

## Daily Treasury Outlook

15 July 2025

### Highlights

**Global:** Markets started this week with relatively strong footing, after shrugging off President Trump's latest tariff threat on EU and Mexico. World stocks advanced despite some weakness in European and Asian markets, while the Nasdaq and Bitcoin hit new highs. US treasuries fell and the dollar rose ahead of the June CPI report. Global bonds came under some selling pressure, particularly in the long end, amid concerns over fiscal outlook and defence spending pledge. On the geopolitical front, sources suggested that President Trump will announce new plans to arm Ukraine. He also threatened to impose secondary tariffs or more sanctions if Russia fails to reach a peace deal with Ukraine by early September. BoE's governor Bailey hinted at bigger rate cuts if job market deteriorates more-than-expected.

On data front, Japan's tertiary industry index rose at an accelerated pace of 0.6% MoM (vs. estimate of 0.1% MoM), while core machine orders fell by 0.6% MoM (vs. estimate of -1.5% MoM). China's June exports and imports both outpaced estimates, growing by 5.8% YoY and 1.1% YoY (vs. estimate of 5.0% YoY and 0.3% YoY) respectively in USD terms, following the trade truce. However, near-term trade outlook was clouded by Trump administration's effort to curb transshipments of Chinese exports to US. Meanwhile, China's credit expansion also beat market expectations. Aggregate financing rose by RMB4.2 trillion in June, on the back of increased bond sales and rate cuts. Separately, M1 and M2 rose by 4.6% YoY and 8.3% YoY respectively (from that of 2.3% and 7.9% in the previous month).

**Market Watch:** Investors' attention will turn to the economic data dump from China and US' latest CPI print, which will likely set the tone for the day. Economic calendar in APAC market comprises of Australia's July Westpac consumer confidence (at 93.1), India's June unemployment rate and trade data, China's 2Q GDP and a slew of June economic data. Later today, the market will watch Eurozone's May industrial production, Germany's July ZEW survey results, US' and Canada's June CPI prints.

**Commodities:** Crude oil benchmarks declined on Monday, paring earlier gains. WTI and Brent fell by 2.1% and 1.6%, respectively, to USD67.0/bbl and USD69.2/bbl. US President Donald Trump threatened to impose "secondary tariffs" on Russia's trade partners unless a ceasefire deal with Ukraine is achieved in 50 days. The tariffs rate is "at about 100%". Markets pared back earlier gains amid expectations of harsher sanction, including direct measures targeting Russia's energy sector. The 50-day window also provides some relief amid ongoing tightness in the global oil market.

### Key Market Movements

Equity	Value	% chg
S&P 500	6268.6	0.1%
DJIA	44460	0.2%
Nikkei 225	39460	-0.3%
SH Comp	3519.7	0.3%
STI	4109.2	0.5%
Hang Seng	24203	0.3%
KLCI	1537.5	0.1%
	Value	% chg
DX	98.081	0.2%
USDJPY	147.72	0.2%
EURUSD	1.1664	-0.2%
GBPUSD	1.3427	-0.5%
USIDR	16245	0.2%
USDSGD	1.2821	0.1%
SGDMYR	3.3207	0.0%
	Value	chg (bp)
2Y UST	3.90	1.48
10Y UST	4.43	2.40
2Y SGS	1.79	-0.20
10Y SGS	2.18	-0.49
3M SORA	1.95	-1.97
3M SOFR	4.34	-0.07
	Value	% chg
Brent	69.21	-1.6%
WTI	66.98	-2.1%
Gold	3344	-0.4%
Silver	38.14	-0.7%
Palladium	1194	-0.6%
Copper	9619	-0.4%
BCOM	103.77	-0.1%

Source: Bloomberg

## Major Markets

**CH:** China's trade data outperformed market expectations in June, with exports accelerating to 5.8% YoY and imports rebounding to 1.1% YoY after three months of contraction. The decline in exports to the U.S. narrowed significantly to -16.1% YoY from -34.5% in May, likely reflecting improved sentiment following the recent trade truce. Meanwhile, exports to ASEAN remained robust, rising by 16.8% YoY, with shipments to Vietnam surging 23.8% YoY—potentially due to transshipment-related demand. On the import side, China's purchases of integrated circuits remained resilient, possibly driven by stockpiling activity amid concerns over potential tariff risks from the Trump administration. However, imports of major commodities by value declined, with crude oil and iron ore imports falling 11.5% and 20.9% YoY, respectively. Looking ahead, July trade data may continue to benefit from the deferred tariff timeline. However, the real test could emerge in August should new tariffs be implemented.

