

Daily Treasury Outlook

30 April 2025

Highlights

Global: US equities closed modestly higher on Tuesday despite a fresh batch of weaker economic data, as regulatory leniency in the auto sector helped support sentiment. President Trump moved to ease the tariff burden on automakers by allowing credits of up to 15% of the value of domestically assembled vehicles, which can be applied against the cost of imported components. The move is intended to provide a transition period for carmakers to realign their supply chains back to the US. Adding to the optimism, Commerce Secretary Howard Lutnick revealed that the US has concluded a trade agreement with one partner and is awaiting formal approval from that country before making an announcement. The economic data painted a more fragile picture. The Conference Board's US Consumer Confidence Index fell sharply by 7.9 points to 86.0 in April, the lowest reading since May 2020. The Expectations Index tumbled 12.5 points to 54.4, marking the weakest level since October 2011, reflecting growing pessimism about the economic outlook. Meanwhile, the US goods trade deficit widened 9.6% to a record US\$162 billion in March, driven by a surge in imports to an all-time high of US\$342.7 billion. The spike likely reflects frontloading ahead of the reciprocal tariffs and is expected to weigh on Q1 GDP growth figures. Labor market data showed some moderation. Job openings declined by 288,000 to 7.192 million in March. However, layoffs fell to a nine-month low, suggesting the job market is slowing but not derailing. The labor market differential—a gauge derived from consumer views on job availability—narrowed to 15.1 from 17.5 in March, indicating softer labor sentiment. In China, the Ministry of Foreign Affairs released a high-profile bilingual video titled “Never Kneel Down,” warning against capitulating to external pressure. “Bowing to a bully is like drinking poison to quench thirst—it only deepens the crisis,” the video stated. This messaging underscores Beijing’s hardened stance and signals that meaningful engagement with Washington is unlikely in the near term unless the US suspends its reciprocal tariffs.

Market Watch: Looking ahead, today’s focus will be on China’s April manufacturing PMI, Eurozone April CPI, and the US Q1 GDP report. Markets will be watching closely for signals on inflation and growth dynamics across key economies.

Key Market Movements

Equity	Value	% chg
S&P 500	5560.8	0.6%
DJIA	40528	0.7%
Nikkei 225	35840	0.0%
SH Comp	3286.7	-0.1%
STI	3805.2	-0.2%
Hang Seng	22008	0.2%
KLCI	1515.6	-0.4%
	Value	% chg
DXY	99.237	0.2%
USDJPY	142.33	0.2%
EURUSD	1.1387	-0.3%
GBPUSD	1.3409	-0.2%
USDIDR	16762	-0.6%
USDSGD	1.3076	-0.1%
SGDMYR	3.3049	-0.5%
	Value	chg (bp)
2Y UST	3.65	-4.29
10Y UST	4.17	-3.66
2Y SGS	2.14	0.20
10Y SGS	2.52	-0.23
3M SORA	2.39	-1.06
3M SOFR	4.36	0.01
	Value	% chg
Brent	64.25	-2.4%
WTI	60.42	-2.6%
Gold	3317	-0.8%
Silver	32.94	-0.7%
Palladium	940	-1.3%
Copper	9440	0.7%
BCOM	102.38	-0.7%

Source: Bloomberg

Major Markets

ID: Realized direct investment rose by 15.9% YoY (2.7% QoQ), reaching IDR465.2trn in 1Q25, up from IDR452.8trn in 4Q24, and represents 24.4% of the government target for the year (IDR1,905.6trn). The investment contributed to the creation of 594,100 jobs, according to Investment and Downstreaming Minister Rosan Roeslani. More specifically, foreign direct investment (FDI), which accounted for 49.5% of the realized investment, rose by 12.7% YoY, reaching IDR230.4trn in 1Q25. By location, 50.7% of the investment occurred outside of Java (IDR235.9trn, 17.4% YoY). By sector, the basic metal industry led with 14.5% (IDR67.3trn) of the total investment share, followed by transportation, warehousing, and housing (IDR 66.5trn), and mining (IDR48.6trn).

MY: Investment Minister Zafrul Aziz said Malaysia will soon begin a second round of trade talks with the US, focusing on narrowing the trade deficit, easing non-tariff barriers, safeguarding technology, and exploring a bilateral deal. Both countries will appoint their respective chief negotiators to lead the upcoming discussions, with negotiations expected to begin soon after the signing of a non-disclosure agreement between the two governments, according to NST. Separately, the government has postponed the expanded SST rollout beyond 1 May, with enforcement expected after its gazettelement on 1 June, as authorities refine the scope

VN: Prime Minister Pham Minh Chinh has urged officials to expedite negotiations for a USD6bn methanol purchase deal with the US, aiming for a signature in May according to Bloomberg. PM Chinh also emphasized the need to increase imports of US products, such as medical equipment, beef, and fruits, to achieve a more balanced trade balance and requested amendments to legal frameworks addressing US concerns. Additionally, PM Chinh called for monitoring the origins of goods and proposed a decree on strategic trade control by 5 May 5, while advocating for the US to eliminate reciprocal tariffs on Vietnam and lift restrictions on high-tech exports.

