

UOB House View 4Q 2025

Monday, 13 October 2025

The Team
Global Economics & Markets Research
Private Bank

Global Macro

The Fed's rate cutting path was already uncertain heading into this latest US government shutdown. Compounding the increasing weakness in the US job market, this shutdown may have a more severe impact on the US job market. On balance, we believe that should this shutdown drag on and federal workers are indeed laid off, the Fed may well err on the side of caution and deliver another 25-bps rate cut.

Asset Allocation

We upgrade Equities to **Overweight** from **Neutral**; position for favorable seasonality effects in the next six months and use dips to accumulate quality stocks. We stay **Neutral** on Fixed Income given asymmetric risk-reward with immensely tight credit spreads and recommend an average duration of 4-5 years. We remain **Overweight** on Alternatives as less correlated assets offer diversification benefits. We maintain **Neutral** on Money Market with an eye for fresh capital deployment on technical pullbacks.

Equities

We remain **Overweight** on US equities. While we continue to favor quality AI/growth stocks, investors should diversify some exposure into the "Next20" after Mag7 within S&P 500. We stay **Neutral** on European equities against a backdrop of tepid growth outlook and prefer selected opportunities in banks, industrials and defence stocks amid expectations for incremental monetary and fiscal policy loosening. We remain **Neutral** on Japan's equities and reiterate our preference for quality companies with strong IP/brands, selected tech stocks and corporate-reform beneficiaries. We remain **Overweight** on Emerging Asia equities as a weaker USD and Fed easing may drive more foreign inflows into EM Asia against a backdrop of relatively undemanding valuations.

Fixed Income

We stay **Overweight** on Developed Markets (DM) IG as a defensive hedge which comes with still attractive coupon carry. We stay **Underweight** on DM USD HY as risk-reward remains asymmetric, with credit spread widening posing a huge downside risk. We stay **Overweight** on Emerging Markets (EM) which offers both stability and diversification, supported by a broad investor base, a stable credit environment and favourable EM trends. We stay **Neutral** on EM HY and see better value in 'BB' rising star credits.

Commodities

Since the successful technical breakout above USD 3,500 / oz, gold has rallied strongly over the past month. We raise our positive gold forecast further amidst the strong surge in retail interest. We forecast gold price to reach USD 4,200 / oz by 3Q26. OPEC+ will continue its eager resumption of supply cuts, capping any significant upside in crude oil price and we reiterate our cautiously neutral forecast of USD 70 / bbl for 4Q25 and USD 60 / bbl for 3Q26.

FX & Interest Rates

Amidst a steepening yield curve, the broader medium-term USD downtrend remains intact as the Fed is expected to be increasingly dovish relative to its G10 peers. Overall, our DXY forecasts are 96.2 by end-2025 and 93.8 by 3Q26. As for front-end rates, we forecast the 3M compounded in arrears Sofr and Sora to decline to 3.83% and 1.23% by 4Q25 while, we now see 10Y UST yield ending 2025 lower at 4.10% while 10Y SGS yield will ease further to 1.90% by end 2025.

Global Macro & Markets Strategy

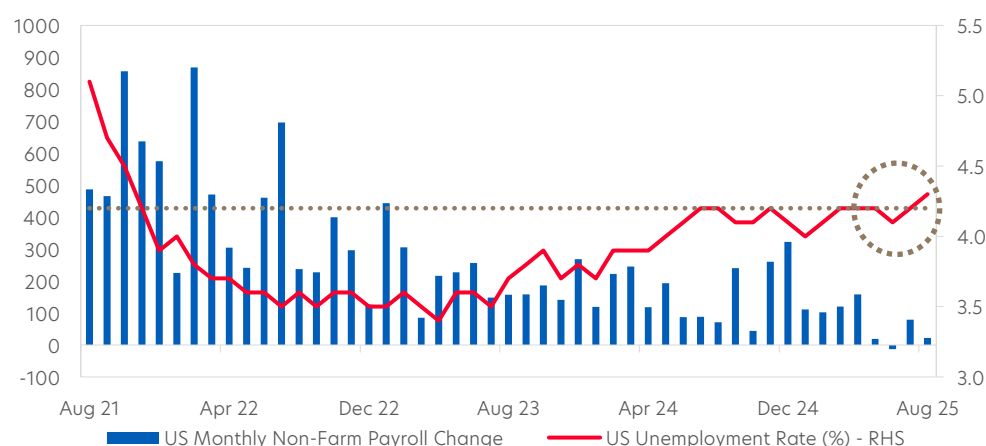
US government shutdown clouds Fed rate cutting path

The Fed's rate cutting path was already uncertain heading into this latest US government shutdown. At the most recent FOMC in September, Fed Chair Jerome Powell conceded that "It is really risks to the labor market that were the focus of today's decision (to cut rates)". Going forward, the Fed's rate cutting path is expected to be shallow, but fraught with increasing uncertainty. It does not help that the FOMC's latest dot plot, especially for 2026 looks like a scattered can of beans. While Fed Chair Jerome Powell insisted that there is robust discussion amongst the Fed officials, the lack of a clear consensus with wide dispersion in dot plot expectations points to more volatility and uncertain Fed monetary policy decisions in the months ahead. In addition, the FOMC's latest economic projection for 2026 appears conflicted as it points to a stronger US economy (by raising GDP forecast, lowering unemployment forecast and raising core PCE forecast) and yet, expects a lower median dot plot.

Officially, this is the 10th US federal government shutdown since 1976 when the current budget process was established. The previous federal government shutdown from 22 Dec 2018 to 25 Jan 2019 was the longest on record to-date, lasting a total of 35 days. While this latest US government shutdown started on 1 Oct 2025 after the usual bipartisan budgeting dispute failed to resolve the funding gap, it may well be different this time round due to its potentially more severe impact on the US job market.

Chart 1: US job market uncertainty increases amidst shutdown

Source: White House, BLS, UOB Global Economics & Markets Research



The US job market was already weakening on the sidelines heading into the shutdown. After the latest revision, US non-farm payrolls grew by just a miniscule 29k jobs on average over the past 3 months. Effectively job growth has now "stalled". And after consolidating between 4% and 4.2% over the past one year, US unemployment rate moved higher to 4.3% as well in the latest monthly reading (Aug).

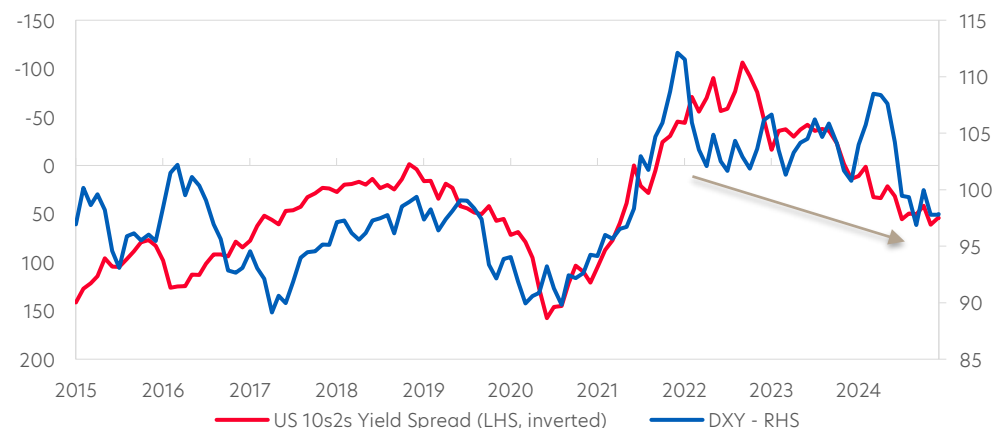
Compounding the increasing weakness in the US job market, this shutdown may have a more severe impact on the US job market. Not only a record number of 750k of federal workers have been furloughed this time round, but the Trump administration has also warned that it may resort to layoffs should this shutdown drag on. Some estimates suggest that as much as 300k to 500k federal workers are at risk of being laid off. If so, this will be the first instance of permanent layoffs, as previous shutdowns have not resulted in permanent layoffs.

