

## Daily Treasury Outlook

16 April 2025

### Highlights

**Global:** Investor sentiment steadied as the tariff narrative paused, with no major new developments except for Boeing, which continued to face pressure after reports that China instructed its airlines to halt further deliveries of Boeing jets. U.S. equities ended marginally lower, with market attention shifting back to corporate earnings—shares of Bank of America and Citigroup rebounded on the back of stronger-than-expected results. Bank of America's latest fund manager survey reflected rising caution, with a net 42% of respondents anticipating a global recession—the highest since June 2023. Furthermore, 73% believed that the "U.S. exceptionalism" theme has peaked, while a net 61% expect the U.S. dollar to depreciate over the next 12 months, the most bearish reading since May 2006. On the data front, U.S. import prices edged down 0.1% MoM in March, driven by lower energy prices. While import inflation remains contained for now, the outlook remains clouded by the upcoming implementation of reciprocal tariffs. Prices for imported finished metals rose 1.3% MoM, likely reflecting the 25% tariff on iron, steel, and aluminium, while import prices from China fell 0.2% MoM despite the 20% blanket tariff introduced in March. In Europe, Germany's ZEW economic sentiment index plunged to -14.0 in April from 51.6 in March—the sharpest drop since the outbreak of the Ukraine war in 2022. However, the current conditions index ticked up slightly to -81.2 from -87.6, though it remains deeply negative by historical standards.

**Market Watch:** Looking ahead, market focus today will be on the Bank of Canada's rate decision, China's Q1 GDP release, and U.S. March retail sales data.

**Commodities:** Crude oil benchmarks edged marginally lower on Tuesday, with WTI and Brent declining by 0.3%, to USD61.3/bbl and USD64.7/bbl, respectively. Tariff uncertainty continues to linger, exerting downward pressure on oil prices. In its April monthly report, the International Energy Agency revised its 2025 global oil demand growth forecast down to 0.73mbpd, from a previous estimate of 1.03mbpd, citing escalating trade tensions that have "negatively impacted the economic outlook." Elsewhere, the American Petroleum Institute (API) reported a buildup of 2.4mn bbls in US crude oil inventories for the week ending 11 April. The Energy Information Administration (EIA) is scheduled to release its weekly oil inventories status report tonight (16 April), with consensus anticipating a relatively smaller buildup of 0.8mn bbls in US crude inventories.

### Key Market Movements

Equity	Value	% chg
S&P 500	5396.6	-0.2%
DJIA	40369	-0.4%
Nikkei 225	34268	0.8%
SH Comp	3267.7	0.1%
STI	3624.7	2.1%
Hang Seng	21466	0.2%
KLCI	1486.4	0.4%
	Value	% chg
DXY	100.215	0.6%
USDJPY	143.21	0.1%
EURUSD	1.1282	-0.6%
GBPUSD	1.3231	0.3%
USDIDR	16815	0.2%
USDSGD	1.319	0.3%
SGDMYR	3.3521	0.0%
	Value	chg (bp)
2Y UST	3.84	-0.01
10Y UST	4.33	-4.09
2Y SGS	2.26	-4.50
10Y SGS	2.54	-4.69
3M SORA	2.47	-0.73
3M SOFR	4.36	0.06
	Value	% chg
Brent	64.67	-0.3%
WTI	61.33	-0.3%
Gold	3231	0.6%
Silver	32.32	-0.1%
Palladium	976	2.1%
Copper	9164	-0.3%
BCOM	101.16	0.1%

Source: Bloomberg

## Major Markets

**ID:** The consumer confidence index eased to 121.1 in March from 126.4 in February. Notably, both the present situation sub-index (110.6 from 114.2) and the expectations sub-index (131.7 from 138.7) fell from the previous month. In addition, respondents believe that future employment and income prospects have worsened, similar to business conditions. However, all sub-indexes still stand above the optimistic territory, with the index reading above 100.

