

## Daily Treasury Outlook

12 August 2025

### Highlights

**Global:** Monday was a very quiet trading session with light data and earning calendar. Market participants braced for Tuesday's US CPI release, while continued to digest tariff related headlines. President Trump signed an executive order extending the China tariff deadline for another 90 days, following his post on social platform urging China to step up purchase of American soybean. Major US stock indexes dipped on the day, by 0.3%-0.5%, even as the Nasdaq 100 reached another record high earlier, before slumping into the close. Treasury market had a quiet session, with yields little changed across the curve. Moves in the FX space was also limited, while dollar index rebounded by 0.35%. Spot gold pared back some earlier losses after President clarified that there is no tariff on gold imports to US. Crude prices stabilised somewhat, as market awaits the outcome of Trump-Putin talk this Friday. Trump downplayed expectation for the meeting, calling it a "feel-out meeting".

**Market Watch:** Today, the Reserve Bank of Australia (RBA) is set to meet, with markets expecting a 25bp rate cut from 3.85% to 3.60%. As market has fully priced in a cut, the move in market likely comes in reaction to the tone in the RBA's statement and Governor Bullocks' press conference. Asian markets are likely to trade with a cautious tone today, with Japan market returning after the long weekend and Thailand out for holiday. Economic calendar in APAC market comprises of Singapore's 2Q GDP (final reading), India's July CPI, and Japan's July monetary data. Later today, the market will watch UK's July labour market data, Germany's August ZEW expectation, and US' July CPI.

**Singapore:** 2Q25 GDP growth was revised to 4.4% YoY (1.4% QoQ sa), bringing 1H25 growth to 4.3% YoY. The Ministry of Trade and Industry (MTI) revised up its full-year 2025 GDP growth forecast from 0-2% to 1.5-2.5% but cited economic uncertainty with risks tilted to the downside. Meanwhile, 2Q25 NODX expanded by 7.1% YoY, following 3.3% growth in 1Q25, while Enterprise Singapore retained its full-year 2025 NODX forecast at 1-3% YoY, with 2H25 profile tipped to be weaker amid continued tariff uncertainties. Separately, retail workers will get 3-year progressive wage model hikes starting with at least SGD130 from September.

**Commodities:** Crude oil benchmarks closed relatively flat, with WTI and Brent increasing marginally by 0.1% to USD64.0/bbl and USD66.6/bbl, respectively. The oil market is focused on the planned meeting on 15 August between US President Donald Trump and Russian President Vladimir Putin. A potential ceasefire between Ukraine and Russia could lead to the lifting of economic penalties on the Russian energy sector, thereby increasing the risk of a supply glut in the oil market over the coming months.

### Key Market Movements

Equity	Value	% chg
S&P 500	6373.5	-0.3%
DJIA	43975	-0.5%
Nikkei 225	41820	0.0%
SH Comp	3647.5	0.3%
STI	4232.8	-0.2%
Hang Seng	24907	0.2%
KLCI	1563.2	0.4%
	Value	% chg
DX	98.520	0.3%
USDJPY	148.15	0.3%
EURUSD	1.1615	-0.2%
GBPUSD	1.3432	-0.1%
USIDR	16274	-0.1%
USDSGD	1.2872	0.1%
SGDMYR	3.2953	-0.3%
	Value	chg (bp)
2Y UST	3.77	0.60
10Y UST	4.28	0.20
2Y SGS	1.61	1.00
10Y SGS	1.97	0.72
3M SORA	1.78	-2.09
3M SOFR	4.34	0.23
	Value	% chg
Brent	66.63	0.1%
WTI	63.96	0.1%
Gold	3342	-1.6%
Silver	37.61	-1.9%
Palladium	1145	1.5%
Copper	9732	-0.3%
BCOM	100.54	-0.3%

Source: Bloomberg

## Major Markets

**ID:** Indonesia and Peru signed a free trade agreement in Jakarta on Monday (11 August) to boost bilateral trade and investment. President Prabowo noted that the agreement “will expand market access and boost trade activity between the two countries,” following his meeting with Peruvian President Dina Boluarte. The two leaders agreed to boost cooperation in various sectors, including food, fisheries, mining, energy, and defence. Separately, senior energy ministry official Eniya Listiani Dewi reaffirmed that the biofuel blending mandate is set to be raised to 50% (B50) next year, though it is unlikely to start in January.

