



Weekly Macro Views (WMV)

Global Markets Research & Strategy

20 October 2025

Weekly Macro Update

Key Global Data for this week:

20 Oct	21 Oct	22 Oct	23 Oct	24 Oct
• CH 1-Year Loan Prime Rate • CH 5-Year Loan Prime Rate • CH GDP YoY • CH Industrial Production YoY • CH GDP SA QoQ • HK Unemployment Rate SA • PH BoP Overall	• EC Govt Debt/GDP Ratio • JN Machine Tool Orders YoY • UK Public Sector Net Borrowing • US Philadelphia Fed Non-Manufacturing Activity	• ID BI-Rate • JN Trade Balance • MA CPI YoY • SK PPI YoY • UK CPI YoY • US MBA Mortgage Applications	• EC Consumer Confidence • HK CPI Composite YoY • PH Budget Balance PHP • SI CPI YoY • SK BOK Base Rate • US Kansas City Fed Manf. Activity	• EC HCOB Eurozone Composite PMI • JN Natl CPI YoY • JN S&P Global Japan PMI Composite • SI Industrial Production YoY • US CPI YoY • US U. of Mich. Sentiment

Summary of Macro Views:

Global	• US: Prolonged shutdown; cautious optimism on trade	Asia	• SG: 3Q25 GDP surprised on upside, S\$NEER unchanged • SG: NODX driven by the surge in electronics exports • ID: Softer FDI inflows continued in 3Q25 • MY: Upgrading 2025 GDP growth
Asia	• CH: Further moderation • CH: Further moderation (cont) • CH: On track to achieve its growth target • HK: Slackening job market	Asset Class	• Commodities: Lower oil prices • ESG: Progress in Singapore's low-carbon electricity imports and regional grids • FX & Rates: Consolidation

Global: Central Banks

Forecast – Key Rates

People's Bank of China
(PBoC)



Bank Indonesia (BI)



Bank of Korea (BoK)



Monday, 20th October

Wednesday, 22nd October

Thursday, 23rd October

House Views

1-year Loan Prime Rate
Held at 3.00%

5-year Loan Prime Rate
Held at 3.50%

7D Reverse Repo

Likely **cut** by **25bps**
from **4.75%** to **4.50%**

Base Rate

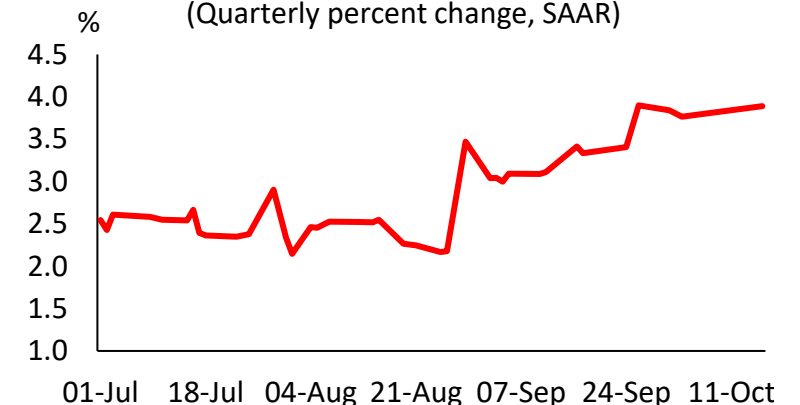
Likely **hold** at **2.50%**

US: Prolonged shutdown; cautious optimism on trade

- The US federal government shutdown heads into its fourth week as the Senate rejected a funding bill for the 11th time on Monday (20 October 2025). The prolonged impasse continues to weigh on sentiment and federal operations. Democrats have withheld support for the Republican-backed proposal, citing disagreement over the extension of health-insurance subsidies set to expire at year-end.
- Key reports such as labour data, construction spending, factory orders, and trade balance have been delayed or face risk of postponement. The September CPI has been rescheduled to 24 October (from 15 October). With the FOMC meeting on 29 October, limited data visibility adds uncertainty to policy decisions. While the economy entered 3Q on solid footing, a drawn-out shutdown could erode growth momentum and confidence into 4Q.
- On tariffs, US–China tensions remain elevated but have eased slightly after President Trump signalled willingness to negotiate and confirmed a meeting with President Xi later this month. However, China's tighter export controls on rare-earth materials may keep supply-chain and cost pressures high.

Key US economic data releases this for this week						
Date Time	Event	Period	Survey	Actual	Prior	Revised
10/22/2025 19:00	MBA Mortgage Applications	17-Oct	--	--	-1.80%	--
10/23/2025 20:30	Initial Jobless Claims	18-Oct	225k	--	--	--
10/23/2025 22:00	Existing Home Sales	Sep	4.06m	--	4.00m	--
10/24/2025 20:30	CPI MoM	Sep	0.40%	--	0.40%	--
10/24/2025 20:30	CPI YoY	Sep	3.10%	--	2.90%	--
10/24/2025 20:30	Core CPI MoM	Sep	0.30%	--	0.30%	--
10/24/2025 20:30	Core CPI YoY	Sep	3.10%	--	3.10%	--
10/24/2025 21:45	S&P Global US Manufacturing PMI	Oct P	51.9	--	52	--
10/24/2025 21:45	S&P Global US Services PMI	Oct P	53.5	--	54.2	--
10/24/2025 21:45	S&P Global US Composite PMI	Oct P	53.5	--	53.9	--
10/24/2025 22:00	U. of Mich. Sentiment	Oct F	54.7	--	55	--
10/24/2025 22:00	New Home Sales	Sep	709k	--	800k	--

