

## Daily Treasury Outlook

14 July 2025

### Highlights

**Global:** Impatient? US President Trump has declared a 30% tariff on EU and Mexico effective August 1. The S&P500 slid 0.33% on Friday, swayed by tariff concerns. Despite Fed's Waller and Daly signalling rate cuts this year, market players are only eyeing September or October FOMC meetings. The 10-year UST bond yield also closed higher for the week, up 6bps at 4.41%. Elsewhere, China's June CPI surprised on the upside at 0.1% YoY, but the producer price index continued to deepen to -3.6% YoY.

**Market Watch:** Asian markets may open on a slightly cautious tone today following the escalation of US tariffs on EU and Mexico. Today's economic data calendar comprises of China's June trade data, Indonesia's May external debt and India's June CPI. ECB's Vujcic and Cipollone are also speaking today. For the week ahead, key to watch will be the US' core CPI due tomorrow for signs of tariff pass-through effects (with market eyeing an acceleration to 2.9% YoY and 0.3% MoM), as well as Singapore's NODX on Wednesday, US' Beige Book, June retail sales and import price index on Friday. On the central bank front, watch BI's policy decision (consensus is for no change; OCBC expects 25bp cut but it's a close call) on Wednesday. On the earnings front, US banks will kick off reporting season on Wednesday with JPMorgan, Citigroup and BlackRock Inc, followed by Netflix on Thursday. Investors are also awaiting policy signals from China's Communist Party leadership meeting for hints at further stimulus measures to support growth.

**SG:** 2Q25 GDP growth came in better than expected at 4.3% YoY (1.4% QoQ sa) amid the manufacturing boost (5.5% YoY and 0.1% QoQ sa), whilst construction (4.9% YoY and 4.4% QoQ sa) and services (4.1% YoY and 1.4% QoQ sa). While 1H25 growth has been a 4.2% YoY, full-year 2025 GDP growth looks likely to come in above 2% handle even with a slowdown in 2H25 – hence we upgrade our full-year 2025 GDP growth forecast to 2.1% YoY. Barring further downside in core CPI, we do not expect MAS to ease monetary policy at the upcoming MPS meeting later this month. In fact, 2H25 core CPI could edge higher from the average 0.6% YoY seen in January-May 2025, partly due to low base effects in 4Q24.

**Commodities:** Crude oil benchmarks rebounded on Friday, with WTI and Brent rising by 2.8% and 2.5%, respectively, to USD68.5/bbl and USD70.4/bbl. US President Donald Trump announced plans to make a major statement on Russia on Monday, following his earlier expressions of frustration toward Russian President Vladimir Putin and the Russia-Ukraine War. Markets are preparing for potential sanctions against the Russian energy sector, which would disrupt supply amid the ongoing tightness in the global oil market.

### Key Market Movements

Equity	Value	% chg
S&P 500	6259.8	-0.3%
DJIA	44372	-0.6%
Nikkei 225	39570	-0.2%
SH Comp	3510.2	0.0%
STI	4087.8	0.3%
Hang Seng	24140	0.5%
KLCI	1536.1	0.0%
	Value	% chg
DX	97.853	0.2%
USDJPY	147.43	0.8%
EURUSD	1.1689	-0.1%
GBPUSD	1.3493	-0.6%
USIDR	16211	-0.1%
USDSGD	1.2803	0.1%
SGDMYR	3.3206	0.0%
	Value	chg (bp)
2Y UST	3.89	1.29
10Y UST	4.41	5.95
2Y SGS	1.79	5.20
10Y SGS	2.18	6.93
3M SORA	1.97	-0.77
3M SOFR	4.34	-0.02
	Value	% chg
Brent	70.36	2.5%
WTI	68.45	2.8%
Gold	3356	0.9%
Silver	38.42	3.8%
Palladium	1202	5.1%
Copper	9661	-0.4%
BCOM	103.83	0.7%

Source: Bloomberg

## Major Markets

**CH:** China's Shanghai Composite Index ended the week above the 3,500 mark for the first time since early 2022, defying persistent concerns over the ongoing disinflationary trend. China's producer price index remained firmly in negative territory, signalling continued weakness in industrial prices. However, the slower-than-expected pace of recovery may be reinforcing expectations for stronger policy support. Indeed, much of the recent market rally has been driven by policy optimism, ranging from the emerging "anti-involution" narrative to renewed hopes for stabilization in the property sector.