Further clouding the outlook is that this shutdown has delayed and looks to potentially delay the release of important US macroeconomic data in the coming weeks, including non-farm payroll job market report as well as monthly CPI release, as the US Bureau of Labor Statistics (BLS) had most of its 2,000 staff furloughed. The Census Bureau and the Bureau of Economic Analysis - both under the Commerce Department - will also stop all data collection during the shutdown and will potentially delay reports on gross domestic product (GDP), consumer spending, PCE inflation and trade flows. The delay of such critical macroeconomic data may well impede the Fed's monetary policy decision at the upcoming 28/29 Oct

FOMC. On balance, we believe that should this shutdown drag on and federal workers are indeed laid off, the Fed may well err on the side of caution and deliver another 25-bps rate cut.

Chart 2: DXY to stay weak on further US yield curve steepening

Source: Bloomberg, UOB Global Economics & Markets Research



While risky assets generally remain buoyant and have shrugged off the potential negative consequence of this shutdown on the US job market, safe havens like gold and US Treasuries have indeed strengthened. In particular, short term US Treasuries yield dropped from 3.6% to 3.55% upon announcement of the shutdown, while gold continued its remarkable rally to gain further strength to reach almost USD 3,900 / oz. Overall, the US yield curve has indeed steepened, reinforcing our core view of a weaker USD.

FX Strategy

USD stabilized towards the end of 3Q25 – is this a turning point or a brief interruption?

The US Dollar Index (DXY) staged a notable turnaround by the end of Sep, recovering early-month losses to end the period largely unchanged at 97.8. The inflection point came during the Sep FOMC meeting, where the Fed delivered a 25-bps rate cut. However, Chair Powell's characterization of the move as a "risk management" step – paired with a strong emphasis on data dependency going forward – helped temper dovish expectations and lent some support to the USD.

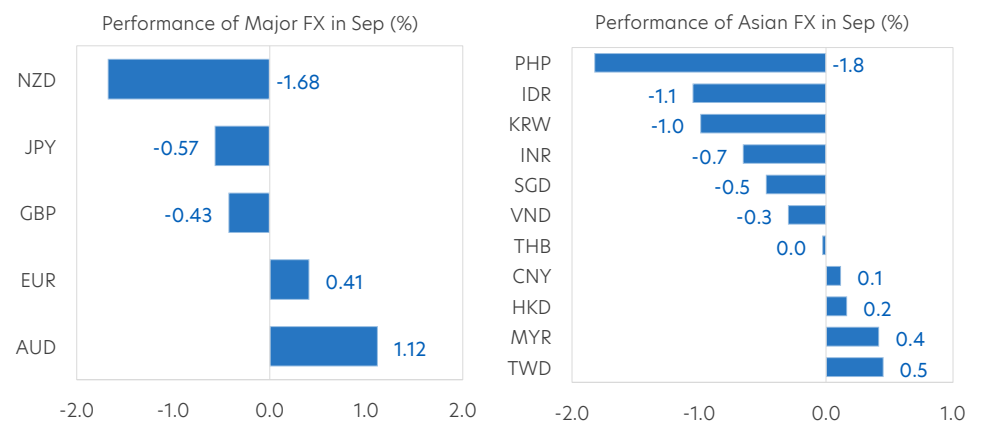
Throughout the month, a series of stronger-than-expected US data releases, including surprising strength in 2Q GDP, Aug new home sales, and durable goods orders, provided additional tailwinds for the USD. That said, gains were capped by renewed concerns over a US government shutdown, which injected a degree of economic and policy uncertainty into markets. Looking ahead, the key question remains: will this two-way volatility persist, or is the broader downtrend in DXY still intact as the Fed's easing cycle progresses?

Asian currencies delivered a mixed performance in Sep, closing the third quarter on a more cautious footing. Most regional currencies weakened against the USD in 3Q25, paring back part of their year-to-date gains. This came as markets reassessed the economic implications of country-specific tariffs announced in early Aug. Sentiment was further dampened by the late-Sep announcement of sector-specific tariffs – targeting items such as branded pharmaceuticals, heavy-duty trucks, and kitchen and bathroom cabinetry – which reignited concerns over renewed trade fragmentation and supply chain disruptions.

As we enter the final quarter of the year, the outlook for Asian FX hinges on whether this recent bout of weakness will extend, or if a renewed phase of broad USD softness will emerge in tandem with further Fed rate cuts.

Chart 3: Most Major and Asian FX slipped against the USD in Sep

Source: Bloomberg, UOB Global Economics & Markets Research



Major FX Strategy

USD vulnerable as Fed leads in rate cuts while G-10 peers near end of easing cycle

The Sep FOMC meeting followed a familiar market pattern of “sell the rumor, buy the news.” The DXY rebounded from a low of 96.22 – its weakest level since Feb 2022 – on the day of the FOMC, ultimately ending the month largely unchanged at 97.8. On a quarterly basis, the DXY rose 0.9%, reversing in a modest way the sharp 10.9% decline recorded in the first half of the year.

Despite this tentative stabilization, the broader narrative of a medium-term USD downtrend remains intact. Rate expectations continued to shift on a dovish note, with interest rate swap markets pricing in further easing following the Fed’s initiation of its rate-cut cycle in Sep. As of 3 Oct, Fed-dated OIS markets have fully priced in a 25-bps cut at the upcoming 28/29 Oct FOMC meeting, with a total of 47 bps in cuts priced in by year-end.

Underlying this dovish tilt is a weakening US labor market and still limited signs of tariff-induced inflation – factors likely to substantiate the case for further Fed easing. Additionally, growing dovish sentiment within the Fed and potential political pressure from the Trump administration may introduce an asymmetric bias in interpreting incoming data, favoring further accommodation.

Chart 4: We reiterate view of lower DXY in the coming quarters

Source: Bloomberg, UOB Global Economics & Markets Research



Relative to its G-10 peers, the Fed is expected to appear increasingly dovish, especially as other central banks approach the end of their respective easing cycles. Notably, our macroeconomic team has recently revised its outlook to anticipate fewer rate cuts from both the European Central Bank (ECB) and the Reserve Bank of Australia (RBA). This policy divergence is expected to narrow USD interest rate differentials further, reinforcing downward pressure on the USD.

Complicating matters further is the fact that with the shutdown, key macroeconomic data like US job market report and inflation updates are now put on hold, possibly clouding the Fed's monetary policy decision at the upcoming 28/29 Oct FOMC. On balance, we believe that the Fed may well err on the side of caution and deliver a 25-bps rate cut next

Amidst a steepening yield curve, the broader medium-term USD downtrend remains intact. Relative to its G-10 peers, the Fed is expected to appear increasingly dovish, especially as other central banks approach the end of their respective easing cycles. Overall, our latest DXY forecasts are 96.2 by end-2025 and 93.8 by 3Q26. We continue to see varying degrees of strength in EUR, GBP, JPY, AUD, NZD against the USD going forward.

Asia FX Strategy

Trade tensions ease, but growth concerns temper USD/Asia downtrend

Asian currencies posted a mixed performance in Sep, ending the third quarter on a more cautious note. The overhang from renewed tariff risks prompted profit-taking after strong gains in Asian FX during the first half of the year. This shift in sentiment coincided with a notable pullback in regional exports, suggesting that the impact of tariffs is beginning to weigh on trade volumes, especially as earlier front-loading positive effects on growth fade.