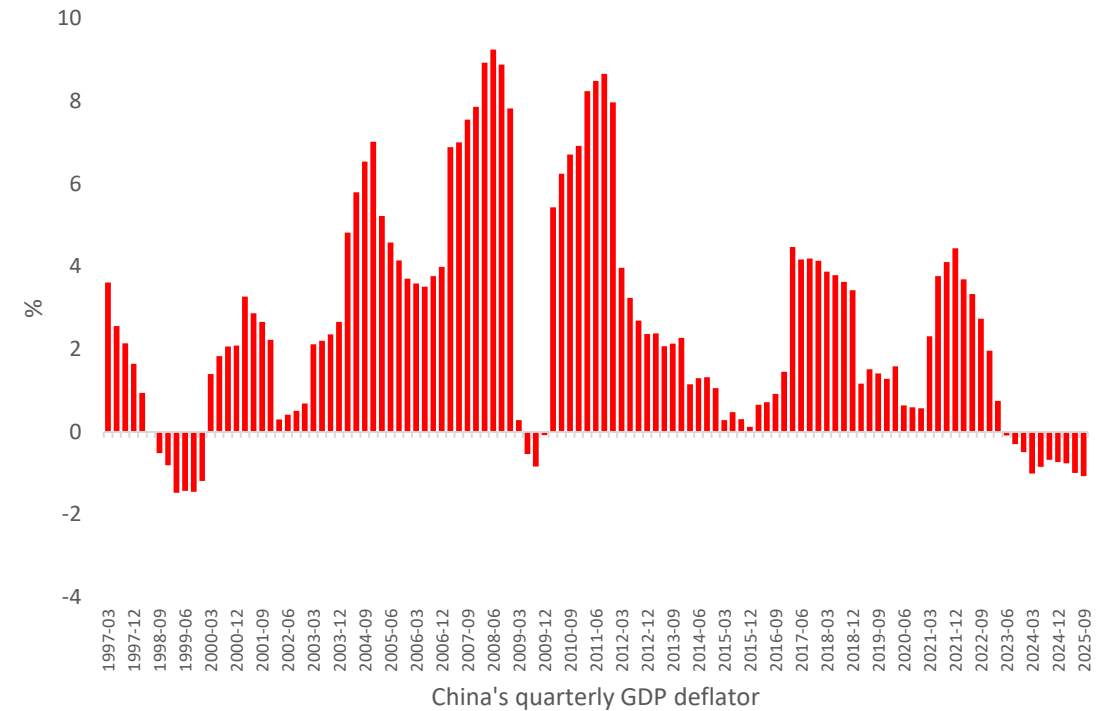
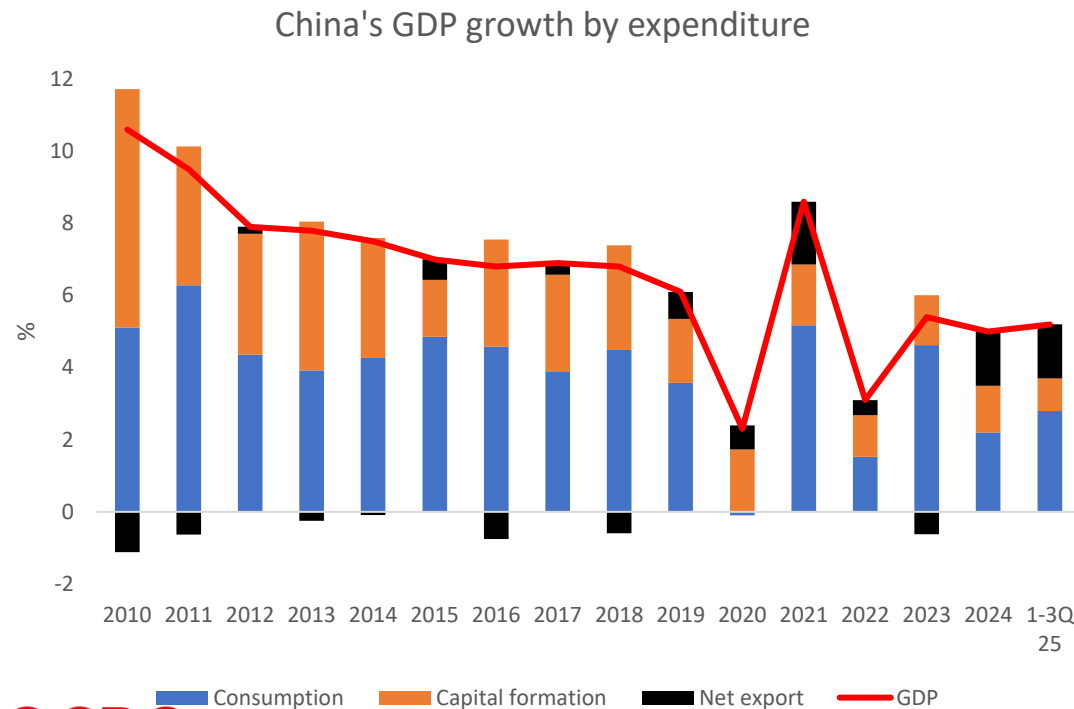
Evolution of Atlanta Fed GDP now real GDP estimate for 2025: 3Q
(Quarterly percent change, SAAR)



Srouce: AtlantaFed, OCBC.

