

Daily Treasury Outlook

20 August 2025

Highlights

Global: Wall Street closed broadly lower on Tuesday, with the Nasdaq down by 1.5% amid a quiet data week and as investors remain cautious ahead of Fed Chair Powell's upcoming speech. Market sentiment was further dampened by the US Commerce Department's decision on 19 August that expands its steel and aluminium tariffs, imposing 50% duties on more than 400 additional product categories. The new list includes wind turbines, mobile cranes, appliances, and EV-grade electrical steel and hundred others. The move is expected to raise input costs for manufacturing, infrastructure, and transport sectors, and signals a more protectionist policy stance, keeping supply chain diversification in focus.

On the data front, US housing data for July was mixed. Housing starts rose to an annualized 1.43mn in July from 1.36mn in June, but building permits declined to 1.35mn from 1.39mn, suggesting builders are proceeding with existing projects but remain cautious on new developments. A leading US home improvement retailer highlighted that high interest rates and economic uncertainty are weighing on consumer demand for major home improvement projects, while also noting the risk of price increases in response to the new tariffs.

Market Watch: This morning, Japan's export figures for July were released, showing a decline of 2.60% YoY, down from -2.10% in June, while imports contracted sharply to -7.50% YoY from a revised 0.30% in June. The focus today will be on central bank rate decisions, with the People's Bank of China (PBoC) expected to keep both its 1-Year and 5-Year Loan Prime Rates unchanged. Shortly after, the Reserve Bank of New Zealand (RBNZ) will meet and is expected to cut its official cash rate by 25 basis points to 3.00%. Bank Indonesia (BI) is set to meet in the afternoon (3 pm SGT), and we expect the central bank to keep its policy rate unchanged at 5.25%. In Europe, key data to watch will include UK and Euro area CPI prints, while in the US, MBA mortgage applications data will be released.

Major Markets

ID: Bank Indonesia (BI) is set to meet in the afternoon (3 pm SGT), and we expect the central bank to keep its policy rate unchanged at 5.25%. BI has lowered its policy rate by a cumulative 75bb from January to July 2025. However, looking ahead, we expect another cumulative 50bp in rate cuts for the rest of the year, though BI will remain opportunistic regarding the timing of these rate cuts.

Key Market Movements

Equity	Value	% chg
S&P 500	6411.4	-0.6%
DJIA	44922	0.0%
Nikkei 225	43546	-0.4%
SH Comp	3727.3	0.0%
STI	4216.2	0.7%
Hang Seng	25123	-0.2%
KLCI	1590.2	0.3%
	Value	% chg
DXY	98.265	0.1%
USDJPY	147.67	-0.1%
EURUSD	1.1647	-0.1%
GBPUSD	1.3491	-0.1%
USIDR	16245	0.5%
USDSGD	1.285	0.0%
SGDMYR	3.2918	0.0%
	Value	chg (bp)
2Y UST	3.75	-1.49
10Y UST	4.31	-2.73
2Y SGS	1.57	3.80
10Y SGS	1.95	6.52
3M SORA	1.70	-0.95
3M SOFR	4.35	0.08
	Value	% chg
Brent	65.79	-1.2%
WTI	62.35	-1.7%
Gold	3316	-0.5%
Silver	37.39	-1.7%
Palladium	1114	0.0%
Copper	9692	-0.4%
BCOM	99.50	-0.8%

Source: Bloomberg

MY: Exports grew 6.8% YoY in July from -3.6% in June, while import growth slowed to 0.6% YoY from 1.3%. Both figures were higher than consensus expectations of a contraction of -3.2% and -2.3%, respectively. Consequently, the trade surplus widened to MYR15.0bn in July from MYR8.40bn in June. Looking at export growth by destination, shipments to the US slowed to 3.8% YoY in July from 4.7% in June suggesting that some of the impact of the front-loading activities continues to wear thin. Shipments to China (6.8% from -9.3%), the EU (5.7% from 4.6%), and Japan (0.2% from -1.6%) improved, while shipments to India fell by 2.0% in July from 4.4% in June.

TH: The Bank of Thailand released its Banking Sector Quarterly Brief for 2Q25 on 19 August 2025. According to the brief, Thailand's loan growth 2Q25 in the banking sector contracted slower at -0.9% YoY, from -1.3 in 1Q25. Additionally, corporate bond issuances continued to decline by -3.3% YoY, from -1.4% YoY in 1Q25. Meanwhile, non-performing loans (NPL) increased slightly to THB554.9bn by -0.1% YoY from -0.8%, with demand driven by business loans while NPLs of consumer loans remained in decline across all portfolios.

ESG

SG: Thailand is the first Southeast Asian country to finalise a carbon trading agreement with Singapore, making it the eighth Implementation Agreement that Singapore has signed thus far. The seven other countries that Singapore has signed Implementation Agreements with are Papua New Guinea, Ghana, Bhutan, Peru, Chile, Rwanda and Paraguay. This establishes a framework for the generation and transfer of carbon credits from carbon mitigation projects aligned with Article 6 of the Paris Agreement. The Implementation Agreement between Singapore and Thailand can advance both countries' climate ambitions by directing financing towards unlocking additional mitigation potential in Thailand, which can scale high-quality carbon credit projects in the region.