We expect broad-based USD weakness to reassert itself as the Fed resumes its rate-cutting cycle, guiding USD/Asia lower. But the pace of depreciation may be gradual, as Asia's subdued growth outlook and the dovish bias of regional central banks could temper enthusiasm for Asian FX. We see further downside potential for USD/CNY to 7.11 by 4Q25 and 7.02 by 3Q26, driven by expectations of a US-China trade agreement by end-2025.

In light of the recent resilience in Singapore's economy, we now expect the MAS to delay any further easing - via a full flattening of the S\$NEER slope - until the Jan 2026 MPS instead of the upcoming Oct 2025 MPS. Nonetheless, with the prevailing downward pressure on the S\$NEER, we see scope for SGD underperformance relative to regional peers. Accordingly, our latest USD/SGD forecasts are 1.29 in 4Q25 and 1.27 in 3Q26.

Rates Strategy

A New Phase of Divergence as Fed resumes rate cuts

US Rates - One cut done, two more to follow in 2025: Fed's easing path unfolds

The Fed formally commenced the next phase of its monetary easing cycle at the Sep FOMC meeting, delivering a 25-bps reduction in the Fed Funds Target Rate (FFTR) to a range of 4.00%-4.25%. The decision was passed with an 11-1 vote, with newly appointed Governor Stephen Miran dissenting in favor of a more aggressive 50-bps cut.

During the post-meeting press conference, Chair Powell struck a dovish tone initially, acknowledging labor market softness by noting that the "jobs market was no longer very solid." However, the tone shifted as Powell characterized the rate cut as a "risk-management" move, reinforcing the Fed's data-dependent stance going forward.

We maintain our base case for two additional 25-bps rate cuts by year-end, likely at the Oct and Dec FOMC meetings. This projection aligns with the Fed's latest dot plot, which also signals two more cuts in 2025. After the unexpected contraction in Sep's private payrolls, the swap market has now fully priced in a 25-bps rate cut in Oct and about 47 bps of cumulative easing by year-end. Moreover, the ongoing US government shutdown, particularly if prolonged, adds downside risk to growth outlook and the job market and consequently strengthens the case for further monetary accommodation.

As the Fed rate cuts unfold, we expect the 3-month compounded in arrears Sofr to resume its downward trajectory. Our updated forecasts for 3M compounded Sofr are 3.83% in 4Q25, 3.75% in 1Q26, 3.54% in 2Q26 and 3.30% in 3Q26. Prevailing overnight Sofr is about 4.35%.

The key risk to our projected Fed rate-cut path remains the potential for tariff-driven price pressures to trigger a more persistent shift in inflation dynamics and expectations. Barring a sharp and sustained rise in inflation, the Fed will likely feel compelled to balance both sides of its dual mandate, with increasing emphasis on the weakening labour market. As such, the likelihood of the Fed reverting to a wait-and-see approach immediately after restarting rate cuts appears contained for now.

In the US Treasuries (UST) market, we see scope for further bull steepening of the yield curve as rate cuts come into clearer focus. We still expect further steepening of the 2s10s curve – from 60 bps currently to 80 bps by 3Q26. This means back-end (10Y) yields will not come down as much compared to the front-end (2Y) in response to Fed easing. Our updated 10Y UST yield forecasts are at 4.10% in 4Q25, 4.00% in 1Q26, 4.00% in 2Q26 and 4.10% in 3Q26. Prevailing 10Y UST yield is about 4.09%.

SG Rates - Shallow ripples: Fed rate cuts and the Sora response

The immediate impact of the Fed's Sep rate cut on Sora has been muted, consistent with our earlier expectations. As previously highlighted, much of the transmission from Fed rate cut expectations to domestic rates appears to have been front-loaded. This is evidenced by the record divergence between overnight Sora and Sofr, which widened to approximately 360 bps in early Sep.

Nonetheless, we anticipate some residual transmission to Sora in the coming months, particularly as we continue to expect an additional 50 bps of Fed rate cuts by year-end. Domestic liquidity conditions also remain supportive of lower Sora levels. Notably, the Monetary Authority of Singapore (MAS) has not significantly increased net bill issuance to absorb excess liquidity. Year-to-date MAS bill issuance remains broadly in line with last year's levels, suggesting a preference to maintain accommodative conditions.

While the bias for Sora remains lower, several factors may limit the extent of its decline. The S\$NEER premium moderated further in Sep, falling from +1.7% to +1.3% above the midpoint. As SGD strength fades, the wide SG-US rate differential is likely to narrow, providing a firmer base for Sora.

Moreover, it is important to contextualize current rates levels. The near-zero Sora observed during 2020–2021 was a function of emergency pandemic-era monetary policy. With no recession expected in either the US or Singapore through 2025–2026, and a projected terminal Fed Funds Rate of 3.25% by 2026, a return to crisis-era near zero Sora levels is unlikely.

Overall, we continue to expect a gradual decline in Sora in line with the Fed's easing trajectory. Accordingly, our updated forecast for 3M compounded Sora is 1.23% in 4Q25, 1.22% in 1Q26, 1.20% in 2Q26 and 1.25% in 3Q26. Prevailing 3M compounded in arrears Sora is about 1.45%.

Similar to short-dated SGD risk-free rates, the yield discount of Singapore Government Securities (SGS) relative to UST has widened significantly this year, reaching a record 246 bps in Aug. This reflects the safe-haven status of SGS amid global uncertainty. However, as the S\$NEER continues to soften, we expect this extreme one-way flow to recalibrate, leading to a gradual narrowing of the SGS-UST spread. Our updated forecast for 10Y SGS is 1.90% in 4Q25, 1.85% in 1Q26, 2.10% in 2Q26 and 2.30% in 3Q26. The prevailing 10Y SGS yield is about 1.91%.

For more details on our FX and rates view, kindly refer to: [“Monthly FX & Rates Strategy: US government shutdown clouds Fed rate cutting path”](#) dated 06 Oct 25

Commodities Strategy

On-going global trade tariff uncertainty continues to favor Gold

Gold: USD 4,000 / oz and above beckons as retail investment interest intensifies

In our previous Quarterly Global Outlook 4Q2025, published just a month ago on 05 Sep 2025, “we reiterate our positive long-term view for gold in light of the reinforcement of key long term positive drivers and the strong technical breakout”. Since the successful technical breakout above USD 3,500 / oz, gold has rallied strongly over the past month, jumping to almost USD 3,900 / oz”.

What is remarkable about this powerful rally is the surge in global retail investment demand in gold. The strong safe haven diversification needs fueled by global worries over debasement of the USD led to a jump in demand for gold backed ETFs, futures and related investment products.

Overall, all the key long-term positive drivers, especially that of further USD weakness and on-going strong allocation into gold from central banks remain strongly in place. Coupled with the surge in retail investment interest in gold, we maintain our positive outlook in gold and raise forecast further to reach USD 4,100 / oz for 2Q26 and USD 4,200 / oz for 3Q26.

For more details on our gold view, kindly refer to: [“Gold: USD 4,000 / oz and above beckons as retail investment interest intensifies”](#) dated 06 Oct 25

Brent: Back in “boring” trading range, albeit with a downward bias

Remarkably and fortuitously for the global economy, significant event risks like Liberation Day in Apr and the Israel-Iran conflict across Jul have since dissipated and calmed down and Brent crude oil has managed to stay within its medium-term broad trading range from USD 60 to 80 / bbl. The technical chart suggests as well that there is no clear trend right now. With the passage of acute geopolitical risks, the focus for Brent crude oil reverts back to the traditional fundamental demand and supply drivers. Specifically, it is noted that OPEC+ will continue its eager resumption of supply cuts, capping any significant upside in crude oil price as the Trump administration continues its careful replenishment of the Strategic Petroleum Reserves (SPR), supporting the downside in crude oil prices. As such we reiterate our cautiously neutral forecast of USD 70 / bbl for 4Q25 and USD 60 / bbl for 3Q26.

