

Daily Treasury Outlook

12 December 2025

Highlights

Global: US equity indices closed mixed overnight. The S&P 500 posted a record closing high, while the tech-heavy Nasdaq ended lower, as markets continued to digest the Federal Reserve's 25bp rate cut delivered on 10 December 2025. US data flow was relatively light. Initial jobless claims rose to 236k for the week ending 6 December from 192k in the previous week, above market expectations (220k) and the highest point since mid-September. Meanwhile, continuing claims fell to 1.838mn for the week ending 29 November from 1.937mn previously. In corporate news, Disney announced a three-year partnership with OpenAI. Closer home, Thailand's PM received royal endorsement to dissolve Parliament and will need to call an election within 45-60 days.

Market Watch: For the day ahead, data on tap includes Malaysia's October industrial production, Japan industrial production and capacity utilisation, Thailand gross international reserves and forward contracts. Meanwhile, a slew of data is expected from the UK, including industrial production, manufacturing production, trade balance and monthly GDP prints.

Major Markets

ID: Danantara has signed an MoU with the Jordan Investment Fund on Thursday (11 December) to explore joint investments in priority sectors, strengthening economic ties between Indonesia and Jordan. The agreement outlines collaboration in infrastructure, transport, energy transition, and technology-driven projects, as reported by Antara. Both parties aim to establish a structured process for evaluating high-potential projects, fostering long-term partnerships and advance national development objectives.

MY: The unemployment rate was unchanged at 3.0% in October, similar to September. The number of employed persons continued on an uptrend and rose by 33.8k to 17.06mn in October, particularly in the services sector, including accommodation and food & beverage services, wholesale & retail trade, as well as information and communication activities. Likewise, higher employment was seen in agriculture, manufacturing, and construction services, while the mining & quarrying sector posted decreases. The labour force participation held steady at 68.8% in October, unchanged from September.

Key Market Movements

Equity	Value	% chg
S&P 500	6901.0	0.2%
DJIA	48704	1.3%
Nikkei 225	50149	-0.9%
SH Comp	3873.3	-0.7%
STI	4520.8	0.2%
Hang Seng	25531	0.0%
KLCI	1625.4	0.9%
	Value	% chg
DXY	98.346	-0.4%
USDJPY	155.59	-0.3%
EURUSD	1.1738	0.4%
GBPUSD	1.3388	0.0%
USDIDR	16675	-0.1%
USDSGD	1.2922	-0.1%
SGDMYR	3.1736	-0.1%
	Value	chg (bp)
2Y UST	3.54	0.23
10Y UST	4.16	0.98
2Y SGS	1.48	1.60
10Y SGS	2.18	4.90
3M SORA	1.21	-0.43
3M SOFR	4.13	-0.57
	Value	% chg
Brent	61.28	-1.5%
WTI	57.6	-1.5%
Gold	4280	1.2%
Silver	63.56	2.8%
Palladium	1502	2.0%
Copper	11872	2.7%
BCOM	110.40	0.7%

Source: Bloomberg

PH: Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25bp in a widely anticipated move. In its official policy statement, BSP noted that “the outlook for domestic economic growth has weakened further” and “concerns about governance issues” weighed on business sentiment. During the post-meeting press conference, BSP Governor Eli Remolona noted that the 25bp cut was “kind of an insurance” given that GDP growth remained weak and benign inflationary pressures afforded BSP room to act. BSP’s headline CPI forecasts for 2026 and 2027 were revised slightly higher to 3.2% and 3.0% at today’s meeting compared to 3.1% and 2.8% at its 9 October meeting, respectively. These, nonetheless, remain well within BSP’s 2-4% target range over the forecast horizon. Looking ahead, our baseline is for BSP to keep its policy rates unchanged through 2026. BSP Governor Remolona noted that BSP could be at the end of its easing cycle. That said, further rate cuts cannot be entirely ruled out as BSP remains data dependent and the growth outlook remains under pressure.

TH: Thailand’s PM dissolved parliament and will need to call elections within 45-60 days. This timeline has been brought forward. The original touted election date was 29 March 2026 but now elections will likely need to be called by mid-February. We see three potential scenarios following the elections. First, the election results yield clear outcomes. This is a good scenario where policy continuity occurs, and growth is better supported. Second, the election yields no clear political outcomes leading to protracted policy uncertainties as we have seen in previous episodes such as 2023 and third, a fragile coalition. The latter two will present less clear policy scenarios. We still see Bank of Thailand cutting its policy rate by 25bp on 17 December and will watch the tone of the official statement for the policy path ahead. Fiscal policy can continue to run in this period since budget FY26 has already been passed.

