

## Daily Treasury Outlook

14 October 2025

### Highlights

**Global:** TACO trade again? Markets are betting on de-escalation of trade tensions between US and China, as US President Trump struck a more conciliatory tone after threatening China with fresh tariffs last Friday. Treasurer Bessent indicated that a Trump Xi meeting is expected, though all options are open for retaliation. According to Polymarket data, market players ascribed to around 11% probability that the additional 100% tariff on China will come in effect by 1 Nov. US and European equity markets staged a broad-based relief rally, following the sharp pullback last Friday. Major US indexes closed the day 1.3%-2.2% higher, led by chipmakers and AI-related tech stocks. US bond markets were closed for Columbus Day. The dollar steadied and ended the day mildly higher. Oil prices recovered somewhat from five-month lows. Spot gold climbed above USD4,100/oz for the first time, while silver surged to an all-time high amid short squeezes.

The Philadelphia Fed's Paulson supported two more quarter-point rate cuts this year, as she does not expect tariff-induced price increases to result in sustained inflation. Meanwhile, the BoE's Greene signalled that she is considering a pause in rate cuts until at least March next year, warning that rising prices appear to be affecting inflation expectations. On the data front, China's exports and imports rose at faster paces at 8.3% YoY and 7.4% YoY respectively in September (Consensus: 6.6% YoY and 1.8% YoY respectively). Meanwhile, trade surplus missed estimates at USD90.45bn (Consensus: USD98.2bn). Singapore's 3Q GDP growth slowed to 2.9% YoY, though still beating the consensus at 2.0%.

**Market Watch:** Asian markets are likely to open with an upbeat tone today. The economic calendar in APAC market comprises of India's September unemployment rate and trade data, and RBA minutes. Later today, the market will watch UK' labour market data in August, final reading of Germany's September CPI, Germany's October ZEW survey, US' September NFIB Small Business Optimism.

**Singapore:** Advance 3Q25 GDP growth came in better than expected at 2.9% YoY (1.3% QoQ sa) versus an upwardly revised 4.5% (1.5%) in 2Q25. By sector, growth in the manufacturing, construction and services moderated to 0.0%, 3.1% and 3.5% respectively, down from 5.0%, 6.2% and 4.5%. As expected, the Monetary Authority of Singapore (MAS) kept its policy settings unchanged for the second consecutive meeting. MAS tips 2025 core inflation at 0.5% with headline CPI at 0.5-1.0% while both are forecast at 0.5-1.5% in 2026.

### Key Market Movements

Equity	Value	% chg
S&P 500	6654.7	1.6%
DJIA	46068	1.3%
Nikkei 225	48089	0.0%
SH Comp	3889.5	-0.2%
STI	4389.8	-0.8%
Hang Seng	25889	-1.5%
KLCI	1615.2	-0.4%
	Value	% chg
DXY	99.269	0.3%
USDJPY	152.28	0.7%
EURUSD	1.1570	-0.4%
GBPUSD	1.3333	-0.2%
USIDR	16560	0.0%
USDSGD	1.2986	0.1%
SGDMYR	3.2575	0.2%
	Value	chg (bp)
2Y UST	3.50	0.00
10Y UST	4.03	0.00
2Y SGS	1.44	-2.70
10Y SGS	1.79	-3.41
3M SORA	1.41	-0.75
3M SOFR	4.33	0.00
	Value	% chg
Brent	63.32	0.9%
WTI	59.49	1.0%
Gold	4110	2.3%
Silver	52.37	4.4%
Palladium	1479	5.2%
Copper	10821	2.9%
BCOM	105.80	1.6%

Source: Bloomberg

**Commodities:** Crude oil benchmarks rebounded on Monday, recovering some of last week's losses, with WTI and Brent rising by 1.0% and 0.9%, respectively, to USD59.5/bbl and USD63.3/bbl. The rebound was driven by President Trump's softened tone regarding US-China trade tensions, signalling openness to negotiate and reached a deal with China. Separately, OPEC, in its October 2025 monthly report, maintained its outlook for the oil market, projecting global oil demand growth forecasts of 1.3mbpd and 1.4mbpd in 2025 and 2026, respectively.

