

Daily Treasury Outlook

11 July 2025

Highlights

Global: US equities closed flattish overnight after retracing from session highs (S&P: +0.27%; NASDAQ: +0.09%; Dow: +0.4%), the DXY index closed lower from session highs, and longer-end UST yields were relatively range bound. Initial jobless claims were lower-than-expected coming in at 227k for the week of 5 July from 232k the previous week, while continuing claims were in line with expectations 1965k for the week of 28 June. On tariffs, Bloomberg reported that the 50% copper tariffs could be imposed on semi-finished products, expanding the net of the sector specific tariff. US President Trump sent Canada a letter this morning imposing a 35% tariff from 1 August 2025. The latest in the tariff letter series from the US President.

Comments from Federal Reserve speakers continued to suggest a calibrated approach to cuts for the remainder of the year. Mary Daly of the San Francisco Federal Reserve said she still views two interest rate cuts for this year while St. Louis Fed President Alberto Musalem said it could “take time for tariffs to settle” and that the impact on inflation has been mild so far but expects to see more impact on the data in the coming months.

Closer home, the Philippines got its tariff letter from President Trump and similar to Malaysia saw the reciprocal tariff raised from 17% to 20%. The Special Assistant to the President for Investment and Economic Affairs Frederick Go struck a cautious tone regarding further negotiations with the US stating that while negotiations will continue, the Department of Trade and Industry statement said, “We are concerned that, notwithstanding our efforts and constant engagements, the US still decided to impose a 20% tariff on Philippine exports.”

Market Watch: It’s a lighter data day ahead with tariff headlines likely to be the bigger focus. Data for the day ahead includes Malaysia’s May IP, a deluge of UK May activity data and Canada’s June labour market data.

Commodities: Crude oil prices plunged on Thursday, with WTI and Brent declining by more than 2% to USD66.6/bbl and USD68.6/bbl, respectively. An escalation in trade tensions exerted downward pressure on oil prices. US President Donald Trump announced that a 50% tariff will be imposed on imports from Brazil. In response, Brazilian President Luiz da Silva said that he would invoke Brazil’s reciprocity law if bilateral trade negotiations with the US fail to reach an agreement. Meanwhile, there are media reports that the OPEC+ group plans to continue another production hike for September to complete the phasing out of the 2.2mbpd voluntary adjustments.

Key Market Movements

Equity	Value	% chg
S&P 500	6280.5	0.3%
DJIA	44651	0.4%
Nikkei 225	39646	-0.4%
SH Comp	3509.7	0.5%
STI	4075.7	0.4%
Hang Seng	24028	0.6%
KLCI	1536.5	0.5%
	Value	% chg
DXY	97.652	0.1%
USDJPY	146.26	0.0%
EURUSD	1.1701	-0.2%
GBPUSD	1.3579	-0.1%
USDIDR	16220	-0.1%
USDSGD	1.2795	-0.1%
SGDMYR	3.3197	0.0%
	Value	chg (bp)
2Y UST	3.87	2.92
10Y UST	4.35	1.78
2Y SGS	1.74	-0.30
10Y SGS	2.11	-0.91
3M SORA	1.98	-0.78
3M SOFR	4.34	-0.06
	Value	% chg
Brent	68.64	-2.2%
WTI	66.57	-2.6%
Gold	3324	0.3%
Silver	37.00	1.7%
Palladium	1143	2.9%
Copper	9701	0.7%
BCOM	103.11	0.3%

Source: Bloomberg

Major Markets

ID: Coordinating Minister of Economic Affairs Airlangga Hartarto signalled that meetings with US representatives in Washington on tariff negotiations went “positively,” with both sides exploring a broader partnership in the critical minerals sector. Specifically, he met with Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer, with talks covering tariffs, non-tariff barriers, and commercial partnerships, and plans to intensify negotiations over the next three weeks “on the principle of mutual benefit.” Indonesia faces a 32% tariff from the US, set to take effect on 1 August. Separately, Deputy Ambassador to the EU Muhammad Takdir called for a further delay to the EU anti-deforestation law, noting that “8mn smallholdings, 17mn if you count families” are struggling to “navigate the regulation,” as reported by The Financial Times.

