

Daily Treasury Outlook

22 July 2025

Highlights

Global: Both news flow and economic data have been on the light side on Monday. Risk sentiment stayed firm as market participants watched for the Trump administration's messaging on the progress of ongoing trade talks, while some of Japanese Upper House election hedges were seen unwinding. Both S&P500 and Nasdaq printed new highs, despite paring back some gains into closing. Meanwhile, MSCI World index also gained 0.2% to fresh peak. Dollar and US treasury yields fell on the day, with renewed selloff in USDJPY contributing to the decline of former. Separately, potential Russia-Ukraine peace talks capped oil prices. On trade talk front, the EU is reportedly exploring a broader set of possible countermeasures against the US ahead of 1 Aug deadline, as hopes for an acceptable trade agreement dimmed. On data front, the US' Conference Board Leading Economic Index declined by 0.3% in June to 98.8, after staying flat in May. Closer to home, 1Y and 5Y LPR were held unchanged at 3.0% and 3.5% respectively, as expected.

Market Watch: Asian markets are likely to trade with a slightly more upbeat tone today, while Japan's market reopens after the long weekend, giving investors chances to react to Sunday's upper house election outcome. Economic calendar in APAC market comprises of New Zealand's June trade data, Malaysia's June CPI, Taiwan's June export orders and unemployment rate. Later today, the market will watch France's June retail sales and US' July Richmond Fed manufacturing index.

Commodities: Crude oil benchmarks were little changed again on Monday, with WTI and Brent edging marginally lower by 0.2% and 0.1%, respectively, to USD67.2/bbl and USD69.2/bbl. Linger concerns over ongoing tariff uncertainties and their impact on global demand exerted downward pressure on oil prices. The US and EU have yet to conclude a trade deal, with EU envoys set to meet and formulate countermeasures for a potential no-deal scenario ahead of the 1 August deadline.

Major Markets

HK: Headline CPI rose at a decelerated pace of 1.4% YoY in June 2025 (1.9% YoY in May), due to the decrease in the government's provision of electricity charges subsidy a year ago. Netting out the effect of all government's one-off relief measures, increase of underlying CPI steadied at 1.0% YoY. Among the components of CPI, prices of "alcoholic drinks and tobacco" and "miscellaneous goods" increased the most (+2.3% MoM and +0.7% MoM respectively), while that of "electricity, gas and water" and "clothing and footwear" fell the most (-1.0% MoM and -0.6% MoM respectively).

Key Market Movements

Equity	Value	% chg
S&P 500	6305.6	0.1%
DJIA	44323	0.0%
Nikkei 225	39819	0.0%
SH Comp	3559.8	0.7%
STI	4207.1	0.4%
Hang Seng	24994	0.7%
KLCI	1524.6	-0.1%
	Value	% chg
DX	97.853	-0.6%
USDJPY	147.38	-1.0%
EURUSD	1.1694	0.6%
GBPUSD	1.3493	0.6%
USIDR	16311	0.1%
USDSGD	1.2806	-0.4%
SGDMYR	3.3007	-0.1%
	Value	chg (bp)
2Y UST	3.86	-0.83
10Y UST	4.38	-3.78
2Y SGS	1.67	-1.50
10Y SGS	2.07	-1.27
3M SORA	1.89	-2.91
3M SOFR	4.34	-0.07
	Value	% chg
Brent	69.21	-0.1%
WTI	67.2	-0.2%
Gold	3397	1.4%
Silver	38.93	2.0%
Palladium	1262	1.4%
Copper	9860	0.8%
BCOM	104.72	-0.4%

Source: Bloomberg

ID: Coordinating Minister Airlangga Hartarto confirmed that Garuda Indonesia is still in talks with Boeing over a potential purchase of 50 aircraft, mostly Boeing 777s, and that no agreement has been finalized, as reported by Antara. Separately, Ministry Secretary Susiwiwono Moegiarso clarified that no MoU has been signed, with existing MoUs limited to energy and agriculture sectors. President Prabowo Subianto backed the deal, calling it part of his plan to revitalize Garuda. The proposed purchase aligns with broader efforts to bolster US-Indonesia economic ties following recent tariff negotiations.

MY: Prime Minister Anwar Ibrahim signalled that the government would announce measures aimed at easing public concerns, likely on 22 or 23 July. The unity government retreat in Port Dickson focused on aligning government actions with the people's needs, prompting PM Anwar to consider changes that directly address rising cost-of-living pressures. Separately, Communications Minister Fahmi Fadzil noted that the planned targeted RON95 fuel subsidy, slated for the 2H25, is still under review. He added that careful channelling is necessary to avoid cascading price impacts, as seen with the diesel subsidy and SST reforms.

TH: Deputy Prime Minister and Finance Minister Pichai Chunhavajira shared his plans to submit the nomination for the next Bank of Thailand (BoT) governor to the cabinet for approval today (22 July). The discussions were originally scheduled for last week but were delayed due to incomplete paperwork. Minister Chunhavajira did not disclose his nominee for the role. Nonetheless, local media reported last week that Vitai Ratanakorn, President of the Government Savings Bank, is the expected nominee to succeed the current BoT Governor, Sethaput Suthiwartnarueput, whose five-year term will end on 30 September 2025.

VN: Northern Vietnam is preparing for Cyclone Wipha, expected to strengthen into a strong tropical storm before making landfall near Haiphong on Tuesday, as reported by Bloomberg. The storm, currently east of Hanoi, is bringing heavy rain and flooding risks, especially in industrial zones like Bac Ninh and Hung Yen, home to major factories. Wipha, which have caused some damage and fatalities in the Philippines, is forecast to bring up to 600mm of rain in some areas, with authorities to warn of flooding and strong winds across northeast Vietnam.

