

Daily Treasury Outlook

13 August 2025

Highlights

Global: Wall Street rallied on Tuesday, with all three major indices reaching or approaching record highs. Market sentiment was broadly positive, supported in part by optimism surrounding the 90-day US-China tariff truce agreement, as well as the US July CPI data, which came in largely in line with expectations. The data suggested a modest rise in price pressures despite President Trump's tariff measures. Specifically, headline CPI increased by 2.7% YoY, matching June's pace but slightly below the 2.8% consensus. On a monthly basis, prices rose 0.2%, unchanged from June. Core CPI, which excludes food and energy, climbed 3.1% YoY, versus the 2.9% in June, while the 0.3% monthly gain was in line with forecasts. Core goods prices remained steady at 0.2% MoM in July, similar to that in June, suggesting that the pass-through of higher tariff rates into consumer prices remains relatively muted. Meanwhile, gasoline prices fell sharply, helping to keep headline inflation stable. Fed funds futures imply over a 96% probability of a 25bp rate cut in September, compared to less than a 90% chance prior to the CPI release.

Market Watch: This morning, Japan PPI for July eased to 2.6% YoY versus 2.9% in June, but above expectations (Consensus: 2.5%). Meanwhile, South Korea's unemployment rate for July dipped slightly to 2.5% from 2.6% in June. The calendar is relatively light today, with Germany's CPI, wholesale price index, and US MBA mortgage applications to be released this afternoon. In Asia, the Bank of Thailand (BoT) is set to announce its policy decision, with market consensus expecting a 25bp cut bringing their benchmark interest rate down to 1.5%, while we expect no change.

Major Markets

ID: Automotive car sales improved 4.8% MoM to 60,552 units in July, but the annual growth remained weak, with an 18.4% YoY drop. The July print brings the January-July 2025 sales to 435.3k, a -10.1% YoY decline. Gaikindo Chairman Yohannes Nangoi stated that although domestic sales have declined and the market still faces challenges, he remains optimistic about reaching 800k unit sales this year.

Key Market Movements

| Equity | Value | % chg |
|------------|--------|----------|
| S&P 500 | 6445.8 | 1.1% |
| DJIA | 44459 | 1.1% |
| Nikkei 225 | 42718 | 2.1% |
| SH Comp | 3665.9 | 0.5% |
| STI | 4220.7 | -0.3% |
| Hang Seng | 24970 | 0.3% |
| KLCI | 1567.9 | 0.3% |
| | Value | % chg |
| DXY | 98.097 | -0.4% |
| USDJPY | 147.84 | -0.2% |
| EURUSD | 1.1675 | 0.5% |
| GBPUSD | 1.3500 | 0.5% |
| USDIDR | 16289 | 0.1% |
| USDSGD | 1.2837 | -0.3% |
| SGDMYR | 3.2878 | -0.2% |
| | Value | chg (bp) |
| 2Y UST | 3.73 | -3.76 |
| 10Y UST | 4.29 | 0.39 |
| 2Y SGS | 1.60 | -0.70 |
| 10Y SGS | 1.95 | -1.35 |
| 3M SORA | 1.77 | -0.71 |
| 3M SOFR | 4.34 | 0.04 |
| | Value | % chg |
| Brent | 66.12 | -0.8% |
| WTI | 63.17 | -1.2% |
| Gold | 3348 | 0.2% |
| Silver | 37.91 | 0.8% |
| Palladium | 1132 | -1.2% |
| Copper | 9841 | 1.1% |
| BCOM | 100.24 | -0.3% |

Source: Bloomberg

MY: Malaysia and Bangladesh have agreed to strengthen bilateral ties across a wide range of sectors in a bid to bolster economic cooperation. Bangladesh Chief Adviser Dr Muhammad Yunus was hosted by Prime Minister Anwar Ibrahim in Kuala Lumpur, where they signed a series of memorandums of understanding (MOUs) and agreements across defence, energy, higher education, the halal ecosystem and the private sector. Following the MOU signed between the Chamber of Commerce from both states, MIMOS Services Sdn Bhd (MSSB) announced initiatives aimed at advancing Bangladesh's semiconductor sector. This includes the development of talent training programs and technology transfer, enabling Malaysia to expand its electrical and electronics (E&E) footprint globally, as reported by The Edge.

