

Daily Treasury Outlook

29 April 2025

Highlights

Global: Relief rally appeared to be losing some steam, in the absence of visibility and more positive catalyst. US major stock indexes showed mixed performance, with the Dow recording modest gain after reversing earlier losses, S&P 500 essentially flat and the Nasdaq ending the day marginally lower. Front-end US treasury yields fell, delivering a bull steepening of the curve. Dollar weakened again, and most apparently against safe haven currencies such as yen and Swiss francs. The risk off tone in the US trading session lifted gold prices, while oil prices dipped. US Treasurer Bessent said negotiations with Asian trading partners are going very well. He also stated that all aspects of the US government are in contact with China and that it is up to China to de-escalate the situation. ECB's Governing Council member Rehn supported further rate cut as he flagged the danger of inflation dipping below 2% target due to US tariff. On data front, according to April's Texas Manufacturing Outlook Survey, broader business conditions in US continued to worsen notably. The general business activity index fell 20 points to -35.8, the lowest reading since May 2020. The company outlook index also fell to a post-pandemic low, while outlook uncertainty index rose sharply.

Market Watch: Asian markets are likely to open on a slightly cautious tone today, while Japanese market is closed for holiday. Today's economic data releases include New Zealand's March filled jobs, South Korea's March retail sales, Philippines' March budget balance, Germany's May consumer confidence, US' March Jolts data, and US' April Conference Board consumer confidence. Fed's Harker and Jefferson, as well as ECB's Lagarde will be speaking today.

Commodities: Crude oil benchmarks declined on Monday, with WTI and Brent falling by 1.5% to USD62.1/bbl and USD65.9/bbl, respectively. The decline in prices was due to concerns regarding the impact of US-China trade war on oil demand. According to the Dallas Fed, the April manufacturing activity index weakened to -35.8 versus -16.3 in March. This marks the lowest level since May 2020. Additionally, uncertainties over the progress on US-China trade talks exerted further downward pressure to prices. In contrast to President Trump's assertion that US-China trade talks are underway, US Treasury Secretary Scott Bessent stated that interactions with Chinese counterpart took place during the IMF meetings, but did not address tariffs.

Key Market Movements

Equity	Value	% chg
S&P 500	5528.8	0.1%
DJIA	40228	0.3%
Nikkei 225	35840	0.4%
SH Comp	3288.4	-0.2%
STI	3811.8	-0.3%
Hang Seng	21972	0.0%
KLCI	1521.6	0.8%
	Value	% chg
DXY	99.010	-0.5%
USDJPY	142.01	-1.2%
EURUSD	1.1420	0.5%
GBPUSD	1.3441	0.9%
USDIDR	16855	0.1%
USDSGD	1.3085	-0.5%
SGDMYR	3.3218	-0.1%
	Value	chg (bp)
2Y UST	3.69	-5.52
10Y UST	4.21	-2.71
2Y SGS	2.14	1.80
10Y SGS	2.52	1.92
3M SORA	2.40	-3.14
3M SOFR	4.36	-0.03
	Value	% chg
Brent	65.86	-1.5%
WTI	62.05	-1.5%
Gold	3344	0.7%
Silver	33.16	0.2%
Palladium	952	0.4%
Copper	9378	0.0%
BCOM	103.11	0.5%

Source: Bloomberg

Major Markets

CN: China's consumer goods trade-in program has made significant progress, providing an important boost to domestic demand. As of April 27, a total of 2.814 million vehicles had been replaced under the auto trade-in scheme. Additionally, 49.416 million units across 12 major categories of home appliances were renewed, while 37.855 million new digital products—including smartphones and tablets—were purchased. The program also supported the upgrade of 40.906 million home improvement and kitchen/bathroom items, alongside the replacement of more than 4.2 million electric bicycles. Altogether, these initiatives have generated more than CNY 720 billion in sales, underscoring the growing momentum behind China's domestic consumption strategy. Meanwhile, on the external front, the Ministry of Commerce reported that China's exports have generally maintained stable growth since the beginning of April despite external headwinds. The recently concluded Canton Fair saw the participation of 224,000 overseas buyers from 219 countries and regions, setting a new historical record for the same period. The strong attendance highlights resilient foreign demand and continued global interest in Chinese goods amid an increasingly complex international trade environment.