MY: Proton's first dedicated electric vehicle (EV) production plant in Tanjung Malim is set to begin operations in September, with the overall progress of building and equipment installation mostly complete. Once completed, the plant will produce several models starting with the Proton e.MAS 7, to be followed by the Proton e.MAS 5. The facility is expected to expand annual capacity from 20,000 to 45,000 units depending on demand. This development marks a step forward for Proton's electrification journey and reflects Malaysia's ongoing efforts to encourage greater EV adoption in the country.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 4-6bps higher while belly tenors traded 5-7bps higher and 10Y traded ~8bps higher. According to Bloomberg, Hong Kong developer Parkview Group Ltd. received a three-month extension on its USD940mn loan due 15 August, avoiding a potential default as it works on a refinancing deal with banks. The loan is secured by the Parkview Green complex in Beijing's Chaoyang district. The company previously avoided default on its USD940mn loan by replenishing a shortfall in its interest reserve account before a 17 March deadline. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads stayed flat at 329bps respectively. (Bloomberg, OCBC)

New issues:

There were six notable issuances in the Asiadollar market yesterday.

- Development Bank of Japan Inc priced USD1bn of 3Y Fixed Notes at SOFR MS+50 bps.
- Legend Fortune Ltd (guarantor: CMB International Capital Corp Ltd) priced USD600mn across two tranches, a 3Y FRN at SOFR+60 bps and a 5Y FRN at SOFR+68bps.
- Ganzhou Urban Investment Holding Group Co Ltd priced a 3Y USD250mn Sustainability Fixed Note to yield 4.80%.
- Tongling State-Owned Capital Operation Holding Group Co Ltd (SBLC Provider: Huishang Bank Corp. Ltd.) priced a USD200mn 3Y Fixed Note to yield 4.65%.
- Korea Development Bank Singapore branch priced a USD100mn 3Y Fixed Note at 4.10%.
- E-MART Inc. priced a USD100mn 3Y FRN at SOFR+85bps.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.265	0.10%	USD-SGD	1.2850
USD-JPY	147.670	-0.15%	EUR-SGD	1.4965
EUR-USD	1.165	-0.12%	JPY-SGD	0.8701
AUD-USD	0.645	-0.57%	GBP-SGD	1.7336
GBP-USD	1.349	-0.10%	AUD-SGD	0.8293
USD-MYR	4.224	0.03%	NZD-SGD	0.7571
USD-CNY	7.182	-0.03%	CHF-SGD	1.5907
USD-IDR	16245	0.53%	SGD-MYR	3.2918
USD-VND	26313	0.08%	SGD-CNY	5.5890

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9210	1.05%	1M	4.3370
3M	2.0280	0.10%	2M	4.2636
6M	2.1110	0.00%	3M	4.2010
12M	2.0840	-0.38%	6M	4.0521
			1Y	3.8282

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.846	-84.60%	-0.211	4.117
10/29/2025	-1.405	-55.90%	-0.351	3.977
12/10/2025	-2.196	-79.10%	-0.549	3.78

Equity and Commodity

Index	Value	Net change
DJIA	44,922.27	10.45
S&P	6,411.37	-37.78
Nasdaq	21,314.95	-314.82
Nikkei 225	43,546.29	-168.02
STI	4,216.19	28.81
KLCI	1,590.24	5.28
JCI	7,862.95	-35.43
Baltic Dry	2,022.00	-22.00
VIX	15.57	0.58

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.57 (+0.04)	3.75(--)
5Y	1.67 (+0.06)	3.82 (-0.02)
10Y	1.95 (+0.07)	4.31 (-0.03)
15Y	2.02 (+0.06)	--
20Y	2.03 (+0.06)	--
30Y	2.09 (+0.05)	4.91 (-0.03)

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)	62.35	-1.69%	Corn (per bushel)	3.795	-0.9%
Brent (per barrel)	65.79	-1.22%	Soybean (per bushel)	10.130	-0.8%
Heating Oil (per gallon)	225.11	0.48%	Wheat (per bushel)	4.985	-0.8%
Gasoline (per gallon)	208.90	-0.46%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.77	-4.29%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9692.00	-0.42%	Gold (per oz)	3315.8	-0.5%
Nickel (per mt)	15006.00	-0.96%	Silver (per oz)	37.4	-1.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/20/2025-8/26/2025	TH	Customs Trade Balance	Jul	\$150m	--	\$1062m	--
8/20/2025 7:50	JN	Trade Balance	Jul	¥198.5b	--	¥153.1b	¥152.1b
8/20/2025 7:50	JN	Exports YoY	Jul	-2.10%	--	-0.50%	--
8/20/2025 7:50	JN	Imports YoY	Jul	-10.00%	--	0.20%	0.30%
8/20/2025 7:50	JN	Core Machine Orders MoM	Jun	-0.50%	--	-0.60%	--
8/20/2025 7:50	JN	Core Machine Orders YoY	Jun	4.70%	--	4.40%	--
8/20/2025 9:00	CH	1-Year Loan Prime Rate	20-Aug	3.00%	--	3.00%	--
8/20/2025 9:00	CH	5-Year Loan Prime Rate	20-Aug	3.50%	--	3.50%	--
8/20/2025 10:00	NZ	RBNZ Official Cash Rate	20-Aug	3.00%	--	3.25%	--
8/20/2025 14:00	UK	CPI YoY	Jul	3.70%	--	3.60%	--
8/20/2025 15:20	ID	BI-Rate	20-Aug	5.25%	--	5.25%	--
8/20/2025 16:00	SI	Automobile COE Open Bid Cat A	20-Aug	--	--	102009	--
8/20/2025 16:00	SI	Automobile COE Open Bid Cat E	20-Aug	--	--	122334	--
8/20/2025 16:00	SI	Automobile COE Open Bid Cat B	20-Aug	--	--	123498	--
8/20/2025 17:00	EC	CPI YoY	Jul F	2.00%	--	2.00%	--
8/20/2025 17:00	EC	CPI Core YoY	Jul F	2.30%	--	2.30%	--

Source: Bloomberg

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