GLOBAL MARKETS RESEARCH

Daily Treasury Outlook

12 August 2025

Highlights

Global: Carry trade is having its moment in the sun again? As Fed rate cut speculation rises for the upcoming September FOMC meeting, the broad USD may take a backseat again. The S&P 500 rose 0.78% on Friday, closing just shy of its all-time high and bringing the week's rally to 2.4%, aided by healthy corporate earnings and amid hopes of a US-Russia agreement to end the Ukraine war. In particular, Nasdaq surged 3.9% a new record high for the 18th time this year, boosted by gains in Apple, Palanthir, GE and Cisco amongst others. Nvidia and AMD have reportedly agreed to pay the US 15% of its China chip sale revenue as part of a deal to secure export licenses. Meanwhile, the 10-year U.S. Treasury yield ticked up 3bps to around 4.28%, driven in part by softer demand at recent Treasury auctions.

Market Watch: Asian markets are likely to trade in a range today, while awaiting China's data dump for new yuan loans, aggregate financing, money supply, retail sales, industrial production, jobless rate, fixed asset and property investments due this week. Watch for RBA policy meeting tomorrow where a 25bp rate cut to 3.6% is anticipated, while the US' July inflation data also due may show that core inflation tipping higher (core CPI forecast: 3.0% YoY and 0.3% MoM) amid the tariff concerns and potentially throwing a spanner into the assumed September Fed rate cut narrative. The UK also reports its June ILO unemployment rate, jobless claims and average weekly earnings tomorrow, while Wednesday brings BOT policy decision (market consensus is looking for a 25bps cut to 1.5% while we expect no change) together with Germany's CPI data. On Thursday, 2Q25 GDP growth estimates for Eurozone and UK are due, coupled with US' initial jobless claims and PPI. To round off the week on Friday, Malaysia, Japan, Taiwan, Hong Kong and Macau are reporting their 2Q25 GDP growth, while US retail sales is also out on Friday. Fed speakers this week include Barkin, Schmid, Goolsbee and Bostic.

Singapore: The 2Q25 GDP growth is likely to be revised higher on Tuesday to 4.5% YoY (1.4% QoQ sa) from the earlier estimate of 4.3% YoY (1.4% QoQ sa). This is likely attributable to higher-than-expected services growth (forecast: 4.7% YoY) which more than offsets the softer than expected manufacturing growth (forecast: 5.2% YoY).

Key Market Movements

Equity	Value	% chg
S&P 500	6389.5	0.8%
DJIA	44176	0.5%
Nikkei 225	41820	1.9%
SH Comp	3635.1	-0.1%
STI	4239.8	-0.4%
Hang Seng	24859	-0.9%
KLCI	1557.0	0.5%
	Value	**% chg**
DXY	98.180	-0.2%
USDJPY	147.74	0.4%
EURUSD	1.1641	-0.2%
GBPUSD	1.3452	0.1%
USDIDR	16291	0.0%
USDSGD	1.2854	0.2%
SGDMYR	3.3039	0.1%
	Value	**chg (bp)**
2Y UST	3.76	3.45
10Y UST	4.28	3.29
2Y SGS	1.60	-0.10
10Y SGS	1.96	-0.46
3M SORA	1.80	-0.52
3M SOFR	4.34	0.08
	Value	**% chg**
Brent	66.59	0.2%
WTI	63.88	0.0%
Gold	3398	0.0%
Silver	38.34	0.2%
Palladium	1129	-3.1%
Copper	9762	0.8%
BCOM	100.79	0.1%

Source: Bloomberg

Major Markets

ID: The Consumer Confidence Index (CCI) rose slightly to 118.1 in July from 117.8 in June. The gain was driven by a higher Expectation Index at 129.6, up from 128.0, supported by stronger income and job availability expectations, while business conditions expectations eased slightly. Meanwhile, the Present Situation Index fell marginally to 106.6 in July from 106.7 in June, as weaknesses in current income conditions more than offset improvements in durable goods purchases and employment conditions. The July figure brings the January–July 2025 CCI to an average of 121.4, a 2.5% YoY drop compared to the same period in 2024.

MY: Investment, Trade, and Industry Minister Zafrul Abdul Aziz said Malaysia's economy will likely expand at a slower pace following the US reciprocal tariff, though not to the point of recession. While E&E and pharmaceuticals remain at zero tariffs, Minister Zafrul warned of weaker global demand and rising costs as frontloaded inventories run down. He stressed Malaysia's competitiveness compared to regional peers but noted that a slowdown in the US economy will have broad repercussions.

VN: The Government has expanded its visa-exemption policy to promote socio-economic development, effective August 15, 2025, as stated in Decree No. 221/ND-CP. The policy now applies to various groups, including guests of top Vietnamese leaders such as the General Secretary of the Communist Party, the State President, and the Prime Minister. It also covers foreign scholars, experts, scientists, professors, and high-quality digital technology workers. Additionally, leaders of major global businesses, celebrities, renowned artists and athletes, honorary consuls, and guests of research institutes, universities, and business giants approved by the Government are included.

