

## Daily Treasury Outlook

15 August 2025

### Highlights

**Global:** US equity markets ended mixed overnight, with the S&P 500 inching to a fresh record high closing, while the Dow Jones and Nasdaq Composite posted modest declines. Market sentiment was partly dampened by a hotter-than-expected July Producer Price Index (PPI), which surged 0.9% MoM versus June's flat (0.0%) reading, its largest increase since June 2022, and was well above consensus expectations of a 0.2% rise. The increase was driven by a sharp rebound in services inflation (1.1% MoM in July versus -0.1% in June) and goods prices (0.7% versus 0.3%), largely reflecting higher food costs. On an annual basis, PPI accelerated to 3.3% YoY in July, from 2.4% in June. The data suggests rising input costs may be starting to pressure businesses, potentially signalling early effects of tariff-related inflation. Compared to the more moderate July CPI print (2.7% YoY; 0.2% MoM in July versus 2.7% YoY; 0.3% MoM in June), the outsized PPI gain underscores the need for close scrutiny of the Fed's preferred inflation gauge, the core PCE data, which is due later this month.

**Market Watch:** This morning, Japan's seasonally adjusted Q2 GDP figures were released, showing a 0.3% QoQ increase (Consensus: 0.1%). China is set to release a slew of data including home prices, retail sales and industrial production. Meanwhile, Hong Kong and Malaysia are set to release their final 2Q25 GDP prints, with flash estimates currently at 3.1% and 4.5% YoY respectively. In the US, a heavy data slate is expected today, including Empire Manufacturing, retail sales, trade price indexes, industrial production, business inventories, and the University of Michigan Sentiment Index.

### Major Markets

**ID:** Minister of Housing and Settlement Areas, Maruarar Sirait, has raised the quota for subsidized worker housing from 20,000 to 50,000 units, following strong demand and collaboration with BP Tapera and the Ministry of Manpower. As of now, over 36,000 units have been realized, according to Minister Sirait as reported by Antara. Elsewhere later today, President Prabowo is set to deliver his first State of the Nation address and present the draft of the 2026 budget to Parliament.

#### Key Market Movements

Equity	Value	% chg
S&P 500	6468.5	0.0%
DJIA	44911	0.0%
Nikkei 225	42649	-1.4%
SH Comp	3666.4	-0.5%
STI	4256.5	-0.4%
Hang Seng	25519	-0.4%
KLCI	1581.1	-0.3%
	Value	% chg
DX	98.254	0.4%
USDJPY	147.76	0.3%
EURUSD	1.1648	-0.5%
GBPUSD	1.3532	-0.3%
USIDR	16110	-0.5%
USDSGD	1.2847	0.4%
SGDMYR	3.2872	0.0%
	Value	chg (bp)
2Y UST	3.73	5.79
10Y UST	4.28	5.23
2Y SGS	1.54	-3.10
10Y SGS	1.89	-2.67
3M SORA	1.75	-1.11
3M SOFR	4.35	0.02
	Value	% chg
Brent	66.84	1.8%
WTI	63.96	2.1%
Gold	3335	-0.6%
Silver	38.01	-1.3%
Palladium	1148	0.9%
Copper	9766	-0.4%
BCOM	100.01	-0.3%

Source: Bloomberg

**MY:** The Employees Provident Fund (EPF) investment income rose 22% YoY to MYR20.61bn in 2Q25, bringing the total investment income to MYR38.92bn in 1H25, a 3% YoY increase. Equities remained the largest contributor to investment income growth, accounting for 67% of the total investment income for 2Q25, while fixed income instruments contributed 33%. Meanwhile, real estate and infrastructure generated 1.4% of investment income. Money market instruments, largely denominated in non-ringgit currencies, posted a MYR0.18bn loss after foreign exchange (FX) translation. The EPF registered 286,194 new members in 1H25, increasing total membership to 16.4mn. As of 30 June 2025, total investment assets stood at MYR1.31trn.

**VN:** Vietnam's Binh Son Refining and Petrochemical (BSR) has purchased one million barrels of US West Texas Intermediate crude for November delivery, marking Vietnam's first US oil import in 2025, as reported by Reuters. The deal, made through Mercuria, aligns with the country's commitments in trade negotiations with Washington to reduce tariffs and trade imbalances by increasing US crude purchases.

