Daily Treasury Outlook

27 October 2025

Highlights

Global: Hopes for a US-China trade deal is building. US president Trump hinted "I think we have a really good chance of making a very comprehensive deal" ahead of his meeting with China's Xi later this week. Last Friday, the S&P500 saw renewed optimism to log another strong close (+0.79%). US Treasury Secretary Bassett called market critics of tariffs as "Wrong" after the S&P500 chalked up 20% gains since Liberation Day amid encouraging corporate earnings and the overdue September CPI rose less than expected by 3.9% YoY. Meanwhile the 10-year UST bond yield hovered near the 4% handle as markets priced in a 25bps rate cut at the upcoming FOMC meeting. That said, the Fed's guidance going forward beyond the highly anticipated next 25bps rate cut at the December FOMC will be key as to assessing whether dovish intentions may extend into 2026.

Market Watch: Asian markets are likely to open on an upbeat tone today, while awaiting China's September industrial profits data. Today's economic data calendar also consists of Germany's IFO business climate, Taiwan's unemployment rate, Hong Kong's trade, and possibly US' durable goods orders data. For the week ahead, on tap are South Korea's 3Q25 GDP growth estimates and US' Conference Board consumer confidence tomorrow, Australia's CPI on Wednesday, Germany's 3Q25 GDP growth and Eurozone's 3Q25 GDP growth and US' initial jobless claims on Thursday, China's official manufacturing/non-manufacturing/composite PMIs, Taiwan's 3Q25 GDP growth and Japan's October CPI on Friday. On the central bank front, watch for ECB's CPI expectations today, ECB bank lending survey tomorrow, FOMC policy decision starting Wednesday (with a 25bps rate cut to 3.75%-4% looking highly likely), BOJ policy decision (also possibly a rate hike) and ECB policy decision (likely on hold for now) on Thursday. The US corporate earnings calendar risk is also concentrated: the remaining big tech earnings - Alphabet, Microsoft, Apple, Amazon and Meta - can re-rate risk assets if numbers diverge from already elevated expectations.

Singapore: After September's industrial production surprised on the upside at 16.1% YoY (26.3% MoM sa), the 3Q25 manufacturing and GDP growth estimates are likely to be revised up from the advance estimates of 0% and 2.9% YoY respectively to 5% and 4%. Even assuming that 4Q25 growth momentum tapers as US reciprocal tariffs start to weigh, full-year 2025 GDP growth may overshoot the 3% handle to come in around 3.3% YoY.

Commodities: Crude oil benchmarks closed relatively flat on Friday, with WTI and Brent decreasing marginally by 0.5% and 0.1%, respectively, to USD61.5/bbl and USD65.9/bbl. Markets are assessing whether short-term disruptions caused by US sanctions on major Russian oil companies, Rosneft and Lukoil, could be offset by a looming global supply glut. Kuwait Oil Minister Tareq Al-Roumi stated that OPEC is prepared to increase oil production to

Key Market Movements

Equity	Value	% chg
S&P 500	6791.7	0.8%
DJIA	47207	1.0%
Nikkei 225	49300	1.4%
SH Comp	3950.3	0.7%
STI	4422.2	0.1%
Hang Seng	26160	0.7%
KLCI	1613.3	0.3%
	Value	**% chg**
DXY	98.952	0.0%
USDJPY	152.86	0.2%
EURUSD	1.1627	0.1%
GBPUSD	1.3311	-0.1%
USDIDR	16595	-0.2%
USDSGD	1.2988	0.0%
SGDMYR	3.2502	-0.1%
	Value	**chg (bp)**
2Y UST	3.48	-0.86
10Y UST	4.00	-0.02
2Y SGS	1.43	-2.40
10Y SGS	1.82	1.98
3M SORA	1.39	-0.73
3M SOFR	4.31	-0.13
	Value	**% chg**
Brent	65.94	-0.1%
WTI	61.5	-0.5%
Gold	4113	-0.3%
Silver	48.63	-0.6%
Palladium	1423	-1.7%
Copper	10963	1.0%
BCOM	107.38	-0.4%

Source: Bloomberg

offset potential shortages. This statement followed a spike in oil prices drive by concerns over the US sanctions on major Russian oil companies. For the week, crude oil prices rebounded to a near-two week high following three consecutive weekly losses.