**ID:** President Prabowo Subianto began his inaugural European state visit in Brussels, where he plans to meet EU leadership and Belgium's King Philippe. The visit aims to strengthen strategic cooperation with the EU while exploring opportunities to expand bilateral ties and develop new areas of collaboration with Belgium. President Prabowo is accompanied by several Indonesian cabinet ministers, including Coordinating Minister for Economic Affairs Airlangga Hartarto, Minister of Investment and Downstreaming Rosan Roeslani, and Trade Minister Budi Santoso. Following his visit to Brussels, President Prabowo will travel to France to attend the Bastille Day commemoration on 14 July.

**MY:** Industrial production growth slowed to 0.3% YoY in May from 2.7% in April, well below expectations. The drag was from the mining sector where production dropped further to -10.2% YoY from -6.3% in April. The Department of Statistics put this down to "a decrease further in Natural Gas and Crude Oil & Condensate production." While the headline print belies some resilience in manufacturing output, it still suggests that growth momentum is slowing. This further supports our view that Bank Negara Malaysia will cut its policy rate by an additional 25bp this year, taking the OPR to 2.50% by end-2025.

**PH:** The Board of Investments (BOI) has awarded green lane status to five onshore wind energy projects by Cleantech Global Renewables Inc. (CTGRI), totalling PHP108bn. These projects are located in the Central Luzon and Calabarzon regions and are expected to create over 3000 jobs. The green lane certification is part of the government's broader effort to accelerate strategic investments in the renewable energy sector. As of end-June, the BOI has approved 222 projects for green lane processing, with a significant share allocated to the renewable energy sector.

**TH:** The Port Authority of Thailand (PAT) posted its highest-ever revenue and profit for FY24 (October 2023 - September 2024). It maintained solid financial performance in the first half of FY25 (October 2024 - March 2025), driven by strong export momentum. Nevertheless, the potential impact of US reciprocal tariffs in the second half of the year poses headwinds to growth momentum. Director-General of PAT Kriengkrai Chaisiriwongsuk, reassured that immediate effects have not yet surfaced, as many exporters have already front-loaded orders through year-end.

## ESG

**Rest of the world:** European countries have demanded more changes to the EU's deforestation regulation, as some producers are unable to meet the terms and face a competitive disadvantage. This is despite the delay of the regulation by a year and simplification of some reporting rules. Agriculture ministers from 18 EU member countries wrote to the EU Commission to demand that the EU rules are not applied to countries categorised under the low-risk category, voicing concerns that European producers would relocate abroad to avoid the additional costs of complying with the rules. In particular, the traceability requirements under the regulation will be difficult for companies to meet.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 5-6bps higher while belly tenors and 10Y traded 7bps higher. Per Bloomberg and JP Morgan, credit rating downgrades are becoming more frequent. In 2Q2025, ~USD94bn of US IG debt were downgraded in comparison to USD78bn of upgrades. It was the first time since 2021 that downgrades outpaced upgrade. As per Bloomberg, Chinese builder Seazen Group aims to raise around RMB1bn (USD139mn) through asset-backed securities by late August or early September, according to The Paper citing unnamed sources. The company also plans to issue RMB1bn to RMB2bn in MTNs guaranteed by China Bond Insurance and is advancing a RMB6bn corporate bond sale, starting with a RMB700mn tranche. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 69bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 364bps respectively. (Bloomberg, OCBC)

### New Issues:

There were two notable issuances in the Asiadollar market last Friday.

- Tai'an High Tech Construction Group Co., Ltd. priced a USD112.95mn 3Y Fixed Bond at 6.90%.
- Tianjin Lingang Investment Holding Group Co. Ltd. (Tianjin Lingang Investment Development Group Co Ltd) priced a USD41mn 3Y Green Fixed Bond at 5.50%.

