

Daily Treasury Outlook

11 December 2025

Highlights

Global: The US Federal Reserve decided to lower its policy rate by 25bp, taking the Fed funds range to 3.50-3.75%. The decision was split 9-3, with 9 in favour of a 25bp cut, 2 (Austan D. Goolsbee and Jeffrey R. Schmid) in favour of no change and 1 (Stephen Miran) in favour of a 50bp cut. The accompanying statement noted, similar to the October meeting, that “the shift in the balance of risk” towards employment versus inflation objectives supported the FOMC’s decision to lower the policy rate at its 10 December meeting, and “the extent and timing of additional adjustments” will be determined by “incoming data, the evolving outlook and the balance of risks”. The FOMC added that it “...will initiate purchases in shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis.” The purchases will start at USD40bn/month. The revised economic projections show upward revisions to real GDP across the forecast horizon from 2025-28, with 2026 and 2027 GDP growth pegged at 2.3% and 2.0% from 1.8% and 1.9%, respectively. The unemployment rate forecast for 2025 and 2026 was unchanged at 4.5% and 4.4% while it was revised lower for 2027 to 4.2%. Projections for PCE inflation were revised lower to 2.9% and 2.4% from 3.0% and 2.6% for 2025 and 2026, respectively while for core PCE it was revised lower to 3.0% and 2.5% from 3.1% and 2.6% for 2025 and 2026, respectively. The dot plot for 2026 showed seven members calling for rates to remain unchanged through the year, four calling for 25bp in rate cut, four for 50bp in rate cuts and four calling for deeper cuts than 50bp. The median dot plot settled at one 25bp cut for 2026. Similar for 2027, the dot plot points to one 25bp cut. Fed fund futures last priced 55.4bp in rate cut through to end-2026. During his press conference, Fed Chairperson Powell noted that the incoming data between now and January will be important in assessing the economic outlook. The data on tap just in the coming week includes November non-farm payrolls, October retail sales, November CPI, November existing home sales, and various survey indicators including December PMI, Kansas City Fed Manf. Activity and Philadelphia Fed Business Outlook and the University of Michigan sentiment index. US asset market reactions to the FOMC were mixed – US equities ended higher (S&P: +0.7%; NASDAQ: +0.3% and Dow: 1.0%); the DXY dropped 0.4% lower on the decision while UST yields whipsawed and ended the session lower across the curve.

Market Watch: Asian markets will digest the FOMC’s decision and accompanying information. The data on tap includes Australia’s November labour market data, US weekly labour market data and US September trade balance. Bangko Sentral ng Pilipinas meets today (2:30pm SGT) – we and consensus are looking for a 25bp cut. The Fed rate decision also opens the door for easing from other ASEAN central banks that meet next week including Bank Indonesia and Bank of Thailand.

Key Market Movements

Equity	Value	% chg
S&P 500	6886.7	0.7%
DJIA	48058	1.0%
Nikkei 225	50603	-0.1%
SH Comp	3900.5	-0.2%
STI	4511.9	0.0%
Hang Seng	25541	0.4%
KLCI	1611.0	-0.2%
	Value	% chg
DXY	98.786	-0.4%
USDJPY	156.02	-0.5%
EURUSD	1.1695	0.6%
GBPUSD	1.3383	0.6%
USDIDR	16685	0.1%
USDSGD	1.293	-0.4%
SGDMYR	3.1768	0.1%
	Value	chg (bp)
2Y UST	3.54	-7.66
10Y UST	4.15	-4.10
2Y SGS	1.46	0.30
10Y SGS	2.13	1.73
3M SORA	1.21	-0.72
3M SOFR	4.14	-0.52
	Value	% chg
Brent	62.21	0.4%
WTI	58.46	0.4%
Gold	4229	0.5%
Silver	61.81	1.9%
Palladium	1473	-2.5%
Copper	11557	0.6%
BCOM	109.68	0.1%

Source: Bloomberg

Major Markets

ID: Bank Indonesia's retail sales survey estimates that sales increased by 5.9% YoY in November, up from 4.3% growth in the previous month. Higher sales are expected in car spare parts & accessories (15.4% from 12.0%), food, drinks & tobacco (8.2% from 6.4%), household appliances (4.0% from -2.3%), and cultural & recreation (12.8% from 6.7%). Meanwhile, fuels (-1.5%), stationery & communication (-33.9%), and apparel (-2.3%) remained negative. The survey also indicates that respondents expect slightly higher inflationary pressure over the next three months (January) before easing in the six months ahead (April). Elsewhere, Russian Trade Minister Anton Alikhanov and Indonesia's Trade Minister Agus Gumiwang Kartasasmita signed a memorandum to strengthen cooperation in shipbuilding, highlighting opportunities in agriculture and chemicals.

MY: The MPOB Director General, Dr. Ahmad Parveez, noted that Malaysia's palm oil output is set to surpass 20 million–20.5 million tonnes this year for the first time, driven by better harvesting efficiency, improved labour supply, and maturing estates. Crude palm oil production has risen by 3.4% YoY in the first eleven months of the year to 18.5 million tonnes. He noted that record production is pushing inventories higher, with November stockpiles reaching a six-and-a-half-year high, partly due to weak exports, though improvement may take place as China restocks ahead of the Lunar New Year.

VN: Prime Minister Pham Minh Chinh revealed plans to establish free trade zones in Da Nang, Hai Phong, and Ho Chi Minh City by 2026, aiming to expand to six to eight zones by 2030 and eight to ten internationally competitive zones by 2045, as reported by Tuoi Tre news. The finance ministry will outline legal frameworks, selection criteria, and incentive policies, while PM Chinh emphasized clear definitions, balanced pilot sites, and strong infrastructure, technology, and workforce support.

