

## Daily Treasury Outlook

12 September 2025

### Highlights

**Global:** US equities advanced overnight, with the S&P 500 and Nasdaq reaching new record highs, while 10Y UST yields moved lower and were last seen at 4.02%. Meanwhile, WTI crude slipped following IEA reports suggesting further global oil supply increases this year by 2.7 mb/d to 105.8 mb/d and by 2.1 mb/d to 107.9 mb/d next year. On data, US headline CPI rose broadly in line with expectations to 2.9% YoY (0.4% MoM) in August from 2.7% (0.2%) in July, partly reflecting higher shelter, food, and energy prices. Excluding food and energy, core CPI held broadly steady at 3.1%, similar to July, and was in line with expectations. The uptick in the CPI print contrasted with the easing in the producer price index (PPI) released the day before, showing inflation easing to 2.6% YoY (-0.1% MoM) in August from 3.1% (0.7% MoM) in the previous month. In other data, initial jobless claims surged to 263k for the week ended September 6, the highest in four years, reinforcing signs of weakening labor market momentum following the sharp downward revision to non-farm payrolls earlier this week. Elsewhere, the European Central Bank (ECB) kept its policy rate unchanged during its September meeting, noting that “the new ECB staff projections present a picture of inflation similar to that projected in June,” with headline inflation averaging 2.1% in 2025 and 1.7% in 2026. In addition, it revised its GDP growth forecast higher to 1.2% in 2025 from the previously forecasted 0.9%, but lowered the 2026 growth forecast to 1.0%.

**Market Watch:** Markets will be closely monitoring key inflation data from France and Germany, both of which are widely expected to remain unchanged, along with a slew of economic releases from the UK. In the US, the results of the University of Michigan consumer sentiment survey are set to be released. On the Asian calendar, Japan’s industrial production figures for July and India’s August inflation prints are due. Market consensus expects India’s inflation to rise to 2.11% YoY in August, up from 1.55% in July.

### Major Markets

**ID:** Bank Indonesia’s retail sales survey estimates that sales will increase by 2.7% YoY in August, but at a slower pace compared to the 4.7% growth in the previous month. Higher sales are expected in spare parts and accessories, automotive fuels, as well as cultural and recreational goods. The survey also indicates that respondents expect stable inflationary pressure over the next three months (October), before an increase in the six months ahead (January 2026). Elsewhere, President Prabowo is expected to travel to the US to attend the UN General Assembly in New York this month, marking the first visit by the country’s sitting president in more than a decade.

#### Key Market Movements

Equity	Value	% chg
S&P 500	6587.5	0.8%
DJIA	46108	1.4%
Nikkei 225	44373	1.2%
SH Comp	3875.3	1.7%
STI	4355.8	0.2%
Hang Seng	26086	-0.4%
KLCI	1582.9	-0.5%
	Value	% chg
DXY	97.531	-0.3%
USDJPY	147.21	-0.2%
EURUSD	1.1734	0.3%
GBPUSD	1.3574	0.3%
USIDR	16462	0.0%
USDSGD	1.2815	-0.1%
SGDMYR	3.2859	-0.1%
	Value	chg (bp)
2Y UST	3.54	-0.23
10Y UST	4.02	-2.48
2Y SGS	1.41	-0.70
10Y SGS	1.79	-2.12
3M SORA	1.54	-0.38
3M SOFR	4.37	0.12
	Value	% chg
Brent	66.37	-1.7%
WTI	62.37	-2.0%
Gold	3634	-0.2%
Silver	41.56	0.9%
Palladium	1192	0.8%
Copper	10052	0.4%
BCOM	103.10	-0.2%

Source: Bloomberg

**MY:** Industrial production (IP) growth was higher than expected at 4.2% YoY (Consensus: 2.8%; OCBC: 3.0%) in July from 2.9% in June. The growth was supported mainly by the manufacturing and the mining sectors, while the electricity IP growth slowed. By orientation, export-oriented IP growth picked up to 4.1% YoY from 2.9% in June while domestic oriented IP was stable at 5.0% compared to 5.1% in June. The strength of July IP growth remains broadly consistent with the frontloading activities of firms to step up production ahead of the implementation of reciprocal tariffs on 7 August. We expect IP growth to moderate to an average of 0.5% YoY from August-December 2025 from 2.4% in January-July 2025. We will closely monitor the impact of the tariffs on economic activity for August data onwards to assess the balance of risks to our full year 2025 GDP growth forecast of 3.9% YoY. For 2026, our GDP growth forecast remains 3.8% YoY.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading flat while belly tenors traded flat to 2bps lower and 10Y traded 2bps lower. As per Bloomberg, China Evergrande Group's liquidators have received non-binding bids for Evergrande Property Services Group Ltd, including offers from state-owned China Overseas Holdings Ltd. and China Resources Holdings Co. Liquidators plan to invite selected bidders to submit final proposals in November and negotiate terms. In other news, DigitalBridge Group Inc's Vantage Data Centers ("Vantage") secured a USD1.6bn investment led by existing investors - an affiliate of GIC Pte Ltd and a wholly owned subsidiary of the Abu Dhabi Investment Authority. Additionally, Vantage announced its plans to expand into Johor, Malaysia by acquiring Yondr Group's 300MW+ hyperscale data center campus located in Sedenak Tech Park. Meanwhile, Temasek is reportedly considering investing in Balaji Wafers Pvt Ltd at a valuation of ~INR380bn to ~INR400bn, with Balaji aiming to raise INR40bn from the sale, though both parties declined to comment. Finally, the government is reportedly planning to request state owned banks and policy banks including China Development Bank to support the repayment obligations of local governments to the private sector. Per Bloomberg, local governments and government related entities have arrears at over USD1 trillion with a first phase of support providing ~CNY1 trillion, possibly through short-term liquidity loans. Bloomberg Asia USD Investment Grade spreads traded flat at 65bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 339bps respectively. (Bloomberg, OCBC)

