

Daily Treasury Outlook

Highlights

Global: Resilient US economic data offsets the prolonged Iran war gloom. US' manufacturing ISM was steady at 52.7 in April, but the ISM prices paid surged from 78.3 to 84.6, reflecting the supplier delivery problems due to the Iran war. US' 1Q26 GDP growth was a still solid 2.0%, lending some weight to the hawkish FOMC dissenters (namely Kashkari, Hammack and Logan who opposed the inclusion of an easing bias in the FOMC statement). On Friday, the S&P500 saw another new record high following rebalancing flows into the month-end, with AI stocks again outperforming and powering the S&P500's fifth consecutive week of gains. The US Treasury bonds had closed April with modest losses as energy prices stayed elevated. US president Trump also said he will hike tariffs on cars and trucks from the EU to 25%. Elsewhere, Japanese Finance Minister Katayama had declined to comments on market speculation of JPY intervention last week which would have marked the first such move since 2024.

Market Watch: Asian markets are likely to tread carefully at the start of May. Today's economic data calendar comprises of the manufacturing PMIs from Asia and Eurozone, Indonesia's trade and CPI, and US' March factory orders. ECB's Simkus, Dolenc, Villeroy, Kocher and Guindos are also speaking today. For the week ahead, watch for the services PMIs; Philippines' 1Q26 GDP growth; and US' services ISM, JOLTS, ADP employment, April nonfarm payrolls (forecast: 62k versus 178k previously), unemployment rate (forecast: unchanged at 4.3%) and University of Michigan sentiment. China's services and composite PMIs April trade and monetary aggregates due this week will also be watched. On the central bank front, RBA meets tomorrow and is likely to hike 25bps to 4.35%, while BNM is likely static at 2.75% and BOJ' March minutes are also due on Thursday. For US earnings, watch for Palantir on Monday, AMD on Tuesday, Disney (Wednesday) and McDonald's (Thursday).

SG: The April manufacturing and electronics PMIs both improved to 50.7 and 51.7, marking their 9th and 11th straight months of expansion respectively, buoyed by new orders and new export orders notwithstanding the Iran war. However, the sustained rise in input prices and decline in supplier deliveries, resulting in increasing order backlogs, suggest that the Middle East conflict is taking a toll as well. That said, stocks of input purchases and imports have also risen, suggesting that some pre-emptive measures by manufacturers, especially electronics firms, this may explain why sentiments remain upbeat as reflected in the future business gauge. The March retail sales data is due tomorrow and is expected to ease to 3.2% YoY compared to 8.3% in the previous month.

Key Market Movements

Equity	Value	% chg
S&P 500	7230.1	0.3%
DJIA	49499	-0.3%
Nikkei 225	59513	0.4%
SH Comp	4112.2	0.0%
STI	4912.7	0.0%
Hang Seng	25777	0.0%
KLCI	1722.0	0.0%
	Value	% chg
DXY	98.156	0.1%
USDJPY	157.01	0.3%
EURUSD	1.1721	-0.1%
GBPUSD	1.3583	-0.2%
USDIDR	17353	0.0%
USDSGD	1.2728	0.0%
SGDMYR	3.1194	0.4%
	Value	chg (bp)
2Y UST	3.88	0.86
10Y UST	4.37	-0.08
2Y SGS	1.56	0.00
10Y SGS	2.11	0.00
3M SORA	1.02	0.00
3M SOFR	3.67	-0.02
	Value	% chg
Brent	108.17	-2.0%
WTI	101.94	-3.0%
Gold	4614	-0.1%
Silver	75.36	2.2%
Palladium	1527	-0.4%
Copper	12997	0.1%
BCOM	140.22	-0.2%

Source: Bloomberg

Major Markets

CH: China's manufacturing PMI eased only marginally to 50.3 in April from 50.4 in March, but the underlying picture was more resilient than the headline suggests, despite uncertainties from the Iran war. First, new export orders rose to 50.3, returning to expansionary territory for the first time in two years. Second, PMIs for medium- and small-sized enterprises improved to 50.5 and 50.1, respectively, marking the first time in two years that all enterprise-size PMIs were in expansion. This suggests that China's exporters may be benefiting from order relocation amid global supply-chain disruptions. Third, the business expectations index strengthened further to 54.5 in April, pointing to improving confidence. In our view, the war has reinforced the market's re-rating of China's manufacturing resilience, supported by its comprehensive and reliable supply chain. This should remain a near-term tailwind for China's exports.

