

Daily Treasury Outlook

17 September 2025

Highlights

Global: US equities closed slightly lower on Tuesday as investors turned cautious ahead of tonight's FOMC decision. Adding to the headlines, President Trump announced he had signed documents moving economic aide Stephen Miran to the Federal Reserve Board following his Senate confirmation.

On the data front, US retail sales surprised to the upside, rising 0.6% MoM in August after an upwardly revised 0.6% MoM gain in July, beating consensus at 0.2%. Strength was broad-based: online sales jumped 2.0% MoM (vs. +0.6% in July), auto dealership receipts rose 0.5% MoM (vs. +1.7%), while spending at restaurants and bars climbed 0.7% MoM, rebounding from a 0.1% dip previously. The "control group"—which excludes autos, gasoline, building materials and food services—also advanced 0.7% MoM, suggesting underlying consumption remains resilient. In response, the Atlanta Fed raised its 3Q GDPNow estimate to 3.4% annualized, up from 3.1%.

Separately, US import prices rose for a second straight month, up 0.3% MoM in August after a downwardly revised +0.2% in July. Excluding fuels and food, import prices gained 0.5% MoM, the strongest in over a year, with consumer goods ex-autos (+0.7%) and capital goods (+0.5%) leading. While tariffs are not included in the index, the data still point to growing passthrough of higher costs to businesses and consumers.

Market Watch: Looking ahead, beyond the FOMC, markets will watch UK and EU August CPI prints, US housing data, and the Bank of Canada's rate decision later today. Bank Indonesia (BI) is set to meet in the afternoon (3pm SGT), and we expect the central bank to keep its policy rate unchanged at 5.00%.

Commodities: Crude oil benchmarks extended gains on Tuesday, with WTI and Brent rising by 1.9% and 1.5%, respectively, to USD64.5/bbl and USD68.5/bbl. Prices remain well-supported amid concerns about potential supply disruptions. The Ukrainian military intensified its strikes on Russian energy infrastructure, with the latest attacks reportedly targeting Russia's Saratov crude oil refinery in the Volga region. Meanwhile, a softer DXY profile may have provided additional support for higher oil prices. Elsewhere, the American Petroleum Institute (API) reported a decline of 3.4mn bbls in US crude inventories for the week ending 12 September. This contrasts with consensus expectations, which had anticipated a buildup of 1.1mn bbls. The US Energy Information Administration (EIA) crude oil inventories data will be released tonight (17 September).

Key Market Movements

Equity	Value	% chg
S&P 500	6606.8	-0.1%
DJIA	45758	-0.3%
Nikkei 225	44902	0.3%
SH Comp	3861.9	0.0%
STI	4337.7	0.0%
Hang Seng	26439	0.0%
KLCI	1600.1	0.0%
	Value	% chg
DX	96.633	-0.7%
USDJPY	146.48	-0.6%
EURUSD	1.1867	0.9%
GBPUSD	1.3647	0.4%
USIDR	16440	0.2%
USDSGD	1.2761	-0.3%
SGDMYR	3.2895	0.3%
	Value	chg (bp)
2Y UST	3.50	-3.35
10Y UST	4.03	-0.96
2Y SGS	1.38	-2.30
10Y SGS	1.77	-1.90
3M SORA	1.52	-0.41
3M SOFR	4.38	0.22
	Value	% chg
Brent	68.47	1.5%
WTI	64.52	1.9%
Gold	3690	0.3%
Silver	42.56	-0.3%
Palladium	1181	-0.9%
Copper	10127	-0.6%
BCOM	105.35	0.6%

Source: Bloomberg

Major Markets

CH: In China, authorities rolled out fresh measures to boost services consumption. Key initiatives include further opening of the internet, culture, telecoms, healthcare and education sectors, along with easing market access in mid- to high-end healthcare and leisure travel. Fiscal support via central funds and local special bonds will prioritize cultural, tourism, elderly care, childcare and sports infrastructure. Interestingly, the plan also encourages local governments to trial spring and autumn school breaks (shortening winter and summer holidays), in a bid to extend peak travel and service demand periods—potentially a low-hanging fruit to stimulate consumption.

