

Daily Treasury Outlook

25 June 2025

Highlights

Global: Wall Street closed higher on Tuesday (S&P 500: 1.1%, Nasdaq: 1.4%, Dow Jones: 1.2%), supported by easing geopolitical tensions as the ceasefire between Israel and Iran appears to be holding. Meanwhile, Brent and WTI crude extended their declines for a second day, with the former down more than 15% over the past 48 hours. On data, the US Conference Board Consumer Confidence Index fell sharply in June to 93.0, down from 98.4 in May and well below consensus expectations for an improvement to 99.8. The decline was broad-based, with both current conditions (129.1 from 135.5) and future expectations (69 from 73.6) deteriorating. Notably, concerns over future business conditions and employment prospects weighed heavily, while tariffs and their potential economic impact were frequently cited in consumer write-ins. Nonetheless, inflation expectations for the next 12 months eased to 6.0%, down from 6.4% in May, though it remained elevated. Elsewhere, in his prepared remarks before the House of Financial Services Committee, Fed Chair Jerome Powell reiterated that the FOMC is “well positioned to wait” before making any policy adjustments, emphasizing a data-dependent approach. Chair Powell acknowledged that tariff-related inflation could become more visible, but noted uncertainty around how much of the cost would be passed on to consumers. He cautioned that while tariffs might cause a one-off price increase, there’s a risk that inflationary effects could be more persistent.

Market Watch: The calendar is relatively light today, with the Bank of Thailand meeting today. Consensus and our expectations are for the policy rate to remain on hold at 1.75%. Accompanying this data release includes Australia's May CPI, South Korea's May Retail Sales, and US' May New Home Sales. Fed Powell will testify before the Senate Committee tonight. Meanwhile, BoE official Lombardelli is also expected to speak today.

Key Market Movements

Equity	Value	% chg
S&P 500	6092.2	1.1%
DJIA	43089	1.2%
Nikkei 225	38791	1.1%
SH Comp	3420.6	1.2%
STI	3904.3	0.6%
Hang Seng	24177	2.1%
KLCI	1514.3	-0.2%
	Value	% chg
DX	97.858	-0.6%
USDJPY	144.94	-0.8%
EURUSD	1.1609	0.3%
GBPUSD	1.3615	0.7%
USDIDR	16350	-0.8%
USDSGD	1.2798	-0.4%
SGDMYR	3.3157	-0.2%
	Value	chg (bp)
2Y UST	3.83	-3.82
10Y UST	4.29	-5.30
2Y SGS	1.81	-2.60
10Y SGS	2.25	-3.97
3M SORA	2.12	-1.06
3M SOFR	4.34	-0.04
	Value	% chg
Brent	67.14	-6.1%
WTI	64.37	-6.0%
Gold	3324	-1.3%
Silver	35.92	-0.5%
Palladium	1069	-0.9%
Copper	9669	0.0%
BCOM	102.48	-2.5%

Source: Bloomberg

Commodities: Crude oil benchmarks extended their decline for the second consecutive trading session, with WTI and Brent falling by ~6.0% to USD64.4/bbl and USD67.1/bbl, respectively. This sharp decline reflects the easing of geopolitical tensions in the Middle East following US President Donald Trump's announcement of a ceasefire agreement between Israel and Iran. Nevertheless, the ceasefire remains fragile. Hours after his announcement, President Trump expressed frustration with both countries for violating the ceasefire. Since then, both countries have honoured the agreement. In another surprising move, President Trump stated in a social media post that "China can now continue to purchase oil from Iran", alleviating concerns about further sanctions on Iranian oil that could tighten oil supplies. Separately, the American Petroleum Institute (API) reported a decline of 4.3mn bbls in US crude inventories for the week ending on 20 June. The Energy Information Administration (EIA) is scheduled to release its weekly oil inventories status report tonight (25 June), with consensus anticipating a drawdown of 1.9mn bbls in US crude inventories.