ESG

Rest of the world: The EU executive is set to unveil a series of proposals on 16 Dec that could give the European auto sector more flexibility in meeting CO2 emissions targets as well as easing an effective ban on new sales of internal combustion engine cars in 2035. This was driven by European carmakers highlighting that they need flexibility on the 2035 car policy to cope with slower-than-expected electric vehicle sales and competition from their Chinese counterparts. The main obstacles slowing the uptake of EVs were purchase and operating costs, as well as insufficient charging infrastructure. However, weakening the policy could hinder the EU's progress towards the EU's commitment to reach net-zero emissions across its economy.

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, Contemporary Amperex Technology Co. Ltd. plans to issue up to RMB10bn in bonds with a maximum term of five years, while ReNew Energy Global PLC is planning a USD500mn bond issuance to refinance upcoming debt maturities, which is expected to launch in January 2026. Meanwhile, a unit of Lai Sun Development Co Ltd has signed a HKD924mn five-year loan to refinance existing debt, while Parkview Group Ltd. obtained a USD940mn loan refinancing backed by its Parkview Green complex in Beijing. In other news, Powerlong Real Estate Holdings Ltd announced that a liquidation application against its unit has been dismissed by consent order to facilitate restructuring. In ratings, Moody's upgraded West China Cement Limited's Corporate Family Rating (CFR) to B3 from Caa1 and its senior unsecured rating to Caa1 from Caa2, with a positive outlook. The upgrade reflects reduced refinancing risk following a new USD note issue and tender offer while the outlook reflects the potential for improved operating scale and leverage. Lastly, Seazen Holdings Co Ltd priced a RMB1.75bn five-year state-backed bond at a 4% coupon, with China Bond Insurance guaranteeing the issue. Bloomberg Asia USD Investment Grade spreads traded flat at 61bps and Bloomberg Asia USD High Yield spreads widened by 5bps to 374bps respectively. (Bloomberg, OCBC)

New issues:

There was no notable issuance in the Asiadollar and Singdollar market yesterday.

Mandates:

There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.786	-0.44%	USD-SGD	1.2930
USD-JPY	156.020	-0.55%	EUR-SGD	1.5122
EUR-USD	1.170	0.58%	JPY-SGD	0.8288
AUD-USD	0.668	0.51%	GBP-SGD	1.7305
GBP-USD	1.338	0.65%	AUD-SGD	0.8634
USD-MYR	4.118	0.09%	NZD-SGD	0.7520
USD-CNY	7.068	0.06%	CHF-SGD	1.6164
USD-IDR	16685	0.12%	SGD-MYR	3.1768
USD-VND	26357	-0.05%	SGD-CNY	5.4561

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9150	0.58%	1M	3.7543
3M	2.0880	0.92%	2M	3.7243
6M	2.1680	0.84%	3M	3.7145
12M	2.2680	0.98%	6M	3.6488
			1Y	3.4938

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.199	-19.90%	-0.05	3.592
03/18/2026	-0.535	-33.60%	-0.134	3.508

Equity and Commodity

Index	Value	Net change
DJIA	48,057.75	497.46
S&P	6,886.68	46.17
Nasdaq	23,654.15	77.66
Nikkei 225	50,602.80	-52.30
STI	4,511.90	-1.34
KLCI	1,611.00	-3.17
JCI	8,700.92	43.75
Baltic Dry	2,557.00	-137.00
VIX	15.77	-1.16

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.46 (--)	3.53 (--)
5Y	1.84 (+0.01)	3.73 (-0.06)
10Y	2.13 (+0.02)	4.13 (-0.04)
15Y	2.25 (+0.01)	--
20Y	2.26 (+0.01)	--
30Y	2.31 (--)	4.78 (-0.02)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.93
------	------

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	58.46	0.36%	Corn (per bushel)	4.348	-1.4%
Brent (per barrel)	62.21	0.44%	Soybean (per bushel)	10.913	0.4%
Heating Oil (per gallon)	227.30	0.57%	Wheat (per bushel)	5.313	-0.9%
Gasoline (per gallon)	178.15	-0.46%	Crude Palm Oil (MYR/MT)	40.000	-0.8%
Natural Gas (per MMBtu)	4.60	0.46%	Rubber (JPY/KG)	3.220	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11556.50	0.61%	Gold (per oz)	4228.8	0.5%
Nickel (per mt)	14652.00	-0.56%	Silver (per oz)	61.8	1.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/11/2025 10:00	JN	Tokyo Avg Office Vacancies	Nov	--	--	2.59%	--
12/11/2025 14:30	PH	BSP Overnight Borrowing Rate	11-Dec	4.50%	--	4.75%	--
12/11/2025 14:30	PH	BSP Standing Overnight Deposit Facility Rate	11-Dec	--	--	4.25%	--
12/11/2025 21:30	US	Initial Jobless Claims	6-Dec	220k	--	191k	--
12/11/2025 21:30	US	Initial Claims 4-Wk Moving Avg	6-Dec	--	--	214.75k	--
12/11/2025 21:30	US	Continuing Claims	29-Nov	1938k	--	1939k	--
12/11/2025 21:30	US	Trade Balance	Sep	-\$63.1b	--	-\$59.6b	--
12/11/2025 21:30	US	Exports MoM	Sep	--	--	0.10%	--
12/11/2025 21:30	US	Imports MoM	Sep	--	--	-5.10%	--
12/11/2025 23:00	US	Wholesale Inventories MoM	Sep F	0.10%	--	--	--
12/11/2025 23:00	US	Wholesale Trade Sales MoM	Sep	0.40%	--	0.10%	--
12/11/2025-12/18/2025	CH	FDI YTD YoY CNY	Nov	--	--	-10.30%	--

Source: Bloomberg



Macro Research

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

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

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

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

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@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

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W