

## Daily Treasury Outlook

14 February 2025

### Highlights

**Global:** US equity indices closed broadly higher (S&P 500: 1.0%, Nasdaq: 1.5%, and Dow Jones: 0.8%) overnight, while the 10-year UST yield moved lower and gold continued to rise, last seen at 4.53% and USD 2,928, respectively. On the data front, PPI inflation remained at 3.5% YoY in January 2025 but was higher than the consensus of 3.2%. Meanwhile, core PPI, which excludes food and energy, eased marginally to 3.6% YoY in January from 3.7% but was also above consensus (3.3%). Alongside yesterday's elevated CPI print (3.0% in January from 2.9% in December), this may keep the Federal Reserve on hold in the near future- the fed funds futures priced in ~92% of a cut by the September FOMC meeting. In other data, initial jobless claims fell to 213k for the week ending 8 February, below consensus (216k) and the previous week's print (220k). Meanwhile, continuing jobless claims were broadly stable at 1.85mn (vs. consensus: 1.88mn) for the week ending 1 February. Elsewhere, U.S. President Donald Trump has directed his administration to explore the imposition of reciprocal tariffs on various trading partners. The U.S. Trade Representative and Commerce Secretary are expected to propose new tariffs on a country-by-country basis, a process anticipated to take weeks or months. Howard Lutnick, President Trump's nominee for Commerce Secretary, indicated that studies on trade relations should be completed by April 1, 2025, allowing for potential immediate action afterward. Trump's announcement came before his meeting with Indian Prime Minister Narendra Modi, during which he highlighted concerns over India's high tariff barriers.

**Market Watch:** This morning, Singapore released its 4Q24 and 2024 GDP prints. 4Q24 GDP was revised up to 5.0% YoY (0.5% QoQ sa) from the advance estimates of 4.3% YoY (0.1% QoQ sa). Consequently, the 2024 GDP print was revised up to 4.4% YoY from the advance estimates of 4.0%. By sector, the manufacturing sector grew at a faster 7.4% YoY versus advance estimates of 4.2% growth. Meanwhile, the services sector grew 4.6% YoY in 4Q24 versus advance estimates of 4.3% growth. In contrast, the construction sector grew 4.4% versus 5.9% in its advance estimates. For 2025, the Ministry of Trade and Industry has maintained the GDP growth forecast growth at 1-3% YoY. Later today, we have final 4Q24 and 2024 GDP prints for Malaysia. Elsewhere, the Eurozone market will also release its prelim 4Q24 GDP print. Fed Logan will speak today.

### Key Market Movements

Equity	Value	% chg
S&P 500	6115.1	1.0%
DJIA	44711	0.8%
Nikkei 225	39461	1.3%
SH Comp	3332.5	-0.4%
STI	3882.6	0.2%
Hang Seng	21814	-0.2%
KLCI	1592.3	-0.7%
	Value	% chg
DXY	107.313	-0.6%
USDJPY	152.8	-1.0%
EURUSD	1.0465	0.8%
GBPUSD	1.2566	1.0%
USDIDR	16355	-0.1%
USDSGD	1.3436	-0.8%
SGDMYR	3.3017	-0.1%
	Value	chg (bp)
2Y UST	4.31	-4.81
10Y UST	4.53	-9.20
2Y SGS	2.80	1.50
10Y SGS	2.89	1.69
3M SORA	2.84	-0.62
3M SOFR	4.46	-0.29
	Value	% chg
Brent	75.02	-0.2%
WTI	71.29	-0.1%
Gold	2928	0.8%
Silver	32.34	0.3%
Palladium	997	1.9%
Copper	9485	0.3%
BCOM	105.89	0.4%

Source: Bloomberg

**Commodities:** Crude oil benchmarks extended their losses for the second consecutive trading session. Nevertheless, the decline was marginal, with WTI and Brent falling by 0.1% and 0.2%, respectively, to close at USD71.3/bbl and USD75.0/bbl. The intraday trading was choppy. Oil prices fell to an intraday low during the London session due to potential peace talks between Russia and Ukraine, which raised hopes of easing disruptions to oil supplies in the region. However, losses were pared back after reports indicated a delay in the announcement of US tariffs until April. The delay raises optimism that a trade war, which could create headwinds for global economic growth and commodity demand, might be avoided.