Major Markets

ID: Energy Minister Bahlil Lahadalia revealed that the government is exploring oil and gas imports from Russia following President Prabowo's meeting with President Putin, with discussions underway involving Russian state-owned firms. Minister Lahadalia also highlighted potential technological cooperation to boost output from aging wells, while President Putin reaffirmed Russia's readiness to expand crude and LNG supplies, as reported by Antara. Talks are ongoing over Rosneft's investment in the Tuban refinery project, whose estimated cost has surged from USD13.5bn to USD24bn due to design changes, land costs, and geopolitical factors.

MY: Headline inflation eased to 1.2% YoY in May from 1.4% in April, marking the lowest print in 51 months. Meanwhile, core inflation rose to 2.0% YoY from 1.8%. Looking at the drivers, lower inflation in 'personal care, social protection, and miscellaneous goods & services' (3.7% YoY from 4.1%), 'recreation, sport & culture' (0.9% from 1.3%), 'housing, water, electricity, gas & other fuels' (1.7% from 2.0%), and 'food & beverages' (2.1% from 2.3%) more than offset the higher inflation in 'health' (1.1% from 0.9%) and 'restaurant & accommodation services' (3.0% from 2.9%). The May print brings the April-May CPI to an average of 1.3% YoY, down from 1.5% in 1Q25.

TH: The Cabinet has approved a THB115bn stimulus package aimed at boosting domestic economic growth and offsetting the impact of US tariffs. The package covers 481 projects across 50 agencies, focusing on infrastructure, tourism and the community. This is expected to generate employment for 7.4mn people. The Finance Ministry has highlighted that all projects must finalise contracts or procurement by 30 September to secure funding. Separately, there will be a THB200bn soft loan programme to support exporters.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-4bps lower, belly tenors trading 4-5 bps lower and 10Y trading 4bps lower. Debt adviser PJT Partners Inc. will speak with several Road King Infrastructure ("RKI") bondholders on Thursday due to dissatisfaction with the developer's bond amendment proposal, according to people familiar with the matter per Bloomberg. This comes after a Tuesday morning call where financial adviser Alvarez & Marsal, on behalf of RKI, briefed bondholders on the proposed amendments and waivers of five-dollar bonds issued. In other news, The Parkview Group ("Parkview"), a Hong Kong property dynasty, sought a loan from Sotheby's earlier this year, using over 200 artworks as collateral. However, discussions stalled over logistical concerns. Bloomberg Asia USD Investment Grade spreads tightened by 1 bps to 75bps and Bloomberg Asia USD High Yield spreads tightened by 6bps to 463bps respectively. (Bloomberg, OCBC)

New Issues:

There were 11 notable issuances by 6 issuers in the Asiadollar market yesterday.

- China Development Bank priced a USD500mn 3Y FRN at SOFR+30bps.
- Zhengzhou Urban Construction Investment Group Co., Ltd. priced a USD350mn 3Y Sustainability Fixed Bond at 4.90%.
- Nomura Holdings, Inc. priced USD2.25bn of debt in three tranches: a USD1bn PerpNC5.5 Additional Tier 1 capital at 7%, a USD750mn 5Y Fixed Bond at T+105bps and a USD500mn 10Y Fixed Bond at T+120bps.
- Westpac Banking Corporation priced USD1.5bn of debt in two tranches: a USD750mn 5Y Fixed Bond at T+50bps and a USD750mn 5Y FRN at SOFR+82bps.
- Toyota Motor Corporation priced USD1.5bn of debt in three tranches: a USD500mn 2Y Sustainability Fixed Bond at T+38bps, a USD500mn 5Y Sustainability Fixed Bond at T+60bps and a USD500mn 10Y Sustainability Fixed Bond at T+77bps.

There were two notable issuances in the Singdollar market yesterday.

- Fraser Centrepoint Trust priced a SGD200mn PerpNC5 subordinated at 3.98%.
- Sembcorp Financial Services Pte. Ltd. (guarantor: Sembcorp Industries Ltd) priced a SGD300mn 20.5Y Fixed at 3.55%

Mandates:

- China Modern Dairy Holdings Ltd. may issue a USD denominated 5Y Sustainability Fixed Bond.
- Korea Gas Corp may issue USD denominated 3Y Fixed/FRN and/or 5Y Fixed/FRN Bonds.
- NongHyup Bank may issue USD denominated 3.5Y Fixed/FRN and/or 5Y Social Bonds.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.858	-0.57%	USD-SGD	1.2798	-0.37%
USD-JPY	144.940	-0.83%	EUR-SGD	1.4857	-0.09%
EUR-USD	1.161	0.27%	JPY-SGD	0.8831	0.49%
AUD-USD	0.649	0.45%	GBP-SGD	1.7425	0.31%
GBP-USD	1.362	0.67%	AUD-SGD	0.8305	0.10%
USD-MYR	4.247	-1.05%	NZD-SGD	0.7687	0.13%
USD-CNY	7.172	-0.10%	CHF-SGD	1.5891	0.54%
USD-IDR	16350	-0.82%	SGD-MYR	3.3157	-0.17%
USD-VND	26158	-0.14%	SGD-CNY	5.6063	0.33%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8890	0.96%	1M	4.3274	0.08%
3M	2.0310	-0.15%	2M	4.3214	0.08%
6M	2.0360	0.05%	3M	4.3046	-0.09%
12M	2.0930	-0.38%	6M	4.1767	-0.21%
			1Y	3.9373	-0.30%

Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed
Meeting	# of Hikes/Cuts	Implied Rate Change		Funds Rate
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.186	-18.6	-0.047	4.283
09/17/2025	-0.978	-79.2	-0.244	4.085
12/10/2025	-2.386	-76	-0.597	3.732

Equity and Commodity

Index	Value	Net change
DJIA	43,089.02	507.24
S&P	6,092.18	67.01
Nasdaq	19,912.53	281.56
Nikkei 225	38,790.56	436.47
STI	3,904.30	25.04
KLCI	1,514.29	-2.32
JCI	6,869.17	82.03
Baltic Dry	1,674.00	-15.00
VIX	17.48	-2.35

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.81 (-0.03)	3.78(--)
5Y	1.89 (-0.04)	3.86 (-0.05)
10Y	2.25 (-0.04)	4.29 (-0.05)
15Y	2.36 (-0.03)	--
20Y	2.37 (-0.03)	--
30Y	2.38 (-0.03)	4.83 (-0.04)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.29
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.37	-6.04%	Corn (per bushel)	4.163	-0.7%
Brent (per barrel)	67.14	-6.07%	Soybean (per bushel)	10.468	-1.1%
Heating Oil (per gallon)	228.51	-3.30%	Wheat (per bushel)	5.358	-3.1%
Gasoline (per gallon)	208.57	-5.97%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.54	-4.35%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9669.00	0.02%	Gold (per oz)	3323.7	-1.3%
Nickel (per mt)	14920.00	0.78%	Silver (per oz)	35.9	-0.5%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/25/2025 7:50	JN	PPI Services YoY	May	3.10%	3.30%	3.10%	3.40%
6/25/2025 9:30	AU	CPI YoY	May	2.30%	--	2.40%	--
6/25/2025 9:30	AU	CPI Trimmed Mean YoY	May	--	--	2.80%	--
6/25/2025 10:00	SK	Retail Sales YoY	May	--	--	7.00%	--
6/25/2025 10:00	SK	Department Store Sales YoY	May	--	--	-2.90%	--
6/25/2025 12:00	EC	EU27 New Car Registrations	May	--	--	1.30%	--
6/25/2025 13:00	JN	Leading Index CI	Apr F	--	--	103.4	--
6/25/2025 13:00	JN	Coincident Index	Apr F	--	--	115.5	--
6/25/2025 14:00	JN	Machine Tool Orders YoY	May F	--	--	3.40%	--
6/25/2025 15:00	TH	BoT Benchmark Interest Rate	25-Jun	1.75%	--	1.75%	--
6/25/2025 19:00	US	MBA Mortgage Applications	20-Jun	--	--	-2.60%	--
6/25/2025 22:00	US	New Home Sales	May	693k	--	743k	--
6/25/2025 22:00	US	New Home Sales MoM	May	-6.70%	--	10.90%	--
6/25/2025-6/30/2025	IN	BoP Current Account Balance	1Q	\$7.7b	--	-\$11.5b	--
6/25/2025-6/26/2025	US	Building Permits	May F	1393k	--	1393k	--

Source: Bloomberg

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