LME Copper: Testing the key USD 10,000 / MT resistance amidst contrasting drivers

LME Copper price has grinded higher towards the key psychological resistance of USD10,000 / MT. This after US investors and global manufacturers remain unconvinced and worried that the Trump administration will not impose import tariffs on refined Copper. However, this strength in LME Copper price is not in line with the weakening global economic backdrop. While most economies have done much better than expected in 2Q25, this pre-tariff export rush is set to taper off in 4Q25. There is increasing concern that global manufacturing and exports may weaken anew in 4Q25. Adding to this is increasing signs of job market weakness in the US as well. As such, we are not convinced of a premature sustained break in LME Copper price above USD 10,000 / MT. We maintain our cautiously neutral forecast for USD 10,000 / MT for 4Q25 and USD 9,000 / MT for 3Q26.

Asset Allocation

Asset Class Summary 4Q 2025

The asset class summary below is based on a "Balanced" risk profile

Asset Classes	U/W	N	O/W	Comments
Equities				Upgrade to Overweight from Neutral. Position for favourable seasonality effects in the next six months. Use dips to accumulate quality stocks.
United States				Stay Overweight. Diversify from Mag7 to "Next 20" in market cap. within the S&P 500 and other regions to mitigate concentration risks.
Europe				Remain Neutral with an eye for selected thematic stocks. Stick to winners riding on government policy tailwinds.
Japan				Stay Neutral. Prefer companies with strong IP/brands. Rotate into exporters near term amid a weaker yen. Buy banks as prices stabilise.
EM Asia				Remain Overweight. Prefer resilient dividend stocks coupled with secular growth plays like China tech/AI.
Fixed Income				Remain Neutral given asymmetric risk-reward with immensely tight credit spreads. Stick to an average duration of 4-5 years.
DM IG				Remain Overweight. Prefer quality bonds from defensive sectors amid tariff uncertainty.
DM HY				Remain Underweight. Risk-reward is asymmetric; credit spread widening is a key risk to watch out for.
EM IG				Remain Overweight. Prefer Asian financials, select Asia-focused insurers, quasi-sovereigns/strategic SOEs, and consumer names.
EM HY				Remain Neutral. Selectivity is key in avoiding credit pitfalls.
Alternatives				Remain Overweight as less correlated alternatives offer diversification benefits.
Hedge Funds				Remain Overweight. Selected hedge funds can outperform the public markets.
Private Markets				Remain Neutral. Selected private-market funds have well-established track records.
Crude Oil				Remain Neutral. Crude oil prices are expected to settle in a range between USD 60-80/bbl with risks skewed to the downside.
Base Metals				Remain Underweight. Copper price strength is inconsistent with weak US and Chinese manufacturing PMIs.
Precious Metals				Remain Overweight. Gold can thrive on safe-haven demand, weak USD amid Fed rate-cut expectations, and China's strong buying momentum.
Money Market				Remain Neutral with an eye for fresh capital deployment on technical pullbacks.

 Underweight
  Neutral
  Overweight
  Current quarter's position
  Previous quarter's position

Notes:

The asset class summary above is based on a "Balanced" risk profile.

In the headers, "U/W" represents "Underweight", "N" represents "Neutral", and "O/W" represents "Overweight".

Each black dot indicates current quarter's position. If any, each empty dot indicates previous quarter's position.

Asset Classes	Very Conservative (%)		Conservative (%)		Balanced (%)		Growth (%)		Aggressive (%)		Comments
	Now	Chg.	Now	Chg.	Now	Chg.	Now	Chg.	Now	Chg.	
Equities			30.3	▲ 5.0	50.0	▲ 5.0	65.0	▲ 5.0	75.0	▲ 5.0	
United States			19.2	▲ 3.2	32.0	▲ 3.2	41.6	▲ 3.2	48.0	▲ 3.2	
Europe			4.5	▲ 0.8	7.5	▲ 0.8	9.8	▲ 0.8	11.3	▲ 0.8	
Japan			1.8	▲ 0.3	3.0	▲ 0.3	3.9	▲ 0.3	4.5	▲ 0.3	
EM Asia			4.5	▲ 0.8	7.5	▲ 0.8	9.0	▲ 0.8	11.3	▲ 0.8	
Fixed Income	90.0		65.0	▲ 5.0	30.0	▼ -5.0	10.0				
DM IG	45.0		27.6	▲ 2.1	12.8	▼ -2.1	4.3				Avg. duration: 4 to 5 years
DM HY			4.9	▲ 0.4	2.3	▼ -0.4	0.8				
EM IG	45.0		26.0	▲ 2.0	12.0	▼ -2.0	4.0				
EM HY			6.5	▲ 0.5	3.0	▼ -0.5	1.0				
Alternatives				▼ -10.0*	15.0		20.0		20.0		
Money Market	10.0		5.0		5.0		5.0	▼ -5.0	5.0	▼ -5.0	

Notes:

"Chg." means changes in asset allocation relative to last quarter. If any, these changes will be reflected accordingly (plus weighting in green, minus weighting in red).

Figures might not add up due to rounding off to 1 decimal place.

Since April, the S&P 500 has hit >20 new highs—the most frequent since 2021—reflecting strong market momentum. Analysis by a major US investment bank showed that when the Fed cuts rates after a long pause (i.e., more than six months), and recession is avoided, equity fund flows rise by a median of 6% over the following year. In such non-recessionary scenarios, the S&P 500 typically delivers +8% in six months and +15% in twelve months. Seasonality is another tailwind. Over the past 30 years, ~70% of annual market returns occur between October and March.

In summary, with no major negative planned event (like a Liberation Day) on the horizon, the Fed in an easing cycle, and historical precedence for the best returns slated for the next 6 months, we upgrade equities to **Overweight**. We recommend looking into other large caps (Next 20 largest stocks) and global equities like China. Existing positions in US Mega-caps remain justified, but initiating new exposure offers a less compelling risk-reward profile at current levels. Structured

products tied to the Mega-caps remain viable during pullbacks. Fixed income still offers portfolio stability, but investors should be mindful of low spreads. Alternatives like private assets confer diversification benefits. Gold remains essential, though its near-term reward to risk may be less favourable with higher speculative behaviour.

Stay positioned in quality growth and resilient dividend stocks. Accumulating on dips should deliver good returns over the next 6-12 months. The best season is here—those who prepare now should reap the rewards ahead.

S&P 500 seasonality chart

Source: Bloomberg, UOB Private Bank

30 Years Ending 2025													Percent Change		Net Change		High/Low/Avg	
Calendar Year	Trailing 12M	01-Jan	31-Dec	Monthly	Line	Heat Map	Securities/Lines						Map Options					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						
30 Yr High	7.87	7.04	9.67	12.68	5.86	6.89	9.11	7.01	8.76	10.77	10.75	6.53						
30 Yr Avg	.41	-.09	1.38	1.86	.62	.33	1.33	-.56	-.65	1.52	2.62	.93						
30 Yr Low	-8.57	-10.99	-12.51	-8.80	-8.20	-8.60	-7.90	-14.58	-11.00	-16.94	-8.01	-9.18						
2025	2.70	-1.42	-5.75	-.76	6.15	4.96	2.17	1.91	3.53									

S&P 500 Performance After 5 Months of Gains

Source: Bloomberg, UOB Private Bank

Streak End Date	Streak Gain	3m Return	6m Return	12m Return
Ongoing	18.7%	??	??	??
Aug-2024	7.5%	6.8%	5.4%	14.4%
Aug-2021	13.8%	1.0%	-3.3%	-12.6%
Aug-2020	35.4%	3.5%	8.9%	29.2%
Jan-2018	14.3%	-6.2%	-0.3%	-4.2%
May-2013	8.9%	0.1%	10.7%	15.5%
Mar-2012	13.0%	-3.3%	2.3%	11.4%
Feb-2011	16.3%	1.4%	-8.2%	2.9%
Aug-2009	27.9%	7.4%	8.2%	2.8%
Average	17.3%	1.3%	2.9%	7.4%

Equities

US Equities: Stay invested but diversify to lower concentration risks

While history suggests seasonal market volatility in the third quarter, the S&P 500 continued to rally more than 5% from the start of Jul to end-Sep. This strong performance was led primarily by selected tech names, US homebuilders and utilities stocks on the back of positive idiosyncratic developments, expectations for lower borrowing costs and surging electricity demand from AI and data centers.

