

## Daily Treasury Outlook

15 September 2025

### Highlights

**Global:** Waiting for FOMC's highly anticipated rate cut. The S&P500 treaded water on Friday (-0.05%) but Nasdaq ploughed higher by 0.42% as AI and large-cap tech names led the advance. The University of Michigan retreated from August's 58.2 print to 55.4 in September, the lowest since May on job market concerns, which were also reflected in both the current conditions and expectations gauges which softened to 61.2 and 51.8 respectively. The 1-year inflation gauge held steady at 4.8% whereas the 5-10-year inflation gauge accelerated for the second straight month from 3.5% to 3.9%, likely reflecting tariff-fuelled price anxiety. The 10-year U.S. Treasury yield ticked higher to around 4.07% on Friday. Meanwhile, Fitch lowered France's credit rating to 'A+' with a stable outlook from 'AA-'.

**Market Watch:** Asian markets may similarly tread water today, while awaiting China's data dump for August new home prices, industrial production, retail sales, jobless rate, and fixed asset/property investment. Also on tap today are India's August unemployment rate and trade data, as well as the US' Empire manufacturing index. ECB's Schnabel and Lagarde are also speaking today. Taking centerstage this week will be the September 16-17 FOMC policy decision, where a 25bps rate cut has already been priced in, but there will be heightened market sensitivity to the FOMC statement language (eg. any hints of consideration of a 50bp rate cut for instance), the forward guidance (eg. prioritisation of growth/labour market slowdown versus tariff-fuelled inflation bumps) and dot plot (especially for 2026 rate trajectory). Any acknowledgment of political pressure in Fed chair Powell's press conference may also draw undue attention. Apart from FOMC, other central bank meetings scheduled this week include BI (likely static at 5%) and Bank of Canada (likely to trim 25bps to 2.5%) on Wednesday, followed by CBC (also likely to hold at 2%) and BOE (likely unchanged at 4%) on Thursday, and BOJ (likely on hold at 0.5%) on Friday. For the economic data front, watch for US' retail sales tomorrow, UK's CPI/PPI/RPI, New Zealand's 2Q25 GDP growth, Australia's unemployment rate and US' initial jobless claims on Thursday, and Japan's August CPI, Malaysia's August trade data on Friday.

**Singapore:** August NODX, which is due on Wednesday 830am, may surprise on the upside at 0.8% YoY (0.4% MoM SA), versus July's -4.6% YoY (-6.0% MoM SA). COE premium results are also due Wednesday.

### Key Market Movements

Equity	Value	% chg
S&P 500	6584.3	0.0%
DJIA	45834	-0.6%
Nikkei 225	44768	0.9%
SH Comp	3870.6	-0.1%
STI	4344.2	-0.3%
Hang Seng	26388	1.2%
KLCI	1600.1	1.1%
	Value	% chg
DX	97.550	0.0%
USDJPY	147.68	0.3%
EURUSD	1.1734	0.0%
GBPUSD	1.3556	-0.1%
USDIDR	16378	-0.5%
USDSGD	1.2834	0.1%
SGDMYR	3.2766	-0.3%
	Value	chg (bp)
2Y UST	3.56	1.41
10Y UST	4.06	4.37
2Y SGS	1.40	-0.70
10Y SGS	1.77	-2.12
3M SORA	1.53	-0.60
3M SOFR	4.37	0.15
	Value	% chg
Brent	66.99	0.9%
WTI	62.69	0.5%
Gold	3643	0.2%
Silver	42.19	1.5%
Palladium	1200	0.7%
Copper	10068	0.2%
BCOM	103.79	0.7%

Source: Bloomberg

**Commodities** Crude oil benchmarks rebounded on Friday, with WTI and Brent rising by 0.5% and 0.9%, respectively, to USD62.7/bbl and USD67.0/bbl. The rebound was driven by concerns over supply disruptions after the Ukrainian military launched drone attacks on Russian energy infrastructure. These attacks temporarily suspended operations at Russia's northwestern port of Primorsk — a key loading port for Russian crude oil and oil derivatives. Meanwhile, US President Donald Trump reiterated his threats to imposed new economic restrictions on Russia in an effort to pressure Moscow into entering peace talks with Ukraine. The US will also urge G7 member countries to impose tariffs, as high as 100%, on China and India for their purchases of Russian oil, as part of broader efforts to end the Russia-Ukraine war.

