Market Watch

As of October 2025

What's Been Happening

Global

President Donald Trump's visit to Malaysia in October 2025 for the ASEAN Summit marked a significant effort by the US to strengthen economic and geopolitical ties in Southeast Asia amid intensifying US-China rivalry. During the visit, Trump signed trade agreements with Malaysia and Cambodia focused on supply-chain resilience, critical minerals, and reciprocal market access. He also witnessed the signing of the Kuala Lumpur Peace Accord, a ceasefire agreement between Thailand and Cambodia. These actions underscored the US intent to deepen engagement with ASEAN nations as strategic partners in global trade and energy security.

The visit's broader impact on the world economy centers on improved investor sentiment toward Southeast Asia as a potential supply-chain hub, diversification of trade routes away from China, and a short-term boost in regional markets driven by expectations of increased US trade flows and infrastructure investments. However, the renewed US focus may also heighten geopolitical competition in the region. By encouraging ASEAN nations to diversify away from China, the US is increasing strategic pressure, prompting countries to carefully balance relations between the two global powers. This intensified competition over trade, investment, and energy partnerships, with potential ripple effect on global supply chains, investments flows, and energy markets.

US

The US federal government shutdown caused a delay in the release of key economic data for September 2025. The Consumer Price Index (CPI), initially postponed, was eventually published on 24th October, showing a 3.0% year-on-year increase, slightly higher than August’s 2.9%, with a 0.3% rise for the month largely due to a 4.1% jump in gasoline prices, while core inflation remained steady at 3.0%, indicating persistent underlying price pressures. Labor market data from August revealed a modest gain of 22,000 jobs, the slowest monthly increase since 2021, with the unemployment rate rising to 4.3%. Consumer confidence fell to 94.2 in September, reflecting concerns about inflation and job security. In response, the Federal Reserve reduced interest rates by 0.25 percentage points to 4.00-4.25%.

UK

In September 2025, the UK economy showed signs of resilience amid persistent inflation and a cooling labor market. CPI held steady at 3.8%, with service sector inflation at 4.7%, while food prices showed signs of easing, though inflation remained well above the Bank of England's 2% target. The unemployment rate rose to 4.8% in the three months to August, accompanied by slower wage growth of 4.7%, although employment among older workers remained high. Retail sales grew in September, driven by strong spending on technology and online goods, reflecting resilient consumer sentiment. Overall, the UK economy experienced modest growth, while persistent inflation and labor market pressures point to onging challenges that the Bank of England may address through monetary policy adjustments.

Singapore

In September 2025, Singapore's economy remained on a steady recovery path, supported by stronger trade performance and contained inflation. Non-oil domestic exports rebounded by 6.9% year-on-year, driven by improvements in electronics and machinery shipments, signaling earlysigns of stabilization in external demand. Core inflation inched up slightly to 0.4% year-on-year, reflecting mild price pressures amid steady domestic consumption. The overall growth momentum stayed positive, underpinned by resilient services and manufacturing activity, although global trade uncertainties and geopolitical risks continue to pose downside.

Global Benchmark Rates

	As of 31 October 2025	As of 30 September 2025
US (The Federal Reserve)	4.00%	4.25%
UK (Bank of England)	4.00%	4.00%
MAS 3 month	1.39%	1.42%

FX Rates

	As of 31 October 2025	1 WK (%)	1 MTH (%)	YTD (%)
USD/SGD	1.3007	0.15	0.98	(4.78)
EUR/SGD	1.5054	(0.32)	(0.37)	6.43
GBP/SGD	1.7096	(1.12)	(1.52)	(0.02)
AUD/SGD	0.8507	0.58	(0.13)	0.59
NZD/SGD	0.7444	(0.28)	(0.64)	(2.57)
CAD/SGD	0.9287	0.06	0.47	(2.19)
JPY/SGD	0.8438	(0.67)	(3.64)	(2.87)
CHF/SGD	1.6225	(0.59)	0.41	7.74
HKD/SGD	0.1674	0.18	1.15	(4.83)
SAR/SGD	0.3469	0.14	1.02	(4.56)
MYR/SGD	0.3105	0.88	1.37	1.67
AED/SGD	0.3541	0.14	0.97	(4.79)

FX News

The United State Dollar (USD) opened the October session with its lowest amid government shutdown and soft outlook on the growth of private sector payroll had added pressure. However, overall value of the dollar strengthened and finished strong in the October session gaining around 1% on the dollar index. With inflation posted below expectation and sentiment on further rate cuts have dialed down despite the delayed release on other key government data, this further boosted the positive sentiment around USD.

