

Daily Treasury Outlook

15 October 2025

Highlights

Global: The broad-based relief rally appears to have lost momentum, with the S&P and Nasdaq declining by 0.2% and 0.8%, respectively. In contrast, the Dow rose 0.4%. The volatile session was driven by renewed concerns over escalating US-China trade tensions. In addition to recent measures on rare earth export controls and the imposition of extra port fees on US vessels, China announced sanctions on five subsidiaries of South Korean shipbuilder Hanwha Ocean. A spokesperson from China's Ministry of Commerce stated that these companies had assisted US government investigations into China's maritime, logistics, and shipbuilding sectors. Meanwhile, in the US, Trade Representative Jamieson Greer said in an interview that the timing of Trump's recently announced 100% tariff on China will "depend on what the Chinese do." President Donald Trump, in a social media post, further threatened to disrupt trade with China over cooking oil in retaliation to China's refusal to purchase US soybeans. Treasury Secretary Scott Bessent, in an interview, said that China's recent measures on rare earths were an attempt to weaken the global economy. The measure from China also prompted a response from the EU, with trade ministers and officials seeking to coordinate with the US and other G7 partners. European Trade Commissioner Maros Sefcovic noted that this coordination would focus on diversifying supply chains. The ongoing uncertainty in the global trade landscape does not bode well for global growth. The IMF revised its 2025 global growth forecast upward to 3.2%, up from 3.0% in its July report. Still, global growth is expected to slow from 3.3% in 2024. In its October report, IMF said that "risks are tilted to the downside. Prolonged uncertainty, more protectionism, and labour supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability." For 2026, global growth forecast remained unchanged at 3.1%.

Market Watch: The Asian calendar is relatively light today, with China's September PPI and CPI prints. Consensus expects both PPI and CPI to remain in contraction at -2.3% and -0.2%, respectively. Accompanying this, Japan's August IP data and India's September trade data will be released. Meanwhile, the Eurozone will release its August IP data.

Commodities: Crude oil benchmarks fell on Tuesday, with WTI and Brent declining by 1.3% and 1.5%, respectively, to USD58.7/bbl and USD62.4/bbl. The decline was mainly driven by renewed US-China trade tensions, which weighed on the oil complex. Bearish sentiment was further reinforced by concerns over a looming supply glut. In its October monthly oil market report, the International Energy Agency projected that the global oil market will face a surplus of 4mbpd in 2026.

Key Market Movements

Equity	Value	% chg
S&P 500	6644.3	-0.2%
DJIA	46270	0.4%
Nikkei 225	46847	-2.6%
SH Comp	3865.2	-0.6%
STI	4354.5	-0.8%
Hang Seng	25441	-1.7%
KLCI	1611.5	-0.2%
	Value	% chg
DXY	99.047	-0.2%
USDJPY	151.84	-0.3%
EURUSD	1.1607	0.3%
GBPUSD	1.3320	-0.1%
USDIDR	16575	0.1%
USDSGD	1.2984	0.0%
SGDMYR	3.2534	-0.1%
	Value	chg (bp)
2Y UST	3.48	-2.08
10Y UST	4.03	-0.01
2Y SGS	1.44	-0.80
10Y SGS	1.75	-4.02
3M SORA	1.41	-0.46
3M SOFR	4.32	-0.81
	Value	% chg
Brent	62.39	-1.5%
WTI	58.7	-1.3%
Gold	4143	0.8%
Silver	51.43	-1.8%
Palladium	1527	3.3%
Copper	10578	-2.2%
BCOM	105.44	-0.3%

Source: Bloomberg

Major Markets

ID: The budget recorded a deficit of IDR371.trn, or 1.56% of GDP, as of the end of September, widening from the 1.35% deficit at the end of August. As of the end of September, state revenue fell 7.2% YoY to IDR1,863.3trn, equivalent to 65.0% of the budget, driven by weaker tax receipts (-4.4%), while non-tax revenue dropped 19.8%. Spending also declined 0.8% YoY to IDR2,234.8trn (63.4% of the target). Separately, as reported by Reuters, the government is set to extend the tax break (PPN DTP) incentive schemes for buyers of properties worth up to IDR5bn by one year, until the end of 2027.

