

## Daily Treasury Outlook

15 April 2025

### Highlights

**Global:** Markets were calmer overnight, despite some tariff headlines on both possible temporary exemptions and announcement of sectoral tariffs on semiconductor and pharmaceutical goods. The main US stock indices posted less than 1% gain on Monday, lagging Asian and European peers as growth fears and tariff concerns still loomed. Implied levels of equity volatility were also lower. US treasuries found a strong bid, with yields 11-15bp lower across the curve. US Treasury Secretary Bessent played down the recent selloff in the treasury market, claiming that there is no evidence of sovereign sales of US government debt. He also claimed that there were increased foreign competition at debt auction, and dollar is still a global reserve currency. Meanwhile, US Federal Reserve Governor Waller's comments were seen as dovish, as he outlined two scenarios ("large" and "smaller") of how tariffs could unfold. Under both, he left the door open for further rate cuts. Separately, the New York Fed's latest consumer survey showed one-year inflation expectations in March jumped 0.5 percentage points to 3.6%, the highest in two and a half years, while the three-year and five-year inflation expectations stayed unchanged at 3.0% and decreased by 0.1 percentage point to 2.9%, respectively. The survey also suggested that unemployment fears were the highest since the pandemic.

**Market Watch:** Asian markets are likely to open a firmer tone. Today's economic data releases include New Zealand's March food prices (MoM), UK's February labour market data, Germany's April ZEW survey, Eurozone's February industrial production, Canada's March CPI and February manufacturing sales, as well as US' April Empire manufacturing index.

**Commodities:** Crude oil benchmarks closed mixed on Monday, with WTI closed relatively flat at USD61.5/bbl. In contrast, Brent edged marginally higher by 0.2% to USD64.9/bbl. The support for higher oil prices followed a sharp rebound in China's crude oil imports which rose by 4.8% YoY in March to 12mbpd, up from -3.4% in Jan-Feb period. Nevertheless, gains were limited by ongoing concerns regarding the impact of the trade war on global growth and commodity demand. Indeed, there are reasons for concern. In its April monthly report, OPEC revised its 2025 global demand growth forecast down to 1.30mbpd, from a previous estimate of 1.45mbpd.

### Key Market Movements

Equity	Value	% chg
S&P 500	5406.0	0.8%
DJIA	40525	0.8%
Nikkei 225	33982	1.2%
SH Comp	3262.8	0.8%
STI	3548.9	1.0%
Hang Seng	21417	2.4%
KLCI	1480.9	1.8%
	Value	% chg
DXY	99.640	-0.5%
USDJPY	143.06	-0.3%
EURUSD	1.1351	0.0%
GBPUSD	1.3190	0.8%
USDIDR	16775	-0.1%
USDSGD	1.3155	-0.3%
SGDMYR	3.3533	-0.1%
	Value	chg (bp)
2Y UST	3.85	-11.49
10Y UST	4.37	-11.56
2Y SGS	2.30	-4.80
10Y SGS	2.59	-7.59
3M SORA	2.48	-2.50
3M SOFR	4.36	0.11
	Value	% chg
Brent	64.88	0.2%
WTI	61.53	0.0%
Gold	3211	-0.8%
Silver	32.35	0.1%
Palladium	956	4.0%
Copper	9187	0.4%
BCOM	101.04	-0.4%

Source: Bloomberg

**CN:** China's total trade reached CNY10.3 trillion in Q1 2025, marking the highest first-quarter reading on record. Exports in RMB terms rose by 6.9% YoY, while imports declined by 6.0% YoY, resulting in a record-high trade surplus of US\$273 billion for Q1. The stronger-than-expected export performance was largely driven by front-loading ahead of the implementation of President Trump's reciprocal tariffs in April. However, with U.S.-China trade tensions likely to stall further progress in the months ahead, China's export momentum is expected to slow significantly from April onwards.

**MA:** The city's newly appointed Chief Executive Sam Hou Fai delivered his first policy address on Monday. Key changes include an increase in medical vouchers from MOP600 to MOP700, and increase in old-age allowance to MOP10,000 annually. Under the Wealth Partaking scheme, cash handout will be given to permanent resident (MOP10,000) and non-permanent residents (MOP6,000), same as last year. An additional MOP7,000 will be credited to the non-mandatory central provident fund accounts of each eligible resident. Separately, MOP10 billion fund will be established to extend credit and liquidity support to SMEs.