**MY:** The unemployment rate was unchanged at 3.0% in June, similar to May. The number of employed persons continued on an uptrend and rose by 52.9k to 16.92mn in June, particularly in the services sector, particularly in the 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 & quarry sectors. The labour force participation rate held steady at 70.8%, consistent with the previous month.

**PH:** The Bangko Sentral ng Pilipinas (BSP) reported that net Foreign Direct Investment (FDI) inflows has increased by 21.3% YoY (April: 7.1%) to USD0.6bn in May 2025. The higher net FDI inflows was primarily driven by an increase in nonresidents’ net investments in debt instruments. However, these gains were partly offset by a decline in nonresidents’ net investments in equity capital. Meanwhile, growth in reinvestment of earnings remained broadly stable at 1.4%. The majority of equity capital investments came from the US, Japan, and Singapore, and were primarily directed towards the manufacturing, real estate activities, and electricity, gas, steam and air conditioning supply sectors.

**TH:** According to the Royal Gazette announcement, His Majesty King Maha Vajiralongkorn has endorsed Mr Vitai Ratanakorn as the next governor of the Bank of Thailand (BoT). This followed the cabinet's confirmed his appointment in late July. Mr Vitai Ratanakorn will take office on 1 October after BoT Governor Sethaput Suthiwartnarueput completes his five-year term on 30 September. On monetary policy, we expect to the BoT to keep its policy rate unchanged at 1.75% at its upcoming meeting on 13 August. Nonetheless, we continue to see room for a cumulative 50bp in 2H25, bringing the policy rate to 1.25% by end-2025.

## ESG

**Rest of the world:** BHP is leading a global consortium of steelmakers to explore carbon capture, utilisation and storage (CCUS) opportunities across Asia. The group, comprising ArcelorMittal Nippon Steel India, JSW Steel, Hyundai Steel, Chevron Corp and Mitsui & Co will assess the deployment of CCUS in hard-to-abate sectors, such as steelmaking. The one-year pre-feasibility study will focus on the potential to develop large-scale projects in Asia, which could repurpose or store captured carbon dioxide. Although carbon capture technologies are fairly advanced, they face cost and regulatory challenges in many Asian markets. The consortium will assess how shared infrastructure can reduce costs, consolidate sufficient volumes of carbon dioxide for storage or reuse, and distribute risks across participating companies.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors traded 1-2bps higher and 10Y traded 2bps higher. As per Bloomberg, Hong Kong's High Court ordered the liquidation of China South City Holdings Ltd., the largest Chinese builder by assets since China Evergrande Group, to liquidate. The order followed the company's request for "one final chance," which the judge denied due to lack of progress on restructuring. The liquidation may face difficulties in seizing onshore assets. Meanwhile, a judge delayed the winding-up petition hearing against Hilong Holding Ltd. to 27 October 2025. In other news by Bloomberg, West China Cement Ltd is considering issuing a new USD300mn 3Y bond, possibly in October, to partly repay its USD600mn WESCHI 4.95% '26s. The plan may include a concurrent tender offer. Bloomberg Asia USD Investment Grade traded flat at 66bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 362bps respectively. (Bloomberg, OCBC)XX

### New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Calc Bonds Limited (guarantor: China Aircraft Leasing Group Holdings Limited) priced a USD160mn 3Y Fixed Bond at 6.00%.

There were two notable issuances in the Singdollar market yesterday.

- PSA Treasury Pte Ltd (guarantor: PSA International Pte Ltd) priced a SGD600mn 10Y Green Fixed Bond at 2.23%.
- FLCT Treasury Pte. Ltd. (guarantor: Perpetual (Asia) Limited in its capacity as trustee of Frasers Logistics & Commercial Trust) priced a SGD100mn 8.5Y Fixed Bond at 2.45%.