## Major Markets

**CH:** In August, aggregate social financing (ASF) rose by CNY2.57trn, CNY462.3bn less YoY, with the outstanding ASF growth rate easing by 0.2ppt to 8.8%. The slowdown was largely due to the fading effect of frontloaded fiscal financing. Government bond issuance came in at CNY1.37trn, down CNY247.7bn YoY, not enough to offset the drag from weaker CNY loan growth. Household loan demand stayed soft, with new household loans at just CNY30.3bn (down CNY159.7bn YoY), consistent with still-depressed consumer confidence and lingering labor market uncertainty. On the corporate side, medium- to long-term loans rose CNY470bn, but this was still CNY20bn lower YoY, suggesting corporates remain cautious.

On the deposit front, household deposits increased by only CNY110bn in August, CNY600bn less YoY, marking a second straight month of negative YoY growth. In contrast, non-bank deposits surged by CNY1.18trn — a record high for the month. This “seesaw” between household and non-bank deposits for two consecutive months, combined with market moves, suggests early signs of asset allocation shifts by households. This could underpin recent optimism in the equity market.

China's money supply data in August showed a notable divergence in trends. M1 growth accelerated to 6.0% YoY, the fastest pace in over two and a half years, while M2 growth held steady at 8.8% YoY. As a result, the M2–M1 gap narrowed further to 2.8%, the lowest in more than four years. This likely reflects a higher appetite for capital market allocation. Historically, faster M1 growth has also coincided with stronger corporate investment activity. However, given still-weak loan growth, there is little evidence of a broad-based recovery in corporate investment confidence. Even so, the rebound in M1 suggests a gradual return of confidence at the margin.

**ID:** Finance Minister Purbaya Yudhi Sadewa indicated plans to increase regional transfers in the 2026 budget. The proposed 2026 budget, currently under parliamentary review, forecasts an expenditure of IDR3,786.5trn, with regional transfers reduced by 24.8% to IDR650trn from 2025. Minister Purbaya emphasized that adjustments to the budget are still possible to support local economies, potentially causing only a “small tweak” to the projected 2.48% GDP deficit, and would remain below the 3% of GDP budget deficit rule.

**MY:** In nominal terms, wholesale and retail trade rose 5% YoY in July 2025 to MYR156.4bn from 4.8% (MYR153.0bn) in June, with growth led by wholesale (MYR70.1bn, +5.4%) and retail (MYR67.0bn, +5.6%) sub-sectors. Motor vehicle sales were more modest, rising 1.6% to MYR19.3bn. Digital payments provided further support, with e-money transactions rising 69.8% YoY to MYR22.8bn, while retail payments platform (RPP) surged to MYR311.5bn. Online retail sales also advanced 5.8% YoY, reflecting consumer preference for digital platforms. In volume terms, wholesale & retail trade activity rose by 4.6% YoY.

**PH:** According to Bangko Sentral ng Pilipinas (BSP), the deficit in the Balance of Payments (BOP) narrowed to USD2.6bn in 2Q25 (1Q25: -3.0bn). For 1H25, the deficit was due to "to lower net financial account inflows and a wider current account deficit." The current account deficit widened to USD9.2bn in 1H25 (1H24: -8.1bn) "as the trade in goods gap widened, owing to increased imports amid resilient domestic demand and sustained economic growth. This was further compounded by lower net receipts from trade in services." Looking ahead, our forecasts is for the current account deficit to widened to 4.0% of GDP versus 3.8% in 2024.

**TH:** The Consumer Confidence Index (CCI) fell for the seventh consecutive month, easing to 50.1 in August, down from 51.7 in July. This marks its lowest level since December 2022. The decline in the CCI was broad-based across the sub-indices of 'economic situation' (44.1 versus 45.6 in July), 'income' (58 versus 59.6 in July), and 'job' (48.3 versus 49.8 in July). In a press conference, University of the Thai Chamber of Commerce President Thanavath Phonvichai stated that "consumer confidence indices have continued to decline across the board, suggesting potential further drops if political stability falters and the economy fails to recover swiftly under government stimulus measures."

**VN:** Motor vehicle sales growth slowed to 1.3% YoY to 21,688 units in August, down from 7.3% growth in the previous month (26,573 units), according to data from the Vietnam Automobile Manufacturers Association. Weakness in SUV/MPV (-55.3% YoY in August from -36.5% in July), passenger (-13.4% from -4.1%), and commercial (32.1% from 43.2%) car sales more than offset the improvement in hybrid car sales (177% from 70.6%). The August figures bring cumulative Jan-Aug 2025 motor vehicle sales to 178,834 units, up 10.5% YoY.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded mixed last Friday with shorter tenors trading flat to 1bps higher while belly tenors traded flat to 1bps lower and 10Y traded 2bps lower. As per Bloomberg, China's central bank has introduced new performance measures for primary dealers to improve coordination in evaluating bond market makers, according to a PBOC statement. The revised indicators include the number of bonds traded with market-making and reasonable quoted pricing, as well as performance during stock market illiquidity or bond market volatility. In other news, Logan Group Co Ltd and KWG Group Holdings Ltd plan to refinance a USD1.05bn private loan secured by luxury Hong Kong residential project to reduce borrowing costs. The in-process USD800mn facility, backed by the Corniche complex and funded by investment firms, offers a refinancing yield of 10%, down from 13%. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 63bps and Bloomberg Asia USD High Yield spreads tightened by 14bps to 325bps respectively. (Bloomberg, OCBC)

