Daily Treasury Outlook

3 December 2025

Highlights

Global: The US equity market closed higher overnight in a light-data session, with investors largely convinced that the Fed will deliver a rate cut at next week's FOMC meeting. In Europe, Eurozone CPI fell -0.3% MoM in November, in line with expectations. However, headline inflation edged up slightly to 2.2% from 2.1% due to persistent domestic services inflation. Core CPI (ex-food and energy) held steady at 2.4%. The recent prints broadly validate the ECB's narrative that inflation is "defeated," but with inflation still hovering above target, the room for further rate cuts remains extremely limited. In the US, despite another soft reading in consumer confidence for November, Americans continued to spend with online sales during Cyber Week hit a record USD44.2bn, according to Adobe Analytics.

The OECD noted yesterday that global growth is holding up better than earlier expected, supported in part by the ongoing AI-driven investment boom, which has helped cushion some of the drag from US–China trade tensions. Still, the organization warned that the full impact of higher tariffs will become more evident once firms finish drawing down inventories. As a result, global trade growth is projected to slow sharply from 4.2% this year to 2.3% in 2026, weighing on investment and consumption. Global GDP growth is expected to moderate to 2.9% in 2026 from an estimated 3.2% this year.

On geopolitics, the meeting between President Trump's senior envoys and President Putin in Moscow concluded without any compromise—highlighting the wide gap that still needs bridging.

Market Watch: For today, markets will focus on the US and Eurozone PMIs. The delayed US September industrial production, capacity utilization, and import price index data will also be released.

Major Markets

ID: Indonesia will allocate USD1bn to the BRICS-led New Development Bank to support sustainable development projects, as noted by the Coordinating Economic Ministry spokesman Haryo Limanseto. The country joined BRICS earlier this year, with the aim of improving access to alternative markets amid US tariff challenges and raising its international profile under President Prabowo leadership. The New Development Bank, founded by Brazil, Russia, India, China, and South Africa, also includes members like Egypt and the UAE, with founding members holding 94% of its subscribed shares. Separately, Finance Ministry senior official Suminto noted that the government will "keep maintaining our presence in the market next year for foreign currency denominated bonds like Samurai, Kangaroo, Dimsum bonds," as reported by Bloomberg.

Key Market Movements

Equity	Value	% chg
S&P 500	6829.4	0.2%
DJIA	47474	0.4%
Nikkei 225	49303	0.0%
SH Comp	3897.7	-0.4%
STI	4538.0	0.3%
Hang Seng	26095	0.2%
KLCI	1630.6	0.4%

	Value	% chg
DXY	99.357	-0.1%
USDJPY	155.88	0.3%
EURUSD	1.1625	0.1%
GBPUSD	1.3213	0.0%
USDIDR	16623	-0.2%
USDSGD	1.2966	0.0%
SGDMYR	3.1838	-0.2%

	Value	chg (bp)
2Y UST	3.51	-2.24
10Y UST	4.09	0.00
2Y SGS	1.41	1.50
10Y SGS	2.06	0.67
3M SORA	1.26	0.34
3M SOFR	4.18	-0.30

	Value	% chg
Brent	62.45	-1.1%
WTI	58.64	-1.1%
Gold	4206	-0.6%
Silver	58.47	0.8%
Palladium	1469	2.5%
Copper	11145	-1.0%
BCOM	110.30	-0.7%

Source: Bloomberg

MY: Prime Minister Anwar Ibrahim announced MYR500mn to repair public infrastructure damaged by recent floods across several states, directing federal and state agencies to carry out immediate assessments and begin repairs. He added that the national Disaster Management Agency (Nadma) has strengthened its disaster response by activating more than 150 temporary relief centres to assist over 12,000 flood victims. Separately, while tabling the Supply (Budget) Bill 2026 in the Dewan Negara on Tuesday (2 December), PM Anwar also reaffirmed the government's commitment to the targeted RON95 subsidy under the Budi95 programme, rejecting the World Bank's proposal to lift prices.

VN: The Government proposed increasing the tax-exempt revenue threshold for business households from VND200mn to VND500mn per year, which would exempt about 90% of business households from paying tax, as reported by Viet Nam News citing tax authorities. For households with annual revenue between VND500mn and VND3, the proposed tax rate would be 15%. The draft is scheduled to be submitted to the National Assembly for voting later this month.

ESG

MY: Sarawak is aiming for a 35% reduction in carbon emissions by 2050 under its net zero strategy and carbon plan, with plans to achieve this target through measures such as electrification and supported by investments in renewable energy, hydrogen and carbon capture, utilisation and storage (CCUS) technologies, alongside incentives to encourage private sector participation. In efforts to achieve this target, Sarawak Energy Bhd (SEB) plans to accelerate the development of floating solar projects in its hydropower dam reservoirs with cooperation from China and Middle East investors. Petroleum Sarawak Bhd (Petros) is also advancing Sarawak's low-carbon leadership by pioneering CCUS development, and working with partners to formulate the Kuching Low Carbon Hub master plan.

