

## Daily Treasury Outlook

14 May 2025

### Highlights

**Global:** Market sentiment improved further on the back of continued de-escalation in the U.S.-China trade war and a softer-than-expected U.S. CPI print, pushing U.S. equities higher and reducing near-term recession fears. Headline U.S. CPI rose by 0.2% MoM in April, slightly below the consensus forecast of 0.3%, driven by a 0.1% decline in food prices that partially offset a rise in rents. This marked the smallest annual increase in four years at 2.3% YoY. Notably, egg prices plunged by 12.7% MoM but remain elevated YoY (+49.3%). Despite trade tensions, there was little evidence that tariffs have fed into consumer prices, likely due to inventory buffers—business inventories reportedly rose to 3.7 months of sales in Q1. However, core CPI, which excludes food and energy, accelerated to 0.2% MoM (from 0.1% in March), leaving the YoY reading unchanged at 2.8%. The increase was primarily driven by shelter costs, with owners' equivalent rent up 0.4%, more than offsetting a modest 0.1% decline in hotel and motel prices.

The CPI release did little to shift rate expectations. Markets continue to price in less than a 10% probability of a Fed rate cut in June, with sentiment buoyed by easing trade tensions and signs of continued economic resilience. With core PCE inflation expected to hover around 2.6% in April—still above the Fed's 2% target—the FOMC is likely to remain patient.

As part of the ongoing recalibration of trade policy, the U.S. announced it will lower the "de minimis" tariff rate on low-value Chinese shipments to 54% from 120% for items valued under USD 800. A planned increase in the flat postal fee—from USD 100 to USD 200—has also been canceled, providing partial relief to cross-border e-commerce. Although not mentioned in the Geneva joint statement, the announcement signals continued tactical flexibility in tariff implementation.

In Europe, ECB policymaker François Villeroy de Galhau commented that U.S. protectionism may rekindle domestic inflation but is unlikely to have a similar effect in the eurozone. This could give the ECB room to cut rates as early as summer, reinforcing expectations of diverging monetary paths between the U.S. and Europe.

**Market Watch:** Today's global data calendar is relatively light, with focus on Germany's April inflation figures. Markets will also monitor Thursday's U.S. PPI release for further insight into upstream price pressures and implications for April's core PCE.

### Key Market Movements

Equity	Value	% chg
S&P 500	5886.6	0.7%
DJIA	42140	-0.6%
Nikkei 225	38183	1.4%
SH Comp	3374.9	0.2%
STI	3881.1	0.1%
Hang Seng	23108	-1.9%
KLCI	1582.4	2.3%
	Value	% chg
DXY	101.003	-0.8%
USDJPY	147.48	-0.7%
EURUSD	1.1185	0.9%
GBPUSD	1.3306	1.0%
USDIDR	16515	0.0%
USDSGD	1.3011	-0.4%
SGDMYR	3.3116	0.0%
	Value	chg (bp)
2Y UST	4.00	-1.02
10Y UST	4.47	-0.59
2Y SGS	2.17	9.10
10Y SGS	2.52	8.98
3M SORA	2.32	-1.08
3M SOFR	4.36	-0.07
	Value	% chg
Brent	66.63	2.6%
WTI	63.67	2.8%
Gold	3250	0.4%
Silver	32.93	1.0%
Palladium	958	0.9%
Copper	9600	0.8%
BCOM	103.23	0.9%

Source: Bloomberg

## Major Markets

**ID:** Australian Prime Minister Anthony Albanese will make his first overseas trip post-reelection to Indonesia on 14 May for a two-day visit, just a day after his inauguration. He is set to meet President Prabowo Subianto at the Presidential Palace in Jakarta to discuss enhancing bilateral ties across strategic sectors, including food, energy resilience, and trade. President Prabowo reaffirmed Indonesia's commitment to deepening cooperation, calling Australia a trusted and close partner. Indonesia and Australia upgraded their relationship to a Strategic Comprehensive Partnership in 2018 and established the Indonesia-Australia Comprehensive Economic Partnership Agreement in 2019.

**MY:** A five-year anti-dumping duty will apply to flat-rolled iron, non-alloy steel, and tinplate imports from China (4.5%–20.4%), India (27.9%), Japan (15.7%–36.8%), and South Korea (21.6%–35.4%), effective 11 May 2025. The measure follows an investigation prompted by a local producer's petition, and that the investigation confirmed these goods were underpriced and caused injury to domestic industry. The Royal Malaysian Customs Department will enforce the duties through 10 May 2030, with the Ministry of Investment, Trade and Industry (MITI) expects the measures to curb the effects of unfair trade practices.

**TH:** The tourism ministry revealed that foreign tourist arrivals fell by 1.0% in the January to 11 May 2025 period compared to the same period in 2024. Specifically, the ministry noted that foreign arrivals have reached 12.9 million year-to-date as of 11 May. The Tourism Authority of Thailand expects 35.5 million international arrivals in 2025, matching last year's figure.

**VN:** Motor vehicle sales growth accelerated to 10.2% YoY (23.2k units) in April, up from 8.1% (26.1k units) in March, bringing the year-to-April total motor vehicle sales to 82.1k units (+14.2% YoY). In the first four months of 2025, sales volume was led by passenger cars (56.4k, 8.9%YoY), commercial vehicles (21.8k, 22.3%), hybrid vehicles (3.5k, 81.9%), and SUV/MPVs (413, 23.7%).