**ID:** Chief Investment Officer of Indonesia's sovereign wealth fund Danantara, Pandu Sjahrir, announced that Indonesia and Qatar have agreed to jointly invest USD4bn - with each country contributing USD2bn - in key sectors such as food and energy security, downstream processing, digital infrastructure, healthcare, and tourism, as reported by Antara. The commitment, forged following President Prabowo's visit to Doha on 13 April, reflects a deepening of bilateral ties and a follow-up to Indonesia's economic diplomacy efforts. Sjahrir clarified that this fund is separate from Qatar's earlier investment in the housing sector. The projects under the new commitment will all be developed within Indonesia.

**MY:** Minister Tengku Zafrul has confirmed that Malaysia will not retaliate against new US tariffs, opting instead to prioritize reforms, trade engagement, and diversification. Following the National Geoeconomics Council meeting, he emphasized that Malaysia's fundamentals remain stable and that the government will use the 90-day grace period to negotiate with US authorities. While most Malaysian exports to the US are still exempt, around 70% of impacted items - notably semiconductors and intermediate goods - are under pressure. Some firms have absorbed extra costs, while others are passing them on, with future tariff risks tied to national security concerns still looming.

**TH:** Government spokesman Jirayu Hongsab announced that Thailand will be sending an advance team to Washington to discuss the reciprocal tariff plan with the Trump administration. The team will be led by Deputy Prime Minister and Finance Minister Pichai Chunhavajira, along with Commerce Minister Pichai Nariyaphan, and will meet with US government representatives on 21 April. Prior to this, the Finance Minister Chunhavajira will travel to Seattle for meetings with private sector groups from 17 April.

**VN:** Chinese President Xi Jinping began his Southeast Asia tour in Vietnam on Monday, where he and Vietnamese leaders signed around 40 cooperation agreements aimed at strengthening economic and strategic ties. During talks

with General Secretary To Lam, President Xi emphasized the need to defend multilateral trade and avoid protectionism, warning that trade wars have “no winners.” Vietnam affirmed its readiness to deepen cooperation with China. President Xi is set to continue his tour to Malaysia and Cambodia this week.

### ESG

**SG:** Singapore and Peru have signed an Implementation Agreement on carbon credit collaboration under Article 6 of the Paris Agreement. This is Singapore’s fourth Implementation Agreement on carbon credit collaboration, following agreements with Papua New Guinea, Ghana and Bhutan. According to the NUS Energy Studies Institute, it is quite likely that high-quality nature-based projects will emerge from the Peru-Singapore agreement. Possible projects could be related to rainforest restoration and the conservation of watersheds, especially as Peru has been leveraging nature to address water scarcity and climate resilience issues. However, the challenge is that 2030 is approaching and no carbon credits have been issued yet despite the Implementation Agreements signed with the four countries.

**Market Commentary:** The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading -1 to +1bps, belly tenors trading 0 to 1bps higher and 10Y trading flat. Per Bloomberg, Wall Street returned to a degree of calm with stocks and bonds notching a twin rally Monday. Credit default swaps tracking Asia ex-Japan IG debt fell 10bps to 106bps, according to a Markit index. Meanwhile, Bloomberg Asia USD Investment Grade spreads widened by 2bps to 99bps while Bloomberg Asia USD High Yield spreads tightened by 9bps to 590bps respectively. (Bloomberg, OCBC)

**New Issues:**

There was no notable issuance in the Asiadollar market yesterday.

There was one small issuance in the Singdollar market yesterday.

- Aspial Lifestyle Limited retapped SGD20mn MSFSSP 6.25% '27s at 100.50 or 6.02%.