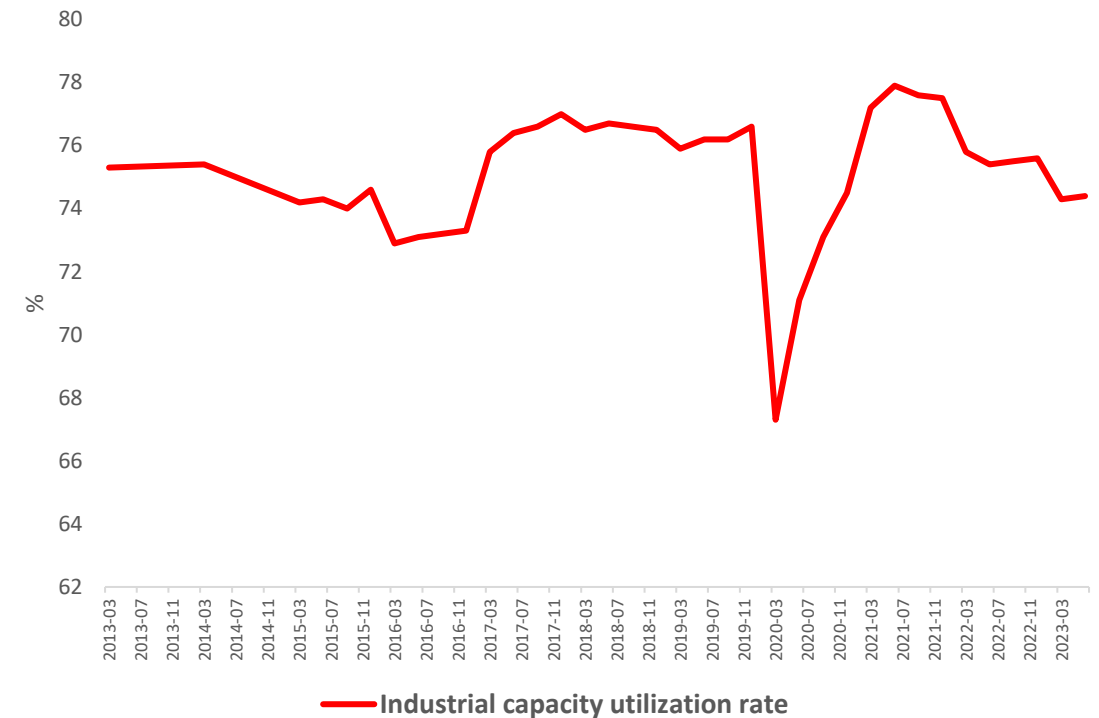
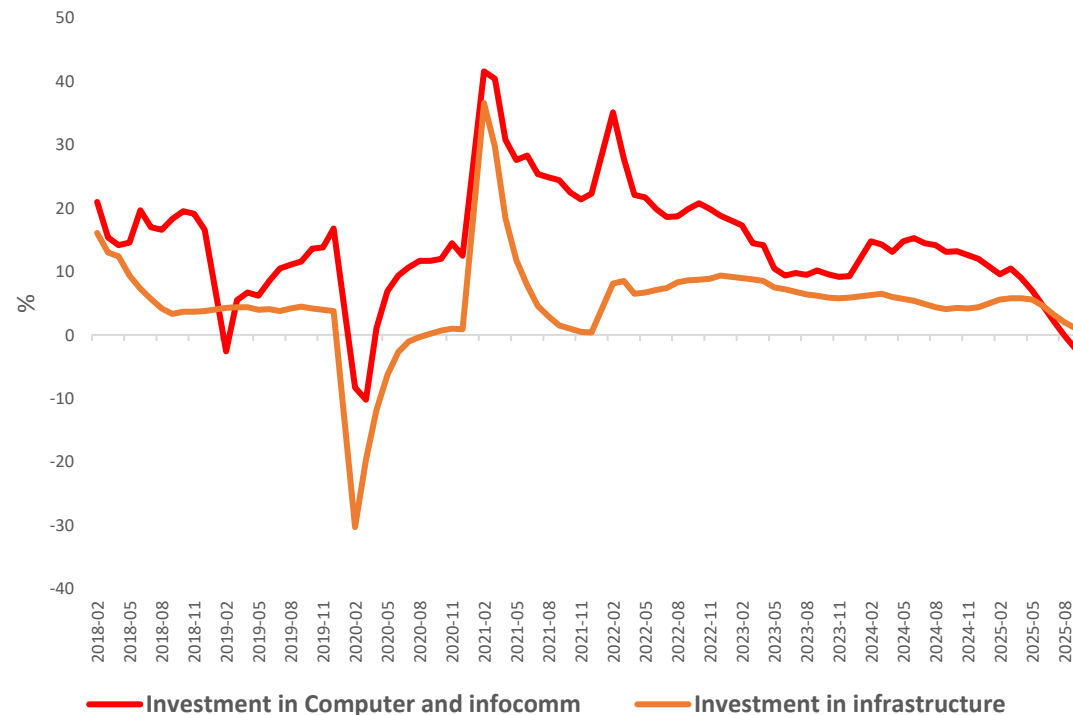
China: further moderation

- China's real GDP growth slowed further to 4.8% YoY in 3Q, while nominal GDP rose 3.7% YoY, down 0.2ppt from 2Q 2025. Although prices showed a mild rebound, the GDP deflator's contraction narrowed only marginally and remained near historical lows, underscoring persistent disinflationary pressures. External demand held up, but both consumption and investment softened.



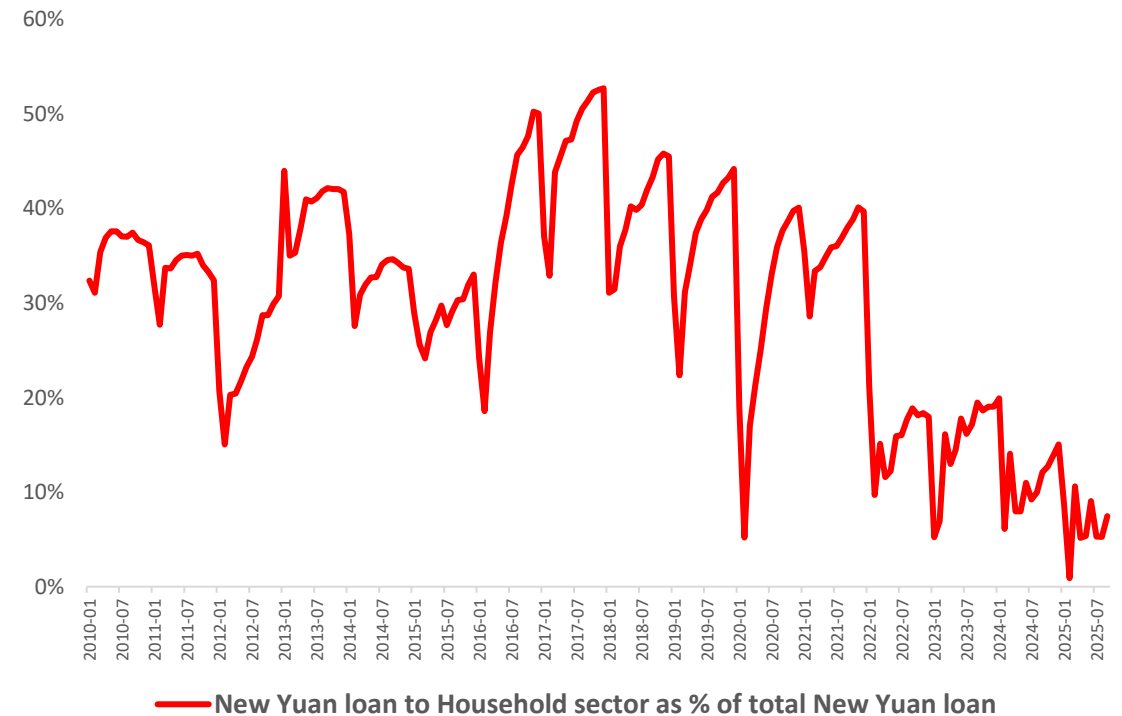
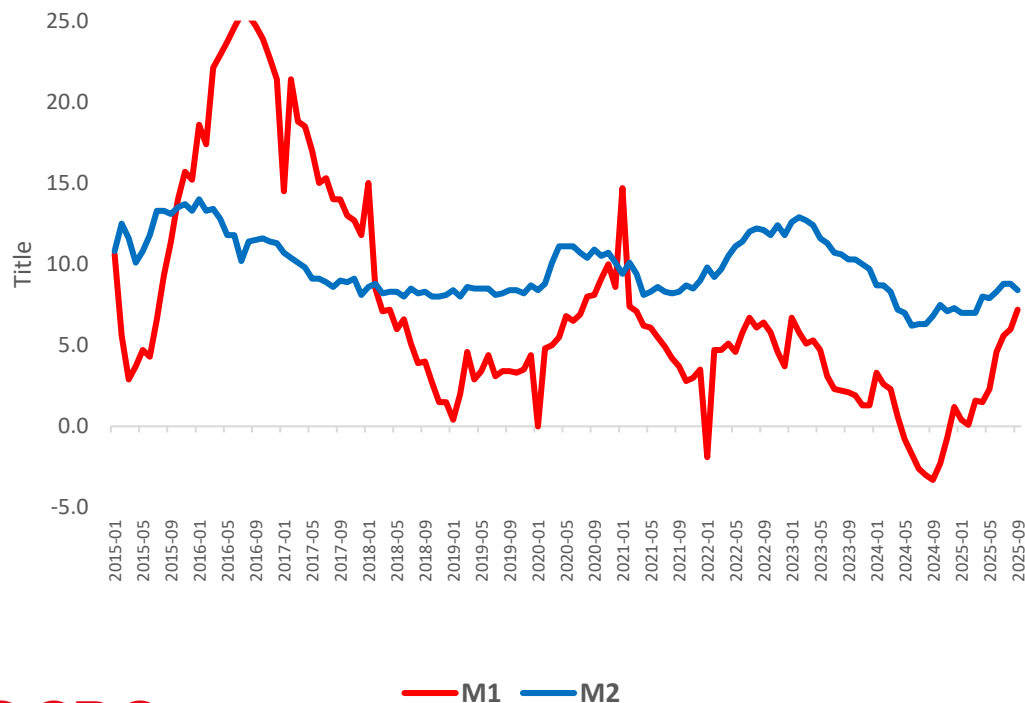
China: further moderation