## ESG

**ID:** Vietnamese electric vehicle (EV) charging station developer V-Green announced that it will co-invest a total of US\$300 mn with four partners to deploy charging facilities exclusively for VinFast EVs in Indonesia. Indonesian vehicle distributor Amarta Group, Vietnamese multiservice EV charging station developer ChargePoint and construction firm CVS have each committed to distributing charging ports and investing about US\$5.3 mn annually. In addition, Chinese EV charger developer Chargecore plans to invest a minimum of US\$30 mn in 2025. They aim to roll out about 63,000 charging ports and 50,000 stations in Indonesia, which can help bolster the country's EV ecosystem.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 11-14bps higher, belly tenors trading 12-13bps higher and 10Y trading 10bps higher. Per Bloomberg, Global sustainable debt sales surged in April, reaching a record USD18 billion, largely due to China's busiest month in the market. This included China's first sovereign green bond and supply from Industrial Bank Co. and Bank of Communications Co. Overall, global sales of green, sustainability, and sustainability-linked bonds increased compared to last year. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 82bps while Bloomberg Asia USD High Yield spreads tightened by 9bps to 484bps respectively. (Bloomberg, OCBC)

### New Issues:

There was one notable issuance in the Asiadollar market yesterday.

- Korea Housing Finance Corp priced a USD400mn 5Y Sustainability FRN at SOFR+80bps.

There was one notable issuance in the Singdollar market yesterday.

- DBS Trustee Limited in its capacity as a trustee of IREIT Global ("IREIT") priced SGD85mn of 3Y Green Fixed bond at 6.00%.

### Mandates:

There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	101.003	-0.77%	USD-SGD	1.3011	-0.39%
USD-JPY	147.480	-0.66%	EUR-SGD	1.4551	0.49%
EUR-USD	1.119	0.88%	JPY-SGD	0.8822	0.28%
AUD-USD	0.647	1.55%	GBP-SGD	1.7313	0.60%
GBP-USD	1.331	0.99%	AUD-SGD	0.8418	1.15%
USD-MYR	4.322	0.50%	NZD-SGD	0.7726	1.05%
USD-CNY	7.205	-0.01%	CHF-SGD	1.5499	0.35%
USD-IDR	16515	0.12%	SGD-MYR	3.3116	-0.04%
USD-VND	25959	-0.05%	SGD-CNY	5.5370	0.41%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.1230	0.43%	1M	4.3280	-0.03%
3M	2.1390	0.71%	2M	4.3335	0.04%
6M	2.1210	0.47%	3M	4.3235	-0.04%
12M	2.0670	2.12%	6M	4.2620	0.02%
			1Y	4.0735	0.04%

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
05/07/2025	-0.019	-1.9	-0.005
06/18/2025	-0.082	-8.2	-0.021
07/30/2025	-0.413	-33.1	-0.103
09/17/2025	-1.007	-59.4	-0.252
12/10/2025	-2.116	-62.3	-0.529

## Equity and Commodity

Index	Value	Net change
DJIA	42,140.43	-269.67
S&P	5,886.55	42.36
Nasdaq	19,010.08	301.74
Nikkei 225	38,183.26	539.00
STI	3,881.05	4.89
KLCI	1,582.39	35.89
JCI	6,832.80	5.05
Baltic Dry	1,304.00	5.00
VIX	18.22	-0.17

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.17 (+0.09)	4(--)
5Y	2.21 (+0.12)	4.1 (-0.01)
10Y	2.52 (+0.09)	4.47 (-0.01)
15Y	2.62 (+0.09)	--
20Y	2.64 (+0.07)	--
30Y	2.65 (+0.06)	4.91(--)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.28
------	------

## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.67	2.78%	Corn (per bushel)	4.360	-1.0%
Brent (per barrel)	66.63	2.57%	Soybean (per bushel)	10.673	0.1%
Heating Oil (per gallon)	217.13	2.85%	Wheat (per bushel)	5.015	0.5%
Gasoline (per gallon)	216.60	1.54%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.65	0.03%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9599.50	0.83%	Gold (per oz)	3250.3	0.4%
Nickel (per mt)	15735.00	0.64%	Silver (per oz)	32.9	1.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
5/14/2025 7:00	SK	Unemployment rate SA	Apr	3.00%	2.70%	2.90%	--
5/14/2025 7:50	JN	PPI YoY	Apr	4.00%	4.00%	4.20%	4.30%
5/14/2025 7:50	JN	PPI MoM	Apr	0.30%	0.20%	0.40%	--
5/14/2025 11:00	SK	Bank Lending To Household Total	Apr	--	--	KR1145.0t	--
5/14/2025 14:30	IN	Wholesale Prices YoY	Apr	1.50%	--	2.05%	--
5/14/2025 19:00	US	MBA Mortgage Applications	9-May	--	--	11.00%	--
5/13/2025-5/18/2025	CH	FDI YTD YoY CNY	Apr	--	--	-10.80%	--
5/14/2025-5/16/2025	ID	Local Auto Sales	Apr	--	--	70892	--
5/13/2025-5/15/2025	CH	New Yuan Loans CNY YTD	Apr	10474.6b	--	9780.0b	9774.6b
5/13/2025-5/15/2025	CH	Aggregate Financing CNY YTD	Apr	16577.1b	--	15180.0b	15177.1b
5/13/2025-5/15/2025	CH	Money Supply M2 YoY	Apr	7.20%	--	7.00%	--
5/13/2025-5/15/2025	CH	Money Supply M1 YoY	Apr	3.20%	--	1.60%	--
5/13/2025-5/15/2025	CH	Money Supply M0 YoY	Apr	--	--	11.50%	--

Source: Bloomberg



## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavanyavenkateswaran@ocbc.com](mailto:lavanyavenkateswaran@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathanng4@ocbc.com](mailto:jonathanng4@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message endorsing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W