MY: The unemployment rate remain unchanged at 3.0% in May, similar to April. The number of employed persons continued on an uptrend, and rose by 43.8k to 16.86mn in May, particularly in the services sector, trade and transportation & storage activities. Likewise, higher employment was seen in the manufacturing, construction, agriculture, and mining & quarry sectors. The labour force participation rate held steady at 70.8%, unchanged from April.

PH: According to the Bangko Sentral ng Pilipinas (BSP), net Foreign Direct Investment (FDI) inflows rose by 7.1% YoY (March: -27.8%) to USD610mn in April 2025. The increase in net FDI inflows was primarily driven by an increase from 'nonresidents' net investments in debt instruments', and 'reinvestment of earnings'. This more than offset a decline in 'nonresidents' net investment in equity capital (other than reinvestment of earnings', which declined by 94.1% YoY, down from -27.4% in March, to USD4mn. The majority of equity capital investments in April came from Japan, US, Singapore, and South Korea, and were primarily directed towards the manufacturing, financial and insurance, and real estate sectors.

VN: The government is preparing stricter penalties and intensified inspections to combat trade fraud and illegal transshipment, especially on Chinese goods, as part of its commitment to a preliminary tariff deal with the US, as reported by Reuters. This follows an agreement on 3 July, in which the US lowered its tariff on Vietnamese imports from 46% to 20%, but imposed a 40% tariff on goods deemed to be illegally transshipped through Vietnam. Nonetheless, details on how illegal transshipment is defined remain unclear.

ESG

SG: Singapore’s geothermal exploration efforts discovered record subsurface temperatures of 122°C in Sembawang close to the Sembawang Hot Spring, suggesting geothermal energy potential that could contribute to Singapore’s future energy mix. This can support the diversification of Singapore’s energy mix to include cleaner energy sources and reduce the country’s reliance on natural gas. Over time, drilling technologies have been advancing which helps to reduce the cost of constructing deep geothermal systems.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded mostly flat yesterday with belly tenors trading 0-1bps lowers while shorter tenors and 10Y traded flat. As per Bloomberg, Energy Absolute Pcl obtained investors' approval to extend the maturities of six more bonds by five years, easing concerns over its default risk. Originally due between 2027 and 2033, the new deadlines will reduce financial pressure, allowing the company to focus on business and operational improvements, said CFO Vasu Klomkliang. In other developments by Bloomberg, San Miguel Global Power Holdings Corp. has invited holders of its January and October 2020 perpetual securities to exchange them for equal amounts of USD denominated senior perpetual capital securities. A new perpetual securities offering may follow, depending on market conditions. Net proceeds from the new issuance will cover exchange and issuance costs, with any remaining funds used for repurchasing outstanding securities and financing solar, hydropower, and BESS project development. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 71bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 368bps respectively. (Bloomberg, OCBC)

New Issues:

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

- Nissan Motor Co., Ltd. priced USD3bn of debt in three tranches: a USD1.25bn 10Y Fixed Bond at T+376bps, a USD1bn 5Y Fixed Bond at T+355bps and a USD750mn 7Y Fixed Bond at T+360bps.
- Suzhou City Construction Investment Group Holding Co Ltd priced a USD300mn 3Y Sustainability Fixed Bond at 5.00%.
- Phoenix Charm International Investment Limited (guarantor: Danyang Investment Group Co., Ltd.) priced a USD224.2mn 3Y Fixed Bond at 5.80%.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

- Tianjin Lingang Investment Holding Group Co., Ltd. may issue a USD denominated 3Y Green Note