### New issues:

There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuances in the Singdollar market yesterday.

- Emirates NBD Bank PJSC priced a SGD100mn Fixed Bond at 2.25%

### Mandates:

- There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.531	-0.25%	USD-SGD	1.2815
USD-JPY	147.210	-0.17%	EUR-SGD	1.5037
EUR-USD	1.173	0.33%	JPY-SGD	0.8703
AUD-USD	0.666	0.70%	GBP-SGD	1.7393
GBP-USD	1.357	0.33%	AUD-SGD	0.8535
USD-MYR	4.220	-0.01%	NZD-SGD	0.7660
USD-CNY	7.119	-0.03%	CHF-SGD	1.6100
USD-IDR	16462	0.01%	SGD-MYR	3.2859
USD-VND	26396	0.02%	SGD-CNY	5.5563

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8930	-0.42%	1M	4.1523
3M	2.0290	0.00%	2M	4.0813
6M	2.1140	0.38%	3M	4.0225
12M	2.1600	-0.41%	6M	3.8420
			1Y	3.5952

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.074	-107.40%	-0.268	4.062
10/29/2025	-1.95	-87.70%	-0.488	3.842
12/10/2025	-2.863	-91.30%	-0.716	3.614

## Equity and Commodity

Index	Value	Net change
DJIA	46,108.00	617.08
S&P	6,587.47	55.43
Nasdaq	22,043.07	157.01
Nikkei 225	44,372.50	534.83
STI	4,355.82	9.36
KLCI	1,582.85	-7.90
JCI	7,747.91	48.90
Baltic Dry	2,112.00	33.00
VIX	14.71	-0.64

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (-0.01)	3.54(--)
5Y	1.48 (-0.02)	3.6(--)
10Y	1.79 (-0.02)	4.02 (-0.02)
15Y	1.86 (-0.02)	--
20Y	1.9 (-0.02)	--
30Y	1.98 (-0.02)	4.66 (-0.04)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.39
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.37	-2.04%	Corn (per bushel)	3.990	0.4%
Brent (per barrel)	66.37	-1.66%	Soybean (per bushel)	10.153	1.0%
Heating Oil (per gallon)	228.19	-2.22%	Wheat (per bushel)	5.030	1.6%
Gasoline (per gallon)	197.93	-1.43%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.93	-3.14%	Rubber (JPY/KG)	309.500	2.8%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10051.50	0.38%	Gold (per oz)	3634.1	-0.2%
Nickel (per mt)	15150.00	0.03%	Silver (per oz)	41.6	0.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/12/2025 12:30	JN	Industrial Production MoM	Jul F	--	--	-1.60%	--
9/12/2025 12:30	JN	Industrial Production YoY	Jul F	--	--	-0.90%	--
9/12/2025 12:30	JN	Capacity Utilization MoM	Jul	--	--	-1.80%	--
9/12/2025 14:00	UK	Industrial Production YoY	Jul	1.10%	--	0.20%	--
9/12/2025 14:00	GE	CPI YoY	Aug F	2.20%	--	2.20%	--
9/12/2025 14:45	FR	CPI YoY	Aug F	0.90%	--	0.90%	--
9/12/2025 15:30	TH	Gross International Reserves	5-Sep	--	--	\$267.4b	--
9/12/2025 18:30	IN	CPI YoY	Aug	2.11%	--	1.55%	--
9/12/2025 22:00	US	U. of Mich. Sentiment	Sep P	58	--	58.2	--
9/12/2025 22:00	US	U. of Mich. Current Conditions	Sep P	62	--	61.7	--
9/12/2025 22:00	US	U. of Mich. Expectations	Sep P	56.2	--	55.9	--
9/12/2025 22:00	US	U. of Mich. 1 Yr Inflation	Sep P	4.80%	--	4.80%	--
9/12/2025 22:00	US	U. of Mich. 5-10 Yr Inflation	Sep P	3.40%	--	3.50%	--
9/12/2025	IN	Foreign Exchange Reserves	5-Sep	--	--	\$694.2b	--

Source: Bloomberg

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