

Daily Treasury Outlook

Highlights

Global: US equities continued to notch gains overnight (S&P: +0.72%; NASDAQ: +1.16%; Dow: +0.48%) while UST yields closed above the intra-day lows with the 10-year at 4.3186% while the DXY index traded sideways. President Donald Trump will address the US about the Iran war Wednesday at 9 p.m. ET from the White House. It will be closely watched with optimism building that the tensions could be drawing to an end. Brent and WTI prices are now below USD100/barrel. Iranian President Masoud Pezeshkian wrote a letter urging Americans to “look beyond political rhetoric and reconsider the realities of Iran’s past, present, and aspirations for a future defined not by confrontation, but by truth, dignity, and mutual understanding”. Separately, the Trump administration is preparing to outline tiered tariffs for steel and aluminium, with 50% tariffs rates being maintained on some products but reduced to 25% for others. US economic data overnight for February was largely looked through, with retail sales notching gains of 0.6% MoM from -0.1% in January. The ISM manufacturing index for March edged higher to 52.7 from 52.4 in February with the prices paid component jumping to 78.3 from 70.5 in February; the new orders component was lower at 53.5 from 55.8 in February.

Over in Asia, the RBI stepped up action to defend the currency by restricting authorised dealers to not offer “non-deliverable derivative contracts involving INR to resident or non-resident users” but “deliverable foreign exchange derivative contracts to users to meet their hedging requirements” are still permitted. This follows the directive on 27 March to limit lenders acting as authorized dealers in INR to ensure open positions in the onshore currency market do not exceed USD100m at the end of each trading day and scrutiny into corporate treasury operations. The economic fundamentals of ‘twin deficits’ under pressure from higher oil prices and potentially higher inflationary pressures suggests that RBI will need to exercise vigilance. While our base case is for no change in the policy rate, persistent external pressures and a prolonged disruptions in petroleum supply potentially open the door for rate hikes in FY27. Across ASEAN, Indonesia has announced additional measures to curb the usage of fuel including work from home for government officials on Friday and expediting the B50 usage from July. Thailand will be raising electricity tariffs by 1.8% for the period of May-Aug to reflect higher gas prices and FTSE Russell’s interim review of Vietnam’s equity index is due on 7 April.

Market Watch: The data today includes Singapore’s March PMI, Australia’s February trade data, and India’s final reading of March manufacturing PMI. Korea’s headline CPI for March rose marginally to 2.2% YoY from 2.0% in February while core CPI eased to 2.2% from 2.3%. For the US, the Challenger job cuts for March and weekly labour market data will be watched closely alongside US February trade balance. ECB will publish its economic bulletin and Simkus and Villeroy will speak later today. Fed’s Logan is also slated for a speech.

Key Market Movements

Equity	Value	% chg
S&P 500	6575.3	0.7%
DJIA	46566	0.5%
Nikkei 225	53740	5.2%
SH Comp	3948.6	1.5%
STI	4975.8	1.8%
Hang Seng	25294	2.0%
KLCI	1708.9	1.1%
	Value	% chg
DXY	99.651	-0.3%
USDJPY	158.82	0.1%
EURUSD	1.1589	0.3%
GBPUSD	1.3305	0.6%
USDIDR	16980	-0.1%
USDSGD	1.2831	-0.3%
SGDMYR	3.1384	0.0%
	Value	chg (bp)
2Y UST	3.80	0.80
10Y UST	4.32	0.20
2Y SGS	1.54	-6.90
10Y SGS	2.20	-9.14
3M SORA	1.07	0.11
3M SOFR	3.68	-0.21
	Value	% chg
Brent	101.16	-2.7%
WTI	100.12	-1.2%
Gold	4759	1.9%
Silver	75.08	-0.1%
Palladium	1478	-0.2%
Copper	12435	0.8%
BCOM	134.56	-0.5%

Source: Bloomberg

Major Markets

CH: The latest data from the China Index Academy suggests that the property market is showing early signs of stabilization, albeit with a continued divergence between the primary and secondary segments. In March, the average price of second-hand residential properties across 100 cities declined by 0.34% MoM to RMB 12,792 per square meter. Importantly, the pace of decline narrowed by 0.2ppts from the previous month, marking the third consecutive month of moderation. On a YoY basis, prices remained under pressure, falling 8.55%, highlighting that the secondary market is still in a phase of balance sheet adjustment and weak demand recovery. In contrast, the primary market remained relatively resilient. The average price of newly built residential properties rose marginally by 0.05% MoM to RMB 17,115 per square meter, extending its positive momentum, with prices up 2.24% YoY.

