

Daily Treasury Outlook

24 June 2025

Highlights

Global: A volatile start to a week. On Monday, Iran attacked a US military base in Qatar, but only sustaining minimal damage with no military personnel lost. Meanwhile, Iran took no action to disrupt traffic through the Strait of Hormuz. Iran's restrained counter response to US' weekend military actions and subsequently US President Trump's announcements of an Iran-Israel ceasefire calmed fears of an escalating conflict, allowing for a reversal in risk appetite.

US equity market rallied across the board, with the three major indices gaining around 0.9-1.0%. The DXY rallied to its 50-day moving average on safe haven bids, before ending the day 0.3% lower. Oil prices rose 6% to a five-month high on fears that the closure of strait of Hormuz could seriously disrupt global crude supplies, before diving by 7%. Separately, US treasury yields declined after the Fed's Michelle Bowman said a rate cut as soon as July is possible as long as inflation pressures remained contained. Goolsbee also commented that the central bank should proceed with a cut if the "dirt in the air" from tariffs clears.

On data front, US' manufacturing PMI held steady at 52 in June (vs consensus at 51), while the services PMI fell to 53.1 (vs consensus at 53.0) from 53.7. Both of these prints came in better than expectations. The survey organisation said, growth was partly due to a boost from stock building, in turn often linked to concerns over higher prices and supply issues resulting from tariffs, and such a boost is likely to unwind in the coming months. Euro-area manufacturing PMI came in flat at 49.4 in June (vs consensus at 49.8), while services PMI rose to 50.0 (vs consensus at 50.0). UK's manufacturing and services PMI both improved, to 47.7 and 51.3 respectively in June (vs. consensus at 46.9 and 51.3). Japan's Jibun manufacturing and services PMI rose to 50.4 and 51.5 respectively, while Australia's manufacturing and services PMI.

Market Watch: Asian markets are likely to open with an upbeat tone today. Economic calendar in Asia comprises of Malaysia's May CPI, Japan's May department store sales, and Taiwan's May industrial production. Later today, the market will watch Germany's June IFO survey results, Canada's May CPI, US' June Conference Board consumer confidence, June Richmond Fed manufacturing index, and 1Q current account balance.

Key Market Movements

Equity	Value	% chg
S&P 500	6025.2	1.0%
DJIA	42582	0.9%
Nikkei 225	38354	-0.1%
SH Comp	3381.6	0.6%
STI	3879.3	-0.1%
Hang Seng	23689	0.7%
KLCI	1516.6	0.9%
	Value	% chg
DXY	98.416	-0.3%
USDJPY	146.15	0.0%
EURUSD	1.1578	0.5%
GBPUSD	1.3524	0.5%
USDIDR	16485	0.6%
USDSGD	1.2846	-0.2%
SGDMYR	3.3213	0.3%
	Value	chg (bp)
2Y UST	3.86	-4.44
10Y UST	4.35	-2.76
2Y SGS	1.83	-0.80
10Y SGS	2.29	-0.37
3M SORA	2.13	-2.62
3M SOFR	4.34	-0.05
	Value	% chg
Brent	71.48	-7.2%
WTI	68.51	-7.2%
Gold	3368	0.0%
Silver	36.10	0.2%
Palladium	1079	2.9%
Copper	9668	0.4%
BCOM	105.07	-1.6%

Source: Bloomberg

Commodities: Crude oil benchmarks extended their losses during the Asian trading session, following Iran's agreement to a US-proposed ceasefire. In a social media post, US President Donald Trump announced that the Israel and Iran has agreed to a 12-hour ceasefire. Prior to the ceasefire agreement, Iran struck a US base in Qatar in response to the US weekend airstrike on its three main nuclear sites. It was reported that the Iran had given advance notice of the missile strike, and no casualties were reported. The attack and advance warning seemed to demonstrate restraint from Iran. Taken together, these events help to alleviate concerns about a broader regional conflict and lower the risks of supply disruption. During Asian open, WTI and Brent declined by 3.8% and 3.5%, respectively, to USD65.9/bbl and USD69.0/bbl.

Major Markets

CH: China has classified two previously unregulated chemicals, 4-piperidone and 1-boc-4-piperidone, as Class Two substances, which will now be subject to stricter oversight starting 20 July. These chemicals can be utilized in the production of fentanyl. During a meeting with the U.S. Ambassador, China's Minister of Public Security, Wang Xiaohong, expressed the country's readiness to collaborate on law enforcement initiatives, particularly in the area of counter-narcotics.

