

## Daily Treasury Outlook

11 March 2025

### Highlights

**Global:** President Trump declined to rule out a recession in a recent interview, intensifying the growth scares and trade war fears. Broad stock selloff accelerated on Monday, with the three main US indices falling between 2% and 4%. The Nasdaq is down by 14% from its peak, while S&P is also significantly lower. The VIX index is now at the highest since the Fed rate cut in December last year. US treasury yields slipped across maturities, in a flight-to-safety. G10 FX moves have been relatively well contained, with the dollar ending the day little changed. Gold prices pulled back, despite the market volatility. Crude prices fell by 1.5%, as market digested the OPEC+ supply increase in April and slower US economic activity. On data front, according to New York Fed survey in February, median inflation expectations increased by 0.13 ppt to 3.13% at the one-year horizon and were unchanged at 3.0% for the three-year- and five-year-ahead horizons. Meanwhile, surveyed consumers expected household financial situation and labour market situation to deteriorate. Eurozone's Sentix investment confidence bounced to -2.9 in March, from that of -12.7 in February, conceivably due to the prospect of bazooka EU fiscal package. Germany's data was mixed, with industrial production rose by 2.0% MoM, above market consensus, while exports fell more-than-expected by 2.5% MoM. In Japan, labour cash earnings rose by a slower pace of 2.8%YoY, while in real terms earnings fell by 1.8% YoY. Japan's finalised 4Q24 GDP was revised down a touch to 0.6% QoQ from the earlier estimate of 0.7% QoQ, as private consumption was revised down to flat.

**Market Watch:** Risk-off may be the default setting for now, as market braced for US' latest inflation data and voting of stopgap bill to avert shutdown later this week. Asian markets are likely to trade heavy, tracking the performance in the overnight market. Today's economic data calendar for Asian session comprises of Japan's finalised 4Q24 GDP (+0.6% QoQ), January household spending (+0.8% YoY), and February machine tool orders, as well as Australia's March Westpac consumer conference (+4% MoM) and February NAB business confidence (-1). Later tonight, market attention will turn to US' January JOLTS report and February NFIB small business optimism.

**Commodities:** Crude oil benchmarks declined on Monday, with WTI and Brent decreasing by 1.5% to close at USD66.0/bbl and USD69.3/bbl, respectively. Oil prices eased amid a risk-off sentiment in the broader markets due to concerns over the impact of tariffs on economic growth and commodity demand.

### Key Market Movements

Equity	Value	% chg
S&P 500	5614.6	-2.7%
DJIA	41912	-2.1%
Nikkei 225	37028	0.4%
SH Comp	3366.2	-0.2%
STI	3899.1	-0.4%
Hang Seng	23783	-1.8%
KLCI	1536.5	-0.7%
	Value	% chg
DXY	103.900	0.1%
USDJPY	147.27	-0.5%
EURUSD	1.0834	0.0%
GBPUSD	1.2879	-0.3%
USDIDR	16340	0.3%
USDSGD	1.3339	0.2%
SGDMYR	3.3235	0.1%
	Value	chg (bp)
2Y UST	3.88	-11.64
10Y UST	4.21	-8.80
2Y SGS	2.50	-1.30
10Y SGS	2.68	-1.04
3M SORA	2.67	-2.82
3M SOFR	4.39	-0.91
	Value	% chg
Brent	69.28	-1.5%
WTI	66.03	-1.5%
Gold	2889	-0.7%
Silver	32.11	-1.3%
Palladium	940	-1.2%
Copper	9529	-0.9%
BCOM	104.59	-0.2%

Source: Bloomberg

## Major Markets

**ID:** Indonesia and Vietnam agreed to elevate their ties to a comprehensive strategic partnership as general secretary To Lam visited Jakarta on March 10 to mark 70 years of diplomatic relations. General Secretary To Lam and President Prabowo Subianto discussed strengthening economic and defence cooperation, setting a bilateral trade target of USD18bn. In addition, President Prabowo welcomed Vietnam's investment in the country, particularly in the automotive and agricultural sectors, to enhance food security.

**MY:** The Malaysian Palm Oil Board (MPOB) reported that crude palm oil (CPO) production fell 4.2% MoM in February 2025 to 1.2mn tonnes, while palm oil exports also declined by 16.3% MoM to 1.0mn tonnes, compared to 1.2mn tonnes in the previous month. Elsewhere, Science, Technology and Innovation Minister Chang Lih Kang stated that Malaysia must sign and ratify at least eight key International Atomic Energy Agency (IAEA) protocols before pursuing nuclear energy for electricity generation. While Malaysia has ratified some agreements, such as the Treaty on the Non-Proliferation of Nuclear Weapons and conventions on nuclear accidents, others, including the Vienna Convention on Civil Liability for Nuclear Damage, remain pending. To facilitate this, the government plans to expedite the Atomic Energy Licensing Amendment Bill 2025. Chang emphasized that Malaysia is still in the exploratory phase of nuclear energy adoption and addressed these points during a Dewan Negara session on March 10.

**TH:** The government panel has approved the plan for the third phase of the THB10,000 cash handout scheme. According to Finance Minister Pichai Chunhavajira, the cash handout will be distributed through a digital wallet in the middle of 2025. However, the cash handout is expected to be targeted, with funding limited to 2.7mn eligible individuals aged 16 to 20 years old. The plan will require approval from the cabinet.

**PH:** The Bangko Sentral ng Pilipinas (BSP) reported that Foreign Direct Investment (FDI) net inflows declined by 85.2% YoY to USD110mn in December, down from -16.2% in November. The majority of equity capital investments came from Singapore, Japan, and the US, primarily directed towards the information and communication, manufacturing, and financial and insurance sectors. With the December print, total FDI net inflows for 2024 remained broadly stable at USD8.9bn, representing a 0.1% YoY increase from 2023.

**ESG**

**SG:** A new set of guidelines was introduced to help the e-commerce sector minimise its packaging waste, developed by an Alliance for Action co-led by the Singapore Manufacturing Federation (SMF) and Singapore Post, with support from the National Environment Agency (NEA). The guidelines outline solutions to reduce, reuse and recycle tailored to various packaging materials, e.g. cardboard boxes, mailers and fillers. Addressing packaging waste is a key goal under Singapore's Zero Waste Masterplan, which aims to increase the national recycling rate to 70% by 2030.

**Rest of the world:** The Integrity Council for the Voluntary Carbon Market (ICVCM) has approved three cookstove methodologies that meet its high-integrity Core Carbon Principles (CCPs), with the aim of boosting buyer confidence in these credits. These are (i) Gold Standard – Methodology for Metered & Measured Energy Cooking Devices versions 1-1.2, (ii) Gold Standard – Reduced Emissions from Cooking and Heating – Technologies and Practices to Displace Decentralized Thermal Energy Consumption (TPDDTEC) version 4.0 and (iii) Verra (VCS) – VM0050 – Energy Efficiency and Fuel-Switch Measures in Cookstoves version 1.0. In addition to reducing emissions, these projects can also deliver social and health benefits to communities.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded slightly mixed yesterday with shorter tenors trading 1bps lower to flat, belly tenors trading 2-3bps lower and 10Y trading 2bps lower. US credit market volatility is rising with credit spreads widening and credit default swaps rising to their highest levels since around August and September of 2024 on fears of slower economic growth. Per Bloomberg, around 10 companies postponed planned bond sales yesterday in the US investment-grade bond market. Meanwhile in Asia, credit spreads and credit default swaps are also widening, and this is likely driving a building pipeline as issuers look to issue before further credit spread widening. Bloomberg Asia USD Investment Grade spreads widened by 3bps to 74bps while Bloomberg Asia USD High Yield spreads widened by 11bps to 399bps. A Hong Kong court dismissed winding-up petitions against entities related to Chinese builder Helenbergh, providing the company with some relief. The petitions, filed in July 2023 against Helenbergh China and its two units, Broad Pleasant Ltd. and Key Advantage Global Ltd., followed the company's default on USD14.85mn in interest on a dollar bond after missing a 30-day grace period in November 2022. (Bloomberg, OCBC)

### New Issues:

There were two notable issuances in the Asiadollar market yesterday.

- Changsha Jinxia New District City Development Co., Ltd (guarantor: Hunan Jinxia Development Group Co Ltd) priced a USD145mn 3Y Fixed at 5.30%.
- Industrial & Commercial Bank of China Ltd of London priced a USD150mn 3Y FRN at SOFR+50bps.

There was one notable issuance in the Singdollar market yesterday.

- AIMS APAC REIT Management Limited priced a SGD125mn Subordinated PerpNC5 at 4.70%.

### Mandates:

- LG Energy Solution, Ltd. may issue USD denominated Senior Unsecured FX/FRN notes with expected tenors of 3Y, 5Y or 10Y.
- Tata Capital Ltd. may issue a USD denominated Senior Unsecured bond with expected tenor of 3Y.
- Marubeni Corp may issue USD denominated 10Y bonds.
- PT Bank Tabungan Negara may issue USD denominated Tier 2 Social notes with a tenor of 5Y.
- Yangzhou Economic and Technological Development Zone Development Group Co. Ltd. may issue USD denominated 3Y Transition bonds.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	103.900	0.06%	USD-SGD	1.3339	0.22%
USD-JPY	147.270	-0.52%	EUR-SGD	1.4453	0.26%
EUR-USD	1.083	0.01%	JPY-SGD	0.9058	0.77%
AUD-USD	0.628	-0.43%	GBP-SGD	1.7178	-0.12%
GBP-USD	1.288	-0.32%	AUD-SGD	0.8375	-0.20%
USD-MYR	4.424	0.27%	NZD-SGD	0.7601	0.03%
USD-CNY	7.260	0.19%	CHF-SGD	1.5143	0.13%
USD-IDR	16340	0.28%	SGD-MYR	3.3235	0.11%
USD-VND	25519	0.02%	SGD-CNY	5.4418	0.13%

## Equity and Commodity

Index	Value	Net change
DJIA	41,911.71	-890.01
S&P	5,614.56	-155.64
Nasdaq	17,468.32	-727.90
Nikkei 225	37,028.27	141.10
STI	3,899.07	-15.41
KLCI	1,536.46	-10.81
JCI	6,598.21	-37.79
Baltic Dry	1,400.00	114.00
VIX	27.86	4.49

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.4560	-1.01%	1M	4.3208	-0.07%
3M	2.5290	0.72%	2M	4.3129	-0.17%
6M	2.4080	0.58%	3M	4.2751	-0.24%
12M	2.4810	1.35%	6M	4.1208	-0.81%
			1Y	3.8912	-1.25%

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.5 (-0.01)	3.83(--)
5Y	2.53 (-0.01)	3.97 (-0.12)
10Y	2.68 (-0.01)	4.16 (-0.09)
15Y	2.73 (-0.01)	--
20Y	2.77 (-0.01)	--
30Y	2.74 (-0.02)	4.5 (-0.06)

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/19/2025	-0.057	-5.7	-0.014
7/5/2025	-0.651	-59.4	-0.163
06/18/2025	-1.51	-85.9	-0.378
07/30/2025	-2.057	-54.7	-0.514
09/17/2025	-2.756	-69.9	-0.689
10/12/2025	-3.566	-41.9	-0.892

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.34
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	66.03	-1.51%	Corn (per bushel)	4.588	0.8%
Brent (per barrel)	69.28	-1.53%	Soybean (per bushel)	9.998	-1.0%
Heating Oil (per gallon)	217.99	-1.63%	Wheat (per bushel)	5.453	2.2%
Gasoline (per gallon)	209.25	-0.77%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	4.49	2.09%	Rubber (JPY/KG)	309.500	2.8%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9528.50	-0.88%	Gold (per oz)	2888.7	-0.7%
Nickel (per mt)	16551.00	0.28%	Silver (per oz)	32.1	-1.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date	Country	Item	Period	Survey	Actual	Prior	Revised
11/3/2025 7:30	AU	Westpac Consumer Conf SA MoM	Mar	--	4.00%	0.10%	--
11/3/2025 7:30	AU	Westpac Consumer Conf Index	Mar	--	95.9	92.2	--
11/3/2025 7:50	JN	GDP SA QoQ	4Q F	0.70%	0.60%	0.70%	--
11/3/2025 7:50	JN	GDP Annualized SA QoQ	4Q F	2.80%	2.20%	2.80%	--
11/3/2025 7:50	JN	GDP Nominal SA QoQ	4Q F	1.30%	1.10%	1.30%	--
11/3/2025 7:50	JN	GDP Deflator YoY	4Q F	2.80%	2.90%	2.80%	--
11/3/2025 22:00	US	JOLTS Job Openings	Jan	7600k	--	7600k	--
11/3/2025 22:00	US	JOLTS Job Openings Rate	Jan	4.50%	--	4.50%	--
11/3/2025 22:00	US	JOLTS Quits Level	Jan	3176k	--	3197k	--
11/3/2025 22:00	US	JOLTS Quits Rate	Jan	--	--	2.00%	--
11/3/2025 22:00	US	JOLTS Layoffs Level	Jan	1806k	--	1771k	--
11/3/2025 22:00	US	JOLTS Layoffs Rate	Jan	--	--	1.10%	--

Source: Bloomberg

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