

## Daily Treasury Outlook

9 December 2025

### Highlights

**Global:** Anxiety around the prospect of a “Fed hawkish cut” brewed ahead of the December FOMC meeting later this week. Meanwhile, investors are also watching other central bank policy decisions from Australia, Canada and Switzerland. The rally in long-term US Treasury yields weighed on equities. Major US equity indices closed lower (S&P: -0.35%; NASDAQ: -0.14%; Dow: -0.45%), but the technology sector was supported by news that Nvidia won approval to export its H200 chips to China. Dollar ended the day firmer, in particular against the Japanese yen and Canadian dollar. Gold prices drifted lower as dollar was bid, while crude prices pared back most of last week’s gains.

On the data front, Germany October industrial production beat expectations, rising by 1.8% MoM, while Eurozone’s Sentix investor confidence improved by 1.2 percentage points to -6.2. China’s exports continued to show resilience, rising by 5.9% YoY (above consensus at 4.0% YoY) in November. Solid increases in exports to ASEAN, Africa and Latin America markets more than offset the decline to US. Imports, on the other hand, missed market consensus and increased modestly by 1.9% YoY. The cumulative trade surplus for the eleven months of 2025 rose to historical high of USD1.08trn.

**Market Watch:** The RBA is poised to hold its policy rate steady, for a third straight meeting, at 3.6% today. The RBA statement and Governor Bullock’s press conference will likely be heavily scrutinized. The economic calendar in APAC mainly comprises of Japan’s November monetary data and machine tool orders, Australia’s November NAB business confidence, Indonesia’s November consumer confidence index, and Taiwan’s November trade. Later today, markets will watch Germany’s October exports, US’ November leading index and October JOLTS job openings.

### Major Markets

**ID:** President Prabowo Subianto made his first state visit to Pakistan on 8-9 December for talks aimed at boosting trade and defense cooperation. He will meet Prime Minister Shehbaz Sharif, President Asif Ali Zardari, and military leaders to discuss expanding collaboration in areas such as investment, health, technology, climate, and education, with several MoUs expected to be signed. Bilateral trade reached USD3.3bn in the first ten months of 2025, driven largely by Indonesian exports, especially palm oil, under a long-standing preferential trade agreement, as reported by the Jakarta Globe.

#### Key Market Movements

Equity	Value	% chg
S&P 500	6846.5	-0.3%
DJIA	47739	-0.4%
Nikkei 225	50582	0.2%
SH Comp	3924.1	0.5%
STI	4507.1	-0.5%
Hang Seng	25765	-1.2%
KLCI	1612.8	-0.2%
	Value	% chg
DXY	99.087	0.1%
USDJPY	155.92	0.4%
EURUSD	1.1637	0.0%
GBPUSD	1.3322	0.0%
USDIDR	16690	0.3%
USDSGD	1.2975	0.1%
SGDMYR	3.1720	-0.1%
	Value	chg (bp)
2Y UST	3.58	1.47
10Y UST	4.16	2.92
2Y SGS	1.42	1.60
10Y SGS	2.05	2.03
3M SORA	1.23	-1.87
3M SOFR	4.15	-1.63
	Value	% chg
Brent	62.49	-2.0%
WTI	58.88	-2.0%
Gold	4191	-0.2%
Silver	58.16	-0.3%
Palladium	1476	1.0%
Copper	11636	0.1%
BCOM	110.24	-1.6%

Source: Bloomberg

**MY:** The Malaysia Palm Oil Board (MPOB) director general Dr Ahmad Parveez said Malaysia's CPO production will likely see a small MoM dip in November, reflecting harvesting delays and waterlogging in flood-hit estates, though the impact is limited and came late in the month. He noted that seasonal moderation is typical for November–December as palm trees enter a rest phase, and confirmed that the full-year production target of 19.5mn tonnes remains on track, as reported by The Edge. Stock levels are expected to rise above 2.46mn tonnes in October due to softer exports, with inventories likely to stay elevated in December as exports ease seasonally and output gradually recovers.

**TH:** Thailand conducted air and ground strikes on Cambodian military positions Monday (8 December) following a deadly border clash, marking the most significant escalation in months. Both countries accused each other of cross-border attacks over the weekend, with casualties reported on both sides, and the renewed violence threatens a peace accord brokered earlier this year. The latest tensions come amid long-standing disputes along the border and raise concerns over regional stability and ongoing trade negotiations.

**VN:** Prime Minister directed ministries, agencies, and local authorities to accelerate public investment disbursement, calling it a top political priority and a key performance metric, as reported by the government news website. He urged rapid allocation of remaining funds, monthly disbursement plans, stricter on-site supervision, and digital tracking, with weekly public updates to ensure transparency and discipline. As of late November, VND553.25trn, or 60.6% of this year's planned public investment, had been disbursed.

