Daily Treasury Outlook

23 October 2025

Highlights

Global: US equities closed the day lower (S&P: -0.5%; NASDAQ: -0.9%; Dow: -0.7%), the DXY index traded sideways with UST yields edging lower. The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is imposing further sanctions on Russia's two largest oil companies, Rosneft and Lukoil "as a result of Russia's lack of serious commitment to a peace process to end the war in Ukraine." Brent and WTI prices jumped ~2% on the news. There is still a dearth of US economic data, and the US Fed is in a communications blackout period, which has left markets hanging onto equity earnings results and official statements by government policymakers. US Treasury Secretary Scott Bessent said in an interview with Fox News that the US economy is looking good and that housing prices are a lagging indicator. He said CPI might come down in the coming months. With regards to China, he noted that he is meeting with his counterparts this weekend and that all options are on the table in terms of trade measures. In Asia, Bank Indonesia surprised consensus expectations for a second time by keeping policy rates on hold this time. It kept the door open to further rate cuts, and we are looking for another 50bps in rate cuts this year.

Market Watch: The data releases today include Singapore's September CPI, Taiwan's September industrial production, Hong Kong September CPI and Eurozone preliminary October consumer confidence. Bank of Korea meets today, and consensus is looking for no change. US data releases of initial jobless claims and the Chicago Fed National Activity index could face delays, while September existing home sales is slated for release.

Commodities: Crude oil benchmarks extended gains on Wednesday, with WTI and Brent rising by 1.2% and 2.1%, respectively, to USD58.5/bbl and USD62.6/bbl. Oil prices climbed after the US Department of the Treasury announced sanctions on major Russian oil companies Rosneft and Lukoil. According to the press release, the decision was due to "Russia's lack of serious commitment to a peace process to end the war in Ukraine". The imposition of new sanctions is expected to "increase pressure on Russia's energy sector and degrade the Kremlin's ability to raise revenue for its war machine and support its weakened economy." Consequently, the latest sanctions raised concerns over potential supply disruption. Meanwhile, a surprise drawdown in US crude oil inventories, along with declines in fuel inventories, further supported higher oil prices. According to the Energy Information Administration (EIA), US crude oil, gasoline, and distillate inventories declined by 1.0mn bbls (consensus: +2.1mn bbls), 2.1mn bbls (consensus: -2.0mn bbls), and 1.5mn bbls (consensus: -3.0mn bbls), respectively, reaching 422.8mn bbls, 216.7mn bbls, and 115.6mnbbl, for the week ending 17 October.

Key Market Movements

Equity	Value	% chg
S&P 500	6699.4	-0.5%
DJIA	46590	-0.7%
Nikkei 225	49308	0.0%
SH Comp	3913.8	-0.1%
STI	4393.9	0.3%
Hang Seng	25782	-0.9%
KLCI	1602.7	-0.9%
	Value	**% chg**
DXY	98.897	0.0%
USDJPY	151.98	0.0%
EURUSD	1.1611	0.1%
GBPUSD	1.3356	-0.1%
USDIDR	16575	-0.1%
USDSGD	1.2978	-0.1%
SGDMYR	3.2575	-0.1%
	Value	**chg (bp)**
2Y UST	3.44	-1.06
10Y UST	3.95	-1.34
2Y SGS	1.44	-0.70
10Y SGS	1.77	-0.02
3M SORA	1.40	-0.08
3M SOFR	4.31	-0.06
	Value	**% chg**
Brent	62.59	2.1%
WTI	58.5	2.2%
Gold	4098	-0.6%
Silver	48.49	-0.4%
Palladium	1454	2.7%
Copper	10663	0.4%
BCOM	105.92	0.1%

Source: Bloomberg

Major Markets

CH: The willingness to sell foreign currency jumped to 71% in September from 61% in August, the highest level since August 2023, even as onshore USD deposits remained near record highs. This sharp rise suggests improving confidence in the RMB, likely helping to anchor the currency in the near term despite the recent rebound in the broad dollar index.

