

Daily Treasury Outlook

22 April 2025

Highlights

Global: Concern over credibility of US policymaking and Fed independence triggered another round of "sell America" trade. US treasuries and the dollar plummeted, together with all three major US stock indexes down by more than 2% (S&P: -2.36%; NASDAQ: -2.55%; Dow: -2.48%), as Trump administration ramped up pressure on Fed to cut. Trump's adviser also said to consider firing Fed Chair Powell, adding to the policy uncertainties in the face of tariff war. US' trade talk appeared stalled, notwithstanding Trump's assurances that tariff talks were progressing. Mexico's President Sheinbaum said there's no agreement yet with Trump. Japanese PM Ishiba said Japan won't keep conceding to US demands to reach a trade deal. Meanwhile, Beijing vowed to "take countermeasures" against countries that made deals against China's interests. Dollar index hit 15-month low and is on track to record one of the steepest monthly declines. Flight to safety pushed yen, Swiss franc and euro to multi-year high, while bullion rose by 3% to another record high at \$3,444/oz. US treasury curve pivotal steepened, with 2s30s widening to 114 bps. On data front, US leading index fell by 0.7% in March, following the decline of 0.2% in the month before, pointing to further slowdown in economic activities. March's decline was concentrated in consumer expectations, stock prices, and new manufacturing orders.

Market Watch: Asian markets are likely to open with a softer tone. Today's economic data releases include New Zealand's March trade data, Taiwan's March export orders and unemployment rate, Hong Kong's March unemployment rate, Canada's March Industrial product price, Eurozone's April consumer confidence, and US' April Richmond manufacturing index. Fed's Harker and Jefferson, as well as ECB's Lagarde will be speaking today.

Commodities: Crude oil benchmarks fell on Monday, with WTI and Brent declining by 2.5% to USD63.1/bbl and USD66.3/bbl, respectively. This decline was driven by signs of progress in US-Iran talks over the weekend. Iranian Foreign Minister Abbas Araqchi stated that Iran had a "better understanding" on a number of principles and goals with the US, and that "negotiations will continue and move into the next phase" on Wednesday in Oman. Additionally, the risk-off sentiment in the broader markets exerted further downward pressure on oil prices.

Key Market Movements

Equity	Value	% chg
S&P 500	5158.2	-2.4%
DJIA	38170	-2.5%
Nikkei 225	34280	-1.3%
SH Comp	3291.4	0.4%
STI	3759.2	1.0%
Hang Seng	21395	0.0%
KLCI	1499.5	0.0%
	Value	% chg
DXY	98.278	-1.0%
USDJPY	140.86	-0.9%
EURUSD	1.1515	1.1%
GBPUSD	1.3379	0.6%
USDIDR	16805	-0.1%
USDSGD	1.3042	-0.5%
SGDMYR	3.3545	-0.3%
	Value	chg (bp)
2Y UST	3.76	-3.59
10Y UST	4.41	8.57
2Y SGS	2.19	-4.00
10Y SGS	2.55	-1.27
3M SORA	2.46	-0.24
3M SOFR	4.36	0.13
	Value	% chg
Brent	66.26	-2.5%
WTI	63.08	-2.5%
Gold	3424	2.9%
Silver	32.70	0.4%
Palladium	936	-3.2%
Copper	9189	0.0%
BCOM	102.16	-0.7%

Source: Bloomberg

Major Markets

CH: According to data released by the State Administration for Market Regulation on April 21, a total of 1.979 million new private enterprises were established across China in the first quarter of 2025, marking a 7.1% YoY increase and surpassing the average growth rate over the past three years. As of end-March, the number of registered private enterprises exceeded 57 million, accounting for 92.3% of all registered businesses nationwide. These figures underscore the resilience and vitality of China's private sector and self-employed businesses, despite ongoing macroeconomic headwinds.