MY: Deputy Prime Minister Ahmad Zahid Hamidi said Malaysia and Cambodia have agreed to deepen cooperation in areas such as trade, investment, education, manpower, digital economy, agriculture, and tourism. During talks with Cambodian Prime Minister Hun Manet and Senate President Hun Sen, both sides reaffirmed support for Malaysian investors and committed to boosting trade, which rose 45% YoY to USD750mn (MYR3.17bn) in Jan–Aug 2025, with a target of USD1bn by 2026, as reported by The Edge. Malaysia also plans to help Cambodia develop its halal industry and expand collaboration in renewable energy, agro-food, and TVET.

TH: According to Commerce Minister Suphatee Suthumpun, Thailand aims to finalise a free trade agreement (FTA) with South Korea by year-end, marking a key milestone during her tenure before next year's election. Bilateral negotiations have been ongoing since 2004 and are now in their final phase. Both countries are planning a joint declaration at the upcoming APEC meetings in Gyeongju "to underline our determination for a conclusion." Commerce Minister Suthumpun credited Thailand's Department of Trade Negotiations for driving progress, while noting the FTA would still require parliamentary approval after its conclusion. Bilateral trade has totalled about USD14.7bn in 2023, largely in South Korea's favour. In addition to the progress made with South Korea, Thailand also hopes to advance talks with the EU.

VN: Apple is set to expand its manufacturing footprint in Vietnam as it develops new smart home products, including indoor security cameras and a home control display launching next year, followed by an advanced tabletop robot in 2027. The company will partner with China's BYD Co. for final assembly, testing, and packaging of these devices, as reported by Bloomberg.

ESG

ID: Indonesia's Forestry Minister outlined key strategies that Indonesia must undertake to establish a robust carbon market ecosystem, including implementing clear policies and efforts to reforest 10 mn hectares of degraded and critical land. Other key strategies are to synchronise measurement, reporting and verification processes with global standards, as well as attract investors to fund mitigation efforts based on nature-based solutions while achieving interoperability with the global carbon market. These efforts can also enable greater collaboration with buyers of carbon credits in the region such as Singapore.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 3bps lower while belly tenors traded 3-4bps lower and 10Y traded 4bps lower. As per Bloomberg, Sunac China Holdings Ltd will proceed to seek approval of the court after about 98.5% of the 1,492 scheme creditors present (holding ~USD8.43bn in claims) voted in favor of the offshore debt restructuring scheme. Meanwhile, Guangzhou R&F Properties Co Ltd announced that transaction companies agreed to amend the restructuring support agreement and term sheet for senior notes due 2025, 2027 and 2028. Lastly, Country Garden Holdings Co announced that it will hold scheme meetings on 05 November for creditors to vote on its offshore restructuring plan. Bloomberg Asia USD Investment Grade spreads widened by 3bps to 64bps and Bloomberg Asia USD High Yield spreads widened by ~20bps to 357bps respectively, both widening to the highest for the month so far. (Bloomberg, OCBC)

New issues:

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

- KEB Hana Bank priced USD600mn of debt in two tranches: a USD300mn 3Y Green FRN at SOFR+60bps and a USD300mn 5Y Green Fixed Bond at T+43bps (reoffer price 99.762 to yield 4.053%).
- Bank of China Limited Macau branch priced a USD600mn 3Y FRN at SOFR+48bps.
- Jinan HI-Tech International Cayman Investment Development Co Ltd (guarantor: Jinan Hi-tech Holding Group Co Ltd) priced a USD190mn 3Y Fixed Bond at 4.15%.