Sterling underperformed, visibly weakening against the dollar extended losses below USD1.32, its weakest level since April, pressured by a stronger dollar after the Fed lowered the Fed funds rate by 25 basis points as expected but Chair Powell cautioned that another cut this year is not guaranteed. Meanwhile, GBPEUR gained 0.78 percent due to ongoing concerns about political stability in Europe, particularly in France, that weighed on the Euro.

The Euro started the month against USD strong as the US economy turmoil heightened and widely sentiment that the Fed will deliver back-to-back 25 basis points cuts in the final two meetings. With France's newly appointed prime minister, Sebastien Lecorny resigned, Euro currency has took a hit which had pushed the Euro against other currencies lower. To note, the currency closed the month soft against dollar as the final week of the month has filled with US economic data releases, central bank meetings and easing US-China trade tensions.

The Singapore dollar (SGD) held broadly steady under Monetary Authority of Singapore's (MAS) unchanged stance, underpinned by MAS decision to maintain their Singapore dollar nominal effective exchange rate (S$NEER) policy band and stronger domestic fundamentals. Singapore's economy grew more than expected in the third quarter, expanded 2.9% year-on-year. On a quarter-on-quarter basis, GDP rose 5.4%, sharply higher than the 2.0% growth forecast and up from 1.5% in the previous quarter.

On the Japanese Yen, it remained under pressure amid leadership change and soft economic data dampened prospects for Bank of Japan rate hikes. Japan's real wages dropped 1.4% in August from a year earlier, extending an eight-month streak of declines as inflation continues to outpace pay growth. The BOJ has kept its policy rate unchanged at 0.5%, Governor Kazuo Ueda cautioning that global trade policies could slow growth and hurt corporate profits.

FX Outlook

The FX market outlook for US currency ended the October session tilted supporting USD as investors priced in a more hawkish tone from the Fed. The Fed delivered a widely expected 25bps rate cut but Chair Powell emphasized that a December rate cut is not a foregone conclusion. With addition to inflation posted lower than expected at 3% and meeting between US and China concluded at a positive note, the ongoing US government shutdown showed no signs of resolution still, delaying the release of key economic data. Overall, USD outlook remain mixed but tilted slightly on positive trajectory.

The British Sterling started strong, with the Bank of England kept interest rates unchanged in September carrying the momentum at the beginning of the month. Nevertheless, with pressure against the pounds rising as traders modestly increased bets on BoE rate cuts and growing expectations that November's budget could deliver major hit to economic growth. Softer inflation data further reinforces expectations of monetary easing which tilted the outlook against sterling.

Moving onto the Asia outlook, the MAS has kept its monetary settings unchanged in its October meeting and Q3 growth posted higher than expected, projecting a positive outlook for SGD. Elsewhere, in October the Yuan is holding firm and showing signs of strengthening modestly against the dollar after earlier losses amid trade tensions. Broad expectation is that the Yuan to remain stable provided no major geopolitical or economic shock. Meanwhile, the Japanese Yen is expected to weaken, as recent data showed Tokyo's core inflation rose more than expected in October, complicating the domestic policy outlook despite signs of the economic recovering.

Outlook

US

Despite the delayed release of economic data, September 2025 highlights a US economy grappling with persistent inflation, slowing job growth, and moderate overall expansion. Looking ahead, economic growth is projected to remain modest. The International Monetary Fund (IMF) forecasts US growth at 3.0% in 2025, with inflation staying above the 2% target. The Fed's monetary policy will play a crucial role in navigating these challenges, but structural issues and trade tensions may continue to weigh on the recovery.

UK

The UK economic outlook is for moderate growth in 2025, with GDP growth forecast around 1.3%, though some forecasts predict a slight slowdown in 2026. Inflation is expected to be higher this year, around 3.4%, before falling to approximately 2% in 2026 and remaining around that level. Challenges include potential impacts from trade tensions and uncertainty, while the service sector is expected to perform strongly compared to manufacturing and construction.

Singapore

Singapore's near-term economic outlook remains moderately positive but cautious. Growth is expected to ease to the low-to-mid 2% range in 2025, supported by resilient services and a gradual recovery in manufacturing, though external headwinds such as weaker global demand, trade tensions, and supply-chain risks could temper momentum. Inflation is projected to remain low, with both core and headline rates within the 0.5-1.5% range, allowing the Monetary Authority of Singapore to maintain a more accommodative stance to support growth. Despite external vulnerabilities, Singapore's strong fiscal buffers, diversified economic base, and sound policy framework continue to anchor macroeconomic stability and resilience against global uncertainties.

Source: Bloomberg and Reuters