- Infrastructure investment turned into a drag. In response, policymakers have accelerated the deployment of policy-based financial instruments, and the central government has reallocated RMB 500bn from unused local debt quotas to resolve arrears and support qualified projects in key provinces. The effectiveness of these measures will be closely watched in the coming quarters.
- On a positive note, industrial capacity utilization improved modestly to 74.6% in Q3, up 0.6ppt QoQ, led by gains in electrical machinery and automobile manufacturing. These sectors benefited from the “anti-involution” policy.



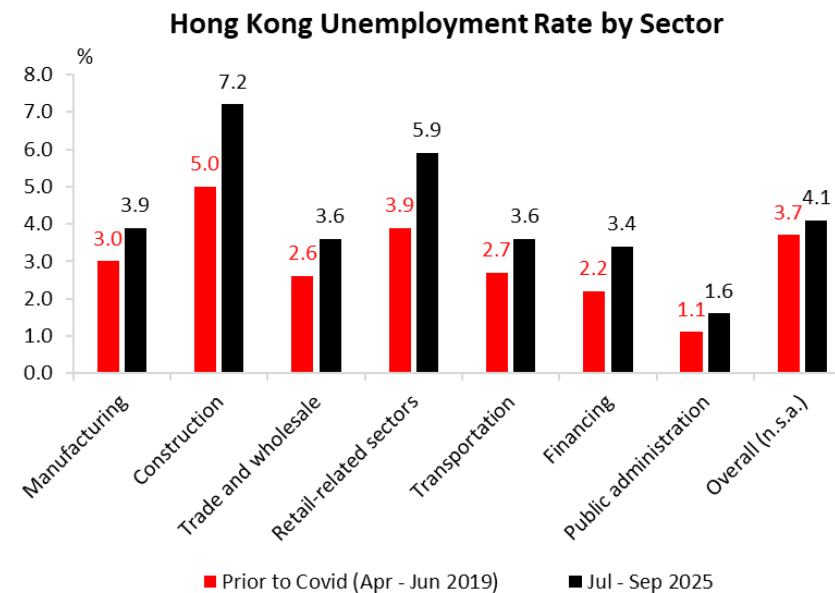
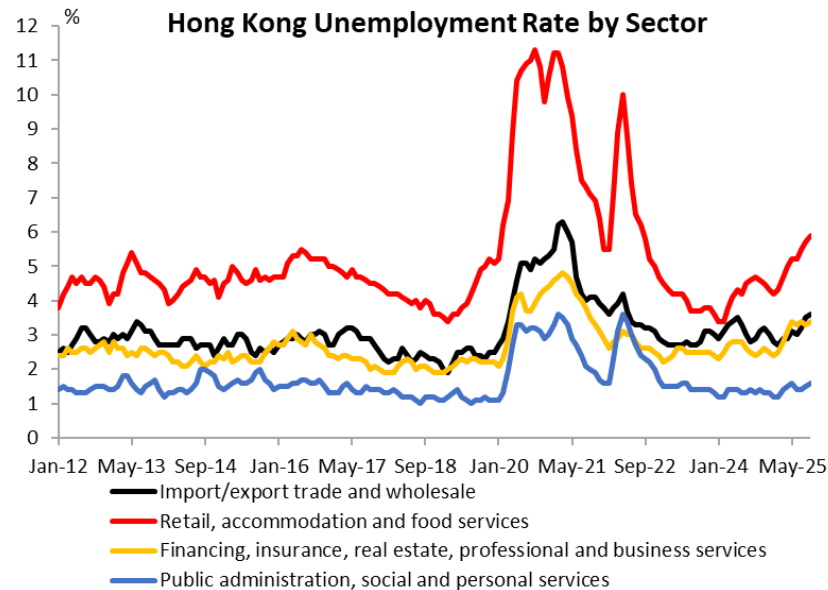
China: on track to achieve its growth target

- M1 growth recovered meaningfully thanks to positive equity market performance.
- However, loan demand from the household sector remained weak, which may further weigh on consumption story.
- Overall, the second half of 2025 continues to reveal underlying economic fragility. We expect growth to moderate further to below 4.5% in 4Q, weighed by weak investment and subdued consumption. Nevertheless, we revise our full-year GDP growth forecast upward to 4.9% (from 4.8%), reflecting the stronger-than-expected 3Q performance.



