

Daily Treasury Outlook

22 August 2025

Highlights

Global: US equities fell on Thursday, with the broad indexes of S&P, Nasdaq, Dow declining between 0.3% and 0.4% (S&P: 0.4%; Nasdaq: 0.3%; Dow: 0.3%). The focus remains squarely on Fed Chair Powell's speech at the Jackson Hole Symposium tonight. Fed funds futures pricing for rate cuts this year at 47.7bps, with the probability of a 25bp cut at the September FOMC remaining high. On the data front, the preliminary reading for the US composite PMI surprised to the upside, edging higher to 55.4 points in August compared to 55.1 points in July. This was primarily supported by a strong reading in the manufacturing PMI, which rebounded back into expansion territory and recorded its fastest pace since May 2022. The services PMI remained broadly similar to last month's reading, at 55.4 points. Meanwhile, the weekly US labour market data came in higher-than-expected. Initial jobless claims rose by 4.9% to 235k for the week ending 16 August. Similarly, continuing claims increased by 1.5% to 1.97mn for the week ending 9 August. On the tariff front, the US and EU released a joint statement on their trade framework agreement (Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade, 21 August 2025). The press statement revealed details such as the US committing to "apply the higher of either the US Most Favored Nation (MFN) tariff rate or a tariff rate of 15%, comprised of the MFN tariff and a reciprocal tariff, on originating goods of the European Union." Importantly, several Section 232 tariffs — such as lumber, semiconductors and pharmaceuticals — have been capped at a 15% tariff rate. Meanwhile the statement also noted that the EU "intends to eliminate tariffs on all US industrial goods and to provide preferential market access for a wide range of US seafood and agricultural goods."

Market Watch: This morning, Japan CPI for July eased to 3.1% YoY versus 3.3% in June. This is in line with consensus expectations. The core CPI eased less-than-expected to 3.1% YoY (consensus: 3.0%), down from 3.3% in June. Meanwhile, the supercore CPI, which excludes fresh food and energy, remained broadly stable at 3.4% YoY. The Asian calendar is relatively light today, with Malaysia's July CPI to be released in the afternoon. We expect inflation to pick up to 1.3% YoY (consensus: 1.2%), up from 1.1% in June. US Fed's Collins is scheduled to speak, with the focus squarely on Fed Chair Powell's speech at the Jackson Hole Symposium tonight, 10pm Asia time.

Commodities: Crude oil benchmarks extended their gains, with WTI and Brent rising by 0.5% and 1.2%, respectively, to USD63.5/bbl and USD67.7/bbl. Prices held their gains as prospects for a peace process between Russia and Ukraine remain uncertain following the launch of military strikes between the two countries.

Key Market Movements

Equity	Value	% chg
S&P 500	6370.2	-0.4%
DJIA	44786	-0.3%
Nikkei 225	42610	-0.6%
SH Comp	3771.1	0.1%
STI	4230.9	0.3%
Hang Seng	25105	-0.2%
KLCI	1592.9	0.3%
	Value	% chg
DXY	98.619	0.4%
USDJPY	148.37	0.7%
EURUSD	1.1606	-0.4%
GBPUSD	1.3412	-0.3%
USIDR	16285	0.1%
USDSGD	1.2887	0.3%
SGDMYR	3.2839	-0.1%
	Value	chg (bp)
2Y UST	3.79	4.40
10Y UST	4.33	3.70
2Y SGS	1.56	-0.10
10Y SGS	1.92	-1.91
3M SORA	1.69	-0.46
3M SOFR	4.35	0.06
	Value	% chg
Brent	67.67	1.2%
WTI	63.52	1.3%
Gold	3339	-0.3%
Silver	38.15	0.6%
Palladium	1115	0.0%
Copper	9725	0.0%
BCOM	101.03	0.8%

Source: Bloomberg

Major Markets

ID: The current account deficit widened to USD3.0bn (0.8% of GDP) in 2Q25 from USD0.2bn (0.1% of GDP) in 1Q25. The good trade surplus narrowed to USD10.6bn in 2Q25 from USD13.0bn in the previous quarter due to a smaller non-oil and gas trade surplus, reflecting lower commodity prices and higher imports, while the oil and gas deficit narrowed partly on account of lower global oil prices. Meanwhile, the primary income deficit deepened slightly to -USD9.8bn in 2Q25 from -USD9.3bn in 1Q25, partly due to an increase in dividend and interest/coupon payments, while the secondary income surplus widened slightly (USD1.7bn from USD1.6bn) due to increasing grants and remittances. Looking ahead, Bank Indonesia projects the current account deficit to stay within a manageable range of 0.5%–1.3% of GDP in 2025.

MY: Domestic Trade and Cost of Living Minister Datuk Armizan Mohd Ali said amendments to the Competition Act 2010 (Act 712) are in the final stage and expected to be tabled in Parliament by year-end, as reported by The Edge. The changes, aligned with the 13th Malaysia Plan, aim to centralise competition regulation under a unified framework covering all industries, while strengthening the Malaysian Competition Commission's (MyCC) investigative powers and introducing a merger control regime. Minister Armizan noted that MyCC has so far found 270 firms in violation of the Act, with 268 engaged in cartel activities, two abusing monopoly positions, and 26 involved in bid-rigging.

TH: Former PM Thaksin Shinawatra will receive a court verdict today in a royal defamation case that could result in a prison sentence of up to 15 years. The charges against him stem from Thailand's lese-majeste laws, with the ruling coming just a week before a separate court decision on current PM Paetongtarn Shinawatra. PM Paetongtarn Shinawatra has been suspended from office in July following a leaked audio recording of a conversation between Thai PM Shinawatra and former Cambodian premier Hun Sen.