ID: Bank Indonesia announced the linkage of QR payment systems between Indonesia and China, enabling users of participating banks to conduct transactions using domestic mobile applications with settlement in local currencies. Governor Perry Warjiyo said the initiative forms part of efforts to expand local currency usage in trade and payments, alongside broader QR integration across Southeast Asia as well as Japan and South Korea. QRIS transactions reached IDR1,400.0trn last year across around 60mn users, while inbound cross-border transactions rose to nearly 6mn in 2025, exceeding outbound transactions of about 1.7mn, as reported by Antara news.

MY: Prime Minister Anwar Ibrahim announced the Progressive Acceleration for Capability and Employment (PACE) Economic Resilience Package worth over MYR710.0mn to strengthen human capital development and labour market stability, comprising four initiatives led by the Ministry of Human Resources. The package includes MYR580mn for Employment Insurance System benefits, MYR100mn for training and job placement programmes, MYR20mn for gig worker skills development, and MYR10mn to support industry training placements, alongside plans to amend the Self-Employment Social Security Act 2017 to extend Socso protection to Malaysians working abroad, as reported by The Edge. Separately, Agriculture and Food Security Minister Mohamad Sabu said rice supply remains sufficient through year-end supported by buffer stocks of 300,000 metric tons, while noting near self-sufficiency in chicken and egg production and continued reliance on imports for key animal feed components.

PH: According to the Bangko Sentral ng Pilipinas (BSP), headline inflation for April is expected to settle "within the 5.6-6.4% range". The BSP warned that inflation risks have intensified due to higher domestic fuel costs, rising prices of major food items such as rice, fish and meat, increased electricity charges, and the depreciation of the Philippine peso. Meanwhile, lower prices of vegetables and fruits should help offset some of these upward price pressures. However, BSP highlighted that the "sources of upside price pressures continue to warrant close monitoring." The BSP states that it will "remain vigilant and guided by incoming data, specifically on inflation and growth prospects. We will continue to monitor recent developments in the Middle East for their implications on inflation and economic activity."

TH: PM Anutin Charnvirakul will travel to Cebu, Philippines, from 7 to 9 May to attend the 48th ASEAN Summit, marking his first official overseas mission since starting his second term. According to government spokeswoman Rachada Dhnadirek, the visit reflects Thailand's commitment to regional cooperation and its active role within ASEAN. Hosted by the Philippines under the theme "Navigating Our Future, Together," the summit comes at a critical juncture as the ongoing Middle East conflict continues to disrupt global energy markets, economic stability, and supply chains. Deputy Prime Minister and Foreign Minister Sihasak Phuangketkeow will join several ministerial meetings on 7 May ahead of the summit to discuss regional security, coordination and cooperation. PM Anutin is also expected to hold bilateral talks with other ASEAN leaders to strengthen Thailand's regional relationships.

VN: Headline inflation rose to 5.5% YoY in April from 4.7% in March, exceeding expectations for a more moderate increase (OCBC: 5.0%; Consensus: 4.8%). The uptick was mainly driven by higher domestic gas prices in line with global fuel prices, alongside rising material and transport costs. Elsewhere, both exports (21.0% YoY in April from 20.1% in March) and imports (32.5% from 27.8%) grew faster than in the previous month, while the trade deficit widened to USD3.2bn from USD677mn.