China's June credit data came in stronger than expected, with aggregate social financing (ASF) rising by CNY4.2 trillion, surpassing market consensus of CNY3.7 trillion. As a result, the outstanding stock of ASF accelerated to 8.9% YoY from 8.7% in May. New yuan loans increased by CNY2.24 trillion, reflecting a rebound in credit demand across both the household and corporate sectors. Despite lingering concerns about consumer sentiment, short-term household loans rose by CNY262 billion, likely supported by mid-year shopping festivals hosted by e-commerce platforms. Medium- to long-term household loans also improved, potentially due to a pickup in property resale activity.

On the monetary front, M2 growth accelerated to 8.3%, while M1 growth saw a notable rebound to 4.6% YoY—up 2.3 percentage points from the previous month. The M1 recovery was driven by three key factors. First, a low base effect, as M1 contracted by 1.7% YoY in June 2024. Second, increased liquidity preference, with a significant shift from time to demand deposits—household and corporate demand deposits rose by CNY2.06 trillion and CNY1.69 trillion, respectively—reflecting improving economic expectations. Third, the PBoC's supportive policy measures in early May, including interest rate cuts and a 25bps RRR reduction, helped restore market confidence. Additionally, the issuance of special treasury bonds injected liquidity into commercial banks, indirectly supporting M1 growth.

**ID:** According to Investment and Downstreaming Minister Rosan Roeslani, Indonesia and the EU are set to sign the long-awaited Indonesia-European Union Comprehensive Strategic Partnership Agreement (IEU-CEPA) in September, with the aim to immediately ratifying the agreement. He stated that the deal could potentially double the value of bilateral trade to USD60bn, while providing market access for a combined population of 700mn. Indonesian President Prabowo Subianto hailed the agreement as a major breakthrough after a decade of negotiations, describing it as a comprehensive free trade deal. EU President Ursula von der Leyen echoed similar sentiment, framing it as a foundation for deeper bilateral strategic cooperation.

**MY:** According to a media statement by the Ministry of Investment, Trade and Industry, “effective immediately, all exports, transships, and transits of high-performance AI chips of US origin are subject to a Strategic Trade Permit.” This decision follows growing concerns from the US about the possible diversion of sensitive semiconductor components to China, given Malaysia's role as a key logistics hub in the global AI chip supply chain. Malaysia has reiterated its commitment to uphold international export regulations.

**TH:** Thailand is aiming to boost tourist arrivals and spending from the Middle East and Southeast Asia to offset declining revenue. The decline has been partly driven by a drop in Chinese tourists arrivals due to safety concerns. Nevertheless, Tourism Authority of Thailand Governor Thapanee Kiatpaibool emphasised that attracting Chinese tourists remains a priority. The Tourism Authority has revised its 2025 foreign visitor forecast to 35mn, down from the previous estimate of 40mn. Consequently, total revenue is projected to reach THB2.8trn. Tourism remains a key pillar of Thailand's economy, contributing around 12% of GDP. Year-to-date, as of 6 July, tourist arrivals have declined by 5.1% YoY to 17.2mn. According to the Ministry of Tourism and Sports, total revenue generated during this period was THB794.7bn.

## ESG

**SG:** The Singapore Sustainable Finance Association (SSFA) has released additional guidance on how financial institutions can apply the Singapore-Asia Taxonomy (SAT) to green and transition financing instruments. It offers strategies for aligning with technical screening criteria despite data gaps, recognising enabling and value chain activities that support green and transition activities in the SAT etc. The SSFA seeks to encourage wider adoption of the SAT with the publication, with the aim of strengthening sustainable finance practices and supporting the mobilisation of capital towards a net-zero future.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded flat yesterday with shorter tenors, belly tenors and 10Y trading flat. As per Bloomberg, New World Development Co. missed its self-imposed deadline to complete an up to HKD15.6bn (~USD2bn) Deutsche Bank-led loan, according to people familiar with the matter. The loan, secured by Victoria Dockside, aims to repay debt and ease the developer's financial pressure. Some existing lenders showed little interest in increasing their exposure while Deutsche Bank seeks new lenders. On other developer, Grand Ming Group ("Grand Ming") obtained waivers from all lenders for breaching terms on HKD4.8bn in loans, per an HKEX filing. Lenders will not demand immediate repayment while Grand Ming continues to repay principal and interest as per original scheduled dates. Grand Mind also reaffirmed that existing financing arrangements remains available. Meanwhile, Road King Infrastructure planned a new consent solicitation process to propose revised amendments and waivers for certain notes, per an HKEX filing. While most holders supported the proposals, some requested clarifications and improvement of the terms, which the issuer have decided not to table extraordinary resolutions to properly consider the request. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 70bps and Bloomberg Asia USD High Yield spreads traded flat at 364bps respectively. (Bloomberg, OCBC)

### New Issues:

There were two notable issuances by one issuer in the Asiadollar market yesterday.

