

Daily Treasury Outlook

13 June 2025

Highlights

Global: Wall Street closed broadly higher on Thursday (S&P 500: +0.4%; Nasdaq: +0.2%; Dow Jones: +0.2%) as jobless claims remained unchanged, while producer price index (PPI) inflation came in slightly below expectations. Specifically, initial jobless claims were unchanged at 248k for the week ending 7 June, but the trend has been upward this year, with the four-week moving average rising from 212.5k in January to 240.3k in the most recent report. This may suggest relative cooling in the labour market, although the unemployment rate remained relatively low at 4.2% as of May. On the PPI front, it rose marginally to 2.6% YoY in May (0.1% MoM) from 2.5% in April (-0.2%). Excluding food and energy, the core PPI eased to 3.0% (0.1% MoM) from 3.2% (-0.2%). Elsewhere, U.S. President Trump floated the possibility of higher auto tariffs in the “not too distant future,” adding that “the higher you go, the more likely it is they build a plant here.”

Market Watch: Geopolitical developments will be a key focus today, following US President Donald Trump's warning that an Israeli strike on Iran could “very well happen.” US and Iranian officials are scheduled to hold a new round of talks on Sunday (15 June) in Muscat, Oman, regarding Iran's expanding nuclear program. This morning, a series of back-to-back explosions in Tehran was reported, prompting a ~3% spike in Brent crude prices. The calendar is relatively light today, with Japan's April industrial production data set to be released. Accompanying this data release is the June preliminary University of Michigan sentiment index. Ahead of the Federal Reserve's decision due next week, FOMC members are in a blackout period.

Commodities: Crude oil prices are expected to surge during the Asian trading session due to concerns about supply disruption in the Middle East region. This follows media reports that the Israeli military has carried out airstrikes against targets in Tehran, Iran. Israeli Defense Minister Israel Katz announced a state of emergency as the country prepares for potential Iranian retaliation. Benchmarks edged lower on Thursday as the oil market weighed escalating geopolitical tensions against renewed tariff threats from US President Donald Trump. WTI and Brent rose by 9.3% and 8.6%, respectively, to USD74.4/bbl and USD75.3/bbl during Asian open.

Key Market Movements

Equity	Value	% chg
S&P 500	6045.3	0.4%
DJIA	42968	0.2%
Nikkei 225	38173	-0.6%
SH Comp	3402.7	0.0%
STI	3922.2	0.1%
Hang Seng	24035	-1.4%
KLCI	1526.6	0.2%
	Value	% chg
DXY	97.921	-0.7%
USDJPY	143.48	-0.7%
EURUSD	1.1584	0.8%
GBPUSD	1.3613	0.5%
USDIDR	16235	-0.2%
USDSGD	1.2789	-0.5%
SGDMYR	3.2973	0.1%
	Value	chg (bp)
2Y UST	3.91	-4.38
10Y UST	4.36	-6.11
2Y SGS	1.84	-2.10
10Y SGS	2.29	-3.17
3M SORA	2.21	-0.25
3M SOFR	4.34	-0.02
	Value	% chg
Brent	69.36	-0.6%
WTI	68.04	-0.2%
Gold	3386	0.9%
Silver	36.34	0.2%
Palladium	1064	-0.7%
Copper	9702	0.6%
BCOM	103.26	0.1%

Source: Bloomberg

Major Markets

ID: President Prabowo Subianto stated on Thursday (12 June) that he has no plans to reshuffle the Red and White Cabinet, citing the good performance of his ministers. He emphasized that his team is cohesive and effectively serving the public while acknowledging that “in a democracy, criticism is natural.” Separately, President Prabowo also revealed that the government plans to begin the construction of a giant seawall that would span approximately 500 km from Banten to Gresik, costing USD80bn and taking 20 years to build, as reported by Bloomberg.

MY: The unemployment rate fell to 3.0% in April from 3.1% in March, marking the lowest reading since 2015. The number of employed persons rose by 40.2k to 16.8mn in May, with increases in employment in the services sector, particularly in wholesale & retail trade, accommodation, food & beverage, and transportation & storage activities. Similarly, higher employment was also seen in the manufacturing, construction, agriculture, and mining and quarrying sectors. Meanwhile, the labour force participation rate also saw a slight increase to 70.8% in April from 70.7% in March.

TH: The consumer confidence index (CCI) fell for the fourth consecutive month, dropping to 54.2 in May from 55.4 in April 2025. The decline in CCI was broad-based across the sub-indices of ‘economic situation’ (48.1 versus 49.3 in April), ‘income’ (62.7 versus 63.9 in April), and ‘job’ (51.9 versus 53.0 in April). According to Thanavath Phonvichai, President of the University of the Thai Chamber of Commerce, confidence could deteriorate further as consumers remain wary of a sluggish economic recovery amid heightened global trade tensions.