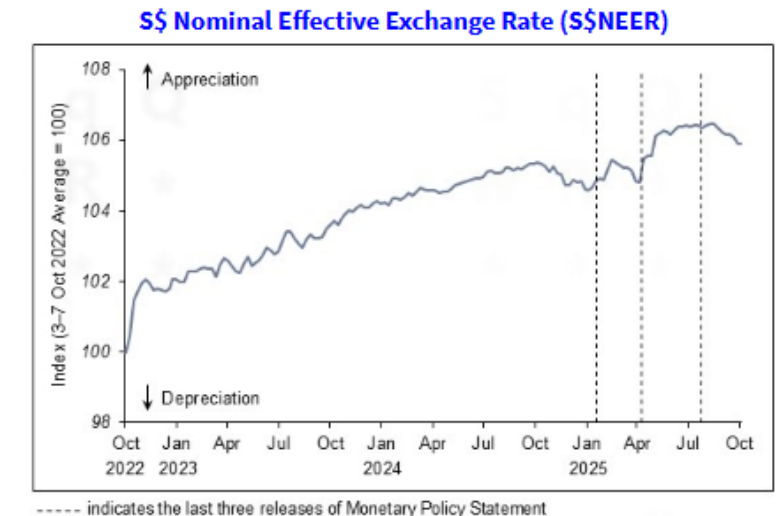
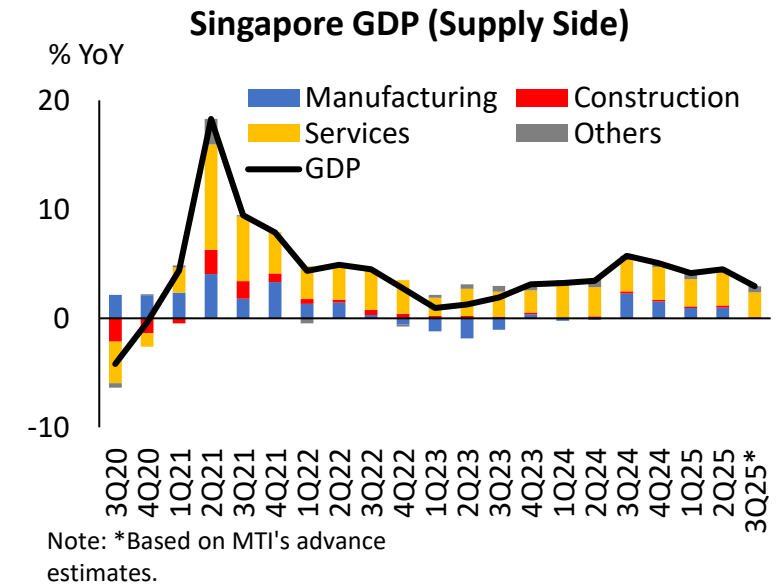
HK: Slackening job market

- Labor market slack continued to build up, despite still-solid pace of growth. Hong Kong's seasonally adjusted unemployment rate rose 0.2 percentage point to 3.9% in the Jul-Sep 2025, the highest since Aug-Oct 2022, while underemployment rate was little changed at 1.6%.
- Increases in unemployment rate were virtually across-the-board, with more notable deterioration in the construction and manufacturing sectors.
- Given the still-sluggish hiring sentiment, jobless rate is likely to linger at elevated level in periods ahead. We revised upward our full year unemployment rate forecast to 3.6% (+0.1 percentage point) and 3.7% (+0.2 percentage point) respectively for 2025 and 2026.



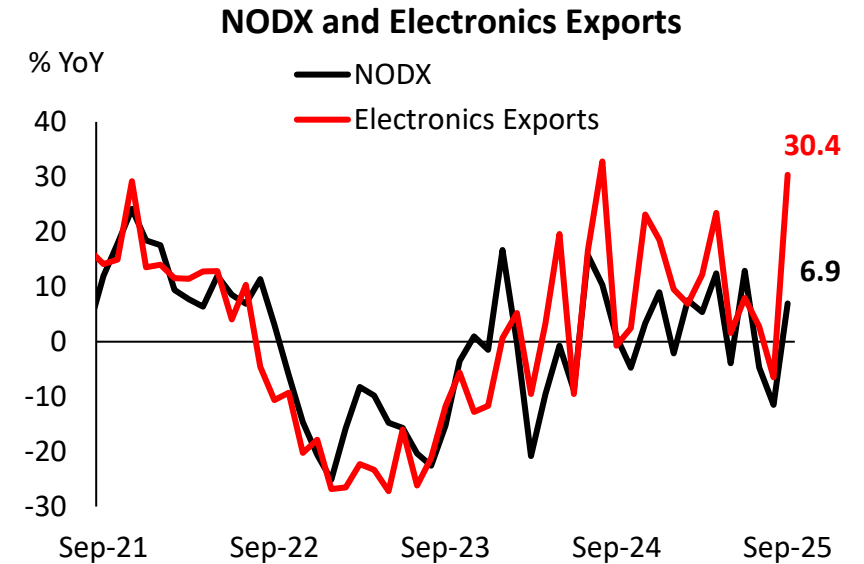
Singapore: 3Q25 GDP surprised on upside, S\$NEER unchanged

- Singapore's 3Q25 GDP growth exceeded market expectations to expand by 2.9% YoY (1.3% QoQ sa), beating the Bloomberg consensus forecast of 2.0% YoY (0.6% QoQ sa) and our forecast of 2.1% YoY (0.7% QoQ sa). While this marked the slowest GDP growth print since 3Q23, nevertheless, it brought the average GDP growth for the first three quarters of 2025 to 3.9% YoY, which is not too far from the 4.2% seen for the same period in 2024. Looking ahead, full-year 2025 GDP growth is likely to come in around the 3% YoY handle. While further product-specific tariffs such as on semiconductors and pharmaceuticals may still be pending even though risks are still assessed to be tilted to the downside, a 1-3% YoY growth forecast for 2026 may be plausible.
- As expected, MAS kept its monetary policy settings unchanged for the second consecutive meeting. Looking forward, policymakers are essentially data-dependent without a preset policy path. In that sense, each MPS review is live and a further policy easing is not completely out the window in 2026 just yet.
- The 2025 core inflation is now tipped at 0.5% while the headline inflation forecast range was narrowed to 0.5-1.0% YoY. Our 2025 headline and core inflation forecasts are 0.7% and 0.5% YoY, followed by 1.0-1.5% for 2026.



