

## Daily Treasury Outlook

18 July 2025

### Highlights

**Global:** US equities extended gains (S&P: 0.5%; Dow: 0.5%; NASDAQ: 0.7%), buoyed by positive US economic data. Notably, the S&P and NASDAQ closed at new highs. The US released another set of activity data for the week, with retail sales growth rising by 0.6% MoM, up from -0.9% in May. The rebound exceeded the consensus expectation of 0.1%. Stripping out autos, gas, building materials, and food services, the control group rose 0.5% MoM, up from a downwardly revised 0.2% in May. The rebound underscores the resilience of the US economy. Further reflecting this strength, Initial jobless claims declined by 3.1% to 221k (week ending 12 July), contrasting with consensus expectations of an increase from the previous week. Indeed, this resilience may persist into July. Forward looking indicator, such as the Philadelphia Fed July Manufacturing Business Outlook Survey, revealed that “the survey’s indicator for general activity returned to positive territory,” following three consecutive months of contraction. Notably, the survey showed increases in the indexes for new orders and shipments, while the employment index also returned to positive territory in July. The Philadelphia Fed July Nonmanufacturing Business Outlook Survey, to be released next Tuesday (22 July), will provide further insight into the health of the economy.

**Market Watch:** This morning, Japan CPI for June eased to 3.3% YoY versus 3.5% in May. This is in line with consensus expectations. In contrast, the core CPI eased more-than-expected to 3.3% YoY (consensus: 3.4%), down from 3.7% in May. Meanwhile, the supercore CPI, which excludes fresh food and energy, edged higher to 3.4% YoY (consensus: 3.3%), up from 3.3% in May. The Asian calendar is relatively light today, with advance estimates of Malaysia's 2Q25 GDP to be released in the afternoon. We expect GDP growth to ease to 3.9% YoY (consensus: 4.2%), down from 4.4% in 1Q25. Accompanying this data release includes July prelim University of Michigan sentiment.

**Commodities:** Crude oil benchmarks rebounded on Thursday, buoyed by positive US economic data. WTI and Brent increased by 1.7% and 1.5%, respectively, to USD67.5/bbl and USD69.5/bbl. Adding further upward pressure on prices, several Iraqi oil fields in the semi-autonomous Kurdistan region were struck by drone attacks. Consequently, ~0.2mbpd of oil production has been impacted, raising concerns over potential supply disruptions amid the ongoing tightness in the global oil market.

### Key Market Movements

Equity	Value	% chg
S&P 500	6297.4	0.5%
DJIA	44484	0.5%
Nikkei 225	39901	0.6%
SH Comp	3516.8	0.4%
STI	4161.4	0.7%
Hang Seng	24499	-0.1%
KLCI	1520.9	0.6%
	Value	% chg
DX	98.734	0.3%
USDJPY	148.58	0.5%
EURUSD	1.1596	-0.4%
GBPUSD	1.3416	0.0%
USDIDR	16331	0.3%
USDSGD	1.2859	0.3%
SGDMYR	3.3032	0.0%
	Value	chg (bp)
2Y UST	3.90	1.28
10Y UST	4.45	-0.40
2Y SGS	1.73	-2.70
10Y SGS	2.14	-1.03
3M SORA	1.93	-0.79
3M SOFR	4.34	0.02
	Value	% chg
Brent	69.52	1.5%
WTI	67.54	1.7%
Gold	3339	-0.2%
Silver	38.14	0.6%
Palladium	1278	3.4%
Copper	9667	0.3%
BCOM	104.45	0.4%

Source: Bloomberg

## Major Markets

**HK:** Seasonally adjusted unemployment rate and underemployment rate held unchanged at 3.5% and 1.4% respectively in the three-month ending June 2025. Unemployed persons however rose further to the highest level since 4Q 2022 at 136.2k. Analyzed by sector, unemployment rate fell notably in arts, entertainment and recreation sector, and professional and business services sector; and increased in construction sector and food and beverage service activities sector.

**ID:** According to Finance Minister Sri Mulyani Indrawati, the Indonesian government has disbursed IDR6.9trn of subsidies to 11.4mn workers, between 23 June to 1 July. Individuals who earn less than IDR3.5mn monthly are eligible for a IDR300k subsidy for two months. Additionally, it is mandatory for recipients to be registered under the national social security agency BPJS Ketenagakerjaan as of April 2025. The subsidy will be delivered to recipients as a one-time payment. Part of the Wage Subsidy Assistance (BSU) disbursement, the IDR8trn stimulus was designed to maintain purchasing power of households and boost local consumption. As of 18 July, around 85% of the targeted 15mn recipients have received the assistance.

**MY:** According to Minister of Science, Technology and Innovation Chang Lih Kang, the government will examine measures to ease business pressures. The government has acknowledged the situation and plans to discuss it at the Cabinet, underscoring the administration's commitment to listening and responding to business concerns. During a panel session at the National Economic Forum 2025, industry leaders, including Datuk Ng Yih Pyng of the Associated Chinese Chambers of Commerce and Industry of Malaysia, urged a reduction of the SST rate to 4%, while Federation of Malaysian Manufacturers President Tan Sri Soh Thian Lai proposed postponing any new tax measures.

**PH:** Finance Secretary Ralph Recto said that the government is reviewing stricter measures to regulate online gambling. One of the proposed measures includes raising the taxes of gross gaming revenue. Based on gross gaming revenue, he shared that the government could generate an additional PHP20bn per year if taxes are increased by ~10%. The Philippine Amusement and Gaming Corporation currently imposes a 30% fee on electronic gaming, while the Bureau of Internal Revenue collects an additional 5%. Other proposed measures include, banning government officials from participating in online gambling, displaying information about the risks of gambling, and requiring operators to list on the Philippine Stock Exchange for enhance transparency.