ESG

MY: Malaysia-based steel producer MAEGMA Minerals has signed a memorandum of understanding with engineering company Primetals Technologies to establish a green steel plant that will make 2mn tonnes of hot briquetted iron (HBI) annually in Perak, Malaysia. The plant will be equipped with hydrogen-ready equipment and pipelines to emit significantly lower emissions than traditional coal-fired facilities, scheduled to start operating in 2029. This can allow the company to meet the growing demand for high quality commercial HBI in Southeast Asia with a lower carbon footprint.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter and belly tenors trading 5-6bps lower and 10Y trading 4bps lower. Per Bloomberg, New World Development Co. Ltd. (“New World”) has secured bank commitments for 87% of its HKD87.5bn (~USD11.2bn) loan refinancing with less than three weeks to finalize the refinancing before covenant waivers expire. On the Asiadollar primary front, Seazen Group Ltd priced a USD300mn note yesterday at 12.95%, the first Asiadollar issuance by a major private-sector Chinese developer in more than two years. The bond has both an issuer call option and investor put option. Bloomberg Asia USD Investment Grade spreads traded flat at 73bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 472bps respectively. (Bloomberg, OCBC)

New Issues:

There were four notable issuances in the Asiadollar market yesterday.

- Hengjian International Investment Ltd (guarantor: Guangdong Hengjian Investment Holding Co Ltd) priced a USD500mn 3Y Fixed bond at T+50bps.
- Seazen Group Ltd priced a USD300mn 3NCNP2 Fixed bond at 12.95%.
- Bank of Communications Co Ltd/Sydney priced a USD300mn 3Y FRN at SOFR+53bps.
- Tai Fung Bank Ltd priced a USD280mn PerpNC5 Additional Tier 1 bank capital instrument at 7.75%.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.921	-0.72%	USD-SGD	1.2789	-0.45%
USD-JPY	143.480	-0.75%	EUR-SGD	1.4815	0.39%
EUR-USD	1.158	0.84%	JPY-SGD	0.8913	0.32%
AUD-USD	0.653	0.49%	GBP-SGD	1.7410	0.03%
GBP-USD	1.361	0.49%	AUD-SGD	0.8355	0.04%
USD-MYR	4.222	-0.35%	NZD-SGD	0.7762	0.23%
USD-CNY	7.173	-0.24%	CHF-SGD	1.5784	0.80%
USD-IDR	16235	-0.15%	SGD-MYR	3.2973	0.12%
USD-VND	26031	0.01%	SGD-CNY	5.6088	0.18%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9140	-2.40%	1M	4.3158	0.04%
3M	1.9530	-0.05%	2M	4.3070	-0.08%
6M	2.0490	0.24%	3M	4.3016	-0.19%
12M	2.0900	0.19%	6M	4.1970	-0.58%
			1Y	3.9813	-0.85%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/18/2025	-0.026	-2.6	-0.007
07/30/2025	-0.315	-28.9	-0.079
09/17/2025	-1.025	-71	-0.256
12/10/2025	-2.237	-68.1	-0.559
			3.772

Equity and Commodity

Index	Value	Net change
DJIA	42,967.62	101.85
S&P	6,045.26	23.02
Nasdaq	19,662.48	46.60
Nikkei 225	38,173.09	-248.10
STI	3,922.20	3.15
KLCI	1,526.62	2.78
JCI	7,204.37	-18.09
Baltic Dry	1,738.00	58.00
VIX	18.02	0.76

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.84 (-0.02)	3.88(--)
5Y	1.92 (-0.03)	3.97 (-0.05)
10Y	2.29 (-0.03)	4.33 (-0.06)
15Y	2.41 (-0.02)	--
20Y	2.45 (-0.02)	--
30Y	2.48 (-0.02)	4.81 (-0.08)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.28
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	68.04	-0.16%	Corn (per bushel)	4.385	0.3%
Brent (per barrel)	69.36	-0.59%	Soybean (per bushel)	10.423	-0.8%
Heating Oil (per gallon)	218.87	-0.75%	Wheat (per bushel)	5.265	-1.5%
Gasoline (per gallon)	214.29	-1.10%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.49	-0.43%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9702.00	0.56%	Gold (per oz)	3385.9	0.9%
Nickel (per mt)	15142.00	-0.23%	Silver (per oz)	36.3	0.2%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/13/2025 12:30	JN	Industrial Production MoM	Apr F	--	--	-0.90%	--
6/13/2025 12:30	JN	Tertiary Industry Index MoM	Apr	0.20%	--	-0.30%	--
6/13/2025 12:30	JN	Industrial Production YoY	Apr F	--	--	0.70%	--
6/13/2025 12:30	JN	Capacity Utilization MoM	Apr	--	--	-2.40%	--
6/13/2025 15:30	TH	Gross International Reserves	6-Jun	--	--	\$257.6b	--
6/13/2025 15:30	TH	Forward Contracts	6-Jun	--	--	\$21.8b	--
6/13/2025 17:00	EC	Industrial Production SA MoM	Apr	-1.70%	--	2.60%	--
6/13/2025 17:00	EC	Industrial Production WDA YoY	Apr	1.20%	--	3.60%	--
6/13/2025 17:00	EC	Trade Balance SA	Apr	18.3b	--	27.9b	--
6/13/2025 17:00	EC	Trade Balance NSA	Apr	--	--	36.8b	--
6/13/2025 22:00	US	U. of Mich. Sentiment	Jun P	53.6	--	52.2	--
6/13/2025 22:00	US	U. of Mich. 1 Yr Inflation	Jun P	6.40%	--	6.60%	--
6/13/2025 22:00	US	U. of Mich. 5-10 Yr Inflation	Jun P	4.10%	--	4.20%	--
6/13/2025 22:00	US	U. of Mich. Expectations	Jun P	49.7	--	47.9	--
6/13/2025 22:00	US	U. of Mich. Current Conditions	Jun P	59.3	--	58.9	--

Source: Bloomberg



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