**MY:** Chinese President Xi Jinping arrived in Kuala Lumpur on 15 April, marking his second official visit to Malaysia since taking office in 2013. Prime Minister Anwar Ibrahim welcomed President Xi at the airport, expressing hopes of strengthening bilateral ties. President Xi in a statement and op-ed, emphasized his aim to deepen cooperation and mutual understanding between the two nations. During his stay, he will meet with King Sultan Ibrahim and hold talks with PM Anwar to sign several bilateral agreements as part of a regional tour that also includes Vietnam and Cambodia.

**TH:** The country has welcomed ~10.7mn international tourists this year (as of 13 April), generating more than THB510bn in tourism-related income. During the Songkran festival, more than 666,000 visitors have arrived. The surge in short-haul tourist numbers during the festival accounted for a 17.6% increase from the previous week, driven by Chinese and Indian tourists. The government will continue to implement measures to sustain tourism momentum.

## ESG

**ID:** Indonesia, South Korea and the Global Green Growth Institute (GGGI) have reaffirmed their commitment to strengthen collaboration in sustainable transportation, including developing an EV ecosystem as a key energy transition strategy. The GGGI has supported Indonesia through the Bali E-Mobility Project funded by South Korea, which was a meaningful step for Indonesia to position Bali as a leader in ecotourism. Sustainable transportation is expected to contribute significantly to Bali through the reduction of 41,516 tons of greenhouse gas emissions by 2026.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 2bps higher, belly tenors trading 2-6bps lower and 10Y trading 5bps lower. Per Bloomberg, Zhongrong International Trust Co., once a major shadow bank in China, is facing liquidation after state-appointed custodians deemed it insolvent. The firm defaulted on approximately RMB250bn in trusts sold to over 30,000 individuals and 2,000 institutions, jeopardizing the prospects for wealthy customers to recover their investments. In response to the economic slowdown, regulators have committed to managing risks in the trust industry by 2029 and have recently updated bankruptcy rules to ensure financial stability. In a report, Fitch ratings said that Australia's four major banks have "significant buffers" to withstand the low growth environment and rising unemployment over 2025. Asset quality is expected to modestly weaken with impaired loans to peak in 2025 before declining in 2026 as falling interest rates ease repayment pressure on borrowers. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 97bps while Bloomberg Asia USD High Yield spreads tightened by 20bps to 570bps respectively. (Bloomberg, OCBC)

### New Issues:

There were seven notable issuances from five issuers in the Asiadollar market yesterday.

- Mitsubishi UFJ Financial Group Inc issued USD3bn in 3 tranches: a USD1bn 6NC5 Fixed bond at T+117bps, a USD500mn 6NC5 FRN at SOFR+148bps and a USD1.5bn 11NC10 Fixed bond at T+127bps.
- China Great Wall International Holdings VI Ltd (guarantor: China Great Wall AMC International Holdings Co Ltd) priced a USD450mn 3Y (1-month par call) Fixed bond at T+145bps.
- Science City Guangzhou Investment Group Co Ltd priced a USD400mn 2Y Fixed bond at 5.75%.
- Shanghai Hong Kong International Investments Ltd (guarantor: Lianyungang Port Group Co Ltd) priced a USD310mn 3Y Sustainable Fixed bond at 4.85%.
- Chongqing Hechuan City Construction Investment Group Co Ltd priced a USD155.5mn 3Y Fixed bond at 6.00%.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- Korea Ocean Business Corp. may issue a USD denominated Senior Unsecured bond with expected tenors of 3Y FXD/FRN and/or TY FXD/FRN