ESG

CH: China has announced the start of construction on what will be the largest hydropower dam globally, located in Tibet with an estimated cost of around US\$170bn. The dam is estimated to have a capacity of 300 bn kWh of electricity annually and is expected to help meet local energy demand in Tibet and the rest of China. The project, located in the lower reaches of the Yarlung Zangbo River, is facing criticisms regarding the potential impact to downstream communities and their livelihoods, as well as to diverse ecosystems on the Tibetan plateau.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-3bps lower while belly tenors traded 3-4bps lower and 10Y traded 4bps lower. As per Bloomberg, MTR Corp. (“MTR”) is negotiating a potential loan with banks to finance the first phase of its Northern Link rail project in Hong Kong’s New Territories. The company plans to fund the project through property development proceeds, internal resources, and debt. Year to date, MTR has raised over USD6.24bn from bond sales to finance upcoming projects. In other news by Bloomberg, China’s National Association of Financial Market Institutional Investors (“NAFMII”) is investigating China Guangfa Bank for potential influence of prices and other situations as part of its investigation into the lead underwriters of China Guangfa Bank's 2025-2026 secondary capital bond project and their noticeably low bond underwriting fees. NAFMII has vowed to crack down and strengthen supervision of issuer conduct and practices. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 68bps and Bloomberg Asia USD High Yield spreads widened by 2bps to 366bps respectively. (Bloomberg, OCBC)

New Issues:

There were no notable issuances in the Asiadollar market yesterday.

There were two notable issuances in the Singdollar market yesterday.

- Optus Finance Pty Limited (guarantor: SingTel Optus Pty Ltd) priced a SGD160mn 10Y Fixed Bond at 2.726%.
- Korea Development Bank priced a SGD64mn 5Y Fixed Bond at 2.00%.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.853	-0.64%	USD-SGD	1.2806	-0.37%
USD-JPY	147.380	-0.96%	EUR-SGD	1.4977	0.23%
EUR-USD	1.169	0.58%	JPY-SGD	0.8690	0.63%
AUD-USD	0.653	0.25%	GBP-SGD	1.7277	0.24%
GBP-USD	1.349	0.57%	AUD-SGD	0.8356	-0.12%
USD-MYR	4.235	-0.21%	NZD-SGD	0.7643	-0.25%
USD-CNY	7.169	-0.07%	CHF-SGD	1.6049	0.11%
USD-IDR	16311	0.13%	SGD-MYR	3.3007	-0.12%
USD-VND	26154	0.00%	SGD-CNY	5.5995	0.27%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8830	-0.63%	1M	4.3460	-0.01%
3M	1.9950	-1.43%	2M	4.3480	-0.05%
6M	2.0490	-0.97%	3M	4.3224	-0.02%
12M	2.0650	-1.05%	6M	4.2085	-0.06%
			1Y	3.9835	-0.05%

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	-0.609	-58.3	-0.152	4.177
12/10/2025	-1.804	-67.8	-0.451	3.878

Equity and Commodity

Index	Value	Net change
DJIA	44,323.07	-19.12
S&P	6,305.60	8.81
Nasdaq	20,974.17	78.51
Nikkei 225	39,819.11	-82.08
STI	4,207.13	17.63
KLCI	1,524.59	-1.27
JCI	7,398.19	86.28
Baltic Dry	2,052.00	22.00
VIX	16.65	0.24

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.67 (-0.01)	3.86(--)
5Y	1.75 (--)	3.92 (-0.03)
10Y	2.07 (-0.01)	4.38 (-0.04)
15Y	2.19 (-0.01)	--
20Y	2.18 (-0.01)	--
30Y	2.23 (--)	4.94 (-0.04)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.30
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	67.20	-0.21%	Corn (per bushel)	4.038	-1.2%
Brent (per barrel)	69.21	-0.10%	Soybean (per bushel)	10.150	-1.2%
Heating Oil (per gallon)	250.92	2.29%	Wheat (per bushel)	5.423	-0.7%
Gasoline (per gallon)	213.19	-1.00%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.33	-6.73%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9860.00	0.83%	Gold (per oz)	3397.1	1.4%
Nickel (per mt)	15523.00	2.00%	Silver (per oz)	38.9	2.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/22/2025 6:45	NZ	Trade Balance NZD	Jun	--	142m	1235m	1082m
7/22/2025 6:45	NZ	Trade Balance 12 Mth YTD NZD	Jun	--	-4366m	-3790m	-3931m
7/22/2025 9:30	AU	RBA Minutes of July Policy Meeting					
7/22/2025 12:00	MA	CPI YoY	Jun	1.20%	--	1.20%	--
7/22/2025 14:00	UK	Public Finances (PSNCR)	Jun	--	--	20.9b	--
7/22/2025 14:00	UK	Public Sector Net Borrowing	Jun	17.5b	--	17.7b	--
7/22/2025 14:00	UK	PSNB ex Banking Groups	Jun	--	--	17.7b	--
7/22/2025 15:00	MA	Foreign Reserves	15-Jul	--	--	\$120.6b	--
7/22/2025 20:30	US	Philadelphia Fed Non-Manufacturing Activity	Jul	--	--	-25	--
7/22/2025 22:00	US	Richmond Fed Manufact. Index	Jul	-2	--	-7	--
7/22/2025 22:00	US	Richmond Fed Business Conditions	Jul	--	--	-16	--
7/22/2025	CH	FX Net Settlement - Clients CNY	Jun	--	--	124.9b	--

Source: Bloomberg



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