- NongHyup Bank priced USD600mn of debt in two tranches: a USD300mn 3.5Y Social FRN at SOFR+68bps and a USD300mn 5Y Social Fixed Bond at T+50bps (yield: 4.501%).

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- India Infra Buildco may issue USD denominated 3.25Y notes.
- KIOXIA Holdings Corporation may issue USD1.5bn of debt in two tranches: a 5NC2 Fixed Note and an 8NC3 Fixed Note.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.081	0.23%	USD-SGD	1.2821	0.14%
USD-JPY	147.720	0.20%	EUR-SGD	1.4956	-0.08%
EUR-USD	1.166	-0.21%	JPY-SGD	0.8679	-0.09%
AUD-USD	0.655	-0.50%	GBP-SGD	1.7215	-0.35%
GBP-USD	1.343	-0.49%	AUD-SGD	0.8392	-0.38%
USD-MYR	4.254	0.00%	NZD-SGD	0.7657	-0.48%
USD-CNY	7.172	0.03%	CHF-SGD	1.6067	-0.05%
USD-IDR	16245	0.21%	SGD-MYR	3.3207	0.00%
USD-VND	26121	0.05%	SGD-CNY	5.5908	-0.16%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9130	-0.67%	1M	4.3412	-0.02%
3M	2.0260	1.25%	2M	4.3570	0.00%
6M	2.0720	0.10%	3M	4.3251	-0.04%
12M	2.0890	0.00%	6M	4.2051	-0.14%
			1Y	3.9844	-0.10%

## 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	-0.047	-4.7	-0.012	4.318
09/17/2025	-0.648	-60.1	-0.162	4.167
12/10/2025	-1.924	-69.8	-0.481	3.848

## Equity and Commodity

Index	Value	Net change
DJIA	44,459.65	88.14
S&P	6,268.56	8.81
Nasdaq	20,640.33	54.80
Nikkei 225	39,459.62	-110.06
STI	4,109.21	21.40
KLCI	1,537.51	1.44
JCI	7,097.15	49.71
Baltic Dry	1,663.00	198.00
VIX	17.20	0.80

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.79 (--)	3.9 (--)
5Y	1.83 (--)	3.99 (+0.02)
10Y	2.18 (--)	4.43 (+0.02)
15Y	2.26 (--)	--
20Y	2.25 (--)	--
30Y	2.27 (+0.01)	4.97 (+0.03)

## 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)	66.98	-2.15%	Corn (per bushel)	4.128	2.4%
Brent (per barrel)	69.21	-1.63%	Soybean (per bushel)	9.970	-0.7%
Heating Oil (per gallon)	238.98	-2.35%	Wheat (per bushel)	5.340	-1.2%
Gasoline (per gallon)	216.54	-0.99%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.47	4.59%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9619.00	-0.43%	Gold (per oz)	3343.5	-0.4%
Nickel (per mt)	15064.00	-0.88%	Silver (per oz)	38.1	-0.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/15/2025 9:30	CH	New Home Prices MoM	Jun	--	--	-0.22%	--
7/15/2025 10:00	CH	GDP YoY	2Q	5.10%	--	5.40%	--
7/15/2025 10:00	CH	Retail Sales YoY	Jun	5.30%	--	6.40%	--
7/15/2025 10:00	CH	Industrial Production YoY	Jun	5.60%	--	5.80%	--
7/15/2025 10:00	CH	Fixed Assets Ex Rural YTD YoY	Jun	3.60%	--	3.70%	--
7/15/2025 10:00	CH	Residential Property Sales YTD YoY	Jun	--	--	-2.80%	--
7/15/2025 20:30	US	CPI MoM	Jun	0.30%	--	0.10%	--
7/15/2025 20:30	US	CPI Ex Food and Energy MoM	Jun	0.30%	--	0.10%	--
7/15/2025 20:30	US	CPI YoY	Jun	2.60%	--	2.40%	--
7/15/2025 20:30	US	CPI Ex Food and Energy YoY	Jun	2.90%	--	2.80%	--
7/15/2025 20:30	US	CPI Core Index SA	Jun	327.819	--	326.854	--
7/15/2025 20:30	US	Real Avg Hourly Earning YoY	Jun	--	--	1.40%	--
7/15/2025 20:30	US	Real Avg Weekly Earnings YoY	Jun	--	--	1.50%	1.40%
7/15/2025	PH	Overseas Workers Cash Remittances	May	--	--	\$2660m	\$2664m
7/15/2025	IN	Unemployment Rate	Jun	--	--	5.60%	--
7/15/2025	IN	Exports YoY	Jun	--	--	-2.20%	--

Source: Bloomberg



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