

Daily Treasury Outlook

14 August 2025

Highlights

Global: US benchmark equity indices closed broadly higher overnight, as the S&P 500 and Nasdaq continued to close at record highs. The rally reflects renewed confidence that the Federal Reserve will pursue to initiate its rate cut in its upcoming FOMC meeting in September. The fed funds futures have fully priced in a 25bp cut for the September meeting. The US Treasury Secretary Scott Bessent contended that the current benchmark interest rates remain excessively high by 150–175bp and has called for a 50bp cut at the September meeting. Meanwhile, Atlanta Fed President Raphael Bostic affirmed that one rate reduction this year appears fitting, provided the “labour market stays solid.” Chicago Fed President Austan Goolsbee cautioned against viewing tariffs as a one-time shock, adding that he prefers to gain more clarity on the impact of tariffs have on inflation before coming to a view on whether a rate cut is warranted. On the geopolitical front, President Donald Trump issued a warning of “very severe consequences” should President Putin decline to end the war in Ukraine during their scheduled meeting in Alaska this Friday (15 August).

Market Watch: This morning, Australia’s employment rose by 24.5k in July, up from 1.0k in June, while the unemployment rate fell to 4.2% from 4.3% the previous month. From Europe, a deluge of UK data is expected, including GDP, industrial production, and manufacturing production figures. Additionally, the EU will release GDP, industrial production, and employment data this afternoon. In the US, markets will be closely watching headline and core PPI prints, along with initial and continuing jobless claims.

Major Markets

ID: The government has doubled its number of international airports from 22 to 40 under President Prabowo Subianto, reversing the previous administration’s policy that reduced the number to control costs, as reported by Bloomberg. This expansion includes airports in populous and key industrial regions such as Weda Bay and Morowali Industrial Park, aiming to boost regional tourism and economic growth by maximizing direct international flights nationwide.

MY: The household debt stood at MYR1.65trn as of 1Q25, equivalent to 84.3% of GDP according to Deputy Finance Minister Lim Hui Ying. While the total household debt was slightly higher than MYR1.63trn in 4Q24, DFM Lim noted that debt to service ratio for household loans were “at a prudent 34%”. Although household debt levels remain elevated, they are back by household financial assets, which exceed debt by 2.1 times, providing a solid buffer for households to meet their debt obligations, as reported by Bernama, citing DFM Lim.

Key Market Movements

Equity	Value	% chg
S&P 500	6466.6	0.3%
DJIA	44922	1.0%
Nikkei 225	43275	1.3%
SH Comp	3683.5	0.5%
STI	4272.8	1.2%
Hang Seng	25614	2.6%
KLCI	1586.6	1.2%
	Value	% chg
DXY	97.840	-0.3%
USDJPY	147.38	-0.3%
EURUSD	1.1705	0.3%
GBPUSD	1.3576	0.6%
USDIDR	16195	-0.6%
USDSGD	1.2801	-0.3%
SGDMYR	3.2883	0.0%
	Value	chg (bp)
2Y UST	3.67	-5.63
10Y UST	4.23	-5.62
2Y SGS	1.57	-2.60
10Y SGS	1.92	-3.35
3M SORA	1.76	-0.96
3M SOFR	4.35	0.08
	Value	% chg
Brent	65.63	-0.7%
WTI	62.65	-0.8%
Gold	3356	0.2%
Silver	38.50	1.6%
Palladium	1137	0.5%
Copper	9803	-0.4%
BCOM	100.35	0.1%

Source: Bloomberg

TH: The Bank of Thailand's Monetary Policy Committee unanimously cut its policy rate by 25bp to 1.50%, broadly in line with expectations. Despite stronger-than-expected 2Q25 growth, partly driven by higher exports, the BoT forecasts slower economic momentum in the latter half of 2025, with annual growth projections of 2.3% for 2025 and 1.7% for 2026. With inflation remaining subdued, the BoT signaled a shift toward maintaining accommodative monetary policy to support the economy, indicating potential for further easing. To that end, we continue to see room for the BoT to cut its policy rate by another 25bp for the remainder of the year, bringing the policy rate to 1.25% by year-end.

ESG

Rest of the world: The Integrity Council for the Voluntary Carbon Market (ICVCM) has approved the Verified Carbon Standard (VCS) Program's biochar and improved forest management (IFM) methodologies as meeting the Core Carbon Principles (CCP) criteria, indicating high environmental integrity. Biochar credits are typically priced higher than other nature-based credits like REDD+ due to the technical complexity and high costs of industrial biochar production, as well as high carbon permanence. The tech-based removal attribute therefore commands higher prices than more abundant and lower-cost nature-based credits.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3bps lower while belly tenors traded 2-3bps lower and 10Y traded 2bps lower. As per Bloomberg, liquidators plan to focus on Hui Ka Yan, China Evergrande Group's ("Evergrande") founder, at a 02 September 2025 hearing after he refused to disclose his assets, heightening tensions with creditors. The case involves USD6bn of assets in dividends and remuneration paid to Hui and others. Liquidators are reviewing files from 3,000 Evergrande-related entities and hope a court order forcing Hui to disclose his holdings could help locate wealth that amounts to about one-eighth of the firm's estimated USD45bn debt. Meanwhile, Shandong Sunlight Xin Tiandi Micro-finance has filed a winding-up petition against KWG Group Holdings Ltd for RMB642mn in outstanding debt and RMB136.2mn in interest accrued. In other news by Bloomberg, Moody's Ratings upgraded Pakistan's credit rating to Caa1 from Caa2 with a stable outlook, based on improved financial positions supported by a loan from the International Monetary Fund. Bloomberg Asia USD Investment Grade spreads traded flat at 65bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 363bps respectively. (Bloomberg, OCBC)

New issues:

There were four notable issuances by three issuers in the Asiadollar market yesterday.

