

## Daily Treasury Outlook

13 March 2025

### Highlights

**Global:** The rally in US equities overnight (S&P: +0.5%; NASDAQ: +1.2%; Dow: -0.2%) was shallow and mainly led by the large-cap names. February US CPI inflation came in lower-than-expected rising 0.2% MoM and 2.8% YoY versus expectations of 0.3% and 2.9%. But this print is a clear case in point for the US Fed to distinguish the signals from the noise. The details were mixed across the board. CPI for airline fares, gasoline and food rose at a slower pace in February compared to January, while energy services inflation and apparel inflation increased. The implications for PCE, particularly core PCE, will be better known once the February PPI data is released tonight. The DXY index was largely unchanged while UST yields rose across the curve as US fed fund futures pricing for rate cuts this year was modestly pared back. The trade war escalated yesterday after Canada retaliated with 25% tariffs on ~CAD30bn of US made products, starting Thursday and the EU hit targeted ~EUR26bn of American goods. This follows President Trump's decision to push ahead with 25% tariffs on steel and aluminium. Lower headline CPI in India overnight has paved the way for a potential rate cut from RBI at its 9 April meeting.

**Market Watch:** Global markets will remain on tenterhooks as sentiment remains fragile from rising tariff barriers. The data releases today include Mexico's January industrial production (which may reflect some impact from US tariff threats), US February PPI and weekly labour market data and Eurozone January industrial production.

**Commodities:** Crude oil benchmarks extended gains for the second consecutive trading session, with WTI and Brent increasing by more than 2.0%, to close at USD67.7/bbl and USD71.0/bbl, respectively. Tighter-than-expected US crude oil and fuel inventories pushed the market higher. According to the Energy Information Administration (EIA), US crude inventories increased by 1.4mn bbls (consensus: 2.2mn bbls) to 435.2mn bbls. This is lower than the 4.2mn bbls buildup reported by the American Petroleum (API) reported the previous day. Meanwhile, gasoline and distillate inventories declined by 5.7mn bbls and 1.6mn bbls, respectively, reaching 241.1mn bbls and 117.6mn bbls for the week ending 7 March.

### Key Market Movements

Equity	Value	% chg
S&P 500	5599.3	0.5%
DJIA	41351	-0.2%
Nikkei 225	36819	0.1%
SH Comp	3371.9	-0.2%
STI	3833.1	0.2%
Hang Seng	23600	-0.8%
KLCI	1484.8	-2.3%
	Value	% chg
DXY	103.612	0.2%
USDJPY	148.25	0.3%
EURUSD	1.0888	-0.3%
GBPUSD	1.2963	0.1%
USDIDR	16445	0.2%
USDSGD	1.3329	0.2%
SGDMYR	3.3197	0.1%
	Value	chg (bp)
2Y UST	3.99	4.35
10Y UST	4.31	3.25
2Y SGS	2.43	0.10
10Y SGS	2.64	1.03
3M SORA	2.65	-1.06
3M SOFR	4.39	-0.34
	Value	% chg
Brent	70.95	2.0%
WTI	67.68	2.2%
Gold	2935	0.6%
Silver	33.25	0.9%
Palladium	954	0.7%
Copper	9770	1.1%
BCOM	104.45	-0.4%

Source: Bloomberg

## Major Markets

**CN:** The Ministry of Commerce reportedly summoned Walmart for discussions after the retailer allegedly demanded up to 10% price cuts from Chinese suppliers to offset the impact of U.S.-China tariffs. Chinese authorities cautioned that retroactive price reductions could violate existing supply contracts, signaling Beijing's determination to protect its supply chain ecosystem and ensure fair business practices for domestic suppliers. The move also serves as a warning to multinational corporations that unilateral cost-shifting strategies will not be tolerated. Given the already thin margins for Chinese manufacturers, there is limited capacity for suppliers to absorb the additional costs, making it likely that a significant portion of the tariffs will ultimately be passed on to U.S. consumers through higher retail prices.

**ID:** Bank Indonesia's retail sales survey estimates that sales will fall by 0.5% YoY in February 2025, following a 0.5% growth in January. Lower sales are expected in the food, drink, and tobacco categories, which have more than offset improvements in other components. The survey also indicates that respondents anticipate lower inflationary pressures over the next three months (until April) following price normalization after Ramadan, before picking up again in the next six months (by July 2025).