## ESG

**SG:** Singapore and the UK are partnering to accelerate clean energy transition and sustainable infrastructure across Southeast Asia for regional energy security. The UK announced a landmark pledge of up to £70 mn to Singapore's Financing Asia's Transition Partnership (FAST-P) initiative, which is a blended finance initiative that aims to mobilise up to US\$5 bn to de-risk and finance transition and marginally bankable green projects in Asia. The UK's funding, to be delivered through British International Investment (BII), will deploy investment capital and provide blended finance to support low-carbon energy projects and innovative business models. This can support enhancing energy security and climate resilience by supporting the mobilisation of capital to close infrastructure financing gaps.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded mostly lower yesterday with shorter tenors trading 3-5bps lower and belly tenors trading flat to 2bps lower while 10Y traded 1bps higher. As per Bloomberg, bad debt in Hong Kong reached USD25bn by the end of March, prompting preliminary talks among major banks about creating a “bad bank” to absorb non-performing loans. However, significant challenges remain as banks face pressure to offload real estate-backed loans. Bloomberg Asia USD Investment Grade spreads traded flat at 68bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 362bps respectively. (Bloomberg, OCBC)

### New Issues:

There was one notable issuance in the Asiadollar market yesterday.

- San Miguel Global Power Holdings Corp priced a USD400mn PerpNC5 Fixed Note at 8.95%.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	98.734	0.35%	USD-SGD	1.2859	0.26%
USD-JPY	148.580	0.47%	EUR-SGD	1.4912	-0.13%
EUR-USD	1.160	-0.39%	JPY-SGD	0.8652	-0.25%
AUD-USD	0.649	-0.61%	GBP-SGD	1.7254	0.23%
GBP-USD	1.342	-0.04%	AUD-SGD	0.8344	-0.36%
USD-MYR	4.250	0.08%	NZD-SGD	0.7627	-0.03%
USD-CNY	7.182	0.04%	CHF-SGD	1.5986	-0.19%
USD-IDR	16331	0.33%	SGD-MYR	3.3032	-0.01%
USD-VND	26155	-0.01%	SGD-CNY	5.5841	-0.17%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8810	1.90%	1M	4.3494	-0.02%
3M	2.0210	-1.03%	2M	4.3551	-0.05%
6M	2.0690	-0.48%	3M	4.3280	-0.14%
12M	2.0890	-0.90%	6M	4.2176	-0.27%
			1Y	3.9997	-0.33%

## Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.026	-2.6	-0.006	4.323
09/17/2025	-0.61	-58.4	-0.152	4.177
12/10/2025	-1.763	-66.7	-0.441	3.888

## Equity and Commodity

Index	Value	Net change
DJIA	44,484.49	229.71
S&P	6,297.36	33.66
Nasdaq	20,885.65	155.16
Nikkei 225	39,901.19	237.79
STI	4,161.43	29.18
KLCI	1,520.94	9.44
JCI	7,287.02	95.00
Baltic Dry	1,906.00	40.00
VIX	16.52	-0.64

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.73 (-0.03)	3.89(--)
5Y	1.8 (-0.01)	3.99(--)
10Y	2.14 (-0.01)	4.45 (0)
15Y	2.25 (--)	--
20Y	2.23 (--)	--
30Y	2.26 (--)	5(--)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.34
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	67.54	1.75%	Corn (per bushel)	4.020	-0.8%
Brent (per barrel)	69.52	1.46%	Soybean (per bushel)	10.215	0.8%
Heating Oil (per gallon)	246.46	3.06%	Wheat (per bushel)	5.335	-1.4%
Gasoline (per gallon)	217.04	1.23%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.54	-0.25%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9666.50	0.33%	Gold (per oz)	3339.0	-0.2%
Nickel (per mt)	15096.00	0.47%	Silver (per oz)	38.1	0.6%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/18/2025 12:00	MA	GDP YoY	2Q A	4.20%	--	4.40%	--
7/18/2025 12:00	MA	Exports YoY	Jun	5.40%	--	-1.10%	--
7/18/2025 12:00	MA	Imports YoY	Jun	9.30%	--	6.60%	--
7/18/2025 12:00	MA	Trade Balance MYR	Jun	10.90b	--	0.77b	--
7/18/2025 15:30	TH	Gross International Reserves	11-Jul	--	--	\$262.8b	--
7/18/2025 15:30	TH	Forward Contracts	11-Jul	--	--	\$21.9b	--
7/18/2025 16:00	EC	ECB Current Account SA	May	--	--	19.8b	--
7/18/2025 20:30	US	Housing Starts	Jun	1300k	--	1256k	--
7/18/2025 20:30	US	Building Permits	Jun P	1387k	--	1394k	--
7/18/2025 20:30	US	Housing Starts MoM	Jun	3.50%	--	-9.80%	--
7/18/2025 20:30	US	Building Permits MoM	Jun P	-0.50%	--	-2.00%	--
7/18/2025 22:00	US	U. of Mich. Sentiment	Jul P	61.5	--	60.7	--
7/18/2025 22:00	US	U. of Mich. Expectations	Jul P	56.9	--	58.1	--
7/18/2025 22:00	US	U. of Mich. 1 Yr Inflation	Jul P	5.00%	--	5.00%	--
7/18/2025 22:00	US	U. of Mich. 5-10 Yr Inflation	Jul P	3.90%	--	4.00%	--
7/18/2025	IN	Foreign Exchange Reserves	11-Jul	--	--	\$699.7b	--

Source: Bloomberg



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