ID: Export growth eased to 3.2% YoY in March, down from 13.9% in February (OCBC: 2.3%; Consensus: -2.4%), while imports improved to 5.3% YoY from 2.2% (OCBC: 6.8%; Consensus: 6%). Focusing on imports by end-use, the improvement in capital goods imports (27.4% from 5.3%) more than offset the relative weakness in consumer goods (-5.8% from -21.2%) and raw materials (2.1% from 4.7%) imports. Meanwhile, looking at non-oil and gas exports by destination, exports to the US picked up by 12.1% MoM in March. The trade surplus widened to USD4.3bn from USD3.1bn in February (OCBC: USD3.8bn; Consensus: USD2.9bn). The March print brings the 1Q25 export and import growth to 6.9% YoY and 1.5%, respectively, down from 8.0% and 9.5% in 4Q25.

MY: Nearly 90% of Johor's MYR27.4bn new investments in 1Q25 were directed to the Johor-Singapore Special Economic Zone (JS-SEZ), highlighting its rising appeal. Minister Tengku Zafrul emphasized JS-SEZ's role in strengthening ASEAN supply chains, especially amid global tariff tensions. The zone aims to attract investments in 11 sectors and promote Singaporean expansion into Johor. Separately, MPOB Chairman Mohamad Helmy warned that the 24% US tariff on Malaysian palm oil threatens export volumes and farmer livelihoods. The government is pursuing diplomatic and regional responses while intensifying research efforts to boost yields and address food safety concerns, as reported by The Edge.

PH: Balance of payments flipped into a deficit of USD2.0bn in March 2025, down from a surplus of USD3.1bn in February. According to Bangko Sentral ng Pilipinas (BSP), the deficit "reflected the national government's (NG) drawdowns on its foreign currency deposits with the Bangko Sentral ng Pilipinas (BSP) to meet its external debt obligations, as well as the BSP's net foreign exchange operations." Meanwhile, the final gross international reserves (GIR) level decreased to USD106.7bn (as of end-March) from USD107.4bn (as of end-February). The BSP noted that "the latest GIR level provides a robust external liquidity buffer, equivalent to 7.4 months' worth of imports of goods and payments of services and primary income. Additionally, it covers approximately 3.6 times the country's short-term external debt based on residual maturity."

ESG

MY: All carbon trading activities in Sabah now require mandatory licenses, following amendments to the Forest Enactment 1968 to regulate such activities. Parties that carry out carbon trading activities without a license may face a fine of up to RM5 mn and five years' imprisonment. Offenders can also be ordered to pay up to 10 times the amount of fees or royalties owed, or up to 10 times the value of any forest produce involved, or any other charges due. This aims to safeguard the sustainability of Sabah's forests and reinforce state jurisdiction over carbon initiatives.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 5-8bps lower, belly tenors trading 3-6bps lower and 10Y trading 1bps lower. As reported by Bloomberg, longer-dated Treasuries fell alongside stocks on Monday, while the cost to insure US corporate debt surged after President Trump criticized Fed Chair Jerome Powell. In other news by Bloomberg, billionaire Gautam Adani will transfer ownership of an Australian terminal to his listed company Adani Ports & Special Economic Zone Ltd. ("Adani Ports") for approximately USD2.5bn as it aims to expand globally. The board approved the acquisition of Abbot Point Port Holdings Pte Ltd from Carmichael Rail and Port Singapore Holdings Pte Ltd by issuing 143.8mn shares. This acquisition, which includes the North Queensland Export Terminal, will contribute to Adani Ports' goal of 1bn tons of annual capacity by 2030. This marks the Adani group's fourth international port asset as it focuses on maritime routes linked to increasing Indian trade with operating profit targeted to grow to AUD400mn in 4 years. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 96bps while Bloomberg Asia USD High Yield spreads tightened by 5bps to 558bps respectively. (Bloomberg, OCBC).