ID: Deputy Housing Minister Fahri Hamzah announced on Monday (23 June) that the government targets renovating two million homes by December 2025, supported by a budget allocation of IDR43.6trn. This marks a sharp rise from the previous year's target of 140k homes annually under the BSPS scheme, which will provide each household with an IDR21.8mn subsidy. The Housing ministry will coordinate with other agencies and exploring microcredit options to complement state funding.

MY: Minister Tengku Zafrul announced the signing of a free trade agreement on 23 June between Malaysia and the four EFTA countries, which includes Switzerland, Norway, Iceland, and Liechtenstein. The FTA would grant a duty-free access for over 90% of Malaysian exports, including electronics and rubber-based goods, as reported by The Edge. The deal is expected to attract high-tech investment and expand opportunities for professionals in sectors like law, healthcare, and education. It also includes cooperation on hydrogen technology, green mobility, and human capital development.

TH: The Ministry of Commerce aims to expand the country's footprint in the booming global halal food market, which is expected to reach \$3.1trn by 2027. According to UN statistics, the Muslim population is projected to grow from 1.9bn in 2024 to 2.8bn by 2050 — representing ~30% of global population. This highlights the immense potential of the global halal food market. In 2024, Thailand exported over \$7.1bn in food products to Organisation of Islamic Cooperation countries, benefiting from a reputation for product quality, food processing capabilities, and a credible halal certification system. Key markets such as Indonesia, Malaysia, Iraq, the UAE and, Saudi Arabia account for 68.5% of Thailand's OIC food exports, with key products including rice, tinned tuna, sugar, pet food, and seasonings.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 1bps higher while belly tenors and 10Y traded flat. The State-owned Assets Supervision and Administration Commission ("SASAC") has introduced a requirement for state-owned developers to avoid defaulting on publicly issued debt as one of the directives in its performance metrics for government-controlled property developers. This directive aims to hold management and banks accountable for debt obligations, whether new or refinanced. In other news as reported by Bloomberg, the focus remains on Hong Kong's property sector despite New World Development Co's refinancing looking to be headed towards a favourable outcome. This is because mid-sized property developers with at least HKD173bn in debt are facing stricter refinancing terms including credit enhancements such as collateral or guarantees and restrictions on new lending due to cash flow issues and declining asset values. Adani Group has signed raised around USD750mn in bonds through a private placement to investors including Apollo Global Management Inc. Proceeds from the issue will be used by Mumbai International Airport Ltd. (MIAL) to refinance USD750mn in private bonds raised in 2022 also with Apollo Global Management Inc. after a planned bond issue was delayed due to market volatility from accelerating inflation at the time. Bloomberg Asia USD Investment Grade spreads widened by 2 bps to 76bps and Bloomberg Asia USD High Yield spreads widened by 7bps to 469bps respectively. (Bloomberg, OCBC)

New Issues:

There were five notable issuances in the Asiadollar market yesterday.

- Shangqiu New City Construction Investment Group Co. Ltd. (guarantor: Henan Zhongyu Credit Promotion Co. Ltd) issued a USD50mn retap of its existing NCCIVG 6.5% '28s.
- KT Corporation priced a USD500mn 3.5Y Fixed at T+72bps.
- Hanhui International Limited (guarantor: Shandong Development & Investment Holding Group Co. Ltd.) priced a USD110mn 3Y Fixed at 4.6%.
- Hanwha Energy USA Holdings Corporation (guarantor: Export-Import Bank of Korea) priced a USD400mn 3Y Green Fixed at T+62bps.
- Spic Preferred Co NO 5 Ltd (Keepwell provider: State Power Investment Corporation Limited) priced a USD1bn PerpNC3 FRN to yield 4.795%.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

- Zhengzhou Urvan Construction Investment Group Co., Ltd may issue a USD 3Y Sustainability Fixed Bond.
- Yinso Production Offshore Pte Ltd may issue a USD1.2bn 19.6Y Senior Secured Bond.
- Nomura Holdings Inc may issue USD denominated senior unsecured TLAC 5Y and 10Y notes as well as an Additional Tier 1 PerpNC5.5 subordinated note.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	98.416	-0.29%	USD-SGD	1.2846	-0.19%
USD-JPY	146.150	0.04%	EUR-SGD	1.4870	0.27%
EUR-USD	1.158	0.48%	JPY-SGD	0.8788	-0.24%
AUD-USD	0.646	0.12%	GBP-SGD	1.7371	0.36%
GBP-USD	1.352	0.54%	AUD-SGD	0.8297	-0.04%
USD-MYR	4.293	0.92%	NZD-SGD	0.7677	-0.05%
USD-CNY	7.179	-0.04%	CHF-SGD	1.5806	0.48%
USD-IDR	16485	0.61%	SGD-MYR	3.3213	0.31%
USD-VND	26195	0.24%	SGD-CNY	5.5880	0.12%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.8710	-1.47%	1M	4.3238	0.00%
3M	2.0340	-0.10%	2M	4.3140	-0.05%
6M	2.0350	-0.73%	3M	4.3019	-0.13%
12M	2.1010	-0.38%	6M	4.1913	-0.20%
			1Y	3.9769	-0.25%

Fed Rate Hike Probability

Fed Rate Hike Probability				Expected Effective Fed Funds Rate
Meeting	# of Hikes/Cuts	Implied Rate Change		
06/18/2025	-0.001	-0.1	0	4.329
07/30/2025	-0.227	-22.7	-0.057	4.273
09/17/2025	-0.969	-74.1	-0.242	4.087
12/10/2025	-2.248	-72.1	-0.562	3.767

Equity and Commodity

Index	Value	Net change
DJIA	42,581.78	374.96
S&P	6,025.17	57.33
Nasdaq	19,630.97	183.56
Nikkei 225	38,354.09	-49.14
STI	3,879.26	-4.17
KLCI	1,516.61	13.87
JCI	6,787.14	-120.00
Baltic Dry	1,689.00	-62.00
VIX	19.83	-0.79

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.83 (-0.01)	3.86(--)
5Y	1.93 (--)	3.91 (-0.05)
10Y	2.29 (--)	4.35 (-0.03)
15Y	2.39 (--)	--
20Y	2.4 (-0.02)	--
30Y	2.4 (-0.02)	4.88 (-0.01)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.29
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	68.51	-8.57%	Corn (per bushel)	4.193	-2.2%
Brent (per barrel)	71.48	-7.18%	Soybean (per bushel)	10.588	-0.9%
Heating Oil (per gallon)	236.31	-7.03%	Wheat (per bushel)	5.528	-2.6%
Gasoline (per gallon)	221.82	-4.78%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.70	-3.87%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9667.50	0.35%	Gold (per oz)	3368.5	0.0%
Nickel (per mt)	14804.00	-1.38%	Silver (per oz)	36.1	0.2%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/24/2025 5:00	SK	Consumer Confidence	Jun	--	108.7	101.8	--
6/24/2025 11:30	TH	Car Sales	May	--	--	47193	--
6/24/2025 12:00	MA	CPI YoY	May	1.40%	--	1.40%	--
6/24/2025 13:30	JN	Nationwide Dept Sales YoY	May	--	--	-4.50%	--
6/24/2025 13:30	JN	Tokyo Dept Store Sales YoY	May	--	--	-6.30%	--
6/24/2025 16:00	TA	Industrial Production YoY	May	18.00%	--	22.31%	--
6/24/2025 20:30	US	Current Account Balance	1Q	-\$445.5b	--	-\$303.9b	--
6/24/2025 21:00	US	FHFA House Price Index MoM	Apr	0.00%	--	-0.10%	--
6/24/2025 21:00	US	S&P CoreLogic CS 20-City MoM SA	Apr	0.00%	--	-0.12%	--
6/24/2025 21:00	US	S&P CoreLogic CS 20-City YoY NSA	Apr	3.94%	--	4.07%	--
6/24/2025 21:00	US	S&P CoreLogic CS US HPI YoY NSA	Apr	--	--	3.37%	--
6/24/2025 22:00	US	Conf. Board Consumer Confidence	Jun	99.8	--	98	--
6/24/2025 22:00	US	Conf. Board Present Situation	Jun	--	--	135.9	--
6/24/2025 22:00	US	Conf. Board Expectations	Jun	--	--	72.8	--
6/24/2025-6/30/2025	IN	BoP Current Account Balance	1Q	\$9.6b	--	-\$11.5b	--

Source: Bloomberg



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