

Daily Treasury Outlook

26 June 2025

Highlights

Global: Wall St closed mixed on Wednesday (S&P 500 -0.0, Nasdaq +0.3%, Dow Jones -0.3%) amid easing geopolitical tensions in the Middle East and a relatively light data calendar. May new home sales came in below expectations, reinforcing signs of a cooling housing market, following Tuesday's weaker-than-expected home price data. In commodities, crude oil prices stabilized, with Brent trading in a relatively narrow range of USD67.3–68.8/bbl. Market focus now turns to the upcoming OPEC+ meeting on 6-July, where production policy for August will be discussed. Sources indicate Russia is open to supporting an output hike if deemed necessary, which could influence near-term price direction. Elsewhere, President Trump noted that fresh US-Iran talks are scheduled for next week, though he signalled that a new nuclear deal may no longer be a priority following recent strikes on Iran's enrichment facilities. Meanwhile, NATO leaders agreed to increase defence spending to 5% of GDP by 2035.

Market Watch: The Asian calendar is relatively light today, with Singapore's May industrial production and Hong Kong's May trade data to be released. Tonight, market focus will shift to the US, where a slew of data is set to be released, including the third reading of 1Q25 GDP, May prelim durable goods order, and the usual weekly initial jobless claims and continuing claims. Fed Goolsbee, Barkin, Daly will speak tonight. Meanwhile, BoE officials Breeden and Bailey, and ECB officials Guindos and Schnabel are also expected to speak today.

Major Markets

CH: On 25 June, the People's Bank of China (PBoC) conducted a CNY300bn one-year Medium-term Lending Facility (MLF) operation. With CNY182bn in MLF maturing this month, the operation resulted in a net injection of CNY118 billion in medium- to long-term liquidity. This marks the fourth net MLF injection year-to-date and aligns with the PBoC's recent buyout-style reverse repo operations, underscoring its commitment to maintaining ample and stable liquidity conditions within the financial system.

ID: President Prabowo Subianto is set to inaugurate the groundbreaking of an integrated electric vehicle (EV) battery project in East Halmahera, North Maluku, on 29 June. Backed by a USD6bn investment from China's Contemporary Amperex Technology Co. Limited (CATL), the facility will combine mining, smelting, high-pressure acid leach processing, and the production of precursors and cathodes, as reported by Antara.

Key Market Movements

Equity	Value	% chg
S&P 500	6092.2	0.0%
DJIA	42982	-0.2%
Nikkei 225	38942	0.4%
SH Comp	3456.0	1.0%
STI	3926.0	0.6%
Hang Seng	24475	1.2%
KLCI	1519.8	0.4%
	Value	% chg
DXY	97.679	-0.2%
USDJPY	145.24	0.2%
EURUSD	1.1659	0.4%
GBPUSD	1.3664	0.4%
USDIDR	16290	-0.4%
USDSGD	1.2785	-0.1%
SGDMYR	3.3094	-0.2%
	Value	chg (bp)
2Y UST	3.78	-4.44
10Y UST	4.29	-0.39
2Y SGS	1.82	0.90
10Y SGS	2.26	1.34
3M SORA	2.11	-1.19
3M SOFR	4.34	-0.06
	Value	% chg
Brent	67.68	0.8%
WTI	64.92	0.9%
Gold	3332	0.3%
Silver	36.26	1.0%
Palladium	1068	-0.1%
Copper	9713	0.4%
BCOM	102.21	-0.3%

Source: Bloomberg

MY: Deputy Prime Minister Fadillah Yusuf held a bilateral meeting with Russian Deputy Prime Minister Alexei Overchuk, marking the beginning of his official working visit to Russia. This meeting also built on Prime Minister Anwar Ibrahim's previous official visit in May of this year. The bilateral meeting took place in Moscow, where both sides discussed the possibilities for new cooperation in various sectors, particularly energy, technology transfer, education, and training. He was joined by senior Malaysian officials, and Russia's Deputy Ministers of Energy and Economic Development also attended the talks.

TH: Bank of Thailand (BoT) kept its policy rate unchanged at 1.75%, in line with consensus and our expectations. The Monetary Policy Committee (MPC) voted 6-1 in favour of the decision, suggesting a largely unanimous decision. One member voted for a 25bp rate cut. BoT stated that previous policy rate cuts have provided some cushion against prevailing risks. It also stressed the importance to the timing and effectiveness of monetary policy as uncertainties remained high. The official policy and accompanying press statements are consistent with a dovish stance. We continue to expect a 25bp cut from BoT in 4Q25, taking the policy rate to 1.50%.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 1bps lower, belly tenors trading 1-2 bps lower and 10Y trading 2bps lower. As per Bloomberg, Chinese gold miners, including Shandong Gold Group (“Shandong”), are tapping offshore capital markets amid rising gold prices. Shandong is looking to raise as much as USD600mn in loans, after having already issued USD400mn in bonds last month. These fundraising will be used to refinance short-term debt and support international expansion. Bloomberg Asia USD Investment Grade spreads traded flat at 75bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 459bps respectively. (Bloomberg, OCBC)

New Issues:

There were five notable issuances by three issuers in the Asiadollar market yesterday.