There were no notable issuances in the 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	99.047	-0.22%	USD-SGD	1.2984
USD-JPY	151.840	-0.29%	EUR-SGD	1.5071
EUR-USD	1.161	0.32%	JPY-SGD	0.8551
AUD-USD	0.649	-0.45%	GBP-SGD	1.7292
GBP-USD	1.332	-0.10%	AUD-SGD	0.8422
USD-MYR	4.231	0.08%	NZD-SGD	0.7420
USD-CNY	7.137	0.00%	CHF-SGD	1.6208
USD-IDR	16575	0.09%	SGD-MYR	3.2534
USD-VND	26355	0.04%	SGD-CNY	5.4985

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8910	-1.51%	1M	4.0397
3M	2.0260	0.85%	2M	3.9759
6M	2.1030	0.19%	3M	3.8876
12M	2.2010	-0.05%	6M	3.7322
			1Y	3.5012

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.957	-95.70%	-0.239	3.863
12/10/2025	-1.939	-98.20%	-0.485	3.617

Equity and Commodity

Index	Value	Net change
DJIA	46,270.46	202.88
S&P	6,644.31	-10.41
Nasdaq	22,521.70	-172.91
Nikkei 225	46,847.32	-1241.48
STI	4,354.52	-35.32
KLCI	1,611.46	-3.73
JCI	8,066.52	-160.68
Baltic Dry	2,022.00	-122.00
VIX	20.81	1.78

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.01)	3.47(--)
5Y	1.57 (-0.01)	3.61 (-0.02)
10Y	1.75 (-0.04)	4.02 (0)
15Y	1.83 (-0.04)	--
20Y	1.84 (-0.03)	--
30Y	1.94 (-0.02)	4.62 (+0.01)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	4.15
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	58.70	-1.33%	Corn (per bushel)	4.130	0.5%
Brent (per barrel)	62.39	-1.47%	Soybean (per bushel)	10.065	-0.1%
Heating Oil (per gallon)	219.76	-2.32%	Wheat (per bushel)	5.003	0.7%
Gasoline (per gallon)	182.86	-0.82%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.03	-2.89%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10578.00	-2.24%	Gold (per oz)	4142.9	0.8%
Nickel (per mt)	15135.00	-0.47%	Silver (per oz)	51.4	-1.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/15/2025 9:30	CH	PPI YoY	Sep	-2.30%	--	-2.90%	--
10/15/2025 9:30	CH	CPI YoY	Sep	-0.20%	--	-0.40%	--
10/15/2025 12:30	JN	Industrial Production YoY	Aug F	--	--	-1.30%	--
10/15/2025 12:30	JN	Capacity Utilization MoM	Aug	--	--	-1.10%	--
10/15/2025 14:45	FR	CPI EU Harmonized YoY	Sep F	1.10%	--	1.10%	--
10/15/2025 14:45	FR	CPI YoY	Sep F	1.20%	--	1.20%	--
10/15/2025 17:00	EC	Industrial Production SA MoM	Aug	-1.60%	--	0.30%	--
10/15/2025 17:00	EC	Industrial Production WDA YoY	Aug	0.00%	--	1.80%	--
10/15/2025 19:00	US	MBA Mortgage Applications	10-Oct	--	--	-4.70%	--
10/15/2025 20:30	US	Empire Manufacturing	Oct	-1.8	--	-8.7	--
10/15/2025 20:30	US	Real Avg Hourly Earning YoY	Sep	--	--	0.70%	--
10/15/2025 20:30	US	Real Avg Weekly Earnings YoY	Sep	--	--	0.40%	--
10/15/2025	ID	External Debt	Aug	--	--	\$432.5b	--
10/15/2025	IN	Unemployment Rate	Sep	--	--	5.10%	--
10/15/2025	PH	Overseas Cash Remittances YoY	Aug	2.90%	--	3.00%	--
10/15/2025	IN	Trade Balance	Sep	-\$27500m	--	-\$26490m	--

Source: Bloomberg

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