## ESG

**ID:** Indonesia is reconsidering the early retirement of the Cirebon-1 coal power plant despite initially agreeing to retire it in 2035, seven years earlier than its lifespan, under the Just Energy Transition Partnership (JETP) which is a G7 funding initiative. The legal and financial implications of closing Cirebon-1 remain a barrier, as the costs for replacing it with renewable energy could reach USD1.3 bn, mostly in subsidies to cover more expensive renewable power generation. Nonetheless, Indonesia is reviewing other coal-fired plants for early retirement, possibly other older and dirtier coal power plants. The JETP has distributed USD3.1 bn in financing so far, and the total funding commitment for Indonesia has been raised to USD21.4 bn from an initial USD20 bn.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-3bps higher while belly tenors and 10Y traded 3bps higher. As per Bloomberg, Dalian Wanda Group Co., Ltd.'s commercial real estate unit is seeking a two year extension on its USD400mn bond. Meanwhile, Chinese developer KWG Group Holdings Ltd's winding-up hearing in Hong Kong has been adjourned to 9 March. Additionally, New World Development Co Ltd will defer payments on USD500mn and USD1bn perpetual securities to their next scheduled distribution dates. In other news, Yuexiu Property Co Ltd secured a RMB200mn-equivalent dual-currency offshore term loan with a 364-day tenor. In ratings, S&P revised Xiaomi Corp's outlook to positive and affirmed its 'BBB' rating while Genting Berhad's issuer rating has been downgraded by Moody's to Baa3 from Baa2, with the outlook revised to stable from watch negative. Bloomberg Asia USD Investment Grade spreads traded flat at 61bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 373bps respectively. (Bloomberg, OCBC)

### New issues:

There were two notable issuances by one issuer in the Asiadollar market yesterday.

- Minmetals Capitals & Securities Inc (guarantor: China Minmetals Corp) priced USD1.2bn of debt in two tranches: a USD600mn PerpNC5 Subordinated Fixed perpetual at par to yield 4.35% and a USD600mn PerpNC3.5 Subordinated Fixed perpetual at par to yield 4.25%.

There was no notable issuance in the Singdollar market yesterday.

### Mandates:

- Chengdu Xingcheng Investment Group Co., Ltd. may issue USD-denominated senior bonds.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.087	0.10%	USD-SGD	1.2975
USD-JPY	155.920	0.38%	EUR-SGD	1.5100
EUR-USD	1.164	-0.04%	JPY-SGD	0.8321
AUD-USD	0.662	-0.24%	GBP-SGD	1.7285
GBP-USD	1.332	-0.05%	AUD-SGD	0.8595
USD-MYR	4.113	0.05%	NZD-SGD	0.7494
USD-CNY	7.072	0.01%	CHF-SGD	1.6082
USD-IDR	16690	0.28%	SGD-MYR	3.1720
USD-VND	26360	-0.01%	SGD-CNY	5.4500

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9110	-0.05%	1M	3.7925
3M	2.0750	0.97%	2M	3.7603
6M	2.1470	0.99%	3M	3.7396
12M	2.2540	0.00%	6M	3.6755
			1Y	3.5329

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/10/2025	-0.921	-92.10%	-0.23	3.659
01/28/2026	-1.209	-28.80%	-0.302	3.588

## Equity and Commodity

Index	Value	Net change
DJIA	47,739.32	-215.67
S&P	6,846.51	-23.89
Nasdaq	23,545.90	-32.23
Nikkei 225	50,581.94	90.07
STI	4,507.08	-24.28
KLCI	1,612.78	-3.74
JCI	8,710.70	77.93
Baltic Dry	2,727.00	-87.00
VIX	16.66	1.25

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.42 (+0.02)	3.58(--)
5Y	1.77 (+0.02)	3.75 (+0.04)
10Y	2.05 (+0.02)	4.17 (+0.03)
15Y	2.18 (+0.02)	--
20Y	2.19 (+0.02)	--
30Y	2.25 (+0.02)	4.81 (+0.01)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	3.93
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	58.88	-2.00%	Corn (per bushel)	4.363	-0.1%
Brent (per barrel)	62.49	-1.98%	Soybean (per bushel)	10.938	-1.0%
Heating Oil (per gallon)	229.82	-2.74%	Wheat (per bushel)	5.360	-0.3%
Gasoline (per gallon)	179.81	-1.96%	Crude Palm Oil (MYR/MT)	40.550	-1.0%
Natural Gas (per MMBtu)	4.91	-7.13%	Rubber (JPY/KG)	3.179	-0.7%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	11635.50	0.13%	Gold (per oz)	4190.7	-0.2%
Nickel (per mt)	14840.00	-0.67%	Silver (per oz)	58.2	-0.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/09/2025 8:01	UK	BRC Sales Like-For-Like YoY	Nov	2.50%	1.20%	1.50%	--
12/09/2025 8:30	AU	NAB Business Confidence	Nov	--	1	6	--
12/09/2025 8:30	AU	NAB Business Conditions	Nov	--	7	9	10
12/09/2025 11:00	ID	Consumer Confidence Index	Nov	--	--	121.2	--
12/09/2025 11:30	AU	RBA Cash Rate Target	9-Dec	3.60%	--	3.60%	--
12/09/2025 14:00	JN	Machine Tool Orders YoY	Nov P	--	--	17.10%	--
12/09/2025 19:00	US	NFIB Small Business Optimism	Nov	98.3	--	98.2	--
12/09/2025 23:00	US	Leading Index	Sep	-0.30%	--	--	--
12/09/2025 23:00	US	JOLTS Job Openings	Oct	7117k	--	--	--
12/09/2025-12/13/2025	VN	Domestic Vehicle Sales YoY	Nov	--	--	-9.30%	--
12/09/2025-12/15/2025	CH	Money Supply M2 YoY	Nov	8.20%	--	8.20%	--
12/09/2025-12/15/2025	CH	Money Supply M1 YoY	Nov	5.70%	--	6.20%	--
12/09/2025-12/15/2025	CH	Money Supply M0 YoY	Nov	--	--	10.60%	--

Source: Bloomberg



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