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX1	97.652	0.10%	USD-SGD	1.2795	-0.06%
USD-JPY	146.260	-0.05%	EUR-SGD	1.4972	-0.22%
EUR-USD	1.170	-0.16%	JPY-SGD	0.8749	-0.02%
AUD-USD	0.659	0.81%	GBP-SGD	1.7376	-0.11%
GBP-USD	1.358	-0.05%	AUD-SGD	0.8432	0.76%
USD-MYR	4.249	-0.02%	NZD-SGD	0.7722	0.53%
USD-CNY	7.178	-0.03%	CHF-SGD	1.6057	-0.39%
USD-IDR	16220	-0.14%	SGD-MYR	3.3197	-0.02%
USD-VND	26115	-0.09%	SGD-CNY	5.6069	-0.01%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9250	0.47%	1M	4.3387	0.01%
3M	1.9690	1.08%	2M	4.3516	-0.01%
6M	2.0510	1.58%	3M	4.3190	-0.01%
12M	2.0830	1.66%	6M	4.1935	-0.04%
			1Y	3.9607	-0.03%

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	-0.047	-4.7	-0.012	4.318
09/17/2025	-0.723	-67.6	-0.181	4.148
12/10/2025	-2.072	-74.6	-0.518	3.811

Equity and Commodity

Index	Value	Net change
DJIA	44,650.64	192.34
S&P	6,280.46	17.20
Nasdaq	20,630.66	19.32
Nikkei 225	39,646.36	-174.92
STI	4,075.70	17.88
KLCI	1,536.52	7.28
JCI	7,005.37	61.45
Baltic Dry	1,423.00	-8.00
VIX	15.78	-0.16

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.74 (--)	3.87(--)
5Y	1.77 (--)	3.93 (+0.03)
10Y	2.11 (-0.01)	4.35 (+0.02)
15Y	2.18 (--)	--
20Y	2.17 (--)	--
30Y	2.19 (+0.01)	4.87(--)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.32
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	66.57	-2.65%	Corn (per bushel)	4.073	-1.3%
Brent (per barrel)	68.64	-2.21%	Soybean (per bushel)	10.125	0.0%
Heating Oil (per gallon)	238.35	-1.07%	Wheat (per bushel)	5.503	1.4%
Gasoline (per gallon)	215.24	-1.62%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.34	3.83%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9700.50	0.73%	Gold (per oz)	3324.1	0.3%
Nickel (per mt)	15290.00	2.08%	Silver (per oz)	37.0	1.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/11/2025 12:00	MA	Industrial Production YoY	May	2.10%	--	2.70%	--
7/11/2025 12:00	MA	Manufacturing Sales Value YoY	May	--	--	4.80%	--
7/11/2025 14:00	UK	Monthly GDP (MoM)	May	0.10%	--	-0.30%	--
7/11/2025 14:00	UK	Industrial Production MoM	May	-0.10%	--	-0.60%	--
7/11/2025 14:00	UK	Industrial Production YoY	May	0.20%	--	-0.30%	--
7/11/2025 14:00	UK	Manufacturing Production MoM	May	-0.10%	--	-0.90%	--
7/11/2025 14:00	UK	Manufacturing Production YoY	May	0.40%	--	0.40%	--
7/11/2025 14:00	UK	Trade Balance GBP/Mn	May	-£4605m	--	-£7026m	--
7/11/2025 20:30	CA	Net Change in Employment	Jun	0.0k	--	8.8k	--
7/11/2025 20:30	CA	Unemployment Rate	Jun	7.10%	--	7.00%	--
7/11/2025	IN	Foreign Exchange Reserves	4-Jul	--	--	\$702.8b	--
7/11/2025-7/18/2025	CH	FDI YTD YoY CNY	Jun	--	--	-13.20%	--
7/11/2025-7/15/2025	CH	Money Supply M2 YoY	Jun	8.20%	--	7.90%	--
7/11/2025-7/15/2025	CH	Money Supply M1 YoY	Jun	2.80%	--	2.30%	--
7/11/2025-7/15/2025	CH	Money Supply M0 YoY	Jun	--	--	12.10%	--

Source: Bloomberg

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