ESG

CH: Southwest China's Guizhou province has in recent years accelerated the construction of a new energy base by building advanced coal-fired power generation units and developing wind power, photovoltaic power and other new energy industries. By the end of June 2025, Guizhou's total installed power capacity had exceeded 100 mn kilowatts, of which clean energy accounted for more than 60%, according to the energy administration of Guizhou. However, clean energy curtailment remains a problem in China as the country's rate of renewable energy expansion far exceeds the growth rate of the power grid and energy storage.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 1-2bps higher while belly tenors traded flat to 1bps higher and 10Y traded flat. As per Bloomberg, Chinese developer Longfor Group Holdings Ltd has started early repayment of HKD1.1bn on its HKD9.227bn syndicated loan due 21 December 2025, though the benefits of early repayment remain unclear. The loan was initially issued at HKD8.685bn in late 2020 and later increased to HKD9.227bn. In other news by Bloomberg, Road King Infrastructure Ltd ("Road King") has not secured the required consent from noteholders for several series of notes. No default event has occurred to date. As the proposed amendments and waivers are not yet effective, RKPF Overseas 2020 (A) Limited (issuer) cannot use specified asset proceeds to repay two of its July 2029 notes. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 66bps and Bloomberg Asia USD High Yield spreads tightened by 7bps to 364bps respectively. (Bloomberg, OCBC)

New issues:
There were no notable issuances in the Asiadollar & Singdollar market last Friday.

Mandates:
- There were no notable mandates last Friday.

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Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.180	-0.22%	**USD-SGD**	1.2854	0.17%
USD-JPY	147.740	0.41%	**EUR-SGD**	1.4963	-0.05%
EUR-USD	1.164	-0.21%	**JPY-SGD**	0.8700	-0.25%
AUD-USD	0.652	-0.03%	**GBP-SGD**	1.7290	0.22%
GBP-USD	1.345	0.06%	**AUD-SGD**	0.8384	0.16%
USD-MYR	4.243	0.25%	**NZD-SGD**	0.7654	0.05%
USD-CNY	7.180	-0.02%	**CHF-SGD**	1.5899	-0.07%
USD-IDR	16291	0.01%	**SGD-MYR**	3.3039	0.14%
USD-VND	26221	0.03%	**SGD-CNY**	5.5913	0.09%

Equity and Commodity

Index	Value	Net change
DJIA	44,175.61	206.97
S&P	6,389.45	49.45
Nasdaq	21,450.02	207.32
Nikkei 225	41,820.48	761.33
STI	4,239.83	-18.32
KLCI	1,556.98	7.87
JCI	7,533.39	43.20
Baltic Dry	2,051.00	43.00
VIX	15.15	-1.42

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9000	0.42%	**1M**	4.3593	0.01%
3M	2.0190	0.80%	**2M**	4.2874	0.08%
6M	2.0830	-0.19%	**3M**	4.2352	0.22%
12M	2.1210	-0.05%	**6M**	4.0740	0.41%
			1Y	3.8475	0.85%

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.6 (--)	3.76(--)
5Y	1.67 (+0.01)	3.83 (+0.04)
10Y	1.96 (--)	4.28 (+0.03)
15Y	2.04 (--)	--
20Y	2.05 (-0.01)	--
30Y	2.11 (-0.01)	4.85 (+0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change		Expected Effective Fed Funds Rate
06/18/2025	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A
07/30/2025	-0.031	-3.1	-0.008	4.321
09/17/2025	-0.886	-88.6	-0.222	4.107
12/10/2025	-2.323	-79.8	-0.581	3.748

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.35

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	63.88	0.00%	Corn (per bushel)	3.828	-0.5%
Brent (per barrel)	66.59	0.24%	Soybean (per bushel)	9.668	-0.5%
Heating Oil (per gallon)	227.93	0.55%	Wheat (per bushel)	5.145	-0.7%
Gasoline (per gallon)	208.61	0.41%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.99	-2.51%	Rubber (JPY/KG)	309.500	2.8%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	9762.00	0.80%	Gold (per oz)	3397.8	0.0%
Nickel (per mt)	15156.00	0.25%	Silver (per oz)	38.3	0.2%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/11/2025 14:30	EC	Bloomberg Aug. Eurozone Economic Survey					
8/11/2025 16:00	IT	CPI EU Harmonized YoY	Jul F	1.70%	--	1.70%	--
8/11/2025 16:00	IT	CPI NIC incl. tobacco YoY	Jul F	1.70%	--	1.70%	--
8/11/2025 17:00	IT	Trade Balance Total	Jun	--	--	6163m	--
8/11/2025 17:00	IT	Trade Balance EU	Jun	--	--	776m	--
8/11/2025 20:00	CA	Bloomberg Nanos Confidence	8-Aug	--	--	51.7	--
8/11/2025-8/18/2025	CH	FDI YTD YoY CNY	Jul	--	--	-15.20%	--
8/11/2025-8/15/2025	ID	Local Auto Sales	Jul	--	--	57761	--
8/11/2025-8/15/2025	CH	New Yuan Loans CNY YTD	Jul	13220.0b	--	12920.0b	12919.9b
8/11/2025-8/13/2025	VN	Domestic Vehicle Sales YoY	Jul	--	--	17.30%	--
8/11/2025-8/15/2025	CH	Aggregate Financing CNY YTD	Jul	24433.0b	--	22830.0b	22832.9b
8/11/2025-8/15/2025	CH	Money Supply M2 YoY	Jul	8.30%	--	8.30%	--
8/11/2025-8/15/2025	CH	Money Supply M1 YoY	Jul	5.20%	--	4.60%	--
8/11/2025-8/15/2025	CH	Money Supply M0 YoY	Jul	--	--	12.00%	--

Source: Bloomberg

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