Looking ahead, we expect lower US interest rates to support equity valuations. The outlook for corporate earnings growth remains cautiously optimistic, with strong fundamentals tempered by macroeconomic and policy uncertainties as well as labour market challenges. With markets having front-loaded the pricing of Fed rate cuts (i.e., four 25bps cuts priced in till end-Oct 2026 as at writing) relative to a conservative median Fed Dot plot, market pullbacks can be expected if GDP growth surprises on the upside or if the Fed rate-cut expectations are pared aggressively. Investors should diversify accordingly.

Steady growth with underlying inflation in check

We upgrade US real GDP growth to 1.7% y/y in 2025 (from 1% previously). Our base case for no US recession remains. While there are nascent signs of labour market weakness, the August jobs report showed that net hiring picked up in leisure and hospitality and personal services. These sectors do not flourish in a recession. Unemployment rate is expected to edge higher to 4.5% by end-2025, but this could be attributed to a higher number of people joining the labour force. Finally, we expect the US tariff impact to manifest as a one-off spike in prices before easing sometime next year.

Reaffirming two 25bps Fed rate cuts for rest of 2025

We reiterate our view of two 25bps rate cuts for the rest of 2025, each in the Oct and Dec FOMC meetings respectively. This is mainly driven by downside risks to growth and employment. This will bring the Fed Funds Target rate (FFTR) to 3.75% (upper bound) by end-2025.

Diversification and security selection is key

Previously, we noted that downside risks to earnings are limited and premium equity valuations (i.e., 12MF P/E of ~23x) are justifiable given strong earnings visibility and AI-led productivity gains. This holds true and is consistent with an improvement in S&P 500's blended 12MF EPS growth to 10+% YoY (from high-single digit) as at writing. With Mag7 having led the charge as anticipated, we emphasise diversification and security selection especially as earnings breadth broadens and as analyst sentiments largely improve.

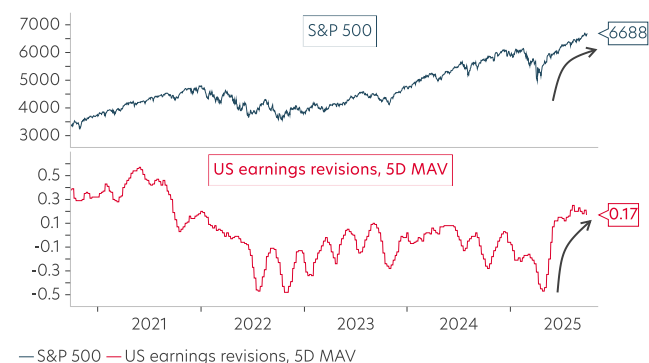
Investment takeaways and recommendations

While we continue to favor quality AI/growth stocks, investors should be mindful of elevated valuations and/or a loss in momentum in selected names. Investors could consider diversifying some exposure from Mag7 into the "Next20" in market cap within the S&P 500. For semiconductors, investors should look to buy on dips on technical pullbacks against the broader backdrop of an up-cycle. Finally, the Healthcare sector looks to be consolidating before a cyclical bottom is established. Overall, investors who are concerned about overextended positioning could consider defensive exposure via structured products.

CIO's recommendation: We remain Overweight on the US equities. While we continue to favor quality AI/growth stocks, investors should be mindful of elevated valuations and/or a loss in momentum in selected names. Investors should diversify some exposure into the "Next20" after Mag7 within S&P 500. For semiconductors, investors should look to buy on technical pullbacks. Overall, investors could consider gaining defensive exposure via structured products.

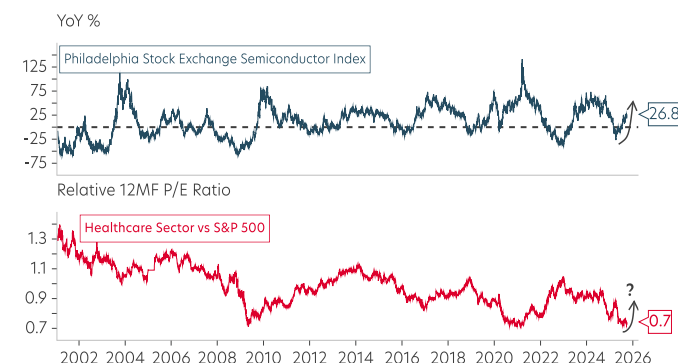
Earnings revisions have helped drive S&P 500 to a record

Source: Macrobond, Bloomberg, UOB Private Bank



Semis still in an up-cycle, Healthcare awaiting a catalyst

Source: Macrobond, Bloomberg, UOB Private Bank



Europe Equities: Stick to winners riding on government policy tailwinds

European banks continued to lead the way in 3Q25, driven by a winning combination of net interest income, trading profits, cost discipline, capital returns and credit quality. With themes of stability and income generation featuring prominently among investors, Financials with high dividends have benefitted from fund inflows. Meanwhile, defense names took a breather following robust gains through 1H25.

Looking ahead, European equities will continue to face a low-growth, low innovation backdrop. Yet, the Eurozone economy should stay resilient on expansionary fiscal policy and signs of growth in domestic demand. Notably, Germany appears to be emerging from its recession. In a similar vein, the Euro Stoxx 600's earnings growth has likely found a bottom in 3Q25 with valuations staying reasonable at ~15x 12MF P/E. Investors should stay focused on the winners – defence, banks and fiscal-capex beneficiaries.

Resilient growth but downside risks persist

The Euro area real GDP is expected to register 1.1% y/y growth in 2025, with resilience helped by increased fiscal stimulus, aggressive interest rate cuts as well as improving business and consumer confidence amid the rising prospect of a truce in the Russia-Ukraine war. While a deeper trade conflict with the US has been averted, lingering policy uncertainty, rising costs for European exporters and weakening external demand suggest growth may remain subdued. Meanwhile, Eurozone's core inflation reading was unchanged from the previous month at 2.3%, confirming a stable inflation climate. Yet, services inflation stickiness is still a concern for the European Central Bank (ECB) because it most directly reflects domestic cost pressures.

Incremental monetary and fiscal policy loosening

Unsurprisingly, the ECB has been reiterating its data-dependent approach. While the ECB sees a resilient Eurozone economy, the risks to growth outlook are skewed to the downside. We expect the ECB to cut its policy rate in 4Q25, taking it to 1.65% as it approaches the end of its ongoing rate-cut cycle. Meanwhile, Germany's near-term spending boost in infrastructure, security and defence in 2025 and 2026 bodes well for the industrial and defence sectors.

Continued EURUSD appreciation to aid performance

The Euro Stoxx 600 (+13.3%) trailed slightly behind the S&P 500 (+14.8%) in local-currency total returns year-to-date (YTD, as of 30 Sep). However, European equities have beaten the US market by more than 13% due to dollar weakness. Set against a backdrop of softening US labour market, widening EURUSD interest rate differential and de-dollarisation concerns, we expect EURUSD to edge higher over the next few quarters. This suggests that European equities could be supported by currency tailwinds amid undemanding valuations.