ID: Bank Indonesia (BI) is set to meet in the afternoon (3pm SGT), and we expect the central bank to keep its policy rate unchanged at 5.00%. BI has lowered its policy rate by a cumulative 100bp from January to August 2025. However, looking ahead, we expect another 25bp in rate cuts from BI for the remainder of the year, bringing the policy rate to 4.75% by end-2025. The risk is for additional rate cuts should further downside risks to growth materialise.

MY: Malaysia and Kazakhstan have signed a Memorandum of Understanding (MoU) aimed at establishing a permanent channel for cooperation, business exchanges, and joint trade promotion initiatives. Kazakhstan's ambassador to Malaysia, Bulat Sugurbayev, stated that Kazakhstan seeks to diversify its exports beyond traditional commodities, with a focus on halal-certified food products, wheat, grain, meat, metallurgical goods, and chemicals. He also noted that Kazakhstan is investing USD1bn in high-tech industries, opening opportunities for collaboration with Malaysia in the fields of artificial intelligence, digital technologies, and other tech sectors. Separately, the Malaysia International Halal Showcase (MIHAS) begins today and will run until 20 September. The exhibition serves as a significant platform for the halal sector, enabling participants to explore greater collaboration in trade and tourism.

TH: Krungthep Turakij newspaper reported that a senior Finance Ministry source has denied foreign media reports claiming that Thailand is planning to impose a tax on online gold trading. The source clarified that gold trading is unlikely to be a key driver of the Thai baht's recent strength. Indeed, industry leaders argued that the recent appreciation was driven by weaker US dollar and opposed the proposed tax on online gold bar sales, warning it could harm the country's position as a regional gold hub and negatively affect small investors. Nonetheless, Bank of Thailand Governor Sethaput Suthiwartnarueput indicated that a tax on gold is among the measures under consideration to ease the baht's strength.

ESG

MY: The EU has recognised the Malaysian Sustainable Palm Oil (MSPO) certification as a credible standard that can facilitate compliance with EU's deforestation regulation. This can help palm oil producers, particularly smallholders, meet the requirements of the regulation. The new EU regulation, due to come into effect in December, requires companies selling soy, beef, palm oil, wood, cocoa and coffee, and some products like leather, chocolate and furniture, to ensure that land associated with those products has not been subject to deforestation since the end of 2020. The EU and Malaysia have agreed to continue close cooperation ahead of the EUDR's entry into force, to ensure operators sourcing commodities such as palm oil, rubber, timber and cocoa are prepared to meet their obligations.

SG: The National Climate Change Secretariat (NCCS) and the Ministry of Trade and Industry (MTI) will contract 2.175 mn tonnes worth of high-quality nature-based carbon credits from four projects in Ghana, Peru, and Paraguay, at a value of around S\$76 mn, for use across 2026 to 2030. This award is the result of a request for proposal launched in September 2024 for nature-based carbon credits to meet Singapore's 2030 Nationally Determined Contribution (NDC) under the Paris Agreement. The projects are the Kowen Antami REDD+ and Together for Forests REDD+ projects in Peru, the Boomitra Grassland Restoration Project in Paraguay, and the Kwahu Landscape Restoration Project in Ghana.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenors traded 2-3bps lower and 10Y traded 3bps lower. As per Bloomberg, a HKSAR judge has approved the formation of a committee of inspection (“COI”) to streamline China Evergrande Group’s winding up process. Currently the COI consist of three members, with an option for two additional members representing bondholders open for application. The COI allows liquidators to consult the committee instead of seeking approval from a judge or all creditors for each issue. In other news by Bloomberg, SK Innovation Co Ltd’s petrochemical unit, SK Geo Centric, is reportedly looking to sell its 35% stake in a Chinese joint venture with Sinopec, with the stake valued near its book value of KRW819.3bn. The Wuhan-based JV was founded in 2013 with a total investment of KRW3.3tn. Meanwhile, E-commerce logistics firm J&T Global Express Ltd. is negotiating with banks to reduce borrowing costs after achieving profitability for the first time in 2024. Bloomberg Asia USD Investment Grade and Bloomberg Asia USD High Yield spreads traded flat at 64bps and 330bps respectively. (Bloomberg, OCBC)

New issues:

There were two notable issuances in the Asiadollar yesterday.

- Transurban Finance Co Pty Ltd (guarantor: Transurban Holdings Limited, Transurban International Limited, Transurban Infrastructure Management Limited, in its capacity as responsible entity of the Transurban Holding Trust) priced a USD550mn 10.5Y Senior Secured Fixed Bond at T+90bps (Yield: 4.924%).
- Melco Resorts Finance Ltd priced a USD500mn 8NC3 Fixed Bond at 6.50%.