ESG

CH: CATL, the world's largest producer of electric vehicle (EV) batteries, suspended production at a major lithium mine in China after the mine's permit expired. This could be a result of China's efforts to curb excess capacity in the EV battery industry, which arose from past years of government subsidies and low entry barriers. Although numerous manufacturers hoped to capture the EV and battery demand, sales have not kept pace due to overcapacity and other challenges such as the lack of robust EV infrastructure in other markets.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2bps lower while belly tenors traded 2-3bps lower and 10Y traded 3bps lower. As per Bloomberg, China Evergrande Group's stocks will be delisted from the HKEX on August 25, 2025. Court-appointed liquidators disclosed that the company's debt far exceeded earlier estimates, rendering comprehensive restructuring impossible. In other news by Bloomberg, bank creditors are considering seizing control of Worfu mall in Hong Kong after a joint venture owned by a consortium (that includes Schroders Capital and Chelsfield's Asia fund) defaulted on a loan secured by the property. Meanwhile, Parkview Group Ltd. is seeking a three-month extension on its USD940mn loan due 15 August 2025 to get more time to negotiate a refinancing deal. Backed by the Parkview Green complex in Beijing, the loan's maturity raises default risks amid growing liquidity concerns. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 65bps and Bloomberg Asia USD High Yield spreads widened by 3bps to 365bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable issuance in the Asiadollar market yesterday.

- Wynn Macau Limited priced a USD1bn 8.5NC3 Fixed bond at 6.75%.

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 | 98.097 | -0.43% | USD-SGD | 1.2837 | -0.27% |
| USD-JPY | 147.840 | -0.21% | EUR-SGD | 1.4985 | 0.23% |
| EUR-USD | 1.168 | 0.52% | JPY-SGD | 0.8678 | -0.10% |
| AUD-USD | 0.653 | 0.26% | GBP-SGD | 1.7320 | 0.19% |
| GBP-USD | 1.350 | 0.51% | AUD-SGD | 0.8381 | -0.01% |
| USD-MYR | 4.231 | -0.06% | NZD-SGD | 0.7641 | -0.03% |
| USD-CNY | 7.181 | -0.10% | CHF-SGD | 1.5910 | 0.44% |
| USD-IDR | 16289 | 0.09% | SGD-MYR | 3.2878 | -0.23% |
| USD-VND | 26259 | 0.13% | SGD-CNY | 5.5978 | 0.20% |

SOFR

| Tenor | EURIBOR | Change | Tenor | USD SOFR | Change |
|-------|---------|--------|-------|----------|--------|
| 1M | 1.9040 | 0.21% | 1M | 4.3621 | -0.03% |
| 3M | 2.0290 | 0.50% | 2M | 4.2752 | -0.08% |
| 6M | 2.0850 | 0.10% | 3M | 4.2079 | -0.21% |
| 12M | 2.1320 | 0.52% | 6M | 4.0402 | -0.03% |
| | | | 1Y | 3.8039 | -0.06% |

Fed Rate Hike Probability

| Meeting | # of Hikes/Cuts | Implied Rate Change | Expected Effective Fed Funds Rate |
|------------|-----------------|---------------------|-----------------------------------|
| 09/17/2025 | -0.962 | -96.2 | -0.24 |
| 12/10/2025 | -2.414 | -81.9 | -0.603 |

Equity and Commodity

| Index | Value | Net change |
|------------|-----------|------------|
| DJIA | 44,458.61 | 483.52 |
| S&P | 6,445.76 | 72.31 |
| Nasdaq | 21,681.90 | 296.50 |
| Nikkei 225 | 42,718.17 | 897.69 |
| STI | 4,220.72 | -12.06 |
| KLCI | 1,567.90 | 4.66 |
| JCI | 7,791.70 | 185.77 |
| Baltic Dry | 2,038.00 | -13.00 |
| VIX | 14.73 | -1.52 |