Major Markets

CH: China outlined seven key social and economic development goals for the 15th Five-Year Plan (2026–2030), emphasizing high-quality growth driven by stronger household consumption, technological self-reliance through breakthroughs in core areas, and deeper reform and opening-up to enhance market efficiency. The plan also calls for strengthening cultural confidence and national soft power, improving living standards via better employment and more equitable public services, advancing green development by achieving carbon peak and cutting pollution, and reinforcing national security through better risk management. Notably, for the first time, the plan explicitly targets a "significant increase in the household consumption rate," underscoring the shift toward demand-side reform. Detailed quantitative targets and flagship projects will be released in the 15th Five-Year Plan Outline to be reviewed at the National People's Congress in March next year.

ID: Minister of Energy and Mineral Resources Bahlil Lahadalia announced that Indonesia and Brazil have signed an MoU to jointly develop ethanol-based biofuels, focusing on cleaner and renewable energy. The partnership, witnessed by Presidents Prabowo Subianto and Luiz Inácio Lula da Silva, draws from Brazil's success with E30–E100 ethanol blends. Indonesia targets to introduce an E10 ethanol mix by 2027–2028, followed by E20, to reduce fossil fuel imports and boost energy security.

MY: The United States and Malaysia have reached a reciprocal trade agreement to deepen economic ties, offering unprecedented market access for both nations' exporters. Malaysia will grant preferential access for key US exports including industrial goods, agricultural products, and vehicles, while the US will maintain a 19% reciprocal tariff and exempt select Malaysian goods. Malaysia also pledged to tackle non-tariff barriers, enhance environmental and labour protections, and align digital trade rules with global standards. The deal covers commitments on rare earth exports, intellectual property, and state-owned enterprises, alongside commercial transactions worth about USD150bn (MYR633.5bn) in sectors such as aviation, semiconductors, and LNG.

TH: Thai Prime Minister Anutin Charnvirakul and Cambodian Prime Minister Hun Manet signed a peace accord on the sidelines of the 47th ASEAN Summit, formally ending a five-day border conflict that erupted in July. The peace agreement, reached with mediation from US President Donald Trump and Malaysian Prime Minister Anwar Ibrahim, builds on an earlier truce and establishes an ASEAN Observer Team to oversee compliance. Additionally, Thailand agreed to release 18 Cambodian prisoners of war, marking a key step towards reconciliation. The agreement also commits both nations to resolving their long-standing border dispute peacefully through bilateral mechanisms, while both sides pledged to remove heavy weaponry from the border, refrain from hostile rhetoric, and cooperate on de-mining operations.

VN: The United States and Vietnam have agreed to a Framework for an Agreement on Reciprocal, Fair, and Balanced Trade, aimed at strengthening bilateral economic ties and expanding mutual market access. Vietnam will provide preferential access to nearly all US industrial and agricultural exports, while the US will maintain a 20% tariff on Vietnamese goods and offer zero tariffs on selected items. Both sides have committed to resolving non-tariff barriers and finalizing provisions on digital trade, investment, and intellectual property. However, key details including product exclusions and the classification of 'transshipped' goods, which may face a 40% tariff, were not detailed in the announcement.

ESG

Rest of the world: A majority of countries at the UN shipping agency voted to postpone by a year a decision on a global carbon price on international shipping, after failing to reach consensus on the emissions reduction measure amid US pressure. The US and Saudi Arabia, the world's two largest oil producers, strongly opposed to a carbon price on shipping set out in the draft International Maritime Organisation (IMO) Net-zero Framework. Saudi Arabia tabled a motion on 17 Oct to defer discussions for one year, which was passed by a simple majority of 57 countries, with 49 that opposed and sought to continue with a deal. This creates uncertainty on the path forward to achieve net-zero greenhouse gas emissions in international shipping by or around 2050.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded higher last Friday with shorter tenors, belly tenors and 10Y trading 1bps higher. As per Bloomberg, ReNew Energy Global PLC plans a dollar bond offering early next year to partly refinance its offshore notes and may use an onshore project loan to refinance the remaining notes. The company has USD525mn 7.95% notes maturing in July, callable at par from 28 Jan 2026. In other news, China plans to sell up to USD4bn of USD-denominated government bonds in HKSAR on 03 Nov 2025. This will mark the first dollar sales of similar size in HKSAR since 2021, the previous issuances since 2021 was a USD2bn issue in 2024. The issuance will help the government maintain its funding channels abroad and sustain its engagement with global investors while also serving as a pricing benchmark for Chinese offshore corporate debt. Lastly, Fitch has downgraded Shanghai Commercial Bank Limited's ("SCB") long-term issuer default rating and viability rating to BBB+ from A- with stable outlook, citing continued weakening asset quality. Bloomberg Asia USD Investment Grade spreads traded flat at 62bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 350bps respectively. (Bloomberg, OCBC)

New issues:

There was one notable issuance in the Asiadollar market last Friday.