ID: Bank Indonesia kept its policy rate unchanged at 4.75% in its October meeting, surprising expectations of a 25bp, but maintained its “all-out” pro-growth stance. The central bank paused after three consecutive cuts while strengthening its macroprudential liquidity incentives (KLM) from 1 December 2025 to reward banks that lower lending rates and expanding market operations. BI maintained its forecasts on growth and inflation, stating that GDP growth will be slightly above the midpoint of the 4.6–5.4% range in 2025, and inflation will remain within 1.5–3.5%. However, it noted that growth remains below potential, and credit growth slowed to 7.7% YoY in September. We expect BI to cut rates by a total of 50bp to 4.25% by the end of 2025, though the timing may shift to early 2026 amid IDR volatility and portfolio outflows.

MY: Headline inflation rose 1.5% YoY in September up from 1.3% in August. The uptick was mainly driven by higher prices in Personal Care, Social Protection & Miscellaneous Goods & Services (4.8% YoY in September from 4.0% in August), Food & Beverages (2.1% from 2.0%) and Housing & Utilities (1.5% from 1.2%). Meanwhile, Restaurant & Accommodation Services and Alcoholic Beverages & Tobacco posted slower increases of 3.3% and 0.3%, respectively. Insurance & Financial Services (5.6%), Education (2.4%), and Recreation (0.9%) remained steady, while Information & Communication (-4.5% from -5.6%) and Clothing & Footwear (-0.2% from -0.1%) continued to post negative figures. The September print brings the 3Q25 headline CPI to an average of 1.3%, similar to 2Q25.

TH: The Bank of Thailand anticipates that the "Khon La Khrueng Plus" co-payment scheme will boost GDP growth in 4Q25, with the economy expected to expand by 0.5% QoQ, up from a contraction of 0.5% in the previous quarter. Government stimulus measures, especially the co-payment program and domestic tourism incentives, are projected to contribute between 0.2 and 0.3 percentage points (pp) to GDP growth and support private consumption. Export growth and the reopening of factories that paused production in the third quarter will also support the growth rebound in 4Q25. Meanwhile, foreign tourist arrivals are expected to improve in 4Q25, following signs of recovery in Chinese tourist arrivals after a recent decline. The BoT expects GDP growth of 2.2% and 1.6% for 2025 and 2026, respectively.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded flat to higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors and 10Y traded 1bps higher. As per Bloomberg, Hong Kong court adjourned the hearing on the winding-up petition against Chinese developer KWG Group Holdings Ltd to 03 December. The petition was filed by Shandong Sunlight Xin Tiandi Micro-finance in August, citing RMB642mn in outstanding debt and RMB136.2mn in interest accrued. In other news, China's electric vehicle insurance market is facing losses as insurers struggle to price risks accurately amid changing vehicle economics and driver behaviours. EV drivers are twice as likely to file claims and incur higher repair costs. Despite higher premiums, the industry lost RMB5.7bn on NEV policies in 2024 and is expected to remain unprofitable for the year. Bloomberg Asia USD Investment Grade spreads tightened by 1bps at 63bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 351bps respectively. (Bloomberg, OCBC)

New issues:
There were five notable issuances by four issuers in the Asiadollar market yesterday.

- SoftBank Group Corp priced USD2bn of debt in two tranches: a USD1.1bn 40NC10 Subordinated Fixed-to-Variable Bond at 8.25% and a USD900mn 35.5NC5.5 Subordinated Fixed-to-Variable Bond at 7.625%.
- Three Gorges Finance I Cayman Islands Ltd (guarantor: China Three Gorges Corp) priced a USD700mn 3Y Fixed Bond at T+16bps (reoffer price: 99.941 to yield 3.621%)
- Republic of Korea priced a USD1bn 5Y Fixed Bond at T+17bps (reoffer price: 99.475 to yield 3.741%).
- Seazen Group Ltd priced a USD50mn retap of its existing FUTLAN 11.88% ‘28.

There was one notable issuance in the Singdollar market yesterday.

- Moneymax Treasury Pte Ltd (guarantor: MoneyMax Financial Services Ltd) priced a SGD70mn 3Y Fixed Bond at 5.00%.

