

## Daily Treasury Outlook

28 August 2025

### Highlights

**Global:** Wall St. advanced overnight, with the S&P 500 closing at a fresh record high amid a relatively light data calendar while the 2Y UST yields moved lower. On the monetary policy front, New York Fed President John Williams remarked that the upcoming September FOMC meeting remains “live,” adding that “we’re getting the risks more in balance,” and that current level of rates is “modestly restrictive.” Markets will also be closely monitoring comments from Fed Governor Christopher Waller tomorrow (29 Aug, 6am SGT). Adding to the backdrop, political developments surrounding the Fed drew attention, with reports indicating that the Trump administration is exploring ways to exert greater influence over the selection of regional Federal Reserve Bank presidents, as Bloomberg reported.

**Market Watch:** Today, the focus will be on central bank rate decisions. The Bangko Sentral ng Philippines (BSP) is expected to cut its policy rate by 25bp to 5.00% while the Bank of Korea (BoK) is expected to keep its base rate steady at 2.50%. Meanwhile, India will be releasing its July industrial production today, while Thailand will publish its July manufacturing production index. Other key data includes the second estimate of US 2Q25 GDP growth. US labour market data on tap includes initial jobless claims and continuing claims, while the Kansas City Fed is set to release its manufacturing activity survey.

### Major Markets

**ID:** The government will give food and beverage companies a two-year grace period to comply with new labelling rules for products high in salt, sugar, or fat, aiming to address rising obesity rates that have doubled over the past decade, as reported by Reuters. This delay follows lobbying by the US, regional trade groups, and local manufacturers, with Indonesia emphasizing an initial educational phase before enforcement begins. Starting in 2024, the government planned to introduce a traffic-light labelling system, allowing companies to use their own labels until restrictions fully take effect by the end of 2025.

**MY:** Deputy Prime Minister Fadillah Yusof announced that Malaysia and South Korea will sign a memorandum of understanding (MOU) to strengthen collaboration in the energy sector. Both countries aim to explore cooperation in clean energy technology including nuclear technology, and work together on human capital development, technology transfer, safety and energy security. The MOU is expected to be signed in October or November this year in conjunction with the 46th Asean Summit, as reported by the Edge.

### Key Market Movements

Equity	Value	% chg
S&P 500	6481.4	0.2%
DJIA	45565	0.3%
Nikkei 225	42520	0.3%
SH Comp	3800.4	-1.8%
STI	4245.6	0.0%
Hang Seng	25202	-1.3%
KLCI	1587.9	0.4%
	Value	% chg
DXY	98.232	0.0%
USDJPY	147.42	0.0%
EURUSD	1.1639	0.0%
GBPUSD	1.3498	0.1%
USIDR	16360	0.4%
USDSGD	1.2862	0.1%
SGDMYR	3.2863	0.2%
	Value	chg (bp)
2Y UST	3.61	-7.04
10Y UST	4.23	-2.72
2Y SGS	1.44	-2.70
10Y SGS	1.80	-3.98
3M SORA	1.63	-1.23
3M SOFR	4.36	0.06
	Value	% chg
Brent	68.05	1.2%
WTI	64.15	1.4%
Gold	3397	0.1%
Silver	38.60	0.0%
Palladium	1094	-0.7%
Copper	9756	-0.8%
BCOM	101.50	0.3%

Source: Bloomberg

**ESG**

**CH:** China will be tightening its carbon trading market by introducing absolute emissions caps in some industries for the first time starting 2027. The absolute caps will be implemented first in industries with relatively stable carbon emissions by 2027, so that the China ETS will be established with absolute emissions caps and a combination of free and paid carbon emissions allowances (CEAs) by 2030. Currently, CEAs are based on carbon intensity benchmarks that are reduced over time, rather than absolute emissions caps. The ETS will also expand by 2027 to cover more emissions intensive industries, possibly chemicals, petrochemicals and domestic aviation.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded significantly lower yesterday with shorter tenors trading 3-4bps lower while belly tenors traded 4-5bps lower and 10Y traded 6bps lower. As reported in The Business Times, a group comprising the property investment arm of Chinese e-commerce company JD.Com, Swiss investment firm Partners Group and EZA Hill Property, are planning to list a Singapore-based real estate investment trust ("REIT") as soon as 2026 with assets of more than USD1bn. The REIT will reportedly focus on industrial and logistics assets across South-east Asia with the group jointly acquiring several logistics assets in August. As per Bloomberg, New World Development Co Ltd sold the retail podium of 83 Wing Hong Street in Cheung Sha Wan, Hong Kong, for ~HKD120mn (USD15.4mn), the podium includes six shops, each between 750 and 2,000 sq ft. Meanwhile, Yuzhou Group Holdings Co Ltd obtained restructuring consents from noteholders of its 6% senior notes maturing in 2027. In earnings, Guangzhou R&F properties Co Ltd announced expectations of a net loss of ~RMB4.08bn for 1H2025 amidst the continued downturn in the real estate industry in China. In parallel, Health & Happiness H&H International Holdings Ltd reported a 77% y/y decline in net income for 1H2025, far below the preliminary guidance of a 45-65% decline. In Malaysia, PNB Merdeka Ventures Sdn. plans to issue up to MYR6bn (USD1.4bn) in Islamic bonds to partly fund the Merdeka 118 precinct development and refinance existing sukuk. The project includes the world's second tallest building, Merdeka 118, with office space at 70% occupancy and the new Park Hyatt Kuala Lumpur. Bloomberg Asia USD Investment Grade traded flat at 62bps and Bloomberg Asia USD High Yield spreads tightened by 1bps to 341bps respectively. (Bloomberg, OCBC)

### New issues:

There were two notable issuances in the Asiadollar market yesterday.