### Mandates:

- Wynn Macau Ltd is planning a USD500mn 8.5NC3 fixed bond.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.520	0.35%	USD-SGD	1.2872	0.14%
USD-JPY	148.150	0.28%	EUR-SGD	1.4951	-0.08%
EUR-USD	1.162	-0.22%	JPY-SGD	0.8687	-0.15%
AUD-USD	0.651	-0.14%	GBP-SGD	1.7288	-0.01%
GBP-USD	1.343	-0.15%	AUD-SGD	0.8382	-0.02%
USD-MYR	4.234	-0.23%	NZD-SGD	0.7643	-0.14%
USD-CNY	7.189	0.12%	CHF-SGD	1.5841	-0.36%
USD-IDR	16274	-0.10%	SGD-MYR	3.2953	-0.26%
USD-VND	26226	0.02%	SGD-CNY	5.5866	-0.08%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9000	0.42%	1M	4.3639	0.02%
3M	2.0190	0.80%	2M	4.2916	-0.01%
6M	2.0830	-0.19%	3M	4.2354	-0.06%
12M	2.1210	-0.05%	6M	4.0720	-0.12%
			1Y	3.8524	0.12%

## 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
07/30/2025	-0.031	-3.1	-0.008
09/17/2025	-0.866	-86.6	-0.217
12/10/2025	-2.286	-81.1	-0.571

## Equity and Commodity

Index	Value	Net change
DJIA	43,975.09	-200.52
S&P	6,373.45	-16.00
Nasdaq	21,385.40	-64.62
Nikkei 225	41,820.48	761.33
STI	4,232.78	-7.05
KLCI	1,563.24	6.26
JCI	7,605.93	72.54
Baltic Dry	2,051.00	43.00
VIX	16.25	1.10

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.61 (+0.01)	3.77(--)
5Y	1.69 (+0.01)	3.84 (+0.01)
10Y	1.97 (+0.01)	4.29(--)
15Y	2.05 (+0.01)	--
20Y	2.07 (+0.02)	--
30Y	2.12 (+0.01)	4.86(--)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.35
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.96	0.13%	Corn (per bushel)	3.850	0.6%
Brent (per barrel)	66.63	0.06%	Soybean (per bushel)	9.895	2.4%
Heating Oil (per gallon)	229.10	0.51%	Wheat (per bushel)	5.150	0.1%
Gasoline (per gallon)	207.66	-0.46%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.95	-1.20%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9731.50	-0.31%	Gold (per oz)	3342.4	-1.6%
Nickel (per mt)	15351.00	1.29%	Silver (per oz)	37.6	-1.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/12/2025 12:30	AU	RBA Cash Rate Target	12-Aug	3.60%	--	3.85%	--
8/12/2025 14:00	UK	Average Weekly Earnings 3M/YoY	Jun	4.70%	--	5.00%	--
8/12/2025 14:00	UK	Weekly Earnings ex Bonus 3M/YoY	Jun	5.00%	--	5.00%	--
8/12/2025 14:00	UK	ILO Unemployment Rate 3Mths	Jun	4.70%	--	4.70%	--
8/12/2025 14:00	UK	Employment Change 3M/3M	Jun	185k	--	134k	--
8/12/2025 14:00	UK	Payrolled Employees Monthly Change	Jul	-20k	--	-41k	--
8/12/2025 14:00	UK	Claimant Count Rate	Jul	--	--	4.50%	--
8/12/2025 14:00	UK	Jobless Claims Change	Jul	--	--	25.9k	--
8/12/2025 17:00	EC	ZEW Survey Expectations	Aug	--	--	36.1	--
8/12/2025 18:00	US	NFIB Small Business Optimism	Jul	98.9	--	98.6	--
8/12/2025 18:30	IN	CPI YoY	Jul	1.40%	--	2.10%	--
8/12/2025 20:30	US	Real Avg Hourly Earning YoY	Jul	--	--	1.00%	1.10%
8/12/2025 20:30	US	Real Avg Weekly Earnings YoY	Jul	--	--	0.70%	0.80%
8/12/2025 20:30	US	CPI MoM	Jul	0.20%	--	0.30%	--
8/12/2025 20:30	US	CPI YoY	Jul	2.80%	--	2.70%	--
8/12/2025 20:30	US	CPI Core Index SA	Jul	328.56	--	327.6	--

Source: Bloomberg

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