By Global Markets | 4 August 2026

Daily Treasury Outlook

Highlights

Global: US equities rallied strongly overnight, with the S&P 500 rising 1.5%, the Dow Jones gaining 1.3% to a record close, and the Nasdaq surging 2.1%, as easing geopolitical tensions and lower oil prices lifted investor sentiment. Brent crude fell around 5% to US$83-84 per barrel following reports that President Trump had called off planned strikes on Iran and renewed diplomatic efforts. However, Iran subsequently denied that any talks with the US had been arranged, stating that it remains engaged only in negotiations with Oman.

On the data front, US manufacturing activity strengthened markedly in July, with the ISM Manufacturing PMI rising to 55.6 from 53.3, well above expectations and its highest reading in more than four years. The improvement was broad-based, with gains in new orders, production and employment. Notably, the employment index returned to expansion territory for the first time in 33 months, signalling improving labour demand within the sector. In Europe, the Eurozone Manufacturing PMI rose to 51.9 in July from 51.4 in June, marking its highest level since April and pointing to continued expansion. However, the recovery remained uneven, with output growth supported largely by firms working through existing backlogs, while new orders and export demand stayed subdued, particularly in Spain and Italy. ASEAN manufacturing activity rebounded strongly in July, with the PMI rising to 52.8 from 50.5 in June, supported by stronger output and new order growth. Business confidence also improved, reflecting a more positive outlook among manufacturers. However, export demand remained subdued, while ongoing supply chain disruptions and elevated cost pressures continued to weigh on the sector.

Market Watch: Looking ahead, the data calendar is relatively light today. Key releases include US JOLTS job openings, trade balance and factory orders data, while in Australia, focus will be on the household spending report. Turning to corporate earnings, AMD is set to report its second quarter financial results after US market close today, and SpaceX is also due to report its first earnings since going public, making it one of the week's most closely watched earnings releases.

Major Markets

ID: Trade performance improved in June, with exports rising 8.8% YoY from a 5.7% decline in May and imports accelerating to 34.3% from 22.2%, both exceeding expectations. The trade deficit narrowed to USD0.5bn from USD1.6bn, while stronger manufacturing and mining and other products exports lifted 2Q26 export growth to 7.6% YoY from 0.3% in 1Q26, and import growth increased to 26.2% from 10.0%. Separately, headline inflation eased to 2.9% YoY in July from 3.3%, broadly in line with our forecast, as slower food, beverage and tobacco inflation offset higher transportation inflation, while core inflation remained unchanged at 2.8%. We maintain our 2026 CPI forecast at 3.0%, although intensifying El Niño conditions pose upside risks.

Key Market Movements

Equity	Value	% chg
S&P 500	7600.5	1.5%
DJIA	53178	1.3%
Nikkei 225	63755	-0.9%
SH Comp	3809.7	-0.6%
STI	5612.3	-0.3%
Hang Seng	26009	0.5%
KLCI	1725.7	0.0%
	Value	**% chg**
DXY	99.897	0.0%
USDJPY	157.18	-0.1%
EURUSD	1.1509	-0.2%
GBPUSD	1.3433	-0.4%
USDIDR	17990	-0.1%
USDSGD	1.2822	0.0%
SGDMYR	3.1927	0.3%
	Value	**chg (bp)**
2Y UST	4.24	-5.39
10Y UST	4.68	-5.92
2Y SGS	1.71	0.00
10Y SGS	2.35	-0.22
3M SORA	1.14	-1.74
3M SOFR	3.63	0.08
	Value	**% chg**
Brent	83.77	-7.0%
WTI	80.34	-5.1%
Gold	4054	0.2%
Silver	58.17	1.0%
Palladium	1266	-1.4%
Copper	13870	0.6%
BCOM	130.60	-1.1%

Source: Bloomberg

MY: The S&P Global Malaysia Manufacturing PMI held at 50.7 in July, unchanged from June, signalling a continued modest improvement in operating conditions. New orders rose at the fastest pace in eight months, supporting a slight increase in production and a marginal expansion in purchasing activity, while input costs and output charges increased at their slowest rates in five months despite material shortages and higher fuel, transport and freight costs. However, business confidence eased to a three-month low and employment declined, as subdued market conditions and tensions in the Middle East weighed on the outlook.

Sustainability

SG: Two-thirds of Singapore's buildings are now certified green, keeping the building sector on track to meet its 2030 target to green 80% of Singapore's buildings (by gross floor area) by 2030, as well as 80% of new buildings to be Super Low Energy (SLE) buildings from 2030. SLE buildings must use at least 60% less energy than they did in 2005. Minister Fu highlighted at the Singapore Green Building Council's awards gala dinner that developers of SLE commercial buildings typically recover their upfront investments within five to six years. Green buildings therefore make strong business sense as throughout the buildings' lifespan, they continue to save on energy bills.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher, belly tenors trading 3bps higher, and the 10Y tenor trading 4bps higher.
- US Investment Grade spreads traded tightened by 1bps to 77bps, and US High Yield spreads tightened by 8bps to 271bps. Bloomberg Global Contingent Capital Index tightened by 1 bps to 208bps.
- Bloomberg Asia USD Investment Grade traded flat at 57bps, and the Asia USD High Yield