There were no notable issuances in the Singdollar market last Friday.

### Mandates:

- There were no notable mandates last Friday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.853	0.21%	USD-SGD	1.2803	0.06%
USD-JPY	147.430	0.80%	EUR-SGD	1.4968	-0.03%
EUR-USD	1.169	-0.10%	JPY-SGD	0.8687	-0.71%
AUD-USD	0.658	-0.15%	GBP-SGD	1.7276	-0.58%
GBP-USD	1.349	-0.63%	AUD-SGD	0.8424	-0.09%
USD-MYR	4.254	0.10%	NZD-SGD	0.7694	-0.36%
USD-CNY	7.170	-0.11%	CHF-SGD	1.6075	0.11%
USD-IDR	16211	-0.06%	SGD-MYR	3.3206	0.03%
USD-VND	26109	-0.02%	SGD-CNY	5.5995	-0.13%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9130	-0.67%	1M	4.3376	0.04%
3M	2.0260	1.25%	2M	4.3515	0.03%
6M	2.0720	0.10%	3M	4.3202	0.02%
12M	2.0890	0.00%	6M	4.2014	0.02%
			1Y	3.9713	-0.09%

## Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.067	-6.7	-0.017	4.313
09/17/2025	-0.668	-60.1	-0.167	4.162
12/10/2025	-2.013	-74.6	-0.503	3.826

## Equity and Commodity

Index	Value	Net change
DJIA	44,371.51	-279.13
S&P	6,259.75	-20.71
Nasdaq	20,585.53	-45.13
Nikkei 225	39,569.68	-76.68
STI	4,087.81	12.11
KLCI	1,536.07	-0.45
JCI	7,047.44	42.07
Baltic Dry	1,663.00	198.00
VIX	16.40	0.62

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.79 (+0.05)	3.88(--)
5Y	1.83 (+0.07)	3.97 (+0.04)
10Y	2.18 (+0.07)	4.42 (+0.06)
15Y	2.26 (+0.08)	--
20Y	2.26 (+0.08)	--
30Y	2.26 (+0.07)	4.96 (+0.08)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.31
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	68.45	2.82%	Corn (per bushel)	4.030	-1.0%
Brent (per barrel)	70.36	2.51%	Soybean (per bushel)	10.040	-0.8%
Heating Oil (per gallon)	244.74	2.68%	Wheat (per bushel)	5.408	-1.7%
Gasoline (per gallon)	218.70	1.61%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.31	-0.69%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9660.50	-0.41%	Gold (per oz)	3355.6	0.9%
Nickel (per mt)	15198.00	-0.60%	Silver (per oz)	38.4	3.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/14/2025 10:00	CH	Exports YoY	Jun	5.00%	--	4.80%	--
7/14/2025 10:00	CH	Imports YoY	Jun	0.30%	--	-3.40%	--
7/14/2025 10:00	CH	Trade Balance	Jun	\$112.10b	--	\$103.22b	--
7/14/2025 10:00	CH	Exports YoY CNY	Jun	--	--	6.30%	--
7/14/2025 10:00	CH	Imports YoY CNY	Jun	--	--	-2.10%	--
7/14/2025 10:00	CH	Trade Balance CNY	Jun	--	--	750.00b	--
7/14/2025 11:00	ID	External Debt	May	--	--	\$431.5b	--
7/14/2025 12:30	JN	Industrial Production MoM	May F	--	--	0.50%	--
7/14/2025 12:30	JN	Industrial Production YoY	May F	--	--	-1.80%	--
7/14/2025 12:30	JN	Capacity Utilization MoM	May	--	--	1.30%	--
7/14/2025 12:30	JN	Tertiary Industry Index MoM	May	0.10%	--	0.30%	--
7/14/2025 14:30	IN	Wholesale Prices YoY	Jun	0.53%	--	0.39%	--
7/14/2025 18:30	IN	CPI YoY	Jun	2.26%	--	2.82%	--
7/14/2025-7/26/2025	WO	IMF World GDP Constant Prices	2025 F	--	--	2.80%	--

Source: Bloomberg



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