- Honda Motor Co., Ltd. priced USD3bn of debt in three tranches: a USD1.3bn 5Y Fixed Bond at T+85bps, a USD1bn 10Y Fixed Bond at T+105bps and a USD700mn 3NC2 Fixed Bond at T+70bps.
- Jinan Hi-tech Holding Group Co., Ltd. priced a USD300mn 3Y Fixed Bond at 4.70%.
- Development Bank of Mongolia LLC priced a USD240mn 3Y Fixed Bond at 9.25%.

There were two notable issuances in the Singdollar market yesterday.

- Capital Land India Trust Management Pte priced a SGD100mn PerpNC5 Subordinated Perpetual at 4.40%.
- Perennial Treasury Pte. Ltd. (guarantor Perennial Holdings Pte. Ltd.) priced a USD25mn retap of its existing PREHSP 5.75% '28s.

Mandates:

- Lotte Property & Development Co. may issue a USD denominated 3Y Guaranteed Note.
- NH Investment & Securities may issue USD denominated 3Y and/or 5Y Fixed Bond.

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.679	-0.18%	USD-SGD	1.2785	-0.10%
USD-JPY	145.240	0.21%	EUR-SGD	1.4907	0.34%
EUR-USD	1.166	0.43%	JPY-SGD	0.8801	-0.34%
AUD-USD	0.651	0.37%	GBP-SGD	1.7469	0.25%
GBP-USD	1.366	0.36%	AUD-SGD	0.8327	0.26%
USD-MYR	4.237	-0.25%	NZD-SGD	0.7720	0.43%
USD-CNY	7.174	0.03%	CHF-SGD	1.5884	-0.04%
USD-IDR	16290	-0.37%	SGD-MYR	3.3094	-0.19%
USD-VND	26152	-0.02%	SGD-CNY	5.6154	0.16%

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	1.9340	2.38%	1M	4.3274	-0.03%
3M	1.9970	-1.67%	2M	4.3133	-0.06%
6M	2.0410	0.25%	3M	4.2895	-0.15%
12M	2.1100	0.81%	6M	4.1457	-0.39%
			1Y	3.8943	-0.57%

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	-0.248	-24.8	-0.062	4.267
09/17/2025	-1.158	-91	-0.29	4.04
12/10/2025	-2.572	-76.4	-0.643	3.687

Equity and Commodity

Index	Value	Net change
DJIA	42,982.43	-106.59
S&P	6,092.16	-0.02
Nasdaq	19,973.55	61.02
Nikkei 225	38,942.07	151.51
STI	3,925.98	21.68
KLCI	1,519.79	5.50
JCI	6,832.14	-37.03
Baltic Dry	1,681.00	7.00
VIX	16.76	-0.72

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.82 (+0.01)	3.78(--)
5Y	1.86 (-0.03)	3.85 (-0.01)
10Y	2.26 (+0.01)	4.29 (0)
15Y	2.37 (+0.01)	--
20Y	2.36 (-0.01)	--
30Y	2.37 (--)	4.83(--)

Financial Spread (bps)

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

Secured Overnight Fin. Rate

SOFR	4.30
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.92	0.85%	Corn (per bushel)	4.103	-1.4%
Brent (per barrel)	67.68	0.80%	Soybean (per bushel)	10.253	-2.1%
Heating Oil (per gallon)	229.64	0.49%	Wheat (per bushel)	5.283	-1.4%
Gasoline (per gallon)	208.24	-0.16%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.41	-3.70%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9712.50	0.45%	Gold (per oz)	3332.3	0.3%
Nickel (per mt)	15074.00	1.03%	Silver (per oz)	36.3	1.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
6/26/2025 5:00	SK	Composite Business Survey Manufacturing	Jun	--	94.4	94.7	--
6/26/2025 5:00	SK	Composite Business Survey Non-Manu	Jun	--	87.4	88.1	--
6/26/2025 10:00	CH	Bloomberg June China Economic Survey					
6/26/2025 11:00	ID	Bloomberg June Indonesia Economic Survey					
6/26/2025 13:00	SI	Industrial Production SA MoM	May	-2.50%	--	5.30%	--
6/26/2025 13:00	SI	Industrial Production YoY	May	2.20%	--	5.90%	--
6/26/2025 16:30	HK	Trade Balance HKD	May	-14.0b	--	-16.0b	--
6/26/2025 18:00	UK	CBI Retailing Reported Sales	Jun	-25	--	-27	--
6/26/2025 20:30	US	Advance Goods Trade Balance	May	-\$86.1b	--	-\$87.6b	-\$87.0b
6/26/2025 20:30	US	Advance Goods Exports MoM SA	May	--	--	3.40%	3.50%
6/26/2025 20:30	US	Advance Goods Imports MoM SA	May	--	--	-19.80%	-19.90%
6/26/2025 20:30	US	GDP Annualized QoQ	1Q T	-0.20%	--	-0.20%	--
6/26/2025 20:30	US	Personal Consumption	1Q T	1.20%	--	1.20%	--
6/26/2025 20:30	US	GDP Price Index	1Q T	3.70%	--	3.70%	--
6/26/2025 20:30	US	Core PCE Price Index QoQ	1Q T	3.40%	--	3.40%	--
6/26/2025 20:30	US	Chicago Fed Nat Activity Index	May	-0.13	--	-0.25	--

Source: Bloomberg



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