

Daily Treasury Outlook

29 August 2025

Highlights

Global: US equities extended gains on Thursday, with the broad indexes of S&P500, Dow, Nasdaq rising between 0.2% and 0.5% (S&P500: 0.3%; Dow: 0.2%; NASDAQ: 0.5%). The S&P500 and Dow closed at fresh record high. The risk-on sentiment was further bolstered by stronger-than-expected 2Q25 US GDP growth, with the second reading increased at an annualized rate of 3.3%, well above consensus expectations of 3.1% and the initial 3.0% estimate. According to the Bureau of Economic Analysis, "real GDP was revised up 0.3 percentage point from the advance estimate, primarily reflecting upward revisions to investment and consumer spending that were partly offset by a downward revision to government spending and an upward revision to imports." Meanwhile, the 2Q25 core PCE price index increased to an annualized rate of 2.5%. This was unchanged from the initial estimate. In contrast, the PCE price index was downwardly revised, rising to an annualized rate of 2.0% versus 2.1% from the previously estimated. Lower-than-expected weekly US labour market data further reflects strength in the US economy. Both initial jobless claims and continuing claims declined by 2.1% and 0.4%, respectively, to 229k (week ending 23 August) and 1.95mn (week ending 16 August). On the central bank front, Federal Reserve Board Governor Lisa Cook will contest US President Donald Trump's attempt to remove her from position.

Market Watch: This morning, Tokyo CPI for August eased to 2.6% YoY versus 2.9% in July, in line with consensus expectations. Similarly, the Tokyo core CPI and supercore CPI eased to 2.5% and 3.0%, respectively, down from 2.9% and 3.1% in July. On the Asian calendar, the Philippines and Thailand will be releasing its July trade figures, India will report its 2Q GDP figures. We expect growth to ease to 6.5% YoY (consensus: 6.7%), down from 7.4% in 1Q. Meanwhile, data from the US include July PCE and core PCE price index, and the August University of Michigan sentiment.

Commodities: Crude oil benchmarks extended gains for the second consecutive trading session, with WTI and Brent rising by 0.7% and 0.8%, respectively, to USD64.6/bbl and USD68.6/bbl. Prices increased amid uncertainty over the prospects of a Russia-Ukraine peace deal. German Chancellor Friedrich Merz stated that a meeting between Russian President Vladimir Putin and Ukrainian President Volodymyr Zelensky "won't happen". Meanwhile, US President Donald Trump expressed his unhappiness after learning of Russia's recent military strikes in Kyiv. White House press secretary Karoline Leavitt announced that President Trump will be making a statement regarding Russia and Ukraine. The oil market will remain watchful of the outcome, as a peace deal would likely ensure a stable flow of Russian oil supplies into the global oil market. Conversely, failure to reach a peace deal increases the risk of potential sanctions and secondary tariffs on Russian oil.

Key Market Movements

Equity	Value	% chg
S&P 500	6501.9	0.3%
DJIA	45637	0.2%
Nikkei 225	42829	0.7%
SH Comp	3843.6	1.1%
STI	4253.8	0.2%
Hang Seng	24999	-0.8%
KLCI	1587.1	-0.1%
	Value	% chg
DXY	97.813	-0.4%
USDJPY	146.93	-0.3%
EURUSD	1.1683	0.4%
GBPUSD	1.3513	0.1%
USIDR	16345	-0.1%
USDSGD	1.2825	-0.3%
SGDMYR	3.2832	-0.1%
	Value	chg (bp)
2Y UST	3.63	2.05
10Y UST	4.20	-3.10
2Y SGS	1.45	0.80
10Y SGS	1.81	1.51
3M SORA	1.61	-1.41
3M SOFR	4.36	0.03
	Value	% chg
Brent	68.62	0.8%
WTI	64.6	0.7%
Gold	3417	0.6%
Silver	39.05	1.2%
Palladium	1108	1.2%
Copper	9818	0.6%
BCOM	101.96	0.5%

Source: Bloomberg

Additionally, a stronger-than-expected reading in the US 2Q25 GDP may have exerted further upward pressure on oil prices.

Major Markets

ID: The forestry task force (Satgas PKH) will launch a crackdown on 1 September against mining operations without permits across 4.27mn hectares of forest, an official said. The move follows a March operation against 3.3mn hectares of illegal palm oil plantations, some of which were handed to state firm Agrinas Palma Nusantara, Reuters reported. Task force official Febrie Adriansyah said business owners must return profits from illegal activities to the state, though not all cases will lead to criminal prosecution. Mines seized will be placed under temporary management by the SOE Ministry, with select cases potentially subject to further investigation.

