

## Daily Treasury Outlook

15 December 2025

### Highlights

**Global:** US equities closed the session on Friday in the red (S&P: -1.07%; NASDAQ: -1.69%; Dow Jones: -0.50%) with the DXY index range bound. UST yields closed mixed across the curve: 30-yr UST yields closed 5bps higher at 4.846%, 10-year yields were around 3bps higher at 4.185% while 2-year yields were lower by less than 2bps to 3.523%. The two members who voted to pause at the 10 December FOMC, Goolsbee and Schmid, released statements citing inflation as their primary reason behind their vote. Specifically, Goolsbee noted he “felt the more prudent course would have been to wait for more information” on price pressures while Schmid stated that “inflation remains too high...and the labour market – though cooling – remains largely in balance”. Beth Hammack, Cleveland Fed President, also noted that she would prefer rates to be slightly more restrictive to better manage inflationary pressures. Over in Asia, India’s November headline CPI print came in line with expectations at 0.7% YoY versus 0.3% in October, while core CPI edged lower to 4.3% YoY from 4.4% in October. Malaysia’s October industrial production growth remained solid at 6.0% YoY from 5.7% in September, affirming resilient manufacturing growth to start 4Q25.

**Market Watch:** China’s November retail sales, industrial production and fixed asset investment releases today will be watched closely along with the US November non-farm payrolls data on 16 December. Other data on tap this week includes Hong Kong’s 3Q25 industrial production, Canada November CPI, Germany’s December ZEW survey, Japan’s November trade data, Singapore’s November NODX, UK November CPI and US November CPI. There are several central bank meetings this week. Bank Indonesia and Bank of Thailand meet on 17 December. We expect BI to cut its policy rate by 25bp but this is a close call, while for BoT, we and consensus expect a 25bp rate cut. Bank of England and ECB meet on 18 December – we are looking for a 25bp cut from BoE with ECB likely to stand pat. We expect Bank of Japan, which meets on 19 December, to hike its policy rate by 25bp.

### Key Market Movements

Equity	Value	% chg
S&P 500	6827.4	-1.1%
DJIA	48458	-0.5%
Nikkei 225	50837	1.4%
SH Comp	3889.3	0.4%
STI	4586.5	1.5%
Hang Seng	25977	1.7%
KLCI	1637.8	0.8%
	Value	% chg
DXY	98.399	0.1%
USDJPY	155.81	0.1%
EURUSD	1.1740	0.0%
GBPUSD	1.3371	-0.1%
USDIDR	16640	-0.2%
USDSGD	1.2918	0.0%
SGDMYR	3.1726	0.0%
	Value	chg (bp)
2Y UST	3.52	-1.82
10Y UST	4.18	2.75
2Y SGS	1.49	1.50
10Y SGS	2.22	3.39
3M SORA	1.21	-0.32
3M SOFR	4.12	-0.85
	Value	% chg
Brent	61.12	-0.3%
WTI	57.44	-0.3%
Gold	4300	0.5%
Silver	61.96	-2.5%
Palladium	1494	-0.6%
Copper	11515	-3.0%
BCOM	108.98	-1.3%

Source: Bloomberg

## Major Markets

**ID:** Coordinating Minister for Economic Affairs Airlangga Hartarto said Indonesia is accelerating its bid to become a full member of the OECD, with the latest technical review prioritizing the environment, trade, and digital economy. He noted that these areas were reviewed first due to their complexity and strategic importance. The accession process has been embedded in the 2025-2029 medium-term development plan, alongside the launch of the INA OECD digital platform to improve interministerial coordination. Elsewhere, President Prabowo Subianto and Pakistani Prime Minister Shehbaz Sharif agreed to establish a Joint Negotiation Committee to upgrade the Indonesia-Pakistan Preferential Trade Agreement into a Comprehensive Economic Partnership Agreement by 2027. Beyond economics, both leaders have also agreed to strengthen defense, security, and counter-terrorism cooperation.

**MY:** Industrial production (IP) growth of 6%YoY in October versus 5.7% in September, outpaced expectations of a modest slowdown (Consensus: 5.3%; OCBC: 5.0%). On a sequential basis, IP rose by 0.6% MoM sa in October after contracting 0.9% in September. The main driver of October IP was the manufacturing sector, where production rose by 6.5% YoY in October compared to 5.0% in September. Within this, the electrical and electronic products sector registered higher growth of 13.4%YoY versus 9.1% in September while production of food, beverages and tobacco rose by 10.6% YoY in October versus 8.7% in September. IP growth averaged 3.4%YoY for the first ten months of 2025. We expect resilient growth for the remaining two months of the year, taking the full year 2025 average to 3.6% versus 3.7% in 2024. We do, however, expect IP growth to slow to 3.0% YoY in 2026 reflecting weaker external demand conditions and a normalisation in domestic demand conditions.

**PH:** The Bangko Sentral ng Pilipinas (BSP) reported that net Foreign Direct Investment (FDI) inflows has declined by 25.8% YoY (August: -38.1%) to USD320mn in September 2025. The decline in FDI net inflows was primarily driven by lower nonresidents' net investments in debt instruments and reinvestment of earnings. However, the decline was partially offset by growth in nonresidents' net investments in equity capital. The majority of equity capital investments came from Japan and were primarily directed towards 'manufacturing' sector. Year-to-date, this brings the FDI net inflows to USD5.5bn in 1Q-3Q25.