## ESG

**ID:** Competition among Chinese carmakers over electric vehicle (EV) sales is intensifying in Indonesia and Thailand, which are the largest and third-largest automobile markets in Southeast Asia respectively. The increase in competition has been driven by government incentives in Indonesia and Thailand which aimed at boosting their EV industries. However, insufficient charging infrastructure remains a barrier to EV adoption. There is a growing concern among Japanese carmakers regarding losing market share to their Chinese competitors in both markets. In efforts to counter the competition, Japanese carmakers are expanding their line-up of hybrid vehicles in both countries. However, as government support for hybrid vehicles is limited in both Indonesia and Thailand, Japanese carmakers have yet to curb their declining sales.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenors and 10Y traded 2bps lower. According to Bloomberg, Chinese developer Road King Infrastructure Ltd. ("RKI") is suspending all offshore debt payments, contrary to its earlier claim of having enough cash to cover interest this year. In an exchange filing, the company called for "a holistic solution" after missing interest payments on a USD434.7mn bond within the 30-day grace period, an event that typically leads to a default. RKI has about USD1.5bn in offshore debt, including bank loans and bonds. In June, Road King proposed bond amendments to ease liquidity but failed to secure creditor approval. This reversal highlights the continuing Chinese property crisis, which recently saw China South City Holdings ordered to liquidate and China Evergrande Group facing HKEX delisting with its hearing of directions application taking place on 16 September 2025. Meanwhile, S&P upgraded India's rating to BBB from BBB- with a stable outlook, underpinned by robust economic expansion, policy stability, and high infrastructure investment, supporting long-term growth prospects. Bloomberg Asia USD Investment Grade spreads tightened by 3 bps to 62bps and Bloomberg Asia USD High Yield spreads tightened by 21bps to 341bps respectively. (Bloomberg, OCBC)

### New issues:

There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuance in the Singdollar market yesterday.

- Equinix Asia Financing Corporation Pte. Ltd. (guarantor: Equinix Inc) priced a SGD650mn 7Y Green Fixed Bond at 2.90%.

### Mandates:

- There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.254	0.42%	USD-SGD	1.2847
USD-JPY	147.760	0.26%	EUR-SGD	1.4965
EUR-USD	1.165	-0.49%	JPY-SGD	0.8695
AUD-USD	0.650	-0.78%	GBP-SGD	1.7387
GBP-USD	1.353	-0.32%	AUD-SGD	0.8347
USD-MYR	4.212	0.12%	NZD-SGD	0.7603
USD-CNY	7.182	0.07%	CHF-SGD	1.5908
USD-IDR	16110	-0.52%	SGD-MYR	3.2872
USD-VND	26270	-0.05%	SGD-CNY	5.5900

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8440	-1.18%	1M	4.3540
3M	2.0360	0.34%	2M	4.2600
6M	2.1000	0.10%	3M	4.2003
12M	2.1360	-0.28%	6M	4.0440
			1Y	3.8115

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.92	-92	-0.23	4.099
10/29/2025	-1.505	-58.5	-0.376	3.953
12/10/2025	-2.272	-76.7	-0.568	3.761

## Equity and Commodity

Index	Value	Net change
DJIA	44,911.26	-11.01
S&P	6,468.54	1.96
Nasdaq	21,710.67	-2.47
Nikkei 225	42,649.26	-625.41
STI	4,256.52	-16.24
KLCI	1,581.05	-5.55
JCI	7,931.25	38.34
Baltic Dry	2,039.00	14.00
VIX	14.83	0.34

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.54 (-0.03)	3.72(--)
5Y	1.63 (-0.03)	3.81 (+0.05)
10Y	1.89 (-0.03)	4.28 (+0.05)
15Y	1.98 (-0.03)	--
20Y	1.99 (-0.03)	--
30Y	2.06 (-0.02)	4.86 (+0.05)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.33
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.96	2.09%	Corn (per bushel)	3.750	0.3%
Brent (per barrel)	66.84	1.84%	Soybean (per bushel)	10.085	-1.5%
Heating Oil (per gallon)	223.45	-0.37%	Wheat (per bushel)	5.035	-0.7%
Gasoline (per gallon)	210.92	1.87%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.84	0.46%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9766.00	-0.38%	Gold (per oz)	3335.4	-0.6%
Nickel (per mt)	15031.00	-1.53%	Silver (per oz)	38.0	-1.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/15/2025 9:30	CH	New Home Prices MoM	Jul	--	--	-0.27%	--
8/15/2025 10:00	CH	Retail Sales YTD YoY	Jul	4.90%	--	5.00%	--
8/15/2025 10:00	CH	Industrial Production YoY	Jul	6.00%	--	6.80%	--
8/15/2025 12:00	MA	GDP YoY	2Q F	4.50%	--	4.50%	--
8/15/2025 12:30	JN	Industrial Production MoM	Jun F	--	--	1.70%	--
8/15/2025 15:30	TH	Gross International Reserves	8-Aug	--	--	\$263.9b	--
8/15/2025 16:30	HK	GDP YoY	2Q F	3.10%	--	3.10%	--
8/15/2025 20:30	US	Retail Sales Advance MoM	Jul	0.60%	--	0.60%	--
8/15/2025 20:30	US	Empire Manufacturing	Aug	0	--	5.5	--
8/15/2025 20:30	US	Import Price Index MoM	Jul	0.10%	--	0.10%	--
8/15/2025 20:30	US	Export Price Index YoY	Jul	2.50%	--	2.80%	--
8/15/2025 21:15	US	Industrial Production MoM	Jul	0.00%	--	0.30%	--
8/15/2025 22:00	US	Business Inventories	Jun	0.20%	--	0.00%	--
8/15/2025 22:00	US	U. of Mich. Sentiment	Aug P	62	--	61.7	--
8/15/2025	PH	Overseas Workers Cash Remittances	Jun	--	--	\$2658m	--
8/15/2025	PH	Overseas Cash Remittances YoY	Jun	2.80%	--	2.90%	--

Source: Bloomberg



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