

Daily Treasury Outlook

11 September 2025

Highlights

Global: US equities closed mixed, with the broad indexes of S&P500 and Nasdaq edging up by 0.3% and 0.03%, respectively. In contrast, the Dow declined by 0.5%. Nonetheless, sentiment remains largely positive as both the S&P500 and Nasdaq extended record highs. This was partly bolstered by softer-than-expected PPI prints. August US PPI final demand came in softer-than-expected at -0.1% MoM and 2.6% YoY versus expectations of 0.3% and 3.3%, respectively. Core PPI similarly contracted by 0.1% MoM (consensus: +0.3%), while core PPI excluding trade services eased to 0.3% MoM, down from 0.6% in July. Importantly, the report offered some positive signals on the inflation outlook beyond the headline numbers. The service sector saw the index for final demand services declined by 0.2% MoM in August, down from +0.7%. The goods sector, which is expected to be impacted by tariffs, rose by 0.1% MoM, down from 0.6% in July. The tame PPI reading prompted a swift response from US President Donald Trump, who reiterated his call for a larger rate cut. On the central bank front, the Senate Banking committee voted 13-11 to advance the nomination of Stephen Miran to the full chamber. If confirmed by the Senate, he will replace Adriana Kugler as the Federal Reserve Governor to serve out the remainder of Kugler's term (until 31 January 2026).

Market Watch: Later today, the market will turn its attention to the US August CPI data. The consensus expects CPI to increase by 2.9% YoY (0.3% MoM), up from 2.7% (0.2%) in July. In contrast, core CPI is expected to remain broadly stable at 3.1% YoY (0.3% MoM). On the Asian calendar, Malaysia will release its July Industrial Production figures, with growth to remain broadly stable at 3.0% YoY (consensus: 2.8%) in our view. On the central bank front, the ECB meets today and is widely expected to keep its policy rate unchanged.

Commodities: Crude oil benchmarks extended gains for the third consecutive trading session, with WTI and Brent rising by 1.7% to USD63.7/bbl and USD67.5/bbl, respectively. Oil prices surged amid heightened geopolitical tensions in Eastern Europe. Poland, a member of Nato, shot down Russian drones that violated Polish airspace. In a social media post, US President Donald Trump questioned the incursion, prompting concerns about further restrictions on Russia's energy sector and their potential impact on the global oil market. President Trump's post came after a media report stating that he told European officials of his willingness to impose new tariffs on China and India as part of broader efforts to pressure Moscow into entering peace talks with Ukraine. However, this would only happen if EU nations followed suit. Meanwhile, a surprise buildup in US crude oil inventories likely capped any further gains. According to the Energy Information Administration (EIA), US crude oil inventories rose by 3.9mn bbls (consensus: -2.0mn bbls) to 424.6mn bbls, for the week ending 5 September.

Key Market Movements

Equity	Value	% chg
S&P 500	6532.0	0.3%
DJIA	45491	-0.5%
Nikkei 225	43838	0.9%
SH Comp	3812.2	0.1%
STI	4346.5	1.1%
Hang Seng	26200	1.0%
KLCI	1590.8	0.2%
	Value	% chg
DXY	97.780	0.0%
USDJPY	147.46	0.0%
EURUSD	1.1695	-0.1%
GBPUSD	1.3529	0.0%
USDIDR	16461	-0.1%
USDSGD	1.2825	0.0%
SGDMYR	3.2899	0.1%
	Value	chg (bp)
2Y UST	3.54	-1.46
10Y UST	4.05	-4.21
2Y SGS	1.41	-1.70
10Y SGS	1.81	-2.56
3M SORA	1.54	0.22
3M SOFR	4.37	0.14
	Value	% chg
Brent	67.49	1.7%
WTI	63.67	1.7%
Gold	3641	0.4%
Silver	41.17	0.7%
Palladium	1182	3.5%
Copper	10013	1.0%
BCOM	103.26	0.2%

Source: Bloomberg

Major Markets

ID: Finance Minister Purbaya Yudhi Sadewa plans to inject IDR200trn from government funds into commercial banks to ease tight liquidity and stimulate lending. He added that he has asked Bank Indonesia not to reabsorb the funds through its monetary operations. He highlighted that slow government spending had increased the state's cash balance at Bank Indonesia to IDR430trn and criticized the central bank for maintaining tight liquidity. FM Purbaya has also signaled plans to speed up slow-moving budget items, including the free nutritious meal program.