ESG

CH: China's CO₂ emissions fell by 1% on an annual basis in 1H2025, according to a report from the Centre for Research on Energy and Clean Air (Crea). This decline can be attributed to a surge in renewable power, even as a growing chemicals sector becomes a major new source of emissions. Coal use in the chemicals sector, both as a fuel and feedstock, rose 20% in 1H2025, following a 10% increase last year. Nonetheless, record additions of new wind turbines and solar panels outpaced the growth in electricity demand, allowing thermal power plants to burn less coal and reduce emissions in the sector by about 3%.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenors traded 3bps lower and 10Y traded 4bps lower. Per Bloomberg, Temasek Holdings Pte Ltd is planning one of its biggest organisational restructurings in years, potentially reorganizing the firm into three investment vehicles in a bid to boost returns and efficiencies. The first entity would focus on Temasek's biggest domestic holdings (eg. Singapore Airlines Ltd). The second entity would oversee largely foreign investments. The third entity would manage all fund investments. Bloomberg Asia USD Investment Grade spreads were flat at 61bps yesterday and Bloomberg Asia USD High Yield spreads widened 5bps to 334bps respectively. (Bloomberg, OCBC)

New issues:

There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuance in the Singdollar market yesterday.

- HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Ascendas REIT) priced a SGD700mn 7Y Green Fixed Note at 2.343%.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.619	0.41%	USD-SGD	1.2887
USD-JPY	148.370	0.71%	EUR-SGD	1.4957
EUR-USD	1.161	-0.39%	JPY-SGD	0.8687
AUD-USD	0.642	-0.22%	GBP-SGD	1.7285
GBP-USD	1.341	-0.33%	AUD-SGD	0.8274
USD-MYR	4.224	-0.05%	NZD-SGD	0.7500
USD-CNY	7.181	0.07%	CHF-SGD	1.5936
USD-IDR	16285	0.09%	SGD-MYR	3.2839
USD-VND	26429	0.21%	SGD-CNY	5.5715

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9110	-0.31%	1M	4.3287
3M	2.0340	0.00%	2M	4.2714
6M	2.0930	-0.76%	3M	4.2181
12M	2.0840	0.14%	6M	4.0815
			1Y	3.8603

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.752	-75.20%	-0.188	4.141
10/29/2025	-1.225	-47.30%	-0.306	4.023
12/10/2025	-1.968	-74.30%	-0.492	3.837

Equity and Commodity

Index	Value	Net change
DJIA	44,785.50	-152.81
S&P	6,370.17	-25.61
Nasdaq	21,100.31	-72.55
Nikkei 225	42,610.17	-278.38
STI	4,230.90	11.36
KLCI	1,592.87	4.66
JCI	7,890.72	-53.11
Baltic Dry	1,927.00	-37.00
VIX	16.60	0.91

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.56 (--)	3.78 (--)
5Y	1.65 (-0.01)	3.86 (+0.04)
10Y	1.92 (-0.02)	4.32 (+0.04)
15Y	1.99 (-0.02)	--
20Y	2 (-0.02)	--
30Y	2.06 (-0.01)	4.92 (+0.02)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.31
------	------

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.52	0.49%	Corn (per bushel)	3.873	1.9%
Brent (per barrel)	67.67	1.24%	Soybean (per bushel)	10.345	1.9%
Heating Oil (per gallon)	232.51	2.00%	Wheat (per bushel)	5.070	0.3%
Gasoline (per gallon)	215.97	1.48%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.83	2.69%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9724.50	0.04%	Gold (per oz)	3338.7	-0.3%
Nickel (per mt)	14929.00	-0.53%	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
8/22/2025 10:00	CH	Bloomberg Aug. China Economic Survey					
8/22/2025 10:00	MA	Bloomberg Aug. Malaysia Economic Survey					
8/22/2025 12:00	MA	CPI YoY	Jul	1.20%	--	1.10%	--
8/22/2025 14:00	GE	GDP SA QoQ	2Q F	-0.10%	--	-0.10%	--
8/22/2025 14:00	GE	GDP NSA YoY	2Q F	0.00%	--	0.00%	--
8/22/2025 14:00	GE	Private Consumption QoQ	2Q	0.20%	--	0.50%	--
8/22/2025 14:00	GE	Government Spending QoQ	2Q	0.30%	--	-0.30%	--
8/22/2025 14:00	GE	Capital Investment QoQ	2Q	-0.80%	--	0.90%	--
8/22/2025 14:45	FR	Business Confidence	Aug	97	--	96	--
8/22/2025 14:45	FR	Manufacturing Confidence	Aug	96	--	96	--
8/22/2025 15:00	MA	Foreign Reserves	15-Aug	--	--	\$121.3b	--
8/22/2025 15:30	TH	Gross International Reserves	15-Aug	--	--	\$265.6b	--
8/22/2025 15:30	TH	Forward Contracts	15-Aug	--	--	\$22.6b	--
8/22/2025 20:30	CA	Retail Sales MoM	Jun	1.50%	--	-1.10%	--
8/22/2025 20:30	CA	Retail Sales Ex Auto MoM	Jun	0.80%	--	-0.20%	--
8/22/2025	IN	Foreign Exchange Reserves	15-Aug	--	--	\$693.6b	--

Source: Bloomberg



Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W