

## Daily Treasury Outlook

10 October 2025

### Highlights

**Global:** Wall Street closed broadly lower overnight as markets took a pause following a series of fresh record highs in recent sessions. Silver prices climbed to new highs amid renewed demand for precious metals. Federal Reserve Governor Michael Barr opined that the Fed should proceed cautiously with further rate cuts, warning that inflation risks have not yet fully subsided. Meanwhile, the ongoing federal government shutdown in the US remains unresolved, delaying key economic releases and contributing to near-term uncertainty. With economic data releases delayed, market attention will now shift to the Q3 earnings season, which begins next week with major financial institutions reporting. Investors will also closely monitor the tariff-affected consumer and retail sectors, as well as the technology sector, for signs of market direction. On the geopolitical front, sentiment improved after the Israeli government approved a US-brokered ceasefire deal in Gaza.

**Market Watch:** This morning, Japan's PPI data was released. September's PPI inflation stayed at 2.7% YoY, the same as that in August, although coming in stronger than consensus expectations of 2.5%. On the Asian calendar today are Malaysia's industrial production and manufacturing sales figures, the tabling of the Budget 2026, Thailand's gross international reserves, and Vietnam's domestic vehicle sales.

### Major Markets

**ID:** Coordinating Economic Minister Airlangga Hartarto said Indonesia had attracted over IDR1,400trn (about USD84.5 bn) in investments as of 3Q25, moving closer to its IDR1,905trn full-year target. The official 3Q25 realization report from the Ministry of Investment and Downstream Industry (BKPM) has yet to be released. Separately, Finance Minister Purbaya Yudhi Sadewa noted that about 56% of the IDR200trn liquidity injection allocated to state-owned banks had been disbursed as of early October, aimed at boosting credit growth and supporting economic growth.

**MY:** The Malaysian Rubber Board (MRB) is drafting its Strategic Plan 2026–2030 to ensure the sustainability of the country's rubber industry. According to Plantation and Commodities Minister Johari Abdul Ghani, the plan will be structured around four main pillars: enhancing rubber productivity to ensure the long-term sustainability of the national rubber industry; advancing research and development (R&D) to drive continuous growth and innovation; empowering support services to strengthen the overall rubber industry ecosystem; and strengthening the MRB's operational efficiency and governance. Separately, Minister Johari added that the Malaysian Sustainable Natural Rubber (MSNR) aims to further augment the sustainability framework for the rubber sector. The MSNR initiative, which was previously implemented

### Key Market Movements

Equity	Value	% chg
S&P 500	6735.1	-0.3%
DJIA	46358	-0.5%
Nikkei 225	48580	1.8%
SH Comp	3934.0	1.3%
STI	4440.5	-0.4%
Hang Seng	26753	-0.3%
KLCI	1629.7	0.1%
	Value	% chg
DXY	99.538	0.6%
USDJPY	153.07	0.2%
EURUSD	1.1564	-0.6%
GBPUSD	1.3304	-0.7%
USIDR	16545	-0.1%
USDSGD	1.2997	0.3%
SGDMYR	3.2550	0.1%
	Value	chg (bp)
2Y UST	3.59	1.25
10Y UST	4.14	2.13
2Y SGS	1.48	0.30
10Y SGS	1.84	-0.91
3M SORA	1.42	-0.45
3M SOFR	4.33	-0.21
	Value	% chg
Brent	65.22	-1.6%
WTI	61.51	-1.7%
Gold	3977	-1.6%
Silver	49.29	0.8%
Palladium	1420	-1.9%
Copper	10868	1.9%
BCOM	105.69	-1.2%

Source: Bloomberg

only in Peninsular Malaysia, has now been extended to Sabah and Sarawak, as reported by The Edge.

**PH:** The BSP lowered its policy rate by 25 basis points to 4.75% at its 9 October meeting, surprising both consensus and our expectation for a hold. Concurrently, the overnight deposit and lending rates were also reduced by 25bps to 4.25% and 5.25%, respectively. Importantly, BSP was more dovish opening the door to further rate cuts. BSP Governor Remolona stated that the domestic economic outlook “has weakened,” partly due to the impact of governance concerns over public infrastructure spending on business confidence. Indeed, the Governor noted that the “output gap (is) wider” than BSP thought. Our GDP growth forecast of 5.5% YoY in 2025, suggests relative stable growth in 2H25 from 1H25, and is at the lower end of the government’s 5.5-6.5% target range. Meanwhile, BSP note that the inflation outlook is “benign and well within the target range,” with inflation expectations remaining well-anchored. Looking ahead, the door remains open for further rate cuts. Governor Remolona signalled that one more rate cut is possible before the end of the year. We now revise our call to add another 25bp rate cut for 2025, taking the policy rate to 4.50%.