- Temasek Financial (I) Limited (guarantor: Temasek Holdings (Private) Limited) priced USD1.5bn of debt in two tranches: a USD750mn 2Y Fixed Bond at T+15bps (Yield: 3.841%) and a USD750mn 2Y FRN at SOFR+38bps.
- Henan Water Conservancy Investment Group Co Ltd priced a USD500mn 3Y Green Fixed Bond at 4.30%.
- Chengdu Sino French Ecological Park Investment Development Co. Ltd. priced a USD100mn 3Y Fixed Bond at 6.80%.

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	97.840	-0.26%	USD-SGD	1.2801	-0.28%
USD-JPY	147.380	-0.31%	EUR-SGD	1.4984	-0.01%
EUR-USD	1.171	0.26%	JPY-SGD	0.8685	0.08%
AUD-USD	0.655	0.25%	GBP-SGD	1.7379	0.34%
GBP-USD	1.358	0.56%	AUD-SGD	0.8381	0.00%
USD-MYR	4.207	-0.56%	NZD-SGD	0.7650	0.12%
USD-CNY	7.177	-0.07%	CHF-SGD	1.5888	-0.14%
USD-IDR	16195	-0.58%	SGD-MYR	3.2883	0.02%
USD-VND	26282	0.09%	SGD-CNY	5.6032	0.10%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8660	-2.00%	1M	4.3587	-0.01%
3M	2.0290	0.00%	2M	4.2437	-0.38%
6M	2.0980	0.62%	3M	4.1775	-0.22%
12M	2.1420	0.47%	6M	4.0014	-0.21%
			1Y	3.7515	-0.23%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.068	-106.8	-0.267
12/10/2025	-2.545	-82	-0.636
			4.062
			3.693

Equity and Commodity

Index	Value	Net change
DJIA	44,922.27	463.66
S&P	6,466.58	20.82
Nasdaq	21,713.14	31.24
Nikkei 225	43,274.67	556.50
STI	4,272.76	52.04
KLCI	1,586.60	18.70
JCI	7,892.91	101.21
Baltic Dry	2,017.00	-21.00
VIX	14.49	-0.24

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.57 (-0.03)	3.67(--)
5Y	1.66 (-0.02)	3.76 (-0.06)
10Y	1.92 (-0.03)	4.23 (-0.06)
15Y	2 (-0.02)	--
20Y	2.02 (-0.03)	--
30Y	2.08 (-0.03)	4.82 (-0.05)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.36
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.65	-0.82%	Corn (per bushel)	3.740	0.7%
Brent (per barrel)	65.63	-0.74%	Soybean (per bushel)	10.235	1.2%
Heating Oil (per gallon)	224.28	-0.06%	Wheat (per bushel)	5.073	0.4%
Gasoline (per gallon)	207.04	-0.19%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.83	0.71%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9803.00	-0.38%	Gold (per oz)	3355.9	0.2%
Nickel (per mt)	15264.00	-0.44%	Silver (per oz)	38.5	1.6%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/14/2025 9:30	AU	Unemployment Rate	Jul	4.20%	--	4.30%	--
8/14/2025 9:30	AU	Participation Rate	Jul	67.10%	--	67.10%	--
8/14/2025 14:00	UK	GDP YoY	2Q P	1.00%	--	1.30%	--
8/14/2025 14:00	UK	Industrial Production YoY	Jun	-0.20%	--	-0.30%	--
8/14/2025 14:00	UK	Manufacturing Production YoY	Jun	-0.80%	--	0.30%	--
8/14/2025 17:00	EC	GDP SA QoQ	2Q S	0.10%	--	0.10%	--
8/14/2025 17:00	EC	GDP SA YoY	2Q S	1.40%	--	1.40%	--
8/14/2025 17:00	EC	Industrial Production SA MoM	Jun	-1.00%	--	1.70%	--
8/14/2025 17:00	EC	Industrial Production WDA YoY	Jun	1.50%	--	3.70%	--
8/14/2025 17:00	EC	Employment YoY	2Q P	--	--	0.70%	--
8/14/2025 20:30	US	PPI Final Demand YoY	Jul	2.50%	--	2.30%	--
8/14/2025 20:30	US	PPI Ex Food and Energy YoY	Jul	3.00%	--	2.60%	--
8/14/2025 20:30	US	PPI Ex Food, Energy, Trade YoY	Jul	2.50%	--	2.50%	--
8/14/2025 20:30	US	Initial Jobless Claims	9-Aug	225k	--	226k	--
8/14/2025 20:30	US	Initial Claims 4-Wk Moving Avg	9-Aug	--	--	220.75k	--
8/14/2025 20:30	US	Continuing Claims	2-Aug	1967k	--	1974k	--

Source: Bloomberg

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Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Jonathan Ng
ASEAN Economist
jonathann4@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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