

Daily Treasury Outlook

16 December 2025

Highlights

Global: Market sentiment turned cautious ahead of the US data dump and upcoming central bank policy decisions from the UK, Eurozone and Japan. Selling pressures in tech stocks persisted and major US equity indices ended Monday's session lower (S&P: -0.16%; NASDAQ: -0.59%; Dow: -0.09%). US treasury yields closed 1-2 bps lower across, as investors awaited November non-farm payrolls. Dollar softened marginally, while the yuan refreshed 14-month highs. Gold prices drifted higher alongside prices of other precious metals, while crypto's selloff extended.

On the data front, US December Empire State manufacturing index plunged to -3.9 from 18.7 in November. Canada's CPI rose by 0.1% MoM and 2.2% YoY respectively in November, largely in line with consensus. China's November economic data mostly disappointed, with retail sales (1.3% YoY) and industrial production (4.8% YoY) at its weakest pace in over a year, with further contraction in investment and declines in housing prices. Fixed asset investment fell cumulatively by 2.6% in the first 11 months, dragged by the ongoing anti-involution campaign. On the other hand, Japan's December Tankan survey showed business conditions improved across firm size. The persistent labour shortage will likely support future wage growth and wage growth driven inflation.

Market Watch: Asian markets are likely to trade with a cautious tone today. The economic calendar in APAC mainly comprises of New Zealand's November food prices (-0.4% MoM), Australia's December Westpac consumer confidence (at 94.5), Japan's December Composite PMI (51.5), South Korea's October monetary data, and Hong Kong's November unemployment rate. Later today, markets will watch UK's October labour market data and December PMIs, Eurozone's December PMIs.

Key Market Movements

Equity	Value	% chg
S&P 500	6816.5	-0.2%
DJIA	48417	-0.1%
Nikkei 225	50168	-1.3%
SH Comp	3867.9	-0.6%
STI	4589.2	0.1%
Hang Seng	25629	-1.3%
KLCI	1643.7	0.4%
	Value	% chg
DXY	98.309	-0.1%
USDJPY	155.23	-0.4%
EURUSD	1.1753	0.1%
GBPUSD	1.3376	0.0%
USDIDR	16668	0.2%
USDSGD	1.2895	-0.2%
SGDMYR	3.1767	0.1%
	Value	chg (bp)
2Y UST	3.50	-2.07
10Y UST	4.17	-1.18
2Y SGS	1.47	-2.40
10Y SGS	2.18	-3.33
3M SORA	1.20	-0.65
3M SOFR	4.10	-2.63
	Value	% chg
Brent	60.56	-0.9%
WTI	56.82	-1.1%
Gold	4305	0.1%
Silver	64.09	3.4%
Palladium	1573	5.3%
Copper	11656	1.2%
BCOM	108.67	-0.3%

Source: Bloomberg

Major Markets

ID: According to Indonesia's Directorate General of Civil Aviation, air travel during the year-end holiday is projected to exceed 5mn passengers, with nearly 3.9mn on domestic routes and 1.2mn internationally. Secretary of the Directorate General of Civil Aviation, Achmad Prabowo, shared that the busiest domestic flights will continue to be those linked to Soekarno-Hatta International Airport, including routes between Jakarta with Denpasar, Surabaya, Medan, and Balikpapan. Meanwhile international travel is strongest on routes to Singapore and Kuala Lumpur. Out of 568 registered aircraft, approximately 368 are currently operational, requiring tighter aircraft rotation. To ease travel costs, the government has introduced various measures, including reduced fuel surcharges for both jet and propeller aircraft, lower airport service charges, cheaper aviation fuel at selected airports, and extended airport operating hours. Overall, Secretary of the Directorate General of Civil Aviation Achmad Prabowo said these measures "could reduce ticket prices by around 12–13 percent." The Directorate General of Civil Aviation also confirmed that it has "completed readiness inspections at 257 airports", ensuring facilities and services are prepared for the upcoming travel season.

MY: Deputy Investment, Trade and Industry Minister Liew Chin Tong stated that a total of 37 trade and investment missions, including official overseas visits led by the Prime Minister, have successfully generated MYR493.6bn in potential investments. These span across 181 projects scheduled from 2023 to 2025. Of this total, 52 projects worth MYR123.8bn have already been approved, while 38 projects valued at MYR48.9bn are targeted for finalization in 2025. An additional MYR320.9bn is expected to be finalized between 2026 and 2028. Separately, Minister Liew noted that MITI is currently drafting the Industrial Development Bill and enhancing the MIDA Act, aimed at improving monitoring effectiveness and ensuring spillover benefits to local industries and the domestic economy.