MY: The producer price index (PPI) contracted at a slower pace of 3.8% YoY in July from to 4.2% in June. By sector, agriculture, forestry & fishing (1.1% YoY in July vs -0.3% in June) as well as electricity and gas supply (4.0% vs -0.2%) returned to positive growth. Manufacturing (-4.0% vs -4.3%) and water supply (-0.1% vs -0.2%) remained in contraction, though the declines eased, while mining saw a deeper fall (-8.7% vs -8.0%). Overall, PPI averaged -2.3% YoY in January–July 2025, compared with a 0.3% increase in 2024.

PH: Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25bps to 5.00%, in line with consensus and our expectations. According to the press release, the inflation outlook remains broadly unchanged, with "the inflation forecast for 2025 settled at 1.7%. The forecasts stand at 3.3% for 2026 and 3.4% for 2027." BSP stated that it is less dovish than before, implying that its easing cycle might be coming to an end. We have another 25bps rate cut in our forecasts for 2025, which we expect the BSP to deliver in 4Q25, taking the policy rate to 4.75%.

ESG

SG: The Accounting and Corporate Regulatory Authority (Acra) and Singapore Exchange Regulation (SGX RegCo) have pushed back most climate reporting requirements for listed small and mid-sized companies by five years. While all listed companies were supposed to make climate-related disclosures aligned with standards by the International Sustainability Standards Board (ISSB) for financial years starting from January 2025, listed companies that are not constituents of the Straits Times Index (STI) and with a market capitalisation below S\$1bn need to do so only from FY2030. The extension follows a recommendation put forth in June by the Singapore Business Federation, as the majority of small and mid-sized companies were not confident in meeting the original timeline. The extension also considered the uncertain global economic landscape, thereby supporting companies in developing reporting capabilities during this time. Non-STI constituents with a market capitalisation of S\$1bn and above will have to comply from FY2028. All listed companies, irrespective of their market size or whether they are an STI constituent, will still have to report their Scope 1 and Scope 2 emissions from this financial year. There will also be a three-year delay in mandating ISSB-aligned climate reporting for large non-listed companies. Instead of the original timeline of FY2027, non-listed companies with an annual revenue of at least S\$1bn and total assets of at least S\$500mn will have to make these disclosures only from FY2030.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded slightly higher yesterday with shorter tenors trading flat to 2bps higher while belly tenors traded 1-2bps higher and 10Y traded ~1bps higher. Temasek Holdings Pte Ltd confirmed the repositioning of its organisational structure and investment portfolio into three segments - Global Direct Investments, Singapore-based Temasek Portfolio Companies, and Partnerships, Funds, and Asset Management Companies. Each segment will be managed by separate wholly-owned entities from 1 April 2026 with senior leadership changes also announced. As per Bloomberg, Fitch has downgraded China Vanke Co Ltd's ("Vanke") long term issuer default rating to CCC- from CCC+, citing worsening liquidity. Fitch emphasised that ongoing, timely support from Shenzhen Metro Group, Vanke's largest shareholder, is crucial, as the company's free cash flow is expected to stay negative in the near term. Meanwhile, Meituan anticipates substantial losses in its core local commerce segment, including food delivery this quarter as rivals JD.com and Alibaba's Ele.me increase subsidies amid a consumption downturn. On a Wednesday post-earnings call, the company warned that intense competition is likely to persist in the near term, negatively affecting its financial performance. In parallel, SJM Holdings Ltd unit, SJM Resorts, signed a promissory agreement with controlling shareholder STDM to acquire part of Hotel Lisboa in Macau for HKD529mn (USD67.9mn), the property will expand Casino Lisboa by 7,504sqm, including former gaming areas and new facilities. Logistics firm GLP Holdings LP ("GLP") announced that a subsidiary of the Abu Dhabi Investment Authority will invest up to USD1.5bn to support its growth in sectors such as e-commerce, artificial intelligence and sustainable energy. The news drove the prices of GLP's USD850mn GLPSP 4.50 PERPc26s up ~7 cents to around 64 cents. Finally in Europe, BPCE SA priced the first "European Defence Bond" that is aligned with Euronext NV's new methodology with proceeds ringfenced to fund military firms. The EUR750mn 5Y Senior Preferred Fixed Note received over EUR2.8bn in orders. Bloomberg Asia USD Investment Grade traded flat at 62bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 337bps respectively. (Bloomberg, OCBC)

New issues:

There were no notable issuances in the Asiadollar & Singdollar market yesterday.