ESG

SG: The Energy Market Authority (EMA) launched a tender for up to three new power plants to support Singapore's growing electricity demand. Singapore's electricity demand has been steadily increasing over the years, partly driven by the high-demand industrial and digital sectors, such as semiconductors and data centres. Under the request for proposal, the private sector will build, own and operate new hydrogen-ready power plants, comprising one unit to be ready by 2031 and up to two units to be ready in 2032. Each generating unit will be a gas-fired, hydrogen-ready power plant expected to provide at least 600 MW of electricity. EMA said that these new hydrogen-ready plants remain essential for providing sufficient and stable electricity supply to meet demand, while Singapore pursues a diversified portfolio of cleaner energy sources for the longer term. Singapore has plans to have at least nine hydrogen-ready power plants by 2030 to support the country's energy needs.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded higher last Thursday with shorter tenors trading flat to 1-3bps higher while belly tenors traded 2-3bps higher and 10Y tenors traded 2bps higher. Last Friday, US Investment Grade spreads widened by 1bps to 79bps and US High Yield spreads tightened by 8bps to 263bps respectively. Bloomberg Global Contingent Capital Index widened by 1bps to 226bps. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 57bps and Asia USD High Yield spreads widened by 2bps to 405bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG markets last Thursday were USD100mn and USD37.3bn respectively, higher than the prior day (zero and USD450mn). The highest issuance in DM IG market on Thursday came from Meta Platforms Inc which priced USD25bn of debt in six tranches. There were no notable issuances in the Singdollar market last Thursday.

Recent Coverage Developments: CapitaLand Ascott Trust, DBS Group Holdings Ltd, Landmark REIT, BP p.l.c, BNP Paribas SA, China Construction Bank Corporation, Crédit Agricole Group, Deutsche Bank AG, Société Générale SA and Standard Chartered Plc reported 1Q2026 business update/earnings, Olam Group Limited announced the completion of the first tranche of Olam Agri sale, Starhill Global REIT reported 3QFY2026 business update, and Shangri-La Asia Limited priced RMB1.2bn of panda bonds across two tranches (refer to Daily Credit Snapshot 30 April 2026).

Equity Market Updates

US: US stocks advanced Friday as strong technology earnings lifted major indices to fresh records, capping their longest weekly winning streak since late 2024. The S&P 500 rose 0.3%, the Nasdaq gained 0.9%, and the Dow fell 0.3%. Apple jumped 3.2% after reporting stronger-than-expected sales, powering the tech rally alongside solid results from other mega-cap companies. Oil prices dropped more than 2% to USD108.17 per barrel as Iran shared a new proposal for negotiations with the US through mediators, though President Trump said he wasn't satisfied with it. Treasury yields rose across the curve, with the 10-year yield declining 0.2 basis points to 4.38% and the 2-year yield rising 0.7 basis points, as markets digested strong economic data and ongoing war-induced inflation concerns. The ISM manufacturing index held near a four-year high at 52.7, slightly below expectations. Fed officials including Minneapolis Fed President Kashkari expressed concerns about the war's impact on inflation, signalling uncertainty about the central bank's next move. The rally extended the S&P 500's fifth consecutive week of gains, marking its largest five-week percentage gain since May 2020.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	98.156	0.10%	USD-SGD	1.2728
USD-JPY	157.01	0.27%	EUR-SGD	1.4914
EUR-USD	1.172	-0.09%	JPY-SGD	0.8103
AUD-USD	0.720	0.01%	GBP-SGD	1.7283
GBP-USD	1.358	-0.15%	AUD-SGD	0.9169
USD-MYR	3.972	0.50%	NZD-SGD	0.7510
USD-CNY	6.828	-0.18%	CHF-SGD	1.6280
USD-IDR	17353	0.36%	SGD-MYR	3.1194
USD-VND	26356	0.03%	SGD-CNY	5.3646