MY: The unemployment rate was unchanged at 3.0% in July, similar to June. The number of employed persons continued on an uptrend and rose by 33.6k to 16.95mn in July, particularly in the services sector, including wholesale and retail trade, accommodation and food & beverages, as well as information & communication. Likewise, higher employment was seen in the manufacturing, construction, agriculture, and mining & quarrying sectors. The labour force participation rate held steady at 70.8%, similar to June.

PH: According to the Philippine Statistics Authority (PSA), the unemployment rate rose to 5.3% in July, up from 3.7% in June (July 2024: 4.7%). Meanwhile, the labour force participation rate fell to 60.7% in July, down from 65.7% in June (July 2024: 63.5%). By economic sector, the data from the PSA showed the largest annual increase in the number of employed persons in the following areas: 'administrative and support service activities', 'transportation and storage', 'human health and social work activities', 'manufacturing', and 'education'. Labor Secretary Bienvenido Laquesma attributed the spike in the unemployment rate to "adverse weather conditions and multiple tropical depressions," which devastated the agriculture sector and led job losses.

ESG

Rest of the world: EU countries are divided over the level of ambition for their new climate targets, casting doubt on plans to reach an agreement by next week to meet the UN's submission deadline, which has already been extended from February. They are negotiating a legally binding 2040 climate change target ahead of the COP30 climate summit. However, countries including France, Poland and the Czech Republic called for a delay and want to escalate the talks to government leaders. The EU Commission had proposed that countries buy credits to cover 3% of the 2040 emissions target, starting from 2036, but countries have not agreed on the values and are still in progress to reach a deal next week.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors, belly tenors and 10Y trading ~1bps lower. As per Bloomberg, Guangzhou R&F Properties Co Ltd proposes restructuring its domestic bonds by repurchasing them at 20% of face value (up to RMB600mn) and repaying bonds with physical assets at 30% of bond value (up to RMB6.6bn). Meanwhile in Thailand, chemical maker PTT Global Chemical PCL redeemed USD100.4mn of bonds maturing 2051 and USD41.82mn maturing in 2052, the combined outstanding principle of both bonds is USD335.1mn after the tender offer. Bloomberg Asia USD Investment Grade spreads traded flat at 65bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 341bps respectively. (Bloomberg, OCBC)

New issues:

There were six notable issuances in the Asiadollar market yesterday.

- CCB Shipping and Aviation Leasing Corp Ltd (keepwell: CCB Financial Leasing Corp Ltd) priced a USD800mn 3Y Green FRN at SOFR+62.
- Hikari Tsushin Inc priced a USD500mn 10Y Fixed Bond at T+205bps (Yield: 6.13%).
- Komatsu Finance America Inc (guarantor: Komatsu Ltd) priced a USD500mn 5Y Fixed Bond at T+62bps (Yield: 4.196%).
- Korea Housing Finance Co priced a USD500mn 5Y Fixed Bond at T+40bps (Reoffer price 99.506 to yield 3.985%).
- Nanshan Life Pte Ltd (guarantor: Nan Shan Life Insurance Co Ltd) priced a USD395mn 15.5NC10.5 Fixed Tier 2 Subordinated Bond at T+185bps (Issue price 99.721 to yield 5.911%).
- Hubei Science & Technology Investment Group Hong Kong Co Ltd (guarantor: Hubei Science & Technology Investment Group Co Ltd) priced a USD300mn 3Y Sustainability Fixed Bond at 4.40%.

There was one notable issuance in the Singdollar market yesterday.