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	100.215	0.58%	USD-SGD	1.3190	0.27%
USD-JPY	143.210	0.10%	EUR-SGD	1.4877	-0.37%
EUR-USD	1.128	-0.61%	JPY-SGD	0.9205	0.09%
AUD-USD	0.635	0.27%	GBP-SGD	1.7448	0.56%
GBP-USD	1.323	0.31%	AUD-SGD	0.8367	0.54%
USD-MYR	4.413	0.00%	NZD-SGD	0.7779	0.59%
USD-CNY	7.316	0.09%	CHF-SGD	1.6014	-0.77%
USD-IDR	16815	0.24%	SGD-MYR	3.3521	-0.04%
USD-VND	25854	0.10%	SGD-CNY	5.5452	-0.28%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.2520	-2.26%	1M	4.3215	-0.10%
3M	2.2520	-1.18%	2M	4.3066	-0.31%
6M	2.2120	-1.43%	3M	4.2639	-0.36%
12M	2.1260	-1.89%	6M	4.1138	-0.67%
			1Y	3.8456	-1.06%

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
05/07/2025	-0.2	-20	-0.05
06/18/2025	-0.866	-66.6	-0.217
07/30/2025	-1.635	-76.9	-0.409
09/17/2025	-2.386	-75.1	-0.596
12/10/2025	-3.585	-61	-0.896

## Equity and Commodity

Index	Value	Net change
DJIA	40,368.96	-155.83
S&P	5,396.63	-9.34
Nasdaq	16,823.17	-8.31
Nikkei 225	34,267.54	285.18
STI	3,624.72	75.81
KLCI	1,486.43	5.57
JCI	6,441.68	73.17
Baltic Dry	1,282.00	8.00
VIX	30.12	-0.77

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.26 (-0.04)	3.81(--)
5Y	2.29 (-0.04)	3.99 (-0.03)
10Y	2.54 (-0.05)	4.32 (-0.04)
15Y	2.64 (-0.04)	--
20Y	2.65 (-0.05)	--
30Y	2.67 (-0.04)	4.77 (-0.03)

## 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)	61.33	-0.33%	Corn (per bushel)	4.813	-0.8%
Brent (per barrel)	64.67	-0.32%	Soybean (per bushel)	10.360	-0.6%
Heating Oil (per gallon)	207.84	-0.64%	Wheat (per bushel)	5.420	-1.0%
Gasoline (per gallon)	202.44	0.11%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.33	0.12%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9164.00	-0.25%	Gold (per oz)	3230.7	0.6%
Nickel (per mt)	15558.00	1.64%	Silver (per oz)	32.3	-0.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date	Country	Item	Period	Survey	Actual	Prior	Revised
4/16/2025 10:00	CH	GDP YoY	1Q	5.20%	--	5.40%	--
4/16/2025 10:00	CH	Industrial Production YoY	Mar	5.90%	--	--	--
4/16/2025 10:00	CH	Retail Sales YoY	Mar	4.30%	--	--	--
4/16/2025 10:00	CH	Industrial Production YTD YoY	Mar	5.90%	--	5.90%	--
4/16/2025 10:00	CH	GDP YTD YoY	1Q	5.20%	--	5.00%	--
4/16/2025 10:00	CH	Fixed Assets Ex Rural YTD YoY	Mar	4.10%	--	4.10%	--
4/16/2025 10:00	CH	Retail Sales YTD YoY	Mar	4.30%	--	4.00%	--
4/16/2025 10:00	CH	GDP SA QoQ	1Q	1.40%	--	1.60%	--
4/16/2025 10:00	CH	Property Investment YTD YoY	Mar	-9.90%	--	-9.80%	--
4/16/2025 10:00	CH	Surveyed Jobless Rate	Mar	5.30%	--	5.40%	--
4/16/2025 10:00	CH	Residential Property Sales YTD YoY	Mar	--	--	-0.40%	--
4/16/2025 20:30	US	Retail Sales Advance MoM	Mar	1.40%	--	0.20%	--
4/16/2025 20:30	US	Retail Sales Ex Auto MoM	Mar	0.40%	--	0.30%	--
4/16/2025 20:30	US	Retail Sales Ex Auto and Gas	Mar	0.60%	--	0.50%	--
4/16/2025 21:15	US	Industrial Production MoM	Mar	-0.20%	--	0.70%	--
4/16/2025 21:15	US	Capacity Utilization	Mar	77.90%	--	78.20%	--

Source: Bloomberg



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