ID: Headline inflation eased to 3.5% YoY in March, down from 4.8% in February as the base effects from the electricity price discount in January and February 2025 faded. The recent increase in global oil prices has not translated onto retail fuel prices, with subsidised prices unchanged through March. Food inflation has, however, remained sticky at 3.3% YoY in March versus 3.5% in February with core inflation easing marginally to 2.5% from 2.6% in February. Looking ahead, we maintain our average 2026 headline CPI forecast of 3.0% which is at the higher end of BI's 1.5-3.5% target range. On the external front, the trade data for February was mixed. Export growth slowed to 1.0% YoY from 3.4% in January (Consensus: 4.4%; OCBC: 4.9%) reflecting slower non-oil and gas export growth of 1.3% YoY versus 4.4% in January with oil and gas export growth improving to -4.2% YoY versus -15.6% in January, albeit still contracting. Similarly, Import growth slowed to 10.8% YoY in February from 18.2% in January (Consensus: 10.4%; OCBC: 8.0%) reflecting a sharp drop in oil and gas imports while non-oil & gas import growth picked up to 18.2% from 16.7% in January. As a result, the trade surplus widened to USD1.3bn in February from USD1.0bn in January, with the oil and gas deficit narrowing to USD0.9bn from USD2.3bn in January despite the non-oil and gas surplus narrowing to USD2.2bn from USD3.2bn in January. Looking ahead, we do expect some pressure on the trade balance on account of higher net petroleum imports. We expect current account deficit to widen to 1.6% of GDP in 2026 compared to -0.1% of GDP in 2025.

MY: The Cabinet has agreed to introduce a work-from-home policy beginning April 15. The policy will apply to ministries, government agencies, statutory bodies and government-linked companies with additional details to be announced later. Prime Minister Datuk Seri Anwar Ibrahim is set to meet with all menteri besar and chief ministers today to discuss the global energy crisis and its effects on Malaysia's economy. Communications Minister Datuk Fahmi Fadzil stated that the meeting will focus on potential measures and collaborative efforts between federal and state governments to address the situation. Deputy Prime Minister Datuk Seri Fadillah Yusof is expected to hold a press conference this afternoon, possibly followed by a statement from PM Anwar. Minister Datuk Fahmi added that the National Economic Action Council (MTEN) will also review the developments in a meeting next week before making further announcements.

TH: According to the Energy Regulatory Commission (ERC), electricity tariffs will increase by 1.8% for the May-August period. ERC Secretary-General Poonpat Leesombatpaiboon stated that the commission had reviewed public feedback and endorsed a small adjustment of the fuel tariff, selecting the lowest of the three proposed rate of THB3.95/kWh. Consequently, this would involve a subsidy of over THB9bn to keep prices low. Energy Minister Akanat Promphan pledged to maintain stable rates for low-usage households while promoting renewable energy and a more competitive electricity market. The ERC also encouraged consumers to conserve energy, especially during peak demand in the hot season, by adopting efficient usage habits and maintaining appliances properly.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 5-6bps lower while belly tenors traded 7-8bps lower and 10Y tenors traded 7bps lower. Global Investment Grade spreads tightened by 4bps to 85ps and Global High Yield spreads tightened by 17bps to 303bps respectively. Bloomberg Global Contingent Capital Index tightened by 13bps to 262bps. Bloomberg Asia USD Investment Grade spreads tightened by 5bps to 64bps and Asia USD High Yield spreads tightened by 8bps to 442bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD2.5bn respectively.

There was one notable issuer in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- General Motors Financial Co Inc priced USD1.4bn of debt in one tranche.

There were no notable issuers in the APAC USD and Singdollar markets yesterday.