Investment takeaways and recommendations

We reiterate our preference for European banks, including those in peripheral regions like Spain and Italy. We expect Financials' outperformance to persist on the back of a steepening yield curve, dividend/share buyback upside and rising return on equity. Meanwhile, selected industrial and defence names should continue to benefit from Europe's fiscal reforms, especially in Germany, following the consolidation phase in 3Q25.

CIO's recommendation: We stay Neutral on European equities against a backdrop of tepid growth outlook. Investors should remain focused on selected opportunities in banks, industrials and defence stocks amid expectations for incremental monetary and fiscal policy loosening. Continued EURUSD appreciation could provide currency tailwinds.

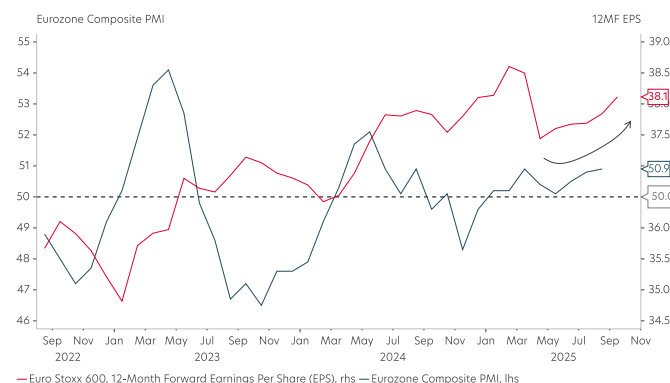
Stick to the winning themes

Source: Macrobond, Bloomberg, UOB Private Bank



Earnings are gradually recovering alongside a PMI rebound

Source: Macrobond, Bloomberg, UOB Private Bank



Emerging Asia: Earnings need to play catch-up amid strong liquidity

Emerging Asia enters 4Q25 from a position of mixed momentum, with China showing modest growth resilience but persistent weaknesses in property and consumption. Equities in Taiwan and South Korea ran hotter with AI/tech exports in focus. Parts of ASEAN (i.e., Vietnam, Philippines and Malaysia) are seeing strong FDI or stable growth, while some economies (i.e., Indonesia and Thailand) are navigating currency weakness from monetary policy easing or tourism headwinds. Broadly, external demand is softening for the exports-oriented economies including Singapore, and foreign flows into Asian equities have been volatile.

Chinese stocks are no longer deeply depressed, and weak data raise red flags on growth. Yet, China's lackluster labour market is a key trigger for further policy easing. While odds of a technical pullback have risen, the Chinese equity rally is far from over given favorable liquidity conditions. Having said that, fundamentals would need to catch up for a sustained upward share price trajectory. Meanwhile, investors should consider gaining exposure on the tech exports-oriented South Korea and Taiwan given their leadership in electronics and semiconductors. India also offers high-growth potential driven by domestic consumption, demographic dividends as well as foreign investment flows.

China's growth to slow as export frontloading wanes

China's real GDP growth is expected to moderate to 4.7% y/y and 4.4% y/y in 3Q25 and 4Q25 respectively. 2025 growth is projected to come in at 4.9%. Global demand may start to ease noticeably with stiffer US tariffs as production and export frontloading wanes.

Broad-based slowdown calls for more policy support

Recent Chinese data point to a more pronounced downturn in domestic demand. New loans collapsed, amid a sharper decline in property sales and real estate investment. Meanwhile, unemployment rate has been rising across the board. On this note, the government's subsidies and trade-in policy for consumer goods remain critical to supporting retail sales. There are growing expectations of stronger policy support, including the involvement of state-owned enterprises and bad debt managers to help clear the housing glut. The "anti-involution" policy push is expected to help stabilise industrial profits and ease deflationary pressure in the longer term. Finally, a potential meeting between President Trump and Xi in coming weeks could help stabilise bilateral relations.

Beyond the rerating, fundamentals need to improve

Led by AI and tech optimism, HSCEI's valuation has climbed to ~11x 12MF P/E. Despite the strong rerating in recent months, Chinese equity valuations have remained undemanding relative to regional peers, especially the US. This suggests further scope for HSCEI's multiple to expand. Having said that, 12MF earnings growth for HSCEI constituents has declined, reflecting negative earnings revisions. For a sustained upward share price trajectory, earnings growth or fundamentals would have to play catch-up.

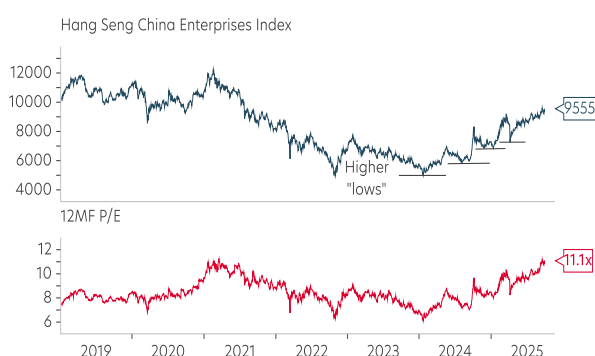
Investment takeaways and recommendations

We reiterate our preference for resilient Chinese dividend stocks as well as quality AI-related names. Given the recent rally, investors should consider gaining defensive exposure via structured products. Investors should also consider exposure regional equities in South Korea, Taiwan and India given the AI/tech and secular growth tailwinds.

CIO's recommendation: We remain Overweight on Emerging Asia equities. A weaker US dollar and Fed easing may drive more foreign inflows into EM Asia against a backdrop of relatively undemanding valuations. We continue to prefer resilient Chinese dividend stocks as well as quality AI-related names. Investors should also consider broadening exposure to South Korea, Taiwan and India given the AI/tech and secular growth tailwinds.

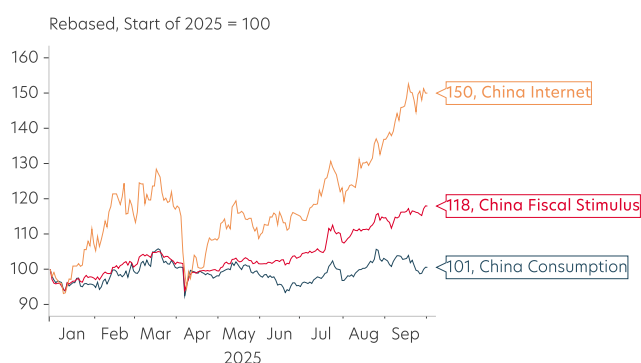
A positive technical picture for China H-shares

Source: Macrobond, Bloomberg, UOB Private Bank



Stick to China Internet; Consider entry via derivatives

Source: Macrobond, Bloomberg, UOB Private Bank



Japan: Favour exporters near-term amid a weakening yen

3Q25 saw the Japanese equities outperform the S&P 500 in both local-currency and US dollar terms. Both the Nikkei 225 and TOPIX indices climbed more than 14% in local-currency terms from the start of Jul to end-Sep, driven by optimism around Japan's real wage growth and corporate reforms. A stabilising/slightly weaker yen also helped boost the investor sentiment against a backdrop of improving global risk appetite.

Looking ahead, Japanese equities will face a mixed growth backdrop. Sluggish external demand from China and Europe as well as soft domestic spending pose downside risks to growth. Having said that, Japan's trade agreement with President Trump on 22 Jul saw reciprocal tariffs lowered to 15% from 25% previously. Strong tourist arrivals and tourism-related services have supported the domestic growth outlook. Accelerated investments in semiconductor technology should translate to higher investment spending in 2H25 and into 2026. Finally, higher government aid to households and smaller firms, as well as higher defense spending, should help to cushion against external headwinds and any domestic consumption slowdown.