TH: The Election Commission (EC) has confirmed that the country's next general election will be held on 8 February 2026. This follows the recent Royal Decree announcing the dissolution of the House of Representatives on 12 December.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-7bps lower while belly tenors traded 6-7bps lower and 10Y traded 6bps lower. As per Bloomberg, China Vanke Co Ltd (“Vanke”) has offered creditors better terms to delay payment on its RMB2bn bond after its initial proposal was rejected. Vanke informed bondholders it could pay the RMB60mn interest on the RMB2bn bond due 15 December by 22 December and requested extending the five business day grace period to 30 trading days. The company also plans to hold a second bondholder meeting on 18 December to discuss the revised proposal. Additionally, Vanke announced that United Overseas Bank Ltd has extended a HKD1.05bn guaranteed loan to its unit Intense Sunshine for another year. Meanwhile, Road King Infrastructure Ltd will defer the 23 December payment on its 7% perpetual capital securities to the next payment date. Lastly, China’s National Association of Financial Market Institutional Investors has launched a self-regulatory investigation into Postal Savings Bank of China Co Ltd over suspected violations in bond underwriting and issuance. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads widened by 2bps to 372bps respectively. (Bloomberg, OCBC)

New issues:

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

Mandates:

- Henkel Hong Kong Holding Ltd. (guarantor: Henkel AG & Co KGaA) may issue an RMB-denominated bond offering through private placement (Private Placement Note).

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.309	-0.09%	USD-SGD	1.2895
USD-JPY	155.230	-0.37%	EUR-SGD	1.5154
EUR-USD	1.175	0.11%	JPY-SGD	0.8307
AUD-USD	0.664	-0.17%	GBP-SGD	1.7250
GBP-USD	1.338	0.04%	AUD-SGD	0.8562
USD-MYR	4.093	-0.11%	NZD-SGD	0.7457
USD-CNY	7.048	-0.10%	CHF-SGD	1.6183
USD-IDR	16668	0.17%	SGD-MYR	3.1767
USD-VND	26316	0.03%	SGD-CNY	5.4625

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9340	-0.05%	1M	3.7445
3M	2.0820	-0.86%	2M	3.7172
6M	2.1700	-0.09%	3M	3.7044
12M	2.2940	-0.17%	6M	3.6293
			1Y	3.4650

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.244	-24.40%	-0.061	3.583
03/18/2026	-0.585	-34.10%	-0.146	3.497

Equity and Commodity

Index	Value	Net change
DJIA	48,416.56	-41.49
S&P	6,816.51	-10.90
Nasdaq	23,057.41	-137.76
Nikkei 225	50,168.11	-668.44
STI	4,589.17	2.72
KLCI	1,643.72	5.91
JCI	8,649.66	-10.84
Baltic Dry	2,205.00	-89.00
VIX	16.50	0.76

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.47 (-0.02)	3.5(--)
5Y	1.87 (-0.04)	3.72 (-0.02)
10Y	2.18 (-0.03)	4.17 (-0.01)
15Y	2.3 (-0.04)	--
20Y	2.3 (-0.03)	--
30Y	2.35 (-0.02)	4.84(--)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.67
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	56.82	-1.08%	Corn (per bushel)	4.398	1.9%
Brent (per barrel)	60.56	-0.92%	Soybean (per bushel)	10.718	-0.5%
Heating Oil (per gallon)	218.06	-0.79%	Wheat (per bushel)	5.208	-2.6%
Gasoline (per gallon)	173.23	-1.13%	Crude Palm Oil (MYR/MT)	40.000	0.5%
Natural Gas (per MMBtu)	4.01	-2.46%	Rubber (JPY/KG)	3.231	-0.2%

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11655.50	1.22%	Gold (per oz)	4305.0	0.1%
Nickel (per mt)	14346.00	-1.65%	Silver (per oz)	64.1	3.4%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/16/2025 13:00	IN	HSBC India PMI Composite	Dec P	--	--	59.7	--
12/16/2025 15:00	UK	Payrolled Employees Monthly Change	Nov	-20k	--	-32k	--
12/16/2025 15:00	UK	Claimant Count Rate	Nov	--	--	4.40%	--
12/16/2025 15:00	UK	Jobless Claims Change	Nov	--	--	29.0k	--
12/16/2025 17:00	EC	HCOB Eurozone Composite PMI	Dec P	52.6	--	52.8	--
12/16/2025 17:30	UK	S&P Global UK Composite PMI	Dec P	51.5	--	51.2	--
12/16/2025 18:00	EC	ZEW Survey Expectations	Dec	--	--	25	--
12/16/2025 18:00	EC	Trade Balance SA	Oct	18.5b	--	18.7b	--
12/16/2025 18:00	EC	Trade Balance NSA	Oct	--	--	19.4b	--
12/16/2025 21:30	US	Change in Nonfarm Payrolls	Nov	50k	--	--	--
12/16/2025 21:30	US	Change in Private Payrolls	Nov	50k	--	--	--
12/16/2025 21:30	US	Change in Manufact. Payrolls	Nov	-5k	--	--	--
12/16/2025 21:30	US	Unemployment Rate	Nov	4.50%	--	--	--
12/16/2025 21:30	US	Retail Sales Ex Auto and Gas	Oct	0.40%	--	0.10%	--
12/16/2025 21:30	US	Retail Sales Control Group	Oct	0.40%	--	-0.10%	--
12/16/2025 21:30	US	New York Fed Services Business Activity	Dec	--	--	-21.7	--

Source: Bloomberg

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