**Mandates:**

- Korea Railroad Corp. may issue USD denominated 2Y to 5Y senior unsecured bonds.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	99.640	-0.46%	USD-SGD	1.3155	-0.27%
USD-JPY	143.060	-0.33%	EUR-SGD	1.4932	-0.39%
EUR-USD	1.135	-0.04%	JPY-SGD	0.9197	0.01%
AUD-USD	0.633	0.62%	GBP-SGD	1.7350	0.51%
GBP-USD	1.319	0.79%	AUD-SGD	0.8322	0.28%
USD-MYR	4.413	-0.27%	NZD-SGD	0.7733	0.60%
USD-CNY	7.310	0.24%	CHF-SGD	1.6139	-0.27%
USD-IDR	16775	-0.12%	SGD-MYR	3.3533	-0.07%
USD-VND	25828	0.35%	SGD-CNY	5.5609	0.68%

## Equity and Commodity

Index	Value	Net change
DJIA	40,524.79	312.08
S&P	5,405.97	42.61
Nasdaq	16,831.48	107.02
Nikkei 225	33,982.36	396.78
STI	3,548.91	36.38
KLCI	1,480.86	26.10
JCI	6,368.52	106.29
Baltic Dry	1,274.00	5.00
VIX	30.89	-6.67

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.3040	-2.00%	1M	4.3302	-0.04%
3M	2.2790	0.62%	2M	4.3234	0.04%
6M	2.2440	2.47%	3M	4.2773	-0.02%
12M	2.1670	3.24%	6M	4.1360	0.00%
			1Y	3.8903	0.04%

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.3 (-0.05)	3.85(--)
5Y	2.33 (-0.06)	4.01 (-0.15)
10Y	2.59 (-0.08)	4.38 (-0.12)
15Y	2.68 (-0.06)	--
20Y	2.7 (-0.05)	--
30Y	2.7 (-0.05)	4.81 (-0.06)

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
05/07/2025	-0.2	-20	-0.05
06/18/2025	-0.854	-65.4	-0.214
07/30/2025	-1.605	-75.1	-0.401
09/17/2025	-2.31	-70.5	-0.577
12/10/2025	-3.39	-56.5	-0.847

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.33
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	61.53	0.05%	Com (per bushel)	4.850	-1.1%
Brent (per barrel)	64.88	0.19%	Soybean (per bushel)	10.418	-0.1%
Heating Oil (per gallon)	209.17	1.28%	Wheat (per bushel)	5.475	-1.5%
Gasoline (per gallon)	202.22	1.16%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.33	-5.73%	Rubber (JPY/KG)	309.500	2.8%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9187.00	0.36%	Gold (per oz)	3210.9	-0.8%
Nickel (per mt)	15307.00	1.58%	Silver (per oz)	32.3	0.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date	Country	Item	Period	Survey	Actual	Prior	Revised
4/15/2025 14:00	UK	Jobless Claims Change	Mar	--	--	44.2k	--
4/15/2025 14:00	SR	CPI YoY	Mar	--	--	2.00%	--
4/15/2025 14:00	UK	ILO Unemployment Rate 3Mths	Feb	4.40%	--	4.40%	--
4/15/2025 14:00	UK	Claimant Count Rate	Mar	--	--	4.70%	--
4/15/2025 14:00	UK	Average Weekly Earnings 3M/YoY	Feb	5.70%	--	5.80%	--
4/15/2025 14:30	IN	Wholesale Prices YoY	Mar	2.50%	--	2.38%	--
4/15/2025 14:45	FR	CPI YoY	Mar F	0.80%	--	0.80%	--
4/15/2025 14:45	FR	CPI EU Harmonized YoY	Mar F	0.90%	--	0.90%	--
4/15/2025 14:45	FR	CPI MoM	Mar F	0.20%	--	0.20%	--
4/15/2025 14:45	FR	CPI EU Harmonized MoM	Mar F	0.20%	--	0.20%	--
4/15/2025 17:00	GE	ZEW Survey Expectations	Apr	10	--	51.6	--
4/15/2025 17:00	GE	ZEW Survey Current Situation	Apr	-86.9	--	-87.6	--
4/15/2025 18:30	IN	CPI YoY	Mar	3.50%	--	3.61%	--
4/15/2025 20:15	CA	Housing Starts	Mar	238.8k	--	229.0k	--
4/15/2025 20:30	CA	CPI YoY	Mar	2.70%	--	2.60%	--
4/15/2025 20:30	CA	CPI NSA MoM	Mar	0.70%	--	1.10%	--

Source: Bloomberg

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