**MY:** The industrial production index growth slowed to 2.1% YoY in January 2025 from 4.6% in December (Consensus: 2.7%; OCBC: 1.4%), with a slowdown observed across all key sectors. Specifically, the manufacturing sector's growth eased to 3.7% YoY in January from 5.8% in December, followed by mining (-3.1% from 0.9%) and the electricity sector (-0.1% from 3.5%). By orientation, weaknesses in the export-oriented sector (1.6%, down from 6.8%) have more than offset the improvement in the domestic-oriented sector (8.0%, up from 3.7%).

**VN:** Singapore and Vietnam have upgraded their bilateral relations to a Comprehensive Strategic Partnership, focusing on cooperation in emerging sectors like the digital economy and renewable energy. The announcement coincided with the visit of Vietnamese General Secretary To Lam, during which both nations emphasized the importance of their collaboration for regional initiatives, including the ASEAN Digital Economy Framework Agreement. In addition, the partnership aims to enhance political trust, expand economic ties, and promote cooperation in various fields, including defence, culture, education, and tourism.

**TH:** The industrial sentiment index (ISI) rose to 93.4 in February, up from 91.6 in January. This marks the second consecutive month of increase in the index and its highest level in nearly two years. According to the Federation of Thai Industries, the improved sentiment was supported by lower interest rates, an accelerated disbursement of the fiscal budget, and robust tourist arrivals. For the next three months, the ISI is projected to increase to 97.6, up from 96.2 in January.

## ESG

**Rest of the world:** The Trump administration is pulling out of the international climate loss and damage fund, which is a fund meant to compensate for damage by polluting nations to developing countries most affected by climate change impacts. This is in addition to the US' withdrawal from the Paris Agreement and reversal of support for clean energy projects in the US. With the US reducing its climate finance contributions, the responsibility to mobilise international climate finance for developing countries might shift to other developed countries.

## Credit Market Updates

**Market Commentary:** The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher, belly tenors trading 2-3bps higher and 10Y trading 3bps higher. Shanghai Bull Fund Management ("Bull Fund"), a bondholder of Logan Group Co Ltd ("Logan"), opposes the company's preliminary plan to restructure RMB22bn of onshore debt as the plan's recovery rate is below market expectations. If bondholders opt for a 9.5-year maturity extension, the recovery could reach 40%-47.2%, while other proposed options would yield only 15%-30%. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 73bps while Bloomberg Asia USD High Yield spreads tightened by 6bps to 396bps. (Bloomberg, OCBC)

### New Issues:

There were four notable issuances in the Asiadollar market yesterday.

- Bank of China Ltd/Panama priced a USD500mn 3Y FRN at SOFR+50bps.
- Yangzhou Economic and Technological Development Zone Development Group Co Ltd priced a USD300mn 3Y Transition bond at 4.98%.
- Ganzhou Development Investment Holding Group Co Ltd priced a USD300mn 3Y Sustainable bond at 5.05%.
- Shengzhou Communications Investment Development Group Co Ltd (guarantor: Shengzhou Investment Holding Co Ltd) priced a USD142mn 3Y Fixed bond at 5.40%.

There was one notable issuance in the Singdollar market yesterday.

- Cagamas Global P.L.C. (guarantor: Cagamas Bhd) priced a SGD150mn 1Y Fixed bond at 2.83%.

### Mandates:

- Zhuzhou City Construction Development Group Co., Ltd. may issue USD denominated Senior Unsecured Sustainable bonds.

## Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	103.612	0.19%	USD-SGD	1.3329	0.21%
USD-JPY	148.250	0.32%	EUR-SGD	1.4513	-0.08%
EUR-USD	1.089	-0.28%	JPY-SGD	0.8993	-0.10%
AUD-USD	0.632	0.37%	GBP-SGD	1.7281	0.30%
GBP-USD	1.296	0.09%	AUD-SGD	0.8425	0.56%
USD-MYR	4.428	0.31%	NZD-SGD	0.7637	0.43%
USD-CNY	7.238	0.11%	CHF-SGD	1.5118	0.32%
USD-IDR	16445	0.24%	SGD-MYR	3.3197	0.13%
USD-VND	25462	-0.07%	SGD-CNY	5.4314	-0.11%

## Equity and Commodity

Index	Value	Net change
DJIA	41,350.93	-82.55
S&P	5,599.30	27.23
Nasdaq	17,648.45	212.35
Nikkei 225	36,819.09	25.98
STI	3,833.07	7.24
KLCI	1,484.83	-35.32
JCI	6,665.05	119.20
Baltic Dry	1,424.00	24.00
VIX	24.23	-2.69

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR	Change
1M	2.4710	0.61%	1M	4.3228	-0.01%
3M	2.5470	0.71%	2M	4.3179	-0.05%
6M	2.3900	-0.75%	3M	4.2925	-0.05%
12M	2.4610	-0.81%	6M	4.1807	0.00%
			1Y	3.9868	-0.10%

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.43 (--)	3.94(--)
5Y	2.46 (--)	4.07 (+0.04)
10Y	2.64 (+0.01)	4.28 (+0.03)
15Y	2.71 (+0.02)	--
20Y	2.73 (+0.01)	--
30Y	2.71 (+0.02)	4.6 (+0.04)

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/19/2025	-0.041	-4.1	-0.01
05/07/2025	-0.325	-28.4	-0.081
06/18/2025	-0.999	-67.4	-0.25
07/30/2025	-1.391	-39.2	-0.348
09/17/2025	-2.055	-66.4	-0.514
12/10/2025	-2.791	-41	-0.698

## Financial Spread (bps)

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

## Secured Overnight Fin. Rate

SOFR	4.33
------	------

## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	67.68	2.16%	Corn (per bushel)	4.488	-1.7%
Brent (per barrel)	70.95	2.00%	Soybean (per bushel)	9.875	-1.0%
Heating Oil (per gallon)	220.63	0.43%	Wheat (per bushel)	5.388	-0.4%
Gasoline (per gallon)	215.01	2.14%	Crude Palm Oil (MYR/MT)	45.090	0.5%
Natural Gas (per MMBtu)	4.08	-8.29%	Rubber (JPY/KG)	309.500	2.8%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	9770.00	1.11%	Gold (per oz)	2934.8	0.6%
Nickel (per mt)	16641.00	0.90%	Silver (per oz)	33.2	0.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date	Country	Item	Period	Survey	Actual	Prior	Revised
3/13/2025 7:50	JN	Japan Buying Foreign Bonds	7-Mar	--	-¥355.9b	¥1514.2b	--
3/13/2025 7:50	JN	Foreign Buying Japan Stocks	7-Mar	--	-¥220.5b	-¥708.3b	--
3/13/2025 7:50	JN	Foreign Buying Japan Bonds	7-Mar	--	¥686.4b	¥776.5b	--
3/13/2025 7:50	JN	Japan Buying Foreign Stocks	7-Mar	--	¥1257.4b	¥626.9b	--
3/13/2025 8:00	AU	Consumer Inflation Expectation	Mar	--	3.60%	4.60%	--
3/13/2025 8:01	UK	RICS House Price Balance	Feb	20.00%	11.00%	22.00%	21.00%
3/13/2025 11:30	TH	Consumer Confidence Economic	Feb	--	--	52.6	--
3/13/2025 20:30	US	Initial Jobless Claims	8-Mar	225k	--	221k	--
3/13/2025 20:30	US	PPI Final Demand MoM	Feb	0.30%	--	0.40%	--
3/13/2025 20:30	US	PPI Final Demand YoY	Feb	3.30%	--	3.50%	--
3/13/2025 20:30	US	Continuing Claims	1-Mar	1888k	--	1897k	--
3/13/2025 20:30	US	PPI Ex Food and Energy MoM	Feb	0.30%	--	0.30%	--
3/13/2025 20:30	US	PPI Ex Food and Energy YoY	Feb	3.50%	--	3.60%	--
3/13/2025 20:30	US	PPI Ex Food, Energy, Trade MoM	Feb	0.30%	--	0.30%	--
3/13/2025 20:30	US	PPI Ex Food, Energy, Trade YoY	Feb	3.40%	--	3.40%	--

Source: Bloomberg

**Macro Research**

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