Government Bond Yields (%)

| Tenor | SGS (chg) | UST (chg) |
|-------|--------------|--------------|
| 2Y | 1.6 (-0.01) | 3.74(--) |
| 5Y | 1.68 (-0.01) | 3.82 (-0.01) |
| 10Y | 1.95 (-0.01) | 4.3(--) |
| 15Y | 2.03 (-0.02) | -- |
| 20Y | 2.05 (-0.02) | -- |
| 30Y | 2.1 (-0.02) | 4.88 (+0.03) |

Financial Spread (bps)

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

Secured Overnight Fin. Rate

| | |
|------|------|
| SOFR | 4.34 |
|------|------|

Commodities Futures

| Energy | Futures | % chg | Soft Commodities | Futures | % chg |
|--------------------------|----------|--------|-------------------------|---------|-------|
| WTI (per barrel) | 63.17 | -1.24% | Corn (per bushel) | 3.715 | -3.5% |
| Brent (per barrel) | 66.12 | -0.77% | Soybean (per bushel) | 10.118 | 2.2% |
| Heating Oil (per gallon) | 224.41 | -2.05% | Wheat (per bushel) | 5.050 | -1.9% |
| Gasoline (per gallon) | 207.44 | -0.11% | Crude Palm Oil (MYR/MT) | 45.090 | 0.5% |
| Natural Gas (per MMBtu) | 2.81 | -4.94% | Rubber (JPY/KG) | 309.500 | 2.8% |
| Base Metals | Futures | % chg | Precious Metals | Futures | % chg |
| Copper (per mt) | 9840.50 | 1.12% | Gold (per oz) | 3348.3 | 0.2% |
| Nickel (per mt) | 15332.00 | -0.12% | Silver (per oz) | 37.9 | 0.8% |

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

| Date Time | Country Code | Event | Period | Survey | Actual | Prior | Revised |
|-----------------|--------------|---------------------------------|--------|--------|--------|-----------|---------|
| 8/13/2025 9:30 | AU | Wage Price Index QoQ | 2Q | 0.80% | -- | 0.90% | -- |
| 8/13/2025 9:30 | AU | Wage Price Index YoY | 2Q | 3.30% | -- | 3.40% | -- |
| 8/13/2025 9:30 | AU | Home Loans Value QoQ | 2Q | 2.00% | -- | -1.60% | -- |
| 8/13/2025 9:30 | AU | Investor Loan Value QoQ | 2Q | -- | -- | -0.30% | -- |
| 8/13/2025 11:00 | SK | Bank Lending To Household Total | Jul | -- | -- | KR1161.5t | -- |
| 8/13/2025 11:00 | SK | Money Supply LSA MoM | Jun | -- | -- | 0.50% | -- |
| 8/13/2025 11:00 | SK | Money Supply M2 SA MoM | Jun | -- | -- | 1.00% | -- |
| 8/13/2025 14:00 | JN | Machine Tool Orders YoY | Jul P | -- | -- | -0.50% | -- |
| 8/13/2025 14:00 | GE | Wholesale Price Index MoM | Jul | -- | -- | 0.20% | -- |
| 8/13/2025 14:00 | GE | Wholesale Price Index YoY | Jul | -- | -- | 0.90% | -- |
| 8/13/2025 14:00 | GE | CPI MoM | Jul F | 0.30% | -- | 0.30% | -- |
| 8/13/2025 14:00 | GE | CPI YoY | Jul F | 2.00% | -- | 2.00% | -- |
| 8/13/2025 14:00 | GE | CPI EU Harmonized MoM | Jul F | 0.40% | -- | 0.40% | -- |
| 8/13/2025 14:00 | GE | CPI EU Harmonized YoY | Jul F | 1.80% | -- | 1.80% | -- |
| 8/13/2025 15:00 | TH | BoT Benchmark Interest Rate | 13-Aug | 1.50% | -- | 1.75% | -- |
| 8/13/2025 19:00 | US | MBA Mortgage Applications | 8-Aug | -- | -- | 3.10% | -- |

Source: Bloomberg

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