VN: The National Assembly has approved a Resolution granting the Prime Minister authority to set investment guidelines and select investors for offshore wind projects during 2025–2030 without land-use auctions, with similar powers delegated to provincial leaders from 2031. The Resolution, adopted on 11 December, outlines policies to boost energy security, support double-digit economic growth, and advance carbon neutrality by 2050, including expanding direct power purchase agreements to promote a competitive electricity market. The government targets offshore wind capacity of 6,000 MW by 2030, 17,500 MW by 2035, and up to 139,000 MW by 2050.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading 1bps lower to 1bps higher while belly tenors traded 1-2bps higher and 10Y traded 2bps higher. As per Bloomberg, New World Development Co Ltd has appointed Chan Yiu-Ho as executive director, effective 12 December. Meanwhile, PJT Partners Inc recently offered China Vanke Co Ltd's ("Vanke") offshore bondholders three options if Vanke's debt situation worsens, including swapping existing debt for Vanke's Hong Kong-listed shares or exchanging unsecured bonds into senior debt secured by Vanke's offshore assets. In other news, EKI Energy Services Ltd received an insolvency notice from Oswal Woollen Mills Ltd. over operational debts of INR18.5mn. Lastly, ReNew Energy Global PLC has hired Societe Generale, Standard Chartered, and Sumitomo Mitsui Banking Corp to raise USD800mn through a five-year loan. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 62bps and Bloomberg Asia USD High Yield spreads tightened by 1bps to 373bps 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	98.346	-0.45%	USD-SGD	1.2922
USD-JPY	155.590	-0.28%	EUR-SGD	1.5167
EUR-USD	1.174	0.37%	JPY-SGD	0.8305
AUD-USD	0.666	-0.18%	GBP-SGD	1.7298
GBP-USD	1.339	0.04%	AUD-SGD	0.8611
USD-MYR	4.108	-0.25%	NZD-SGD	0.7505
USD-CNY	7.057	-0.15%	CHF-SGD	1.6244
USD-IDR	16675	-0.06%	SGD-MYR	3.1736
USD-VND	26326	-0.12%	SGD-CNY	5.4663

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9060	-0.47%	1M	3.7490
3M	2.0820	-0.29%	2M	3.7168
6M	2.1650	-0.14%	3M	3.7094
12M	2.2840	0.71%	6M	3.6440
			1Y	3.4951

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.244	-24.40%	-0.061	3.583
03/18/2026	-0.554	-31.00%	-0.138	3.505

Equity and Commodity

Index	Value	Net change
DJIA	48,704.01	646.26
S&P	6,901.00	14.32
Nasdaq	23,593.86	-60.29
Nikkei 225	50,148.82	-453.98
STI	4,520.83	8.93
KLCI	1,625.39	14.39
JCI	8,620.48	-80.44
Baltic Dry	2,430.00	-127.00
VIX	14.85	-0.92

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.48 (+0.02)	3.53(--)
5Y	1.88 (+0.04)	3.73(--)
10Y	2.18 (+0.05)	4.15 (+0.01)
15Y	2.3 (+0.05)	--
20Y	2.3 (+0.04)	--
30Y	2.34 (+0.04)	4.79 (+0.01)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.90
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	57.60	-1.47%	Corn (per bushel)	4.353	0.1%
Brent (per barrel)	61.28	-1.49%	Soybean (per bushel)	10.935	0.2%
Heating Oil (per gallon)	222.89	-1.94%	Wheat (per bushel)	5.345	0.6%
Gasoline (per gallon)	175.98	-1.22%	Crude Palm Oil (MYR/MT)	40.100	0.2%
Natural Gas (per MMBtu)	4.23	-7.92%	Rubber (JPY/KG)	3.220	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11872.00	2.73%	Gold (per oz)	4280.2	1.2%
Nickel (per mt)	14626.00	-0.18%	Silver (per oz)	63.6	2.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/12/2025 12:00	MA	Industrial Production YoY	Oct	5.30%	--	5.70%	--
12/12/2025 12:00	MA	Manufacturing Sales Value YoY	Oct	--	--	4.30%	--
12/12/2025 12:30	JN	Capacity Utilization MoM	Oct	--	--	2.50%	--
12/12/2025 12:30	JN	Industrial Production YoY	Oct F	--	--	1.50%	--
12/12/2025 12:30	JN	Industrial Production MoM	Oct F	--	--	1.40%	--
12/12/2025 15:00	UK	Monthly GDP (MoM)	Oct	0.10%	--	-0.10%	--
12/12/2025 15:00	UK	Industrial Production MoM	Oct	1.00%	--	-2.00%	--
12/12/2025 15:00	UK	Industrial Production YoY	Oct	-1.20%	--	-2.50%	--
12/12/2025 15:00	UK	Manufacturing Production MoM	Oct	1.10%	--	-1.70%	--
12/12/2025 15:00	UK	Manufacturing Production YoY	Oct	-0.20%	--	-2.20%	--
12/12/2025 15:00	UK	Construction Output YoY	Oct	1.50%	--	1.30%	--
12/12/2025 15:00	UK	Visible Trade Balance GBP/Mn	Oct	-£19100m	--	-£18883m	--
12/12/2025 15:00	UK	Trade Balance GBP/Mn	Oct	-£1235m	--	-£1094m	--
12/12/2025 15:30	TH	Gross International Reserves	5-Dec	--	--	\$274.7b	--
12/12/2025 15:30	TH	Forward Contracts	4-Dec	--	--	\$24.0b	--
12/12/2025 17:30	UK	BoE/Ipsos Inflation Next 12 Mths	Nov	--	--	3.60%	--

Source: Bloomberg

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