There was one notable issuance in the Singdollar market yesterday.

- Shangri-La Hotel Limited (guarantor: Shangri-La Asia Ltd) priced a SGD60mn retap of its SLHSP 3.48% '32 at 3.48%.

Mandates:

- Korea National Oil Corporation may issue a USD-denominated Fixed and/or FRN with expected tenor(s) of 3Y and/or 5Y.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	96.633	-0.69%	USD-SGD	1.2761
USD-JPY	146.480	-0.62%	EUR-SGD	1.5142
EUR-USD	1.187	0.90%	JPY-SGD	0.8712
AUD-USD	0.669	0.24%	GBP-SGD	1.7412
GBP-USD	1.365	0.35%	AUD-SGD	0.8529
USD-MYR	4.203	-0.40%	NZD-SGD	0.7641
USD-CNY	7.114	-0.06%	CHF-SGD	1.6235
USD-IDR	16440	0.18%	SGD-MYR	3.2895
USD-VND	26382	-0.01%	SGD-CNY	5.5769

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8800	0.05%	1M	4.1368
3M	2.0330	1.65%	2M	4.0799
6M	2.1010	-0.33%	3M	4.0238
12M	2.1830	0.74%	6M	3.8519
			1Y	3.5850

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-1.051	-105.10%	-0.263	4.07
10/29/2025	-1.82	-77.00%	-0.455	3.878
12/10/2025	-2.741	-92.10%	-0.685	3.647

Equity and Commodity

Index	Value	Net change
DJIA	45,757.90	-125.55
S&P	6,606.76	-8.52
Nasdaq	22,333.96	-14.79
Nikkei 225	44,902.27	134.15
STI	4,337.74	-0.68
KLCI	1,600.13	17.28
JCI	7,957.70	20.58
Baltic Dry	2,153.00	27.00
VIX	16.36	0.67

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.38 (-0.02)	3.5(--)
5Y	1.47 (-0.02)	3.58 (-0.02)
10Y	1.77 (-0.02)	4.03 (-0.01)
15Y	1.83 (-0.01)	--
20Y	1.87 (-0.01)	--
30Y	1.96 (-0.01)	4.65 (-0.01)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.51
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.52	1.93%	Corn (per bushel)	4.295	1.5%
Brent (per barrel)	68.47	1.53%	Soybean (per bushel)	10.498	0.7%
Heating Oil (per gallon)	239.35	2.68%	Wheat (per bushel)	5.340	1.7%
Gasoline (per gallon)	204.16	1.40%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.10	1.97%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	10126.50	-0.59%	Gold (per oz)	3690.0	0.3%
Nickel (per mt)	15428.00	-0.05%	Silver (per oz)	42.6	-0.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/17/2025 14:00	UK	CPI YoY	Aug	3.80%	--	3.80%	--
9/17/2025 14:00	UK	CPI Core YoY	Aug	3.60%	--	3.80%	--
9/17/2025 14:00	UK	CPI Services YoY	Aug	4.80%	--	5.00%	--
9/17/2025 14:00	UK	CPIH YoY	Aug	4.10%	--	4.20%	--
9/17/2025 15:20	ID	BI-Rate	17-Sep	5.00%	--	5.00%	--
9/17/2025 16:00	SI	Automobile COE Open Bid Cat A	17-Sep	--	--	107889	--
9/17/2025 16:00	SI	Automobile COE Open Bid Cat E	17-Sep	--	--	127901	--
9/17/2025 16:00	SI	Automobile COE Open Bid Cat B	17-Sep	--	--	127501	--
9/17/2025 17:00	EC	CPI YoY	Aug F	2.10%	--	2.10%	--
9/17/2025 17:00	EC	CPI Core YoY	Aug F	2.30%	--	2.30%	--
9/17/2025 19:00	US	MBA Mortgage Applications	12-Sep	--	--	9.20%	--
9/17/2025 20:30	US	Housing Starts	Aug	1365k	--	1428k	--
9/17/2025 20:30	US	Building Permits	Aug P	1370k	--	1362k	--
9/17/2025-9/23/2025	CH	FDI YTD YoY CNY	Aug	--	--	-13.40%	--

Source: Bloomberg

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