Mandates:

There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.813	-0.43%	USD-SGD	1.2825
USD-JPY	146.930	-0.33%	EUR-SGD	1.4988
EUR-USD	1.168	0.38%	JPY-SGD	0.8725
AUD-USD	0.653	0.40%	GBP-SGD	1.7327
GBP-USD	1.351	0.11%	AUD-SGD	0.8376
USD-MYR	4.217	-0.43%	NZD-SGD	0.7544
USD-CNY	7.131	-0.29%	CHF-SGD	1.5998
USD-IDR	16345	-0.09%	SGD-MYR	3.2832
USD-VND	26358	-0.03%	SGD-CNY	5.5617

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8670	-0.74%	1M	4.2775
3M	2.0320	0.49%	2M	4.2230
6M	2.0620	-0.10%	3M	4.1716
12M	2.1010	-0.71%	6M	4.0201
			1Y	3.7671

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/17/2025	-0.836	-83.60%	-0.209	4.12
10/29/2025	-1.365	-52.90%	-0.341	3.988
12/10/2025	-2.171	-80.60%	-0.543	3.786

Equity and Commodity

Index	Value	Net change
DJIA	45,636.90	71.67
S&P	6,501.86	20.46
Nasdaq	21,705.16	115.02
Nikkei 225	42,828.79	308.52
STI	4,253.78	8.21
KLCI	1,587.07	-0.84
JCI	7,952.09	15.91
Baltic Dry	2,046.00	5.00
VIX	14.43	-0.42

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.45 (+0.01)	3.63(--)
5Y	1.55 (--)	3.69 (-0.01)
10Y	1.81 (+0.02)	4.21 (-0.03)
15Y	1.9 (+0.01)	--
20Y	1.91 (+0.01)	--
30Y	1.99 (+0.01)	4.88 (-0.05)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.36
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.60	0.70%	Corn (per bushel)	3.855	0.8%
Brent (per barrel)	68.62	0.84%	Soybean (per bushel)	10.283	0.1%
Heating Oil (per gallon)	230.98	0.63%	Wheat (per bushel)	5.103	1.6%
Gasoline (per gallon)	219.91	2.34%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	2.94	2.69%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9818.00	0.64%	Gold (per oz)	3417.1	0.6%
Nickel (per mt)	15263.00	0.87%	Silver (per oz)	39.1	1.2%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/29/2025 9:00	PH	Trade Balance	Jul	-\$4300m	--	-\$3954m	--
8/29/2025 13:00	JN	Housing Starts YoY	Jul	-9.80%	--	-15.60%	--
8/29/2025 13:00	JN	Annualized Housing Starts	Jul	0.700m	--	0.647m	--
8/29/2025 15:00	TH	BoP Current Account Balance	Jul	\$1000m	--	\$2442m	--
8/29/2025 15:30	TH	Trade Balance	Jul	--	--	\$3312m	--
8/29/2025 15:30	TH	Gross International Reserves	22-Aug	--	--	\$266.6b	--
8/29/2025 18:30	IN	GDP YoY	2Q	6.70%	--	7.40%	--
8/29/2025 20:30	US	Personal Income	Jul	0.40%	--	0.30%	--
8/29/2025 20:30	US	Personal Spending	Jul	0.50%	--	0.30%	--
8/29/2025 20:30	US	PCE Price Index YoY	Jul	2.60%	--	2.60%	--
8/29/2025 20:30	US	Core PCE Price Index YoY	Jul	2.90%	--	2.80%	--
8/29/2025 20:30	US	Wholesale Inventories MoM	Jul P	0.10%	--	0.10%	--
8/29/2025 22:00	US	U. of Mich. Sentiment	Aug F	58.6	--	58.6	--
8/29/2025 22:00	US	U. of Mich. Current Conditions	Aug F	60.8	--	60.9	--
8/29/2025 22:00	US	U. of Mich. Expectations	Aug F	57.5	--	57.2	--
8/29/2025 22:00	US	U. of Mich. 1 Yr Inflation	Aug F	5.00%	--	4.90%	--

Source: Bloomberg



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