- CapitaLand China Trust priced a SGD150mn PerpNC3 Fixed Subordinated Perpetual at 3.95%.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.780	-0.01%	USD-SGD	1.2825
USD-JPY	147.460	0.03%	EUR-SGD	1.4995
EUR-USD	1.170	-0.11%	JPY-SGD	0.8695
AUD-USD	0.661	0.43%	GBP-SGD	1.7349
GBP-USD	1.353	0.01%	AUD-SGD	0.8481
USD-MYR	4.220	0.36%	NZD-SGD	0.7617
USD-CNY	7.121	-0.04%	CHF-SGD	1.6042
USD-IDR	16461	-0.08%	SGD-MYR	3.2899
USD-VND	26392	0.03%	SGD-CNY	5.5539

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9010	0.80%	1M	4.1639
3M	2.0290	-0.25%	2M	4.0959
6M	2.1060	0.05%	3M	4.0449
12M	2.1690	-0.69%	6M	3.8739
			1Y	3.6258

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.086	-108.60%	-0.271	4.06
10/29/2025	-1.856	-77.00%	-0.464	3.868
12/10/2025	-2.72	-86.50%	-0.68	3.651

Equity and Commodity

Index	Value	Net change
DJIA	45,490.92	-220.42
S&P	6,532.04	19.43
Nasdaq	21,886.06	6.57
Nikkei 225	43,837.67	378.38
STI	4,346.46	48.89
KLCI	1,590.75	3.94
JCI	7,699.01	70.40
Baltic Dry	2,079.00	60.00
VIX	15.35	0.31

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (-0.02)	3.54(--)
5Y	1.5 (-0.03)	3.6 (-0.02)
10Y	1.81 (-0.03)	4.05 (-0.04)
15Y	1.88 (-0.03)	--
20Y	1.92 (-0.03)	--
30Y	2 (-0.03)	4.7 (-0.04)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.40
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.67	1.66%	Corn (per bushel)	3.973	-1.0%
Brent (per barrel)	67.49	1.66%	Soybean (per bushel)	10.055	-0.6%
Heating Oil (per gallon)	233.37	0.59%	Wheat (per bushel)	4.950	-1.1%
Gasoline (per gallon)	200.80	0.78%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.03	-2.82%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10013.00	1.00%	Gold (per oz)	3640.8	0.4%
Nickel (per mt)	15146.00	0.27%	Silver (per oz)	41.2	0.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/11/2025 11:45	TH	Consumer Confidence Economic	Aug	--	--	45.6	--
9/11/2025 12:00	MA	Industrial Production YoY	Jul	2.80%	--	3.00%	--
9/11/2025 12:00	MA	Manufacturing Sales Value YoY	Jul	--	--	3.30%	--
9/11/2025 20:15	EC	ECB Deposit Facility Rate	11-Sep	2.00%	--	2.00%	--
9/11/2025 20:15	EC	ECB Main Refinancing Rate	11-Sep	2.15%	--	2.15%	--
9/11/2025 20:15	EC	ECB Marginal Lending Facility	11-Sep	2.40%	--	2.40%	--
9/11/2025 20:30	US	CPI MoM	Aug	0.30%	--	0.20%	--
9/11/2025 20:30	US	CPI Ex Food and Energy MoM	Aug	0.30%	--	0.30%	--
9/11/2025 20:30	US	CPI YoY	Aug	2.90%	--	2.70%	--
9/11/2025 20:30	US	CPI Ex Food and Energy YoY	Aug	3.10%	--	3.10%	--
9/11/2025 20:30	US	CPI Index NSA	Aug	323.942	--	323.048	--
9/11/2025 20:30	US	CPI Core Index SA	Aug	329.62	--	328.656	--
9/11/2025 20:30	US	Real Avg Hourly Earning YoY	Aug	--	--	1.20%	--
9/11/2025 20:30	US	Real Avg Weekly Earnings YoY	Aug	--	--	1.40%	1.10%
9/11/2025 20:30	US	Initial Jobless Claims	6-Sep	235k	--	237k	--
9/11/2025 20:30	US	Continuing Claims	30-Aug	1950k	--	1940k	--

Source: Bloomberg

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Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberthtwong@ocbc.com

Jonathan Ng
ASEAN Economist
jonathann4@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavyanavenkateswaran@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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