HK: Growth of merchandise exports and imports paced up to 18.5% YoY and 16.6% respectively in March (Feb: 15.4% YoY and 11.8% YoY), due to export front-loading. During the period, trade balance deficit widened to HK\$45.4 billion (Feb: HK\$36.3 billion). Breaking down, exports to major trading partners showed mixed performance. Total merchandise exports to Asia as a whole and US grew by 22.4% YoY and 11.4% YoY respectively, while exports to United Arab Emirate, Netherlands fell further. Beyond the immediate near term, Hong Kong's trade performance is expected to weaken further, due to the high base effect and tariff implementation.

ID: The Coordinating Minister for Economic Affairs Airlangga Hartarto revealed that South Korean companies are set to boost their investments in Indonesia by USD1.7bn, following a meeting with President Prabowo Subianto and a South Korean business association. This increase represents over 10% of the existing USD15.4bn investment from South Korean firms in Indonesia, as reported by Reuters. The meeting involves companies including Lotte Corporation, POSCO Holdings, and KCC Glass Corporation, with Lotte Chemical's USD3.9bn petrochemical plant expected to commence operations by September or October.

MY: The Producer Price Index (PPI) fell by 1.9% YoY in March 2025, reversing from a 0.3% rise in February and marking the first negative print since November 2024. By sector, lower PPIs were broad-based, with deeper negative prints in mining (-15.0% in March from -9.7% in February), manufacturing (-1.8% from -0.3%), and electricity and gas supply (-0.5% from -0.3%), as well as easing PPIs in water supply (0.7% from 2.9%) and agriculture, forestry, and fishing (9.9% from 15.2%). The March print brings the PPI to an average of -0.3% YoY in 1Q2, compared to -0.8% in 4Q24.

ESG

CN: China's wind and solar power generation capacity surpassed fossil fuel-based thermal power capacity for the first time in history. In 1Q 2025, China's newly installed wind and photovoltaic power capacity totalled 74.33 mn kW, bringing the cumulative installed capacity to 1.482 bn kW and surpassing the installed thermal capacity of 1.451 bn kW. China plans to announce its 2035 Nationally Determined Contributions before COP30 in November, expected to detail more ambitious climate targets and cover all greenhouse gases.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded mostly higher last Friday with shorter tenors trading 1bps lower to flat, belly tenors trading 1-2bps higher and 10Y trading 2bps higher. A Hong Kong court has postponed Sunac China Holdings Ltd.'s ("Sunac") wind-up hearing to August 25, giving the company time to finalize its restructuring plan. To recap, Sunac is working to convert offshore bonds into equity, its second debt restructuring due to liquidity issues after defaulting on a dollar bond in 2022. The company aims to complete the restructuring by late 2025 or early 2026, with its adviser urging creditor support amid ongoing challenges in China's property sector. Bloomberg Asia USD Investment Grade spreads traded flat at 92bps while Bloomberg Asia USD High Yield spreads tightened by 1bps to 533bps respectively. (Bloomberg, OCBC)

New Issues:

There were six notable issuances from four issuers in the Asiadollar market yesterday.

- Kookmin Bank issued USD700mn of debt in two tranches: a USD400mn 3Y Fixed bond at T+77.5bps and a USD300mn 5Y Fixed bond at T+82.5bps.
- POSCO Holdings Inc issued USD700mn of debt in two tranches: a USD400mn 5Y Green Fixed bond at T+137.5bps and a USD300mn 10Y Green Fixed bond at T+157.5bps.
- Tongyang Life Insurance Co Ltd priced a USD500mn 10NC5 Subordinated bond at T+240bps.
- Zhongyuan Asset Management Co Ltd priced a USD100mn 3Y Fixed bond at 5.70%.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