New Issues:

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

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	98.278	-0.96%	USD-SGD	1.3042	-0.53%
USD-JPY	140.860	-0.93%	EUR-SGD	1.5017	0.53%
EUR-USD	1.152	1.07%	JPY-SGD	0.9259	0.40%
AUD-USD	0.642	0.60%	GBP-SGD	1.7453	0.13%
GBP-USD	1.338	0.62%	AUD-SGD	0.8372	0.17%
USD-MYR	4.370	-0.99%	NZD-SGD	0.7829	0.73%
USD-CNY	7.292	-0.11%	CHF-SGD	1.6125	0.40%
USD-IDR	16805	-0.12%	SGD-MYR	3.3545	-0.27%
USD-VND	25894	-0.12%	SGD-CNY	5.5902	0.40%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.1340	-2.96%	1M	4.3257	-0.05%
3M	2.1830	-2.37%	2M	4.3176	-0.08%
6M	2.1540	-1.82%	3M	4.2797	-0.04%
12M	2.1040	-1.31%	6M	4.1148	-0.05%
			1Y	3.8240	-0.05%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
05/07/2025	-0.136	-13.6	-0.034
06/18/2025	-0.743	-60.7	-0.186
07/30/2025	-1.665	-92.2	-0.416
09/17/2025	-2.415	-75	-0.604
12/10/2025	-3.673	-64.8	-0.918

Equity and Commodity

Index	Value	Net change
DJIA	38,170.41	-971.82
S&P	5,158.20	-124.50
Nasdaq	15,870.90	-415.55
Nikkei 225	34,279.92	-450.36
STI	3,759.22	38.89
KLCI	1,499.47	0.07
JCI	6,445.97	7.70
Baltic Dry	1,261.00	20.00
VIX	33.82	4.17

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.19 (-0.04)	3.76(--)
5Y	2.25 (-0.05)	3.97 (+0.04)
10Y	2.55 (-0.01)	4.4 (+0.09)
15Y	2.65 (-0.01)	--
20Y	2.67 (--)	--
30Y	2.68 (--)	4.89 (+0.1)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.32
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.08	#DIV/0!	Corn (per bushel)	4.818	#DIV/0!
Brent (per barrel)	66.26	#DIV/0!	Soybean (per bushel)	10.295	#DIV/0!
Heating Oil (per gallon)	210.89	#DIV/0!	Wheat (per bushel)	5.385	#DIV/0!
Gasoline (per gallon)	206.53	#DIV/0!	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.02	#DIV/0!	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	#N/A N/A	#VALUE!	Gold (per oz)	3424.0	#DIV/0!
Nickel (per mt)	#N/A N/A	#VALUE!	Silver (per oz)	32.7	#DIV/0!

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
4/22/2025 5:00	SK	PPI YoY	Mar	--	1.30%	1.50%	--
4/22/2025 15:00	MA	Foreign Reserves	15-Apr	--	--	\$117.5b	--
4/22/2025 16:00	TA	Export Orders YoY	Mar	16.20%	--	31.10%	--
4/22/2025 16:00	TA	Unemployment Rate	Mar	3.40%	--	3.35%	--
4/22/2025 16:00	EC	ECB Survey of Professional Forecasters					
4/22/2025 16:30	HK	Unemployment Rate SA	Mar	3.20%	--	3.20%	--
4/22/2025 17:00	EC	Govt Debt/GDP Ratio	2024 P	--	--	87.40%	--
4/22/2025 20:30	US	Philadelphia Fed Non-Manufacturing Activity	Apr	--	--	-32.5	--
4/22/2025 21:00	WO	IMF World GDP Constant Prices	2025 P	--	--	3.30%	--
4/22/2025 22:00	EC	Consumer Confidence	Apr P	-15.1	--	-14.5	--
4/22/2025 22:00	US	Richmond Fed Manuf. Index	Apr	-7	--	-4	--
4/22/2025 22:00	US	Richmond Fed Business Conditions	Apr	--	--	-14	--
4/22/2025	CH	FX Net Settlement - Clients CNY	Mar	--	--	-47.8b	--

Source: Bloomberg



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