- Hokkaido Electric Power Co Inc priced a USD500mn 5Y Green Fixed Bond at T+83bps (Par to Yield: 4.587%).
- Luoyang Cultural Tourism Investment Group Co. Ltd. (guarantor: Henan Zhongyu Credit Promotion Co Ltd) priced a USD37.3mn Fixed Bond at 7.40%.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

There were no notable mandates yesterday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.232	0.01%	USD-SGD	1.2862
USD-JPY	147.420	0.01%	EUR-SGD	1.4970
EUR-USD	1.164	-0.03%	JPY-SGD	0.8726
AUD-USD	0.651	0.17%	GBP-SGD	1.7363
GBP-USD	1.350	0.13%	AUD-SGD	0.8368
USD-MYR	4.235	0.39%	NZD-SGD	0.7534
USD-CNY	7.152	-0.02%	CHF-SGD	1.6032
USD-IDR	16360	0.40%	SGD-MYR	3.2863
USD-VND	26367	0.05%	SGD-CNY	5.5634

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8810	0.00%	1M	4.2824
3M	2.0220	0.05%	2M	4.2210
6M	2.0640	-0.29%	3M	4.1712
12M	2.1160	0.14%	6M	4.0135
			1Y	3.7494

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.88	-88.00%	-0.22	4.109
10/29/2025	-1.385	-50.50%	-0.346	3.983
12/10/2025	-2.228	-84.30%	-0.557	3.772

## Equity and Commodity

Index	Value	Net change
DJIA	45,565.23	147.16
S&P	6,481.40	15.46
Nasdaq	21,590.14	45.87
Nikkei 225	42,520.27	125.87
STI	4,245.57	1.86
KLCI	1,587.91	6.32
JCI	7,936.18	30.42
Baltic Dry	2,046.00	5.00
VIX	14.85	0.23

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.44 (-0.03)	3.62(--)
5Y	1.55 (--)	3.7 (-0.05)
10Y	1.8 (-0.04)	4.24 (-0.03)
15Y	1.9 (-0.04)	--
20Y	1.9 (-0.04)	--
30Y	1.98 (-0.04)	4.91(--)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.38
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.15	1.42%	Corn (per bushel)	3.825	-1.3%
Brent (per barrel)	68.05	1.23%	Soybean (per bushel)	10.273	-0.1%
Heating Oil (per gallon)	229.53	0.65%	Wheat (per bushel)	5.023	-1.4%
Gasoline (per gallon)	214.89	1.25%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.87	5.52%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9755.50	-0.83%	Gold (per oz)	3397.4	0.1%
Nickel (per mt)	15131.00	-1.01%	Silver (per oz)	38.6	0.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/28/2025 12:00	TH	Mfg Production Index ISIC NSA YoY	Jul	-1.40%	--	0.58%	--
8/28/2025 14:30	PH	BSP Overnight Borrowing Rate	28-Aug	5.00%	--	5.25%	--
8/28/2025 14:30	PH	BSP Standing Overnight Deposit Facility Rate	28-Aug	4.50%	--	4.75%	--
8/28/2025 17:00	EC	Consumer Confidence	Aug F	--	--	-15.5	--
8/28/2025 18:30	IN	Industrial Production YoY	Jul	2.30%	--	1.50%	--
8/28/2025 20:30	US	GDP Annualized QoQ	2Q S	3.10%	--	3.00%	--
8/28/2025 20:30	US	Personal Consumption	2Q S	1.60%	--	1.40%	--
8/28/2025 20:30	US	GDP Price Index	2Q S	2.00%	--	2.00%	--
8/28/2025 20:30	US	Core PCE Price Index QoQ	2Q S	2.50%	--	2.50%	--
8/28/2025 20:30	US	Initial Jobless Claims	23-Aug	230k	--	235k	--
8/28/2025 20:30	US	Initial Claims 4-Wk Moving Avg	23-Aug	--	--	226.25k	--
8/28/2025 20:30	US	Continuing Claims	16-Aug	1966k	--	1972k	--
8/28/2025 23:00	US	Kansas City Fed Manf. Activity	Aug	1	--	1	--
8/28/2025	SK	BOK Base Rate	28-Aug	2.50%	--	2.50%	--
8/28/2025	PH	Budget Balance PHP	Jul	--	--	-241.6b	--

Source: Bloomberg

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## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathann4@ocbc.com](mailto:jonathann4@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavyanavenkateswaran@ocbc.com](mailto:lavyanavenkateswaran@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

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