Credit Market Updates

Market Commentary: The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 1bps lower while belly tenors traded 1-2bps higher and 10Y traded 2bps higher. As per Bloomberg, Novaland Investment Group Corp is in talks to raise fresh funds to repay outstanding bonds and resume stalled projects to return to profitability. It aims to clear all retail bonds by June 2026, expecting to secure funds within eight months. The company plans to restart about 60% of its projects in coming months, including the Aqua City complex, enabling home deliveries and payment collections. Meanwhile, TCL Technology Group Corp is exploring investor interest for a potential 3Y offshore bond issuance in Q1 2026, aiming to raise RMB1.5bn to RMB2bn via an offshore RMB or USD-denominated bond. The company has not decided on the currency as it weighs financing costs. If issued in offshore RMB-denominated bonds, it would be TCL's first dim sum bond. Proceeds will fund offshore operating expenses. In ratings, Fitch placed China Vanke Co Ltd ("Vanke") on watch negative while downgraded Vanke HK's senior unsecured rating and the rating on the subsidiary's outstanding senior notes to 'CC' from 'CCC-', with a lower Recovery Rating of 'RR5' from 'RR4' and placed the ratings on RWN. Lastly, Kaisa Group Holdings Ltd is seeking approval to pay minimum cash interest on the notes payable on 28 December 2025 in the form of shares in lieu of cash. Bloomberg Asia USD Investment Grade spreads widened by 1bp to 63bps and Bloomberg Asia USD High Yield spreads widened by 5bps to 387bps respectively. (Bloomberg, OCBC)

New issues:
There were no notable issuances in the Asiadollar market yesterday.

There was one notable issuance in the Singdollar market yesterday.

- BNP Paribas priced a SGD100mn 3Y Senior Preferred Fixed bond at 2.12%.

Mandates:
There were no notable mandates yesterday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.357	-0.06%	**USD-SGD**	1.2966
USD-JPY	155.880	0.27%	**EUR-SGD**	1.5072
EUR-USD	1.163	0.13%	**JPY-SGD**	0.8320
AUD-USD	0.656	0.29%	**GBP-SGD**	1.7135
GBP-USD	1.321	0.00%	**AUD-SGD**	0.8512
USD-MYR	4.131	-0.02%	**NZD-SGD**	0.7441
USD-CNY	7.071	-0.01%	**CHF-SGD**	1.6149
USD-IDR	16623	-0.22%	**SGD-MYR**	3.1838
USD-VND	26375	0.02%	**SGD-CNY**	5.4506

Equity and Commodity

Index	Value	Net change
DJIA	47,474.46	185.13
S&P	6,829.37	16.74
Nasdaq	23,413.67	137.75
Nikkei 225	49,303.45	0.17
STI	4,537.96	11.74
KLCI	1,630.60	6.03
JCI	8,617.04	68.25
Baltic Dry	2,583.00	23.00
VIX	16.59	-0.65

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9610	0.77%	**1M**	3.8335
3M	2.0600	0.00%	**2M**	3.7876
6M	2.1230	0.62%	**3M**	3.7571
12M	2.2270	0.81%	**6M**	3.6805
			1Y	3.4998

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (+0.01)	3.5(--)
5Y	1.77 (--)	3.66 (-0.01)
10Y	2.06 (+0.01)	4.08(--)
15Y	2.17 (+0.02)	--
20Y	2.17 (+0.03)	--
30Y	2.23 (+0.03)	4.74 (+0.01)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
12/10/2025	-0.983	-98.30%	-0.246	3.654
01/28/2026	-1.271	-28.80%	-0.318	3.583

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	4.12

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	58.64	-1.15%	Corn (per bushel)	4.380	1.2%
Brent (per barrel)	62.45	-1.14%	Soybean (per bushel)	11.248	-0.3%
Heating Oil (per gallon)	231.27	-1.17%	Wheat (per bushel)	5.378	1.4%
Gasoline (per gallon)	183.03	-2.07%	Crude Palm Oil (MYR/MT)	40.960	0.9%
Natural Gas (per MMBtu)	4.84	-1.65%	Rubber (JPY/KG)	3.266	-3.2%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	11145.00	-0.95%	Gold (per oz)	4205.9	-0.6%
Nickel (per mt)	14800.00	-0.86%	Silver (per oz)	58.5	0.8%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/03/2025 11:00	TH	CPI YoY	Nov	-0.60%	--	-0.76%	--
12/03/2025 16:00	SI	Automobile COE Open Bid Cat A	3-Dec	--	--	109000	--
12/03/2025 16:00	SI	Automobile COE Open Bid Cat E	3-Dec	--	--	125001	--
12/03/2025 16:00	SI	Automobile COE Open Bid Cat B	3-Dec	--	--	129890	--
12/03/2025 17:00	EC	HCOB Eurozone Services PMI	Nov F	53.1	--	53.1	--
12/03/2025 17:00	EC	HCOB Eurozone Composite PMI	Nov F	52.4	--	52.4	--
12/03/2025 17:30	UK	S&P Global UK Services PMI	Nov F	50.5	--	50.5	--
12/03/2025 17:30	UK	S&P Global UK Composite PMI	Nov F	50.5	--	50.5	--
12/03/2025 18:00	EC	PPI YoY	Oct	-0.50%	--	-0.20%	--
12/03/2025 20:00	US	MBA Mortgage Applications	28-Nov	--	--	0.20%	--
12/03/2025 21:15	US	ADP Employment Change	Nov	10k	--	42k	--
12/03/2025 21:30	US	Import Price Index MoM	Sep	0.10%	--	0.30%	--
12/03/2025 22:15	US	Industrial Production MoM	Sep	0.10%	--	0.10%	-0.10%
12/03/2025 22:15	US	Capacity Utilization	Sep	77.20%	--	77.40%	75.80%
12/03/2025 22:45	US	S&P Global US Services PMI	Nov F	55	--	55	--
12/03/2025 22:45	US	S&P Global US Composite PMI	Nov F	--	--	54.8	--

Source: Bloomberg

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