## Major Markets

**CN:** China's central bank (PBoC) signalled a continued easing bias and a stronger focus on offshore yuan market development in its Q4 2024 Monetary Policy Report. The PBoC more than doubled its central bank bill issuance in Hong Kong to CNY275 billion in 2024, up from CNY115 billion in 2023, and plans to further expand issuance to support the offshore yuan and bond market. On monetary policy, the report emphasized the importance of maintaining reasonable price levels, stating that promoting reasonable price increases is a key factor in policy decisions, reinforcing expectations of further easing measures amid weak CPI and PPI trends. Additionally, the PBoC reaffirmed its commitment to a market-driven exchange rate, stressing that market forces should play a decisive role in yuan pricing, while likely maintaining measured intervention to curb excessive volatility.

**ID:** President Prabowo Subianto announced plans to launch the sovereign wealth fund, Daya Anagata Nusantara (Danantara), on 24 February 2025. President Prabowo revealed that the fund is expected to exceed USD900bn in assets under management and will focus on investing in sustainable, high-impact projects such as renewable energy, advanced manufacturing, and food production. These initiatives aim to support Indonesia's target of achieving 8% economic growth.

**MY:** The Malaysia Sustainable Palm Oil (MSPO) CEO, Mohamed Hafizin, noted that the MSPO 2.0 certification is fully equipped to meet the European Union Deforestation Regulation (EUDR) standards, as reported by The Edge. He noted that MSPO 2.0 incorporates key EUDR requirements, including land legality, labour rights, traceability, and deforestation rules—setting an even stricter cutoff date of 31 December 2019, compared to the EUDR's 2020 threshold. The revised certification makes traceability mandatory while strengthening sustainability and ethical labour practices. Hafizin also highlighted that MSPO 2.0 offers a transparent system through the e-MSPO platform, allowing certified entities to verify compliance and enhance credibility in global markets.

**PH:** BSP kept its policy rate unchanged at 5.75% versus expectations of a 25bp cut. Similarly, the deposit and lending rates were kept unchanged at 5.25% and 6.25%, respectively. BSP chose to remain “prudent to await further assessments of the impact of global policy uncertainty and the potential effects of the actual policies”, before easing further. BSP also signalled that it will lower the RRR by 200bp in 1H25, allowing for greater liquidity in the banking system and in turn supporting credit and economic growth. We expect BSP to follow through with an additional 25bp cut in the coming months, taking the policy rate to be at 5.50% by end-2025.

**TH:** The consumer confidence index (CCI) rose for a four consecutive month to 59.0 points in January, up from 57.9 in December 2024. The increase in CCI was broad-based across the sub-indices of ‘economic situation’, ‘income’, and ‘job’. According to the University of the Thai Chamber of Commerce, the improved confidence was primarily due to the government's stimulus measures, the recovery of the tourism sector, as well as improved exports.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading flat to 3bps higher, belly tenors trading 3-4bps higher and 10Y trading 5bps higher. According to Bloomberg, a BlackRock Inc. fund defaulted on a loan for a Shanghai office complex, resulting in the property being forfeited to Standard Chartered Plc. The fund borrowed around RMB780 million in 2018 to buy the property but could not sell it, even after offering 30% discount. Greentown China Holdings Ltd. has priced a USD350 million bond aimed at refinancing offshore debt, marking the first dollar-denominated note issued by a significant Chinese property company since 2023. Bloomberg Asia USD Investment Grade spreads widened by 2bps to 69bps while Bloomberg Asia USD High Yield spreads widened by 7bps to 396bps. (Bloomberg, OCBC)

### New Issues:

There were two notable issuances in the Asiadollar market yesterday.

- Hubei United Development Investment Group Co Ltd priced a USD300mn 3Y Sustainable Fixed bond at 5.10%.
- Greentown China Holdings Ltd (guarantor: subsidiaries) priced a USD350mn 3NC2 Fixed bond at 8.45%.

There was no notable issuance in the Singdollar markets yesterday.