## Major Markets

**ID:** President Prabowo Subianto has backed a proposal to establish a financial hub in Bali, aimed at revitalizing the economy by attracting global banks, asset managers, and private equity firms, as reported by Reuters. The plan would grant tax and regulatory incentives while streamlining business procedures through a distinct legal framework. The initiative is being developed by the finance ministry and the National Economic Council, with a draft proposal targeted for parliamentary review by year-end.

**MY:** The unemployment rate was unchanged at 3.0% in August, similar to July. The number of employed persons continued on an uptrend and rose by 39.1k to 16.99mn in July, particularly in the services sector, including wholesale & retail trade and information & communication activities, as well as accommodation and food & beverages. Likewise, higher employment was seen in the manufacturing, construction, agriculture, and mining & quarrying sectors. The labour force participation increases slightly to 70.9 in August from 70.8 in July.

**PH:** The Bangko Sentral ng Pilipinas (BSP) is reviewing a proposal to demonetise PHP500 and PHP1,000 bills to curb their use in illicit activities. Nonetheless, BSP Governor Eli Remolona expressed caution regarding the measure. Instead, the BSP has tightened monitoring by requiring banks to report transactions of PHP500,000 or more and to file suspicious transaction reports. Furthermore, Circular No. 1218 issued in September 2024, mandates traceable payment methods for large sums to limit risks of money laundering. The BSP is also exploring digital tools to strengthen anti-money laundering efforts.

**VN:** The EU has announced a EUR430mn support package for Vietnam's Bac Ai Pumped Hydro Storage Project, a key part of the Just Energy Transition Partnership (JETP) to help the country shift from coal to renewables. The initiative, formalized at the 2nd Global Gateway Forum (GGF2), aims to strengthen Vietnam's energy security, improve access to clean electricity, create employment opportunities, and support renewable energy integration, thereby advancing its 2050 net-zero goal.

**ESG**

**Rest of the world:** Climate scientists are warning of climate tipping points being crossed, with the first being coral reefs globally in a state of almost irreversible die-off. The warning in the Global Tipping Points report by 160 researchers worldwide, which synthesizes science-based research to estimate points of no return, was published just weeks ahead of this year's COP30 climate summit. The last two years saw record high temperatures, resulting in 84% of the world's reefs to the point of bleaching and death. For corals to recover, countries would need to drastically ramp up climate action to reverse temperatures back down to just 1°C above the preindustrial average. However, the world is currently on track for about 3.1°C of warming in this century.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower yesterday with shorter tenors, belly tenors and 10Y trading 2bps lower. As per Bloomberg, China Vanke Co Ltd's recently appointed chairman Xin Jie has resigned from the role due to personal reasons while Huang Liping has been elected as the new chairman. The resignation may raise further market concerns over Vanke's liquidity and solvency with its already vulnerable financial position ahead of a wall of onshore debt maturities. Meanwhile, Genting Bhd made a MYR6.7bn bid to privatise its Malaysian Unit, Genting Malaysia Bhd, offering MYR2.35 per share for the remaining 50.64% stake, representing a 9.8% premium on the last closing price with a valuation of MYR13.32bn. Lastly, Moody's affirmed ZhongAn Online P&C Insurance Co Ltd's senior unsecured debt rating at Baa2 and insurance financial strength rating at Baa1 while outlook changed to positive from stable, on the back of improved profitability. Bloomberg Asia USD Investment Grade spreads and Bloomberg Asia USD High Yield spreads remained flat at 61bps and 338bps respectively due to the Columbus Day holiday in the US. (Bloomberg, OCBC)