Lower downside risks to growth with new PM's win

Japan is expected to register 1.2% y/y in real GDP growth for 2025 amid stronger growth outturn in 1H25. While there are some downside risks to growth given BOJ tightening and potential US tariff impact, these risks look to be mitigated by expansionary fiscal and more accommodative monetary policies which potential Japan's incoming female PM, Sanae Takaichi, leans toward.

Near-term JPY weakness with BOJ's rate hike delayed

Despite the US-Japan trade deal, uncertainties over US tariff policies still loom large. BOJ Governor Ueda signaled the tariff impact still needs to be assessed in 2H25 this year given the risks to BOJ's outlook for both growth and inflation. While the BOJ is expected to stay on the rate-tightening path, the BOJ could delay its policy rate hikes. Potential Japan's incoming female PM Takaichi supports continued monetary accommodation and aims to achieve demand-led inflation backed by real wage growth. Looking ahead, JPY could see renewed weakness in the near term (i.e., over the next 3 months). Further out, USDJPY is still likely to depreciate towards 140 by 2Q26 amid a falling USD-JPY rate spread.

Earnings growth to do heavy lifting after solid rerating

TOPIX's earnings (EPS) growth has likely bottomed in 3Q25. Following a strong re-rating to ~16x 12MF P/E, positive earnings revisions will have to do the heavy lifting from here. We expect earnings momentum to be led by nuclear and defense industrials, firms with strong IP/brands, tech stocks and exporters (in the near term).

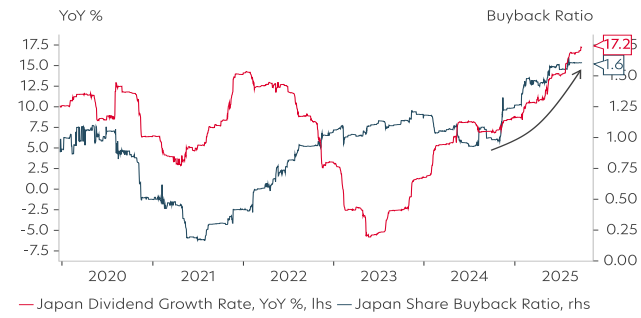
Investment takeaways and recommendations

We continue to like quality companies with strong IP/brands, selected tech stocks as well as corporate-reform beneficiaries. Against a backdrop of renewed yen weakness in the near term, exports-oriented stocks will benefit from the currency tailwinds. Given the potential new female PM's fiscal policy inclinations and structural growth trends, investors should also consider gaining exposure into nuclear and defense industrials. Finally, on Japanese banks, investors could consider buying on the dip after share prices have stabilised and as the 10Y-2Y Japan government bond (JGB) yield curve re-steepens. Overall, security selection remains key.

CIO's recommendation: We remain Neutral on Japan's equities. We reiterate our preference for quality companies with strong IP/brands, selected tech stocks as well as corporate-reform beneficiaries. Exports-oriented stocks could benefit from currency tailwinds amid a weaker yen in the near term. Given the potential new PM's fiscal policy inclinations, investors should also consider gaining exposure into nuclear and defense industrials. For banks, investors could consider buying on the dip after share prices have stabilised and as the 10Y-2Y JGB yield curve re-steepens.

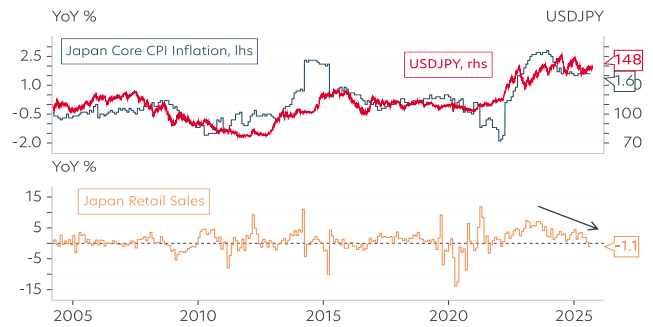
Dividends and buybacks have grown over the years

Source: Macrobond, Bloomberg, UOB Private Bank.



Higher equity volatility amid a stronger JPY

Source: Macrobond, Bloomberg, UOB Private Bank.



Fixed Income

Developed Markets Investment Grade: Sticking with defensive premia

DM Investment Grade (IG), proxied by the Bloomberg US Corporate Bond Index, delivered a total USD return of +6.9% YTD (as of 29 Sep). A supportive monetary policy environment driven by the resumption of a Fed rate cut in September as well as credit spread recovery have buttressed total returns this year.

Trump's tariff-as-you-go style of policymaking coupled with concerns over a slowing jobs market and threat of a looming US government shutdown should support diversification demand into quality beta. We think DM IG is well positioned to benefit as a portfolio stabiliser, as we are cautious of market bumps ahead over the next 3-6 months. Markets have maintained the steepness of the 10-2yr treasury curve at around a ~52bps differential.

We think the Fed will continue to address labor market concerns through policy easing in a gradual manner. The UOB Global Economics & Markets Research team expects rate cuts in Oct and Dec of 2025, followed by two cuts in 2026 to reach a 3.25% terminal rate for this cycle.

Credit spreads have recovered strongly and are now trading tighter than early-2025 levels. Coupled with still decent US Treasury yields, this has kept overall investment grade (IG) bond yields at still compelling levels for income investors. We remain **Overweight** DM USG IG for its defensive hedge and added benefit of coupon carry

CIO's recommendation: Overall, we remain Overweight on DM USD IG. They act as a defensive hedge which comes with still attractive coupon carry.

Fixed Income year-to-date performances

Source: Macrobond, Bloomberg, UOB Private Bank.

Fixed Income Year-to-date Performances

Total USD Return (Rebased, start of 2025 = 100)



Developed Markets High Yield: Asymmetric risk-reward; credit spread widening remains a big risk

Developed Markets High Yield (DM HY) experienced a relatively low volatility in the third quarter and compressed ~28bps since quarter-to-date (QTD). However, lower quality issuers continue to face challenging environment market via high refinancing costs, tariff-related headwinds, and macro uncertainty. As central banks pivot towards easing monetary policy, shorter-term yields still have some room to drop, offering some cushion if spreads widen due to growth shocks.

Although DM GDP Growth in 1H25 was stronger than expected, driven by export frontloading ahead of tariffs, growth momentum will likely slow in 2H25 as cost pressures return. UOB Global Economic and Markets Research expects US GDP growth to be 1.7% for 2025 and ease to 1.5% for 2026. Eurozone is projected to grow 1.1% in 2025 and slow down to 0.9% in 2026.

Valuations remain rich, with DM HY spreads (~262bps) well below the 10-year average (~403bps), leaving limited room for error. Signs of a U.S. labor market slowdown and geopolitical tensions in Europe and the Middle East add to downside risks add to the vulnerability of DM HY. We remain **Underweight** DM HY and prefer DM IG for its better risk-to-reward ratio.

In this environment, investors should prioritise resilient credits and position towards sectors that are counter cyclical and with resilient cash flow generation. These sectors include utility, telco, and large-cap financials.

CIO's recommendation: We remain Underweight on DM USD HY. The risk-reward remains asymmetric, with credit spread widening posing as a huge downside risk.

Spreads have narrowed significantly following US tariff policy shock

Source: Macrobond, Bloomberg, UOB Private Bank.

Spreads have narrowed significantly following US tariff policy shock



Emerging Markets Investment Grade: Offers stability and diversification against a tough macro backdrop

Emerging Market Asia Investment Grade (EM Asia IG) has rebounded strongly from the initial volatility following "Liberation Day", delivering a solid YTD total return of +8.4%, outperforming the +6.9% return of US IG. Key performance drivers include favorable rate movements and spread compression. Additionally, diversification away from US-centric risks has likely contributed to EM Asia IG's relative resilience.