Mandates:

- There were no notable mandates yesterday

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.897	-0.04%	**USD-SGD**	1.2978
USD-JPY	151.980	0.03%	**EUR-SGD**	1.5068
EUR-USD	1.161	0.09%	**JPY-SGD**	0.8541
AUD-USD	0.649	0.00%	**GBP-SGD**	1.7335
GBP-USD	1.336	-0.11%	**AUD-SGD**	0.8421
USD-MYR	4.230	0.00%	**NZD-SGD**	0.7448
USD-CNY	7.125	0.00%	**CHF-SGD**	1.6303
USD-IDR	16575	-0.09%	**SGD-MYR**	3.2575
USD-VND	26348	0.02%	**SGD-CNY**	5.4905

Equity and Commodity

Index	Value	Net change
DJIA	46,590.41	-334.33
S&P	6,699.40	-35.95
Nasdaq	22,740.40	-213.27
Nikkei 225	49,307.79	-8.27
STI	4,393.92	12.87
KLCI	1,602.69	-14.14
JCI	8,152.55	-85.53
Baltic Dry	2,092.00	-2.00
VIX	18.60	0.73

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9040	-1.40%	**1M**	3.9910
3M	2.0380	1.14%	**2M**	3.9177
6M	2.1100	0.48%	**3M**	3.8600
12M	2.1570	0.84%	**6M**	3.6920
			1Y	3.4590

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.01)	3.45(--)
5Y	1.6 (--)	3.55 (-0.01)
10Y	1.77 (--)	3.96 (-0.01)
15Y	1.86 (+0.01)	--
20Y	1.85 (--)	--
30Y	1.96 (--)	4.54 (-0.01)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/29/2025	-0.967	-96.70%	-0.242	3.863
12/10/2025	-1.956	-98.80%	-0.489	3.615

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	4.23

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	58.50	1.18%	Corn (per bushel)	4.230	0.8%
Brent (per barrel)	62.59	2.07%	Soybean (per bushel)	10.348	0.4%
Heating Oil (per gallon)	224.96	1.99%	Wheat (per bushel)	5.038	0.7%
Gasoline (per gallon)	186.50	2.17%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.45	-0.69%	Rubber (JPY/KG)	309.500	2.8%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	10663.00	0.37%	Gold (per oz)	4098.4	-0.6%
Nickel (per mt)	15163.00	-0.08%	Silver (per oz)	48.5	-0.4%

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

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/23/2025 13:00	SI	CPI YoY	Sep	0.60%	--	0.50%	--
10/23/2025 13:00	SI	CPI NSA MoM	Sep	0.30%	--	0.50%	--
10/23/2025 13:00	SI	CPI Core YoY	Sep	0.20%	--	0.30%	--
10/23/2025 15:00	MA	Foreign Reserves	15-Oct	--	--	$123.6b	--
10/23/2025 16:30	HK	CPI Composite YoY	Sep	1.10%	--	1.10%	--
10/23/2025 18:00	UK	CBI Trends Total Orders	Oct	-28	--	-27	--
10/23/2025 18:00	UK	CBI Trends Selling Prices	Oct	5	--	4	--
10/23/2025 18:00	UK	CBI Business Optimism	Oct	-27	--	-27	--
10/23/2025 20:30	US	Initial Jobless Claims	18-Oct	225k	--	--	--
10/23/2025 20:30	US	Initial Claims 4-Wk Moving Avg	18-Oct	--	--	--	--
10/23/2025 20:30	US	Continuing Claims	11-Oct	1932k	--	--	--
10/23/2025 22:00	EC	Consumer Confidence	Oct P	-15	--	-14.9	--
10/23/2025 22:00	US	Existing Home Sales	Sep	4.06m	--	4.00m	--
10/23/2025 22:00	US	Existing Home Sales MoM	Sep	1.50%	--	-0.20%	--
10/23/2025 23:00	US	Kansas City Fed Manf. Activity	Oct	2	--	4	--
10/23/2025	PH	Budget Balance PHP	Sep	--	--	-84.8b	--

Source: Bloomberg

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