## ESG

**SG:** Sumitomo Corp has been awarded a Singapore government grant to develop ammonia as an alternative fuel to support the decarbonisation of the shipping industry. The funding will support research and development focused on improving the safety and efficiency of supplying ammonia in Singapore. Ammonia is an alternative low-carbon fuel for the maritime industry because of its potential to reduce greenhouse gas remissions. However, its widespread use currently faces hurdles such as the need for stringent safety regulations and high costs of production.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher while belly tenors traded 2-3bps higher and 10Y traded 2bps higher. As per Bloomberg, Tian An Property Insurance Co Ltd of China expects to miss the principal and interest payments of its RMB5.3bn TANINS 6.97% '25 due on 30 September, interest on these notes has already accrued. The insurer said that payment will only be made if its solvency ratio stays at or above 100% and other liabilities can be met. This will mark the first mainland Chinese insurer to default on public bonds. Bloomberg Asia USD Investment Grade spreads traded flat at 60bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 326bps respectively. (Bloomberg, OCBC)

### New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Sammaan Capital Ltd priced a USD450mn 5Y Social Secured Fixed Bond at 7.50%.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.538	0.63%	USD-SGD	1.2997
USD-JPY	153.070	0.25%	EUR-SGD	1.5030
EUR-USD	1.156	-0.55%	JPY-SGD	0.8490
AUD-USD	0.656	-0.46%	GBP-SGD	1.7291
GBP-USD	1.330	-0.75%	AUD-SGD	0.8520
USD-MYR	4.217	0.04%	NZD-SGD	0.7468
USD-CNY	7.130	0.00%	CHF-SGD	1.6118
USD-IDR	16545	-0.09%	SGD-MYR	3.2550
USD-VND	26348	-0.05%	SGD-CNY	5.4809

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9180	1.11%	1M	4.0342
3M	2.0190	-0.49%	2M	3.9818
6M	2.1030	-0.14%	3M	3.9096
12M	2.2160	-0.31%	6M	3.7773
			1Y	3.5921

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.946	-94.60%	-0.237	3.863
12/10/2025	-1.79	-84.40%	-0.448	3.651

## Equity and Commodity

Index	Value	Net change
DJIA	46,358.42	-243.36
S&P	6,735.11	-18.61
Nasdaq	23,024.63	-18.75
Nikkei 225	48,580.44	845.45
STI	4,440.50	-15.80
KLCI	1,629.67	2.17
JCI	8,250.94	84.91
Baltic Dry	1,923.00	-40.00
VIX	16.43	0.13

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.48 (--)	3.59 (--)
5Y	1.64 (+0.01)	3.74 (+0.02)
10Y	1.84 (-0.01)	4.14 (+0.02)
15Y	1.91 (+0.01)	--
20Y	1.91 (+0.01)	--
30Y	2.01 (+0.01)	4.72 (+0.01)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	4.12
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	61.51	-1.66%	Corn (per bushel)	4.183	-0.9%
Brent (per barrel)	65.22	-1.55%	Soybean (per bushel)	10.223	-0.7%
Heating Oil (per gallon)	228.03	-0.48%	Wheat (per bushel)	5.065	-0.1%
Gasoline (per gallon)	188.26	-1.41%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.27	-1.92%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10867.50	1.86%	Gold (per oz)	3976.9	-1.6%
Nickel (per mt)	15492.00	0.95%	Silver (per oz)	49.3	0.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/10/2025 12:00	MA	Industrial Production YoY	Aug	3.40%	--	4.20%	--
10/10/2025 12:00	MA	Manufacturing Sales Value YoY	Aug	--	--	3.50%	--
10/10/2025 15:30	TH	Gross International Reserves	3-Oct	--	--	\$271.9b	--
10/10/2025 15:30	TH	Forward Contracts	3-Oct	--	--	\$23.1b	--
10/10/2025 22:00	US	U. of Mich. Sentiment	Oct P	54	--	55.1	--
10/10/2025 22:00	US	U. of Mich. Current Conditions	Oct P	60	--	60.4	--
10/10/2025 22:00	US	U. of Mich. Expectations	Oct P	51.4	--	51.7	--
10/10/2025 22:00	US	U. of Mich. 1 Yr Inflation	Oct P	4.70%	--	4.70%	--
10/10/2025 22:00	US	U. of Mich. 5-10 Yr Inflation	Oct P	3.70%	--	3.70%	--
10/10/2025	IN	Foreign Exchange Reserves	3-Oct	--	--	\$700.2b	--
10/10/2025-10/15/2025	ID	Local Auto Sales	Sep	--	--	61780	--

Source: Bloomberg



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