### New issues:

There were no notable issuances in the Asiadollar & Singdollar market yesterday

### Mandates:

- China Water Affairs Group Limited may issue a USD-denominated Senior Note that will be issued as "Blue Bonds" under the issuer's Green & Blue Finance Framework.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.269	0.29%	USD-SGD	1.2986
USD-JPY	152.280	0.72%	EUR-SGD	1.5025
EUR-USD	1.157	-0.42%	JPY-SGD	0.8528
AUD-USD	0.652	0.63%	GBP-SGD	1.7308
GBP-USD	1.333	-0.20%	AUD-SGD	0.8461
USD-MYR	4.228	0.12%	NZD-SGD	0.7436
USD-CNY	7.131	0.00%	CHF-SGD	1.6149
USD-IDR	16560	0.04%	SGD-MYR	3.2575
USD-VND	26344	0.02%	SGD-CNY	5.4911

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9200	-0.31%	1M	4.0320
3M	2.0090	-0.79%	2M	3.9733
6M	2.0990	-0.24%	3M	3.8923
12M	2.2020	-0.32%	6M	3.7410
			1Y	3.5238

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.967	-96.70%	-0.242	3.858
12/10/2025	-1.916	-94.80%	-0.479	3.62

## Equity and Commodity

Index	Value	Net change
DJIA	46,067.58	587.98
S&P	6,654.72	102.21
Nasdaq	22,694.61	490.18
Nikkei 225	48,088.80	-491.64
STI	4,389.84	-37.22
KLCI	1,615.19	-7.06
JCI	8,227.20	-30.66
Baltic Dry	1,936.00	13.00
VIX	19.03	-2.63

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.03)	3.51(--)
5Y	1.58 (-0.03)	3.62(--)
10Y	1.79 (-0.03)	4.06(--)
15Y	1.86 (-0.03)	--
20Y	1.87 (-0.02)	--
30Y	1.97 (-0.02)	4.65(--)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	4.13
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	59.49	1.00%	Corn (per bushel)	4.108	-0.5%
Brent (per barrel)	63.32	0.94%	Soybean (per bushel)	10.078	0.1%
Heating Oil (per gallon)	224.97	2.05%	Wheat (per bushel)	4.968	-0.4%
Gasoline (per gallon)	184.38	1.29%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.12	0.39%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10820.50	2.88%	Gold (per oz)	4110.3	2.3%
Nickel (per mt)	15206.00	-0.48%	Silver (per oz)	52.4	4.4%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/14/2025 14:00	UK	Average Weekly Earnings 3M/YoY	Aug	4.70%	--	4.70%	--
10/14/2025 14:00	GE	CPI MoM	Sep F	0.20%	--	0.20%	--
10/14/2025 14:00	UK	ILO Unemployment Rate 3Mths	Aug	4.70%	--	4.70%	--
10/14/2025 14:00	GE	CPI YoY	Sep F	2.40%	--	2.40%	--
10/14/2025 14:00	GE	CPI EU Harmonized MoM	Sep F	0.20%	--	0.20%	--
10/14/2025 14:00	GE	CPI EU Harmonized YoY	Sep F	2.40%	--	2.40%	--
10/14/2025 14:00	UK	Claimant Count Rate	Sep	--	--	4.40%	--
10/14/2025 14:00	UK	Jobless Claims Change	Sep	--	--	17.4k	--
10/14/2025 14:30	IN	Wholesale Prices YoY	Sep	0.40%	--	0.52%	--
10/14/2025 17:00	GE	ZEW Survey Expectations	Oct	41.1	--	37.3	--
10/14/2025 17:00	GE	ZEW Survey Current Situation	Oct	-74.2	--	-76.4	--
10/14/2025 18:00	US	NFIB Small Business Optimism	Sep	100.6	--	100.8	--
10/14/2025-10/15/2025	CH	Money Supply M2 YoY	Sep	8.50%	--	8.80%	--
10/14/2025-10/15/2025	CH	Money Supply M1 YoY	Sep	6.10%	--	6.00%	--
10/14/2025-10/15/2025	CH	Money Supply M0 YoY	Sep	--	--	11.70%	--

Source: Bloomberg

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