- Singapore Technologies Engineering Ltd. may issue USD denominated 5Y Fixed and/or FRN bonds.
- DBSTrustee Ltd. (in its capacity as trustee of Ireit Global) may issue a SGD denominated 3Y Green Fixed bond.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	99.010	-0.46%	USD-SGD	1.3085	-0.48%
USD-JPY	142.010	-1.16%	EUR-SGD	1.4944	0.01%
EUR-USD	1.142	0.48%	JPY-SGD	0.9214	0.69%
AUD-USD	0.643	0.56%	GBP-SGD	1.7590	0.49%
GBP-USD	1.344	0.95%	AUD-SGD	0.8416	0.07%
USD-MYR	4.364	-0.22%	NZD-SGD	0.7823	-0.20%
USD-CNY	7.287	0.01%	CHF-SGD	1.5958	0.46%
USD-IDR	16855	0.15%	SGD-MYR	3.3218	-0.11%
USD-VND	26000	-0.08%	SGD-CNY	5.5728	0.48%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.1390	-0.37%	1M	4.3234	0.01%
3M	2.1740	0.60%	2M	4.3080	0.02%
6M	2.1410	0.33%	3M	4.2788	0.00%
12M	2.0820	0.63%	6M	4.1185	0.00%
			1Y	3.8195	0.17%

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
05/07/2025	-0.09	-9	-0.023
06/18/2025	-0.668	-57.7	-0.167
07/30/2025	-1.485	-81.7	-0.371
09/17/2025	-2.276	-79.1	-0.569
12/10/2025	-3.657	-70.2	-0.914

Equity and Commodity

Index	Value	Net change
DJIA	40,227.59	114.09
S&P	5,528.75	3.54
Nasdaq	17,366.13	-16.81
Nikkei 225	35,839.99	134.25
STI	3,811.80	-11.98
KLCI	1,521.59	12.39
JCI	6,722.97	44.05
Baltic Dry	1,373.00	20.00
VIX	25.15	0.31

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.14 (+0.02)	3.69(--)
5Y	2.22 (+0.02)	3.81 (-0.05)
10Y	2.52 (+0.02)	4.21 (-0.03)
15Y	2.6 (+0.04)	--
20Y	2.64 (+0.05)	--
30Y	2.63 (+0.03)	4.68 (-0.02)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.33
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.05	-1.54%	Com (per bushel)	4.755	-0.7%
Brent (per barrel)	65.86	-1.51%	Soybean (per bushel)	10.520	0.2%
Heating Oil (per gallon)	217.55	0.38%	Wheat (per bushel)	5.155	-2.7%
Gasoline (per gallon)	210.58	-0.62%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.17	7.93%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9378.00	0.04%	Gold (per oz)	3344.0	0.7%
Nickel (per mt)	15615.00	0.45%	Silver (per oz)	33.2	0.2%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
4/29/2025 7:01	UK	BRC Shop Price Index YoY	Apr	-0.20%	-0.10%	-0.40%	--
4/29/2025 10:00	SK	Retail Sales YoY	Mar	--	--	4.40%	--
4/29/2025 16:00	EC	ECB 3 Year CPI Expectations	Mar	2.30%	--	2.40%	--
4/29/2025 16:00	EC	ECB 1 Year CPI Expectations	Mar	2.50%	--	2.60%	--
4/29/2025 17:00	EC	Consumer Confidence	Apr F	--	--	-16.7	--
4/29/2025 17:00	EC	Economic Confidence	Apr	94.5	--	95.2	--
4/29/2025 20:30	US	Wholesale Inventories MoM	Mar P	0.60%	--	0.30%	--
4/29/2025 20:30	US	Retail Inventories MoM	Mar	0.30%	--	0.10%	--
4/29/2025 21:00	US	FHFA House Price Index MoM	Feb	0.30%	--	0.20%	--
4/29/2025 21:00	US	S&P CoreLogic CS 20-City MoM SA	Feb	0.40%	--	0.46%	--
4/29/2025 21:00	US	S&P CoreLogic CS 20-City YoY NSA	Feb	4.70%	--	4.67%	--
4/29/2025 21:00	US	S&P CoreLogic CS US HPI YoY NSA	Feb	--	--	4.08%	--
4/29/2025 22:00	US	Conf. Board Consumer Confidence	Apr	88	--	92.9	--
4/29/2025 22:00	US	Conf. Board Present Situation	Apr	--	--	134.5	--
4/29/2025 22:00	US	Conf. Board Expectations	Apr	--	--	65.2	--
4/29/2025 22:30	US	Dallas Fed Services Activity	Apr	--	--	-11.3	--

Source: Bloomberg



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