- SELECT ACCESS Investments Limited priced a USD2bn 10.25Y Secured Fixed Bond at 5.60%.

There were no notable issuances in the Singdollar market last Friday.

Mandates:

- There were no notable mandates last Friday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.952	0.02%	**USD-SGD**	1.2988
USD-JPY	152.860	0.19%	**EUR-SGD**	1.5103
EUR-USD	1.163	0.08%	**JPY-SGD**	0.8495
AUD-USD	0.651	0.02%	**GBP-SGD**	1.7289
GBP-USD	1.331	-0.11%	**AUD-SGD**	0.8458
USD-MYR	4.223	-0.10%	**NZD-SGD**	0.7465
USD-CNY	7.123	0.00%	**CHF-SGD**	1.6322
USD-IDR	16595	-0.15%	**SGD-MYR**	3.2502
USD-VND	26309	-0.09%	**SGD-CNY**	5.4831

Equity and Commodity

Index	Value	Net change
DJIA	47,207.12	472.51
S&P	6,791.69	53.25
Nasdaq	23,204.87	263.07
Nikkei 225	49,299.65	658.04
STI	4,422.21	5.94
KLCI	1,613.27	5.27
JCI	8,271.72	-2.63
Baltic Dry	1,991.00	-66.00
VIX	16.37	-0.93

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8570	-0.70%	**1M**	3.9740
3M	2.0720	0.34%	**2M**	3.9033
6M	2.1040	0.24%	**3M**	3.8444
12M	2.1590	0.14%	**6M**	3.6944
			1Y	3.4932

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.43 (-0.02)	3.5(--)
5Y	1.65 (+0.01)	3.61(--)
10Y	1.82 (+0.02)	4.02 (0)
15Y	1.93 (+0.02)	--
20Y	1.9 (+0.02)	--
30Y	2.01 (+0.01)	4.61 (+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	-1.949	-98.20%	-0.487	3.617

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	4.24

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	61.50	-0.47%	Corn (per bushel)	4.233	-1.1%
Brent (per barrel)	65.94	-0.08%	Soybean (per bushel)	10.418	-0.3%
Heating Oil (per gallon)	240.31	0.00%	Wheat (per bushel)	5.125	-0.1%
Gasoline (per gallon)	192.27	-0.22%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.30	-1.20%	Rubber (JPY/KG)	309.500	2.8%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	10962.50	0.99%	Gold (per oz)	4113.1	-0.3%
Nickel (per mt)	15361.00	-0.01%	Silver (per oz)	48.6	-0.6%

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

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/27/2025 9:30	CH	Industrial Profits YTD YoY	Sep	--	--	0.90%	--
10/27/2025 9:30	CH	Industrial Profits YoY	Sep	--	--	20.40%	--
10/27/2025 11:30	TH	Customs Exports YoY	Sep	7.20%	--	5.80%	--
10/27/2025 11:30	TH	Customs Imports YoY	Sep	10.40%	--	15.80%	--
10/27/2025 11:30	TH	Customs Trade Balance	Sep	-$199m	--	-$1964m	--
10/27/2025 16:30	HK	Trade Balance HKD	Sep	-49.5b	--	-25.4b	--
10/27/2025 17:00	EC	ECB 1 Year CPI Expectations	Sep	--	--	2.80%	--
10/27/2025 17:00	EC	ECB 3 Year CPI Expectations	Sep	2.50%	--	2.50%	--
10/27/2025 17:00	EC	M3 Money Supply YoY	Sep	2.70%	--	2.90%	--
10/27/2025 19:00	UK	CBI Total Dist. Reported Sales	Oct	--	--	-35	--
10/27/2025 19:00	UK	CBI Retailing Reported Sales	Oct	--	--	-29	--
10/27/2025 20:00	CA	Bloomberg Nanos Confidence	24-Oct	--	--	49.6	--
10/27/2025 20:30	US	Durable Goods Orders	Sep P	0.20%	--	--	--
10/27/2025 20:30	US	Durables Ex Transportation	Sep P	0.20%	--	--	--
10/27/2025 20:30	US	Cap Goods Orders Nondef Ex Air	Sep P	0.30%	--	--	--
10/27/2025 20:30	US	Cap Goods Ship Nondef Ex Air	Sep P	--	--	--	--

Source: Bloomberg

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