues:

There were three notable issuances by two issuers in the Asiadollar market yesterday.

- Republic of Indonesia priced USD1.85bn of debt in two tranches: a USD1.25bn 10.5Y Fixed Bond at T+81.40bps (reoffer price 99.594 to yield 4.95%) and a USD600mn 5.5Y Fixed Bond at T+62.10bps (reoffer price 99.758 to yield 4.35%).
- Development Bank of Kazakhstan priced a USD500mn long 5Y Fixed Bond at issue price 98.852 to yield 4.85%

There were two notable issuances in the Singdollar market yesterday.

- Public Utilities Board priced a SGD500mn 30Y Fixed Bond at 2.486%.
- Emirates NBD Bank PJSC priced a SGD160mn 2Y Fixed Bond at 1.75%.

Mandates:

- Hong Kong Mortgage Corporation Limited may issue USD-denominated Infrastructure loan backed securities, which may include a sustainability tranche.

Foreign Exchange

| | Day Close | % Change | | Day Close |
|---------|-----------|----------|---------|-----------|
| DXY | 98.915 | 0.34% | USD-SGD | 1.2957 |
| USD-JPY | 152.690 | 0.52% | EUR-SGD | 1.5068 |
| EUR-USD | 1.163 | -0.25% | JPY-SGD | 0.8482 |
| AUD-USD | 0.659 | 0.08% | GBP-SGD | 1.7365 |
| GBP-USD | 1.340 | -0.16% | AUD-SGD | 0.8533 |
| USD-MYR | 4.216 | 0.03% | NZD-SGD | 0.7496 |
| USD-CNY | #N/A N/A | #VALUE! | CHF-SGD | 1.6152 |
| USD-IDR | 16560 | 0.12% | SGD-MYR | 3.2520 |
| USD-VND | 26361 | -0.02% | SGD-CNY | 5.4908 |

SOFR

| Tenor | EURIBOR | Change | Tenor | USD SOFR |
|-------|---------|--------|-------|----------|
| 1M | 1.8970 | -1.20% | 1M | 4.0473 |
| 3M | 2.0290 | 0.15% | 2M | 3.9855 |
| 6M | 2.1060 | 0.14% | 3M | 3.9134 |
| 12M | 2.2230 | -0.13% | 6M | 3.7804 |
| | | | 1Y | 3.5907 |

Fed Rate Hike Probability

| Meeting | # of Hikes/Cuts | % of Hikes/Cuts | Implied Rate Change | Expected Effective Fed Funds Rate |
|------------|-----------------|-----------------|---------------------|-----------------------------------|
| 10/29/2025 | -0.925 | -92.50% | -0.231 | 3.863 |
| 12/10/2025 | -1.776 | -85.10% | -0.444 | 3.65 |

Equity and Commodity

| Index | Value | Net change |
|------------|-----------|------------|
| DJIA | 46,601.78 | -1.20 |
| S&P | 6,753.72 | 39.13 |
| Nasdaq | 23,043.38 | 255.02 |
| Nikkei 225 | 47,734.99 | -215.89 |
| STI | 4,456.30 | -15.96 |
| KLCI | 1,627.50 | -2.53 |
| JCI | 8,166.03 | -3.25 |
| Baltic Dry | 1,947.00 | 15.00 |
| VIX | 16.30 | -0.94 |

Government Bond Yields (%)

| Tenor | SGS (chg) | UST (chg) |
|-------|--------------|--------------|
| 2Y | 1.48 (-0.03) | 3.58(--) |
| 5Y | 1.62 (-0.04) | 3.72 (+0.01) |
| 10Y | 1.85 (-0.05) | 4.11 (-0.01) |
| 15Y | 1.91 (-0.05) | -- |
| 20Y | 1.91 (-0.03) | -- |
| 30Y | 2 (-0.02) | 4.7 (-0.02) |

Financial Spread (bps)

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

Secured Overnight Fin. Rate

| | |
|------|------|
| SOFR | 4.14 |
|------|------|

Commodities Futures

| Energy | Futures | % chg | Soft Commodities | Futures | % chg |
|--------------------------|----------|--------|-------------------------|---------|-------|
| WTI (per barrel) | 62.55 | 1.33% | Corn (per bushel) | 4.220 | 0.5% |
| Brent (per barrel) | 66.25 | 1.22% | Soybean (per bushel) | 10.295 | 0.7% |
| Heating Oil (per gallon) | 229.13 | 1.15% | Wheat (per bushel) | 5.073 | 0.1% |
| Gasoline (per gallon) | 190.95 | 0.82% | Crude Palm Oil (MYR/MT) | 45.090 | 0.5% |
| Natural Gas (per MMBtu) | 3.33 | -4.72% | Rubber (JPY/KG) | 309.500 | 2.8% |
| Base Metals | Futures | % chg | Precious Metals | Futures | % chg |
| Copper (per mt) | 10669.00 | -0.85% | Gold (per oz) | 4042.0 | 1.4% |
| Nickel (per mt) | 15346.00 | -0.92% | Silver (per oz) | 48.9 | 2.2% |

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

| Date Time | Country Code | Event | Period | Survey | Actual | Prior | Revised |
|-----------------------|--------------|---|--------|----------|--------|----------|----------|
| 10/09/2025 10:00 | JN | Tokyo Avg Office Vacancies | Sep | -- | -- | 2.85% | -- |
| 10/09/2025 14:00 | JN | Machine Tool Orders YoY | Sep P | -- | -- | 8.50% | -- |
| 10/09/2025 14:30 | PH | BSP Overnight Borrowing Rate | 9-Oct | 5.00% | -- | 5.00% | -- |
| 10/09/2025 14:30 | PH | BSP Standing Overnight Deposit Facility Rate | 9-Oct | 4.38% | -- | 4.50% | -- |
| 10/09/2025 20:30 | US | Weekly Jobless Claims May Be Delayed by US Shutdown | | | | | |
| 10/09/2025 20:30 | US | Initial Jobless Claims | 4-Oct | 228k | -- | -- | -- |
| 10/09/2025 20:30 | US | Initial Claims 4-Wk Moving Avg | 4-Oct | -- | -- | -- | -- |
| 10/09/2025 20:30 | US | Continuing Claims | 27-Sep | 1930k | -- | -- | -- |
| 10/09/2025 22:00 | US | Wholesale Inventories MoM | Aug F | -0.20% | -- | -0.20% | -- |
| 10/09/2025 22:00 | US | Wholesale Trade Sales MoM | Aug | 0.50% | -- | 1.40% | -- |
| 10/09/2025-10/15/2025 | CH | New Yuan Loans CNY YTD | Sep | 14931.8b | -- | 13460.0b | 13459.6b |
| 10/09/2025-10/13/2025 | VN | Domestic Vehicle Sales YoY | Sep | -- | -- | 1.30% | -- |
| 10/09/2025-10/15/2025 | CH | Aggregate Financing CNY YTD | Sep | 29902.5b | -- | 26560.0b | 26556.3b |
| 10/09/2025-10/15/2025 | CH | Money Supply M2 YoY | Sep | 8.50% | -- | 8.80% | -- |
| 10/09/2025-10/15/2025 | CH | Money Supply M1 YoY | Sep | 6.10% | -- | 6.00% | -- |
| 10/09/2025-10/15/2025 | CH | Money Supply M0 YoY | Sep | -- | -- | 11.70% | -- |

Source: Bloomberg



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