Equity and Commodity		
Index	Value	Net change
DJIA	49,499.27	-152.87
S&P	7,230.12	21.11
Nasdaq	25,114.44	222.13
Nikkei 225	59,513.12	228.20
STI	4,912.69	51.72
KLCI	1,722.02	1.60
JCI	6,956.80	-144.42
Baltic Dry	2,730.00	44.00
VIX	16.99	0.10

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9800	0.61%	1M	3.6432
3M	2.1990	2.33%	2M	3.6505
6M	2.5240	2.52%	3M	3.6544
12M	2.8480	3.00%	6M	3.6671
			1Y	3.7250

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.56 (+0.02)	3.88(--)
5Y	1.73 (+0.01)	4.01 (+0.01)
10Y	2.11 (-0.01)	4.37 (0)
15Y	2.1 (-0.02)	--
20Y	2.1 (-0.02)	--
30Y	2.16 (-0.03)	4.96 (-0.01)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
04/29/2026	0.000	0.000	0.000	3.641
06/17/2026	-0.077	-7.700	-0.019	3.622
07/29/2026	-0.115	-3.800	-0.029	3.613
09/16/2026	-0.179	-6.400	-0.045	3.597

Financial Spread (bps)		
Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.66

Commodities Futures						
Energy	Futures	% chg	Soft Commodities	Futures	% chg	
WTI (per barrel)	101.94	-3.0%	Corn (per bushel)	4.683	0.8%	
Brent (per barrel)	108.17	-5.1%	Soybean (per bushel)	11.878	0.5%	
Heating Oil (per gallon)	394.64	-4.6%	Wheat (per bushel)	6.245	0.1%	
Gasoline (per gallon)	359.52	-4.7%	Crude Palm Oil (MYR/MT)	45.040	#DIV/0!	
Natural Gas (per MMBtu)	2.78	0.5%	Rubber (JPY/KG)	3.960	0.0%	
Base Metals	Futures	% chg	Precious Metals	Futures	% chg	
Copper (per mt)	12997	0.1%	Gold (per oz)	4614	-0.1%	
Nickel (per mt)	19365	-0.5%	Silver (per oz)	75.36	2.2%	

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
5/04/2026 8:30	ID	S&P Global Indonesia PMI Mfg	Apr	--	--	50.1	--
5/04/2026 8:30	MA	S&P Global Malaysia PMI Mfg	Apr	--	--	50.7	--
5/04/2026 8:30	PH	S&P Global Philippines PMI Mfg	Apr	--	--	51.3	--
5/04/2026 8:30	VN	S&P Global Vietnam PMI Mfg	Apr	--	--	51.2	--
5/04/2026 12:00	ID	Imports YoY	Mar	10.63%	--	10.85%	--
5/04/2026 12:00	ID	Exports YoY	Mar	0.62%	--	1.01%	--
5/04/2026 12:00	ID	Trade Balance	Mar	\$2159m	--	\$1280m	--
5/04/2026 12:00	ID	CPI YoY	Apr	2.69%	--	3.48%	--
5/04/2026 12:00	ID	CPI Core YoY	Apr	2.46%	--	2.52%	--
5/04/2026 12:00	ID	CPI NSA MoM	Apr	0.32%	--	0.41%	--
5/04/2026 13:00	IN	HSBC India PMI Mfg	Apr F	--	--	55.9	--
5/04/2026 15:55	GE	S&P Global/BME Germany Manufacturing PMI	Apr F	51.2	--	51.2	--
5/04/2026 16:00	EC	ECB Survey of Professional Forecasters					
5/04/2026 16:00	EC	S&P Global Eurozone Manufacturing PMI	Apr F	52.2	--	52.2	--
5/04/2026 16:30	EC	Sentix Investor Confidence	May	-22	--	-19.2	--
5/04/2026 22:00	US	Factory Orders	Mar	0.50%	--	0.00%	--

Source: Bloomberg

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