### New issues:

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

### Mandates:

- Korea Air Lines Co Ltd (guarantor: Korea Development Bank) may issue a USD-denominated 5Y Bond.
- Transurban Finance Company Pty Limited may issue a USD 10Y Senior Secured Note.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.550	0.02%	USD-SGD	1.2834
USD-JPY	147.680	0.32%	EUR-SGD	1.5056
EUR-USD	1.173	0.00%	JPY-SGD	0.8687
AUD-USD	0.665	-0.17%	GBP-SGD	1.7397
GBP-USD	1.356	-0.13%	AUD-SGD	0.8540
USD-MYR	4.203	-0.40%	NZD-SGD	0.7644
USD-CNY	7.125	0.09%	CHF-SGD	1.6108
USD-IDR	16378	-0.51%	SGD-MYR	3.2766
USD-VND	26391	-0.02%	SGD-CNY	5.5582

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8790	0.11%	1M	4.1704
3M	2.0000	-0.70%	2M	4.1008
6M	2.1080	-0.52%	3M	4.0444
12M	2.1670	-0.05%	6M	3.8625
			1Y	3.6173

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.043	-104.30%	-0.261	4.071
10/29/2025	-1.877	-83.40%	-0.469	3.863
12/10/2025	-2.801	-92.40%	-0.7	3.632

## Equity and Commodity

Index	Value	Net change
DJIA	45,834.22	-273.78
S&P	6,584.29	-3.18
Nasdaq	22,141.10	98.03
Nikkei 225	44,768.12	395.62
STI	4,344.24	-11.58
KLCI	1,600.13	17.28
JCI	7,854.06	106.16
Baltic Dry	2,126.00	15.00
VIX	14.76	0.05

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.4 (-0.01)	3.56(--)
5Y	1.46 (-0.02)	3.63 (+0.04)
10Y	1.77 (-0.02)	4.06 (+0.04)
15Y	1.84 (-0.02)	--
20Y	1.88 (-0.02)	--
30Y	1.97 (-0.01)	4.68 (+0.03)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.41
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.69	0.51%	Corn (per bushel)	3.990	0.0%
Brent (per barrel)	66.99	0.93%	Soybean (per bushel)	10.258	1.0%
Heating Oil (per gallon)	229.00	0.35%	Wheat (per bushel)	5.030	0.0%
Gasoline (per gallon)	198.54	0.31%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.94	0.24%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10067.50	0.16%	Gold (per oz)	3643.1	0.2%
Nickel (per mt)	15391.00	1.59%	Silver (per oz)	42.2	1.5%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/15/2025 9:30	CH	New Home Prices MoM	Aug	--	--	-0.31%	--
9/15/2025 10:00	CH	Retail Sales YoY	Aug	3.80%	--	3.70%	--
9/15/2025 10:00	CH	Industrial Production YoY	Aug	5.60%	--	5.70%	--
9/15/2025 10:00	CH	Surveyed Jobless Rate	Aug	5.20%	--	5.20%	--
9/15/2025 10:00	CH	Property Investment YTD YoY	Aug	-12.50%	--	-12.00%	--
9/15/2025 10:00	CH	Residential Property Sales YTD YoY	Aug	--	--	-6.20%	--
9/15/2025 14:30	IN	Wholesale Prices YoY	Aug	0.30%	--	-0.58%	--
9/15/2025 16:30	HK	Industrial Production YoY	2Q	--	--	0.70%	--
9/15/2025 16:30	HK	PPI YoY	2Q	--	--	4.80%	--
9/15/2025 17:00	EC	Trade Balance SA	Jul	12.0b	--	2.8b	--
9/15/2025 20:30	US	Empire Manufacturing	Sep	5	--	11.9	--
9/15/2025	IN	Unemployment Rate	Aug	--	--	5.20%	--
9/15/2025	PH	Overseas Cash Remittances YoY	Jul	3.20%	--	3.70%	--
9/15/2025	PH	Overseas Workers Cash Remittances	Jul	--	--	\$2990m	--
9/15/2025	IN	Trade Balance	Aug	-\$24629m	--	-\$27350m	--
9/15/2025-9/18/2025	CH	FDI YTD YoY CNY	Aug	--	--	-13.40%	--

Source: Bloomberg



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