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: US stocks advanced Wednesday as growing optimism that the war in Iran may end soon lifted investor sentiment and drove oil prices lower. The S&P 500 rose 0.7%, the Nasdaq gained 1.2%, and the Dow added 0.5%, extending a "Hormuz Hope" rally that marked the biggest two-day gain in 10 months. President Trump indicated the US could conclude military operations within two to three weeks, fuelling a broad risk-on rotation into technology and communication services stocks. Memory chipmakers led the advance, with Micron surging 11% as investors returned to momentum plays after a brutal March. Intel jumped after agreeing to buy back Apollo Global Management's 49% stake in its Ireland plant for USD14.2b. Economic data showed resilience, with retail sales rising 0.6% in February, beating expectations, whilst ADP private payrolls added 62,000 jobs in March. Manufacturing activity expanded at the fastest pace since 2022, though input costs surged to the highest level since mid-2022 amid supply chain disruptions. Treasury yields rose modestly, with the 10-year climbing to 4.32% as markets digested the stronger data, whilst energy stocks declined as Brent crude briefly fell below USD100 per barrel.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.651	-0.31%	USD-SGD	1.2831
USD-JPY	158.82	0.06%	EUR-SGD	1.4868
EUR-USD	1.159	0.31%	JPY-SGD	0.8081
AUD-USD	0.693	0.41%	GBP-SGD	1.7073
GBP-USD	1.331	0.59%	AUD-SGD	0.8890
USD-MYR	4.027	-0.57%	NZD-SGD	0.7382
USD-CNY	6.876	-0.27%	CHF-SGD	1.6153
USD-IDR	16980	-0.09%	SGD-MYR	3.1384
USD-VND	26337	-0.01%	SGD-CNY	5.3533

Equity and Commodity

Index	Value	Net change
DJIA	46,565.74	224.23
S&P	6,575.32	46.80
Nasdaq	21,840.95	250.32
Nikkei 225	53,739.68	2675.96
STI	4,975.83	90.38
KLCI	1,708.90	18.54
JCI	7,184.44	136.22
Baltic Dry	1,995.00	-22.00
VIX	24.54	-0.71

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8930	0.80%	1M	3.6600
3M	2.0790	-2.03%	2M	3.6710
6M	2.4750	-2.14%	3M	3.6770
12M	2.8700	-2.11%	6M	3.6880
			1Y	3.7006

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.54 (-0.07)	3.79(--)
5Y	1.82 (-0.09)	3.95 (+0.01)
10Y	2.2 (-0.09)	4.31(--)
15Y	2.25 (-0.1)	--
20Y	2.27 (-0.1)	--
30Y	2.35 (-0.1)	4.9 (-0.01)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	0.010	1.000	0.002	3.643
04/29/2026	0.026	2.600	0.006	3.648
06/17/2026	-0.027	-5.200	-0.007	3.634
07/29/2026	-0.054	-2.800	-0.014	3.628
09/16/2026	-0.074	-2.000	-0.018	3.623

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.68
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	100.12	-1.2%	Corn (per bushel)	4.543	-0.8%
Brent (per barrel)	101.16	-14.5%	Soybean (per bushel)	11.685	-0.2%
Heating Oil (per gallon)	405.68	-2.6%	Wheat (per bushel)	5.975	-3.0%
Gasoline (per gallon)	309.14	-6.7%	Crude Palm Oil (MYR/MT)	46.650	-1.4%
Natural Gas (per MMBtu)	2.82	-2.3%	Rubber (JPY/KG)	3.672	-0.2%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12435	0.8%	Gold (per oz)	4759	1.9%
Nickel (per mt)	17209	0.6%	Silver (per oz)	75.08	-0.1%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/02/2026 5:20	US	Wards Total Vehicle Sales	Mar	15.86m	16.34m	15.75m	--
4/02/2026 7:00	SK	CPI MoM	Mar	0.60%	0.30%	0.30%	--
4/02/2026 7:00	SK	CPI YoY	Mar	2.30%	2.20%	2.00%	--
4/02/2026 7:00	SK	CPI Ex Food and Energy YoY	Mar	2.10%	2.20%	2.30%	--
4/02/2026 13:00	IN	HSBC India PMI Mfg	Mar F	--	--	53.8	--
4/02/2026 19:30	US	Challenger Job Cuts YoY	Mar	--	--	-71.90%	--
4/02/2026 19:30	US	Challenger Job Cuts Total	Mar	78327	--	48307	--
4/02/2026 20:30	US	Trade Balance	Feb	-\$60.6b	--	-\$54.5b	--
4/02/2026 20:30	US	Imports MoM	Feb	-0.20%	--	-0.70%	--
4/02/2026 20:30	US	Exports MoM	Feb	-2.30%	--	5.50%	--
4/02/2026 20:30	US	Initial Jobless Claims	28-Mar	212k	--	210k	--
4/02/2026 20:30	US	Initial Claims 4-Wk Moving Avg	28-Mar	207.00k	--	210.50k	--
4/02/2026 20:30	US	Continuing Claims	21-Mar	1837k	--	1819k	--

Source: Bloomberg

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