Singapore: NODX driven by the surge in electronics exports

- Singapore's NODX unexpected grew 6.9% YoY in September, marking a turnaround from the previous two months' of weakness and is up from a 11.5% contraction in August. The NODX performance upside surprise in September is largely driven by the surge in electronics exports (30.4% YoY) which in turn was the strongest performance since August 2024.
- 7 of the top 10 NODX markets also recovered to see positive YoY growth in September, with only the US, EU27 & Indonesia being the laggards this time round. For the first nine months of 2025, NODX has expanded 2.2% YoY (Jan-Sep24: -0.5%), which is better than expected due mainly to front loading ahead of US tariffs and resilient regional growth YTD.
- Our 2025 forecast is for NODX growth to expand close to 2.5% YoY, as October NODX is still likely to be boosted by a low base (-4.7% YoY) before moderating in November-December. For 2026, our NODX growth forecast is 1-3% with the caveat of potential downside risk should the US-China trade tensions do not de-escalate and an off-ramp from the current heightened tensions is not found in the coming months.



Source: Enterprise Singapore, CEIC,

Non-oil Domestic Exports to Top Markets (% y-o-y growth)

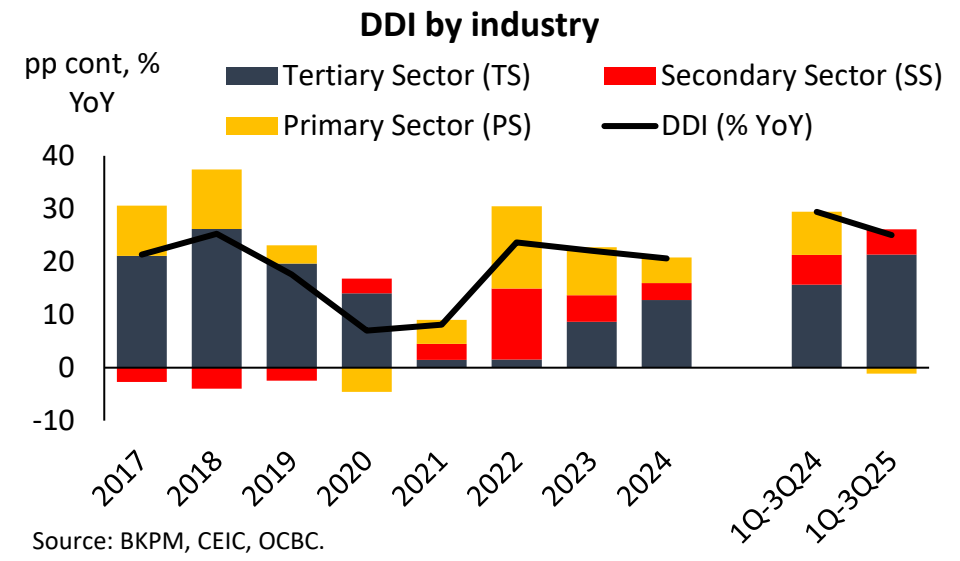
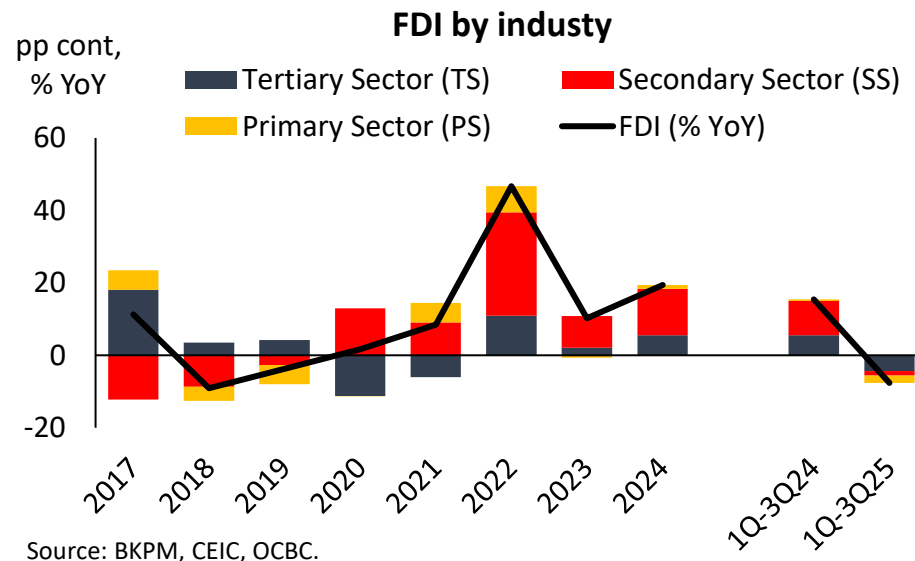
Top Markets [^]	NODX		Electronic NODX		Non-Electronic NODX	
	Aug 2025	Sep 2025	Aug 2025	Sep 2025	Aug 2025	Sep 2025
Hong Kong	-20.9	56.3	-24.5	37.0	-4.0	91.7
Taiwan	9.1	31.9	4.2	36.8	13.2	27.7
China	-22.0	10.1	-28.9	12.9	-20.8	9.6
Thailand	-20.1	24.0	9.7	16.5	-30.8	28.1
Malaysia	-10.6	9.7	-2.3	24.6	-17.1	-1.9
South Korea	24.7	9.7	47.5	18.4	12.1	6.0
Japan	-2.4	8.2	51.2	14.5	-15.3	6.2
Indonesia	-39.6	-10.7	-1.1	62.3	-42.0	-16.8
US	-29.1	-9.9	-24.8	70.4	-30.3	-23.6
EU 27	29.0	-20.5	4.6	23.8	33.0	-23.9

[^]: Ranked by contribution to the y-o-y change in NODX levels over the year.