Despite ongoing uncertainty surrounding tariffs, EM Asia IG corporate fundamentals are holding up. EBITDA has continued to grow since 2022, while gross leverage has improved to 2.9x at end-2024, down from 3.1x in 2022. On a net leverage basis, the ratio has declined from 1.6x in 2022 to 1.4x in 2024, reflecting stronger balance sheet discipline and improved financial health.

Spreads have tightened to a historical low to 66 bps for bonds with ~5 years duration. We expect this to continue to be supported by the strengthened fundamentals that should help offset the macro uncertainties. YTD supply remains healthy and below the 5-year average in value terms.

Looking ahead, any upward credit spread pressures may be cushioned by the lower UST yields as the Fed continues its rate-cutting cycle.

We believe quality EM Asia IG offers both stability and diversification, supported by a broad investor base, a stable credit environment and favourable EM trends (i.e. diminishing US exceptionalism). Within the space, we continue to favour Asia (incl. Japan) financials, select Asia-focused life insurers, quasi-sovereign/ strategic state-owned enterprises, and defensive consumer names.

We remain constructive on select Chinese TMT names and issuers focused on domestic consumption. Tariff-related tensions are likely to prompt policy measures aimed at revitalising the local economy and stimulating household demand. In addition, regional ASEAN champions and quasi-sovereign entities present attractive opportunities for yield enhancement, supported by their strategic importance and relative stability.

CIO's recommendation: We remain Overweight on EM Asia IG. They offer both stability and diversification, supported by a broad investor base, a stable credit environment and favourable EM trends.

Fixed Income year-to-date performances

Source: Macrobond, Bloomberg, UOB Private Bank.

Fixed Income Year-to-date Performances

Total USD Return (Rebased, start of 2025 = 100)



Emerging Markets Asia High Yield: Selectivity is key in avoiding pitfalls

Emerging Markets Asia High Yield (EM Asia HY) has delivered a robust performance this year, posting a total return of +8.3% YTD (as of 30 Sep) as measured by the Bloomberg EM Asia USD Credit High Yield index. This rally has been primarily driven by strong credit spread compression (of 72bps) and complemented by the high carry from elevated interest rates. At the current juncture, we are facing a clear valuation problem. As it stands, EM Asia HY credit spreads (OAS: 318bps) sit at a mere 18bps wider from the tightest level since 2009. While a valuation calibration is warranted, strong technical tailwinds have thus far made it elusive.

Corporate earnings have proven resilient following the bottoming of the default cycle that originated from China's HY property sector. Muted new issuance has also created scarcity, fueling an allocation-bid demand. The Fed's pivot towards an easing cycle against a backdrop of a benign US economy also provides a bullish setup for risk assets.

We expect these tailwinds to abate gradually. Hence, we see the balance of risks tilted towards spread widening in EM Asia HY. A potential triggering of EM-DM geographical rotation is also on the cards as EM Asia HY spreads converge towards US Corporate HY spreads (OAS: 269bps).

Effects of US protectionist policies, while contained for now, continue to linger and could impair business sentiment and growth. We also anticipate a build-up of refinancing risk as EM Asia HY issuers with USD funding needs progressively re-access the USD issuance market to address impending maturities.

Given these crosscurrents, we maintain a cautious stance over the next 3 to 6 months and advocate for a stringent bottom-up investment approach to avoid idiosyncratic credit events. Within the universe, we see better value in 'BB' rising star credits (IG upgrade potential) and advise against getting involved in distressed and special situations plays.

CIO's recommendation: We remain Neutral on EM Asia HY. We see better value in 'BB' rising star credits and advise against getting involved in distressed special situations plays.

Asian credit spreads have narrowed significantly, culminating in a asymmetric risk-reward

Source: Macrobond, Bloomberg, UOB Private Bank.

Asian credit spreads have also narrowed significantly, culminating in asymmetric risk-reward



FX, Interest Rate & Commodities Forecasts

FX	06 Oct	4Q25F	1Q26F	2Q26F	3Q26F
USD/JPY	150	144	142	140	138
EUR/USD	1.17	1.19	1.20	1.21	1.22
GBP/USD	1.34	1.37	1.39	1.40	1.40
AUD/USD*	0.66	0.67	0.68	0.69	0.70
NZD/USD	0.58	0.59	0.60	0.61	0.61
DXY*	98.1	96.2	95.3	94.5	93.8
USD/CNY	7.12	7.11	7.08	7.05	7.02
USD/HKD	7.78	7.80	7.80	7.80	7.80
USD/TWD*	30.4	30.2	30.0	29.7	29.5
USD/KRW*	1,406	1,390	1,370	1,360	1,340
USD/PHP*	57.9	57.6	57.2	56.8	56.5
USD/MYR	4.22	4.20	4.17	4.15	4.12
USD/IDR*	16,540	16,600	16,500	16,400	16,400
USD/THB	32.4	32.1	31.9	31.7	31.5
USD/VND*	26,381	26,400	26,300	26,200	26,100
USD/INR	88.8	88.2	87.8	87.4	87.0
USD/SGD	1.29	1.29	1.28	1.27	1.27
EUR/SGD	1.51	1.54	1.54	1.54	1.55
GBP/SGD	1.74	1.77	1.78	1.78	1.78
AUD/SGD*	0.85	0.86	0.87	0.88	0.89
SGD/MYR	3.26	3.26	3.26	3.27	3.24
SGD/CNY	5.52	5.51	5.53	5.55	5.53
JPY/SGDx100	0.86	0.90	0.90	0.91	0.92

POLICY RATES	06 Oct	4Q25F	1Q26F	2Q26F	3Q26F
US Fed Funds Rate	4.25	3.75	3.75	3.50	3.25
JPY Policy Rate	0.50	0.75	0.75	0.75	1.00
EUR Refinancing Rate*	2.15	1.90	1.90	1.90	1.90
GBP Repo Rate	4.00	3.75	3.50	3.25	3.00
AUD Official Cash Rate	3.60	3.35	3.10	3.10	3.10
NZD Official Cash Rate	3.00	2.75	2.50	2.50	2.50
CNY 1Y Loan Prime Rate	3.00	2.90	2.90	2.90	2.90
HKD Base Rate	4.50	4.00	4.00	3.75	3.50
TWD Official Discount Rate*	2.00	2.00	1.88	1.75	1.75
KRW Base Rate	2.50	2.25	2.00	2.00	2.00
PHP O/N Reverse Repo	5.00	4.75	4.75	4.75	4.75
MYR O/N Policy Rate	2.75	2.50	2.50	2.50	2.50
IDR 7D Reverse Repo*	4.75	4.50	4.25	4.25	4.25
THB 1D Repo	1.50	1.25	1.00	1.00	1.00
VND Refinancing Rate	4.50	4.50	4.50	4.50	4.50
INR Repo Rate	5.50	5.50	5.50	5.50	5.50

INTEREST RATES	06 Oct	4Q25F	1Q26F	2Q26F	3Q26F
USD 3M SOFR (compounded)*	4.34	3.83	3.75	3.54	3.30
SGD 3M SORA (compounded)*	1.44	1.23	1.22	1.20	1.25
10Y US Treasuries Yield	4.14	4.10	4.00	4.00	4.10
SGD 10Y SGS*	1.91	1.90	1.85	2.10	2.30

COMMODITIES	06 Oct	4Q25F	1Q26F	2Q26F	3Q26F
Gold (USD/oz)*	3,902	3,900	4,000	4,100	4,200
Brent Crude Oil (USD/bbl)	65	70	65	60	60
Copper (USD/mt)	10,716	10,000	9,500	9,000	9,000

Updated as of 06 Oct 2025

* Forecasts updated as compared to previous report dated 05 Sep 2025

Source: UOB Global Economics & Markets Research

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