**TH:** Caretaker PM Anutin Charnvirakul stated that Thailand has not agreed to a ceasefire with Cambodia and its military operations will continue along the disputed border. Defence Minister General Nattaphon Narkphanit added that no ceasefire order has been issued while PM Anutin insisted that Cambodia must formally propose and fully stop hostilities before any truce can be considered. Malaysian PM Anwar urged restraint and announced plans for the deployment of an ASEAN Observer Team and US satellite monitoring to oversee developments. Despite these diplomatic efforts, clashes persisted with casualties reported, prompting PM Anutin to stress that Thailand's decisions will be guided by actions rather than statements.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher last Friday with shorter tenors trading flat to 2bps higher while belly tenors traded 3bps higher and 10Y traded 2bps higher. As per Bloomberg, China Vanke Co Ltd (“Vanke”) failed to secure the 90% approval needed to delay payment on a RMB2bn yuan note due 15 December and must either settle the payment by the end of Monday or within a five-day grace period, or reach a separate agreement to extend the deadline. Otherwise, creditors may declare a default. Additionally, Vanke is seeking a one-year extension on principal and interest payments for its RMB3.7bn note due 28 December, keeping the 3% coupon unchanged. In ratings, Moody’s withdrew Sinochem International Corporation’s Baa2 issuer rating and ba2 Baseline Credit Assessment, which previously had a negative outlook. Meanwhile, SK hynix Inc’s issuer and senior unsecured debt ratings were upgraded by Moody’s to Baa1 from Baa2, with the outlook revised to stable from positive. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 370bps respectively. (Bloomberg, OCBC)

### **New issues:**

There was no notable issuance in the Asiadollar and Singdollar market last Friday.

### **Mandates:**

There were no notable mandates last Friday.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.399	0.05%	USD-SGD	1.2918
USD-JPY	155.810	0.14%	EUR-SGD	1.5169
EUR-USD	1.174	0.02%	JPY-SGD	0.8289
AUD-USD	0.665	-0.18%	GBP-SGD	1.7273
GBP-USD	1.337	-0.13%	AUD-SGD	0.8593
USD-MYR	4.097	-0.26%	NZD-SGD	0.7498
USD-CNY	7.055	-0.03%	CHF-SGD	1.6229
USD-IDR	16640	-0.21%	SGD-MYR	3.1726
USD-VND	26307	-0.07%	SGD-CNY	5.4636

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9340	-0.05%	1M	3.7515
3M	2.0820	-0.86%	2M	3.7232
6M	2.1700	-0.09%	3M	3.7084
12M	2.2940	-0.17%	6M	3.6394
			1Y	3.4852

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.244	-24.40%	-0.061	3.583
03/18/2026	-0.529	-28.50%	-0.132	3.511

## Equity and Commodity

Index	Value	Net change
DJIA	48,458.05	-245.96
S&P	6,827.41	-73.59
Nasdaq	23,195.17	-398.69
Nikkei 225	50,836.55	687.73
STI	4,586.45	65.62
KLCI	1,637.81	12.42
JCI	8,660.50	40.02
Baltic Dry	2,205.00	-89.00
VIX	15.74	0.89

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.49 (+0.01)	3.52(--)
5Y	1.91 (+0.03)	3.74 (+0.01)
10Y	2.22 (+0.03)	4.18 (+0.03)
15Y	2.33 (+0.03)	--
20Y	2.34 (+0.03)	--
30Y	2.37 (+0.03)	4.85 (+0.04)

## Financial Spread (bps)

Value	Change	
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	3.66
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	57.44	-0.28%	Corn (per bushel)	4.315	-0.9%
Brent (per barrel)	61.12	-0.26%	Soybean (per bushel)	10.768	-1.5%
Heating Oil (per gallon)	219.80	-1.39%	Wheat (per bushel)	5.345	0.0%
Gasoline (per gallon)	175.21	-0.44%	Crude Palm Oil (MYR/MT)	39.800	-0.7%
Natural Gas (per MMBtu)	4.11	-2.79%	Rubber (JPY/KG)	3.239	0.6%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11515.00	-3.01%	Gold (per oz)	4299.6	0.5%
Nickel (per mt)	14587.00	-0.27%	Silver (per oz)	62.0	-2.5%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
12/15/2025 10:00	CH	Retail Sales YoY	Nov	2.90%	--	2.90%	--
12/15/2025 10:00	CH	Retail Sales YTD YoY	Nov	4.30%	--	4.30%	--
12/15/2025 10:00	CH	Industrial Production YoY	Nov	5.00%	--	4.90%	--
12/15/2025 10:00	CH	Industrial Production YTD YoY	Nov	6.00%	--	6.10%	--
12/15/2025 10:00	CH	Fixed Assets Ex Rural YTD YoY	Nov	-2.30%	--	-1.70%	--
12/15/2025 10:00	CH	Surveyed Jobless Rate	Nov	5.10%	--	5.10%	--
12/15/2025 10:00	CH	Property Investment YTD YoY	Nov	-15.40%	--	-14.70%	--
12/15/2025 10:00	CH	Residential Property Sales YTD YoY	Nov	--	--	-9.40%	--
12/15/2025 14:30	IN	Wholesale Prices YoY	Nov	-0.73%	--	-1.21%	--
12/15/2025 16:30	HK	Industrial Production YoY	3Q	--	--	0.90%	--
12/15/2025 16:30	HK	PPI YoY	3Q	--	--	4.00%	--
12/15/2025 18:00	EC	Industrial Production WDA YoY	Oct	1.90%	--	1.20%	--
12/15/2025 21:30	US	Empire Manufacturing	Dec	10	--	18.7	--
12/15/2025 23:00	US	NAHB Housing Market Index	Dec	39	--	38	--
12/15/2025	IN	Unemployment Rate	Nov	--	--	5.20%	--
12/15/2025	PH	Overseas Cash Remittances YoY	Oct	3.50%	--	3.70%	--

Source: Bloomberg

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