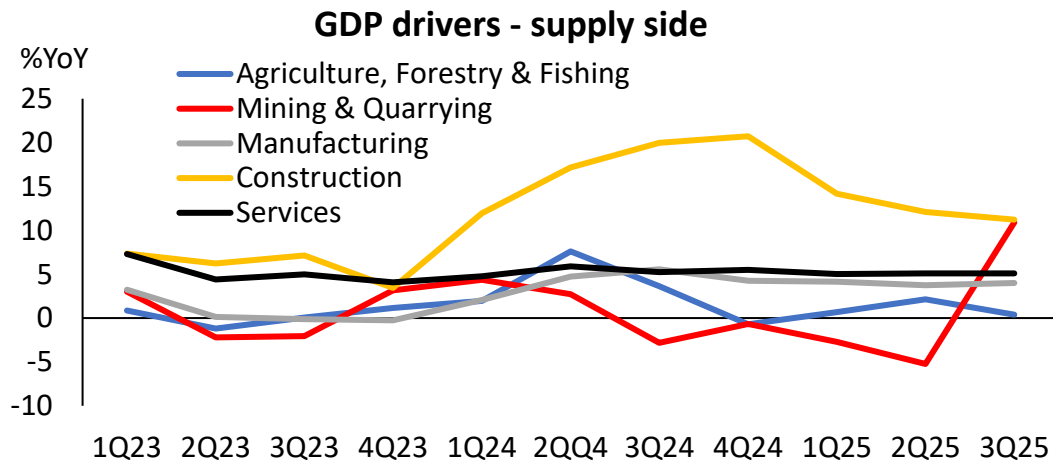
Indonesia: Softer FDI inflows continued in 3Q25

- Foreign direct investment (FDI) contraction dropped to USD13.3bn in 3Q25 from USD12.6bn in 2Q25. The weakness was broad-based across the primary (-31.3% YoY in 3Q25 from 4.0% in 2Q24), secondary (-4.2% from -12.8%), and tertiary (-24.8% from -18.4%) sectors. Nonetheless, FDI into the downstream sector remained robust, with investment in the basic metal and metal goods non-machinery sector growing 15.2% YoY, reaching USD3.5bn in 3Q25 from USD3.6bn in 2Q25. The cumulative 1Q-3Q25 FDI dropped 7.7% YoY to USD40.3bn.
- Meanwhile, domestic direct investment (DDI) grew 40.5% YoY to IDR279.4trn in 3Q25 from 30.5% (IDR275.6trn) in 2Q25, bringing the cumulative 1Q-3Q25 realized DDI to IDR789.7trn. The cumulative January-September 2025 realized investment reached IDR1,434.3trn (FDI: IDR644.6trn, DDI: IDR789.7trn), or 75.3% of the government's IDR1,905.6trn target for this year.

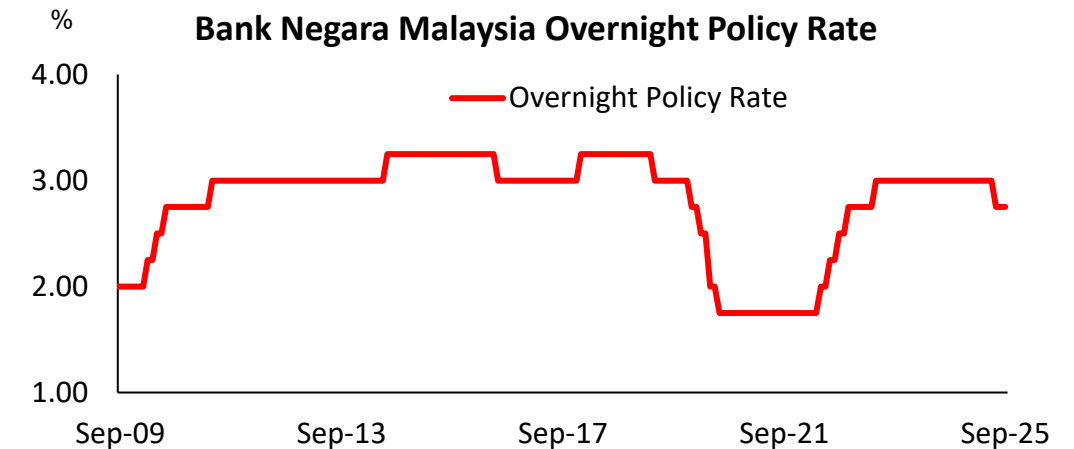


Malaysia: Upgrading 2025 GDP growth

- The advance estimate of the 3Q25 GDP print came in at a solid 5.2% YoY from 4.4% in 2Q25, closer to our forecast of 4.9% but below consensus of 4.2%. Growth for the third quarter was strong across all key sectors. Manufacturing sector growth improved to 4.0% YoY from 3.7% in 2Q25. The services sector remained resilient, growing at a stable 5.1% in 3Q25 compared to 2Q25. Growth in construction sector was robust at 11.2% YoY from 12.1% in 2Q25. These more than offset softer agriculture sector growth of 0.4% in 3Q25 compared to 2.1% in 2Q25.
- We materially revise higher our 2025 GDP growth forecast to 4.6% YoY from 3.9% previously. For 2026, we maintain our more conservative estimate of 3.8%. We expect Bank Negara Malaysia (BNM) to remain on hold at its 6 November meeting. We, however, still see room for a 25bp cut in 1H26.



Source: CEIC; OCBC.