ESG

CN: China's State Council has approved of the construction of 10 new nuclear reactors, which continues the pace of nuclear generation capacity expansion in the past few years, with 10-11 units having been approved annually in 2022 – 2024. The newly approved projects, which all use domestic technologies, represent expansions at five operational nuclear power plants: Fangchenggang in Guangxi, Sanmen in Fujian, Haiyang in Shandong, Xiapu in Chongqing, and Taishan in Guangdong. The country has 30 nuclear reactors under construction, nearly half of the global total, and is expected to surpass the US in nuclear energy leadership.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 1bps lower, belly tenors trading 1-2bps lower and 10Y trading 1bps lower. According to data compiled by Bloomberg, Korea Ocean Business has issued a USD300mn bond to finance or refinance projects associated with sustainable marine transport and renewable energy, marking the region's first blue bond of the year. In other news by Bloomberg, India may struggle to achieve its green targets without a taxonomy framework that defines eligible climate finance, according to Standard Chartered Plc's head of sustainable financing for South Asia. India requires USD10 trillion to meet its net zero emissions goal by 2070, but current capital sources cover only about two-thirds of that amount. Bloomberg Asia USD Investment Grade spreads traded flat at 92bps while Bloomberg Asia USD High Yield spreads widened by 7bps to 540bps respectively. (Bloomberg, OCBC)

New Issues:

There were two notable issuances in the Asiadollar market last Friday.

- ST Engineering RHQ Ltd (guarantor: Singapore Technologies Engineering Ltd) priced a USD750mn 5Y Fixed bond at T+50bps.
- Korea Ocean Business Corp priced a USD300mn 5Y maiden Blue Fixed bond at T+92.5bps.

Mandates:

- There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	99.237	0.23%	USD-SGD	1.3076	-0.07%
USD-JPY	142.330	0.23%	EUR-SGD	1.4891	-0.35%
EUR-USD	1.139	-0.29%	JPY-SGD	0.9187	-0.29%
AUD-USD	0.638	-0.73%	GBP-SGD	1.7535	-0.31%
GBP-USD	1.341	-0.24%	AUD-SGD	0.8348	-0.81%
USD-MYR	4.327	-0.84%	NZD-SGD	0.7758	-0.83%
USD-CNY	7.271	-0.22%	CHF-SGD	1.5877	-0.51%
USD-IDR	16762	-0.55%	SGD-MYR	3.3049	-0.51%
USD-VND	25994	-0.02%	SGD-CNY	5.5581	-0.26%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.1510	0.56%	1M	4.3213	0.03%
3M	2.1860	0.55%	2M	4.3010	-0.03%
6M	2.1240	-0.79%	3M	4.2636	-0.19%
12M	2.0660	-0.77%	6M	4.0976	0.00%
			1Y	3.7754	-0.16%

Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
05/07/2025	-0.103	-10.3	-0.026	4.303
06/18/2025	-0.677	-57.4	-0.169	4.159
07/30/2025	-1.565	-88.8	-0.391	3.938
09/17/2025	-2.418	-85.3	-0.604	3.724
12/10/2025	-3.882	-73.7	-0.97	3.358

Equity and Commodity

Index	Value	Net change
DJIA	40,527.62	300.03
S&P	5,560.83	32.08
Nasdaq	17,461.32	95.19
Nikkei 225	35,839.99	134.25
STI	3,805.18	-6.62
KLCI	1,515.56	-6.03
JCI	6,749.08	26.11
Baltic Dry	1,403.00	30.00
VIX	24.17	-0.98

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.14 (--)	3.65(--)
5Y	2.2 (-0.02)	3.77 (-0.05)
10Y	2.52 (--)	4.17 (-0.04)
15Y	2.59 (-0.01)	--
20Y	2.62 (-0.02)	--
30Y	2.62 (--)	4.64 (-0.03)

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)	60.42	-2.63%	Corn (per bushel)	4.605	-3.2%
Brent (per barrel)	64.25	-2.44%	Soybean (per bushel)	10.410	-1.0%
Heating Oil (per gallon)	212.04	-2.53%	Wheat (per bushel)	5.058	-1.9%
Gasoline (per gallon)	207.12	-1.64%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.39	6.81%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9440.00	0.66%	Gold (per oz)	3317.4	-0.8%
Nickel (per mt)	15550.00	-0.42%	Silver (per oz)	32.9	-0.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
4/30/2025 7:00	SK	Industrial Production YoY	Mar	3.20%	5.30%	7.00%	7.10%
4/30/2025 7:50	JN	Industrial Production YoY	Mar P	0.80%	--	0.10%	--
4/30/2025 9:30	CH	Manufacturing PMI	Apr	49.7	--	50.5	--
4/30/2025 9:30	CH	Non-manufacturing PMI	Apr	50.6	--	50.8	--
4/30/2025 9:30	CH	Composite PMI	Apr	--	--	51.4	--
4/30/2025 9:45	CH	Caixin China PMI Mfg	Apr	49.7	--	51.2	--
4/30/2025 15:00	TH	BoT Benchmark Interest Rate	30-Apr	1.75%	--	2.00%	--
4/30/2025 17:00	EC	GDP SA YoY	1Q A	1.10%	--	1.20%	--
4/30/2025 17:00	EC	GDP SA QoQ	1Q A	0.20%	--	0.20%	--
4/30/2025 20:30	US	GDP Annualized QoQ	1Q A	-0.20%	--	2.40%	--
4/30/2025 20:30	US	Personal Consumption	1Q A	1.20%	--	4.00%	--
4/30/2025 20:30	US	GDP Price Index	1Q A	3.10%	--	2.30%	--
4/30/2025 20:30	US	Core PCE Price Index QoQ	1Q A	3.10%	--	2.60%	--
4/30/2025 20:30	US	Employment Cost Index	1Q	0.90%	--	0.90%	--
4/30/2025 22:00	US	Personal Income	Mar	0.40%	--	0.80%	--
4/30/2025 22:00	US	Personal Spending	Mar	0.60%	--	0.40%	--

Source: Bloomberg

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