### Mandates:

- Mirae Asset Securities Co. Ltd is planning a USD denominated 3Y Fixed dual-listed Formosa offering, with a series of fixed income investors calls commencing on 13 February 2025.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	107.313	-0.58%	USD-SGD	1.3436	-0.75%
USD-JPY	152.800	-1.05%	EUR-SGD	1.4062	0.06%
EUR-USD	1.047	0.79%	JPY-SGD	0.8793	0.34%
AUD-USD	0.632	0.59%	GBP-SGD	1.6884	0.28%
GBP-USD	1.257	0.96%	AUD-SGD	0.8488	-0.15%
USD-MYR	4.456	-0.31%	NZD-SGD	0.7627	-0.07%
USD-CNY	7.288	-0.26%	CHF-SGD	1.4876	0.46%
USD-IDR	16355	-0.07%	SGD-MYR	3.3017	-0.05%
USD-VND	25467	-0.39%	SGD-CNY	5.4083	0.11%

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.6160	0.04%	1M	4.3123	-0.03%
3M	2.5530	0.55%	2M	4.3193	-0.04%
6M	2.4860	0.20%	3M	4.3227	-0.02%
12M	2.3700	-0.17%	6M	4.3081	-0.02%
			1Y	4.2675	-0.02%

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate	
03/19/2025	-0.019	-1.9	-0.005	4.324
05/07/2025	-0.154	-13.5	-0.039	4.29
06/18/2025	-0.446	-29.2	-0.111	4.217
07/30/2025	-0.605	-15.9	-0.151	4.177
09/17/2025	-0.926	-32.1	-0.232	4.097
12/10/2025	-1.317	-22.2	-0.329	4

## Equity and Commodity

Index	Value	Net change
DJIA	44,711.43	342.87
S&P	6,115.07	63.10
Nasdaq	19,945.64	295.69
Nikkei 225	39,461.47	497.77
STI	3,882.58	7.96
KLCI	1,592.28	-10.77
JCI	6,613.57	-32.21
Baltic Dry	776.00	-25.00
VIX	15.10	-0.79

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.8 (+0.02)	4.31(--)
5Y	2.81 (+0.01)	4.39 (-0.08)
10Y	2.89 (+0.02)	4.54 (-0.09)
15Y	2.9 (+0.01)	--
20Y	2.9 (+0.01)	--
30Y	2.87 (+0.01)	4.74 (-0.1)

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.32
------	------

## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	71.29	-0.11%	Corn (per bushel)	4.935	0.7%
Brent (per barrel)	75.02	-0.21%	Soybean (per bushel)	10.300	0.2%
Heating Oil (per gallon)	244.87	-0.13%	Wheat (per bushel)	5.778	0.6%
Gasoline (per gallon)	211.07	1.01%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	3.63	1.77%	Rubber (JPY/KG)	309.500	2.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9485.00	0.32%	Gold (per oz)	2928.2	0.8%
Nickel (per mt)	15374.00	-0.30%	Silver (per oz)	32.3	0.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date	Country	Item	Period	Survey	Actual	Prior	Revised
02/14/2025 02:15	CH	Money Supply M2 YoY	Jan	7.30%	--	7.30%	--
02/14/2025 02:15	CH	Aggregate Financing CNY YTD	Jan	6500.0b	--	32260.0b	32255.8b
02/14/2025 05:30	NZ	BusinessNZ Manufacturing PMI	Jan	--	51.4	45.9	46.2
02/14/2025 05:45	NZ	Food Prices MoM	Jan	--	1.90%	0.10%	--
02/14/2025 07:00	SK	Unemployment rate SA	Jan	3.20%	2.90%	3.70%	--
02/14/2025 08:00	SI	GDP YoY	4Q F	5.00%	5.00%	4.30%	--
02/14/2025 12:00	MA	GDP YoY	4Q F	4.80%	--	4.80%	--
02/14/2025 14:30	IN	Wholesale Prices YoY	Jan	2.50%	--	2.37%	--
02/14/2025 15:00	GE	Wholesale Price Index MoM	Jan	--	--	0.10%	--
02/14/2025 15:00	GE	Wholesale Price Index YoY	Jan	--	--	0.10%	--
02/14/2025 15:30	TH	Gross International Reserves	07-Feb	--	--	\$242.1b	--
02/14/2025 18:00	EC	GDP SA QoQ	4Q P	0.00%	--	0.00%	--
02/14/2025 18:00	EC	GDP SA YoY	4Q P	0.90%	--	0.90%	--
02/14/2025 21:30	US	Retail Sales Advance MoM	Jan	-0.20%	--	0.40%	--
02/14/2025 21:30	US	Import Price Index MoM	Jan	0.40%	--	0.10%	--
02/14/2025 22:15	US	Industrial Production MoM	Jan	0.30%	--	0.90%	--

Source: Bloomberg

## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavyavenkateswaran@ocbc.com](mailto:lavyavenkateswaran@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathann4@ocbc.com](mailto:jonathann4@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W