Source: Bank Negara Malaysia, CEIC, OCBC

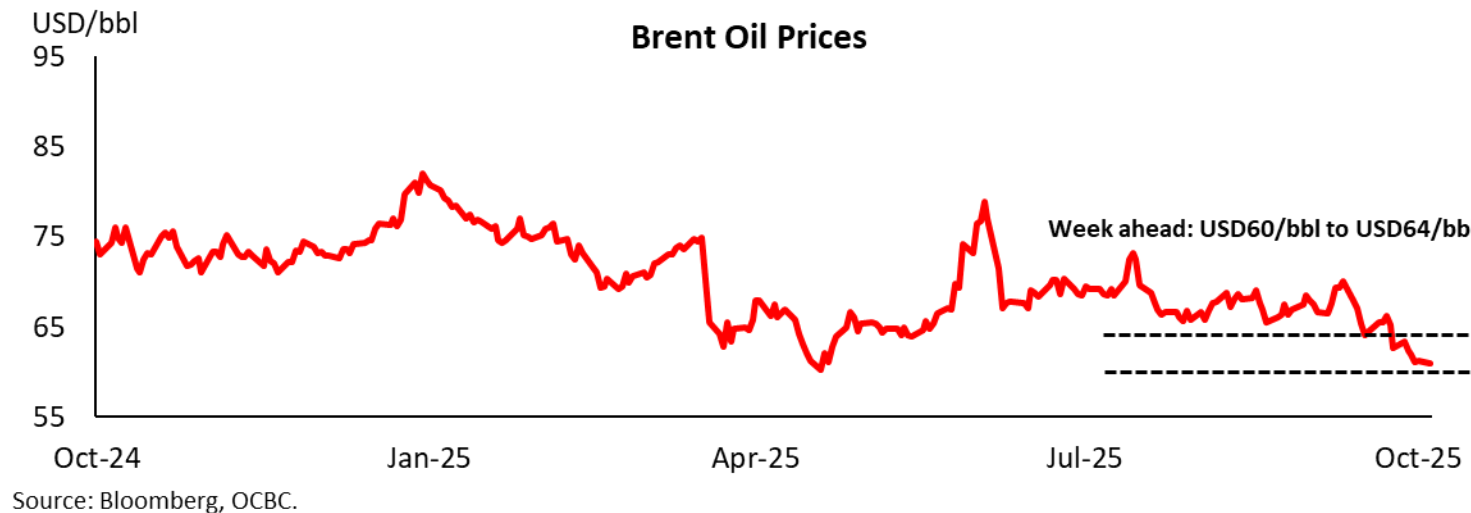


Source: BNM, OCBC.

Commodities

Commodities: Lower oil prices

- Crude oil benchmarks extended losses for the third consecutive week, with WTI and Brent declining by 2.3% week-on-week, respectively, to USD57.5/bbl and USD61.3/bbl.
- Bearish sentiment in the oil complex remains driven by fears of a looming supply glut. In its October monthly oil market report, the International Energy Agency projected a global oil market surplus of up to 4mbpd in 2026. The market structure also signaled softening, with backwardation in Brent crude narrowing sharply, while longer-dated contracts shifted into deeper contango. Meanwhile, prospects of easing geopolitical tensions exerted further downward pressure on oil prices. US President Donald Trump announced that he will hold a second meeting with Russian President Vladimir Putin to further discuss ending the Russia-Ukraine war.
- Looking ahead, we expect Brent crude to trade within the range of USD60-64/bbl. Key focuses for the week include China's four-day Fourth Plenum (scheduled for 20-23 October), as well as a slew of preliminary October PMIs from US, UK, and Europe.



ESG



ESG: Progress in Singapore's low-carbon electricity imports and regional grids

- The Energy Market Authority (EMA) has granted Conditional Approval to Sembcorp Utilities Pte Ltd, which is working with its consortium partner, Sarawak Energy Berhad, to import 1GW of low-carbon electricity from Sarawak to Singapore. This is the first large-scale low-carbon electricity project from Malaysia that has been granted conditional approval by Singapore. Singapore currently imports 50MW (0.05GW) of renewable energy from Malaysia as part of a pilot that started in December 2024.
- For the project to progress, the Consortium will need to secure all approvals from relevant jurisdictions, including countries which the transmission cables will pass through. The Conditional Approval provides the Consortium with regulatory support from EMA to continue to develop the project to meet its proposed commercial operation date, which is expected to be around 2035.
- To date, EMA has issued conditional approvals to 10 other projects to import low-carbon electricity from Australia, Cambodia, Indonesia and Vietnam. Six projects have made substantive progress and were awarded conditional licenses, with the aim of contributing to Singapore's goal to import around 6GW of low-carbon electricity by 2035.
- Tenaga Nasional Bhd is also advancing regional interconnections, with plans to develop a major interconnection linking Sarawak and Peninsular Malaysia. This project aims to transmit up to 2GW of hydro energy from Sampadi near Kuching to Sedili in Johor through a 700km submarine cable. This represents a key component of the ASEAN power grid that aims to strengthen regional electricity connectivity and provide the region with a more resilient and reliable energy supply.

FX & Rates



FX and Rates: Consolidation

- **USD rates.** Long-end UST yield fell on Monday despite the risk sentiment generally held up. September CPI is scheduled to be released on 24 October; consensus look for a 0.4%MoM in the headline and 0.3%MoM in core, while the YoY rate is expected to have ticked up to 3.1% versus 2.9% prior. If there is no upside surprise, market is likely to hold onto rate cut pricings. Fed funds futures last priced 50bps of cuts for the rest of the year, and 74bps of cuts for 2026. Inflation concerns appear to have eased, with short-end inflation swap having started to fall since mid-September, ending the divergence with OIS. That said, 10Y breakeven at 2.27% is sticky downward; 10Y real yield needs to fall for 10Y nominal yield to break decisively lower. There are USD13bn of 20Y coupon bond auction on Wednesday and USD26bn of 5Y TIPS auction on Thursday. Net bills settlement amounts to USD52bn this week. TGA balance was at USD905bn as of 17 October.
- **Gold. *Double-Top in Sight?*** Gold's attempt to hit above 4380 appeared to have run into some roadblocks on Mon. On technical charts, momentum remains bullish but RSI shows signs of easing lower from overbought conditions. On the tick chart, we observed a double-top formation, which can typically be associated with a bearish reversal though one can argue that it remains early to concur. We had flagged on Fri that *gold's surge to record highs of over \$4,300 and in record pace (up >15% MTD and over 30% since mid-Aug) may have stretched short-term valuations and risk-reward. Sentiment and speculative positioning are starting to look elevated, and there is a risk that gold may potentially be vulnerable to consolidation if geopolitical tensions stabilise or yields rebound. That said, our medium-term view stays constructive. Nominal rates are likely to trend lower as the Fed eases, while central-bank and institutional demand remain solid. The diversification or hedge argument for gold — against geopolitical, fiscal, and currency risks — also stays intact.* Over the past few days, there were a few developments including, signs that US-China relations may improve while White House economic advisor Kevin Hassett indicated that US government shutdown may be lifted soon. Positive developments on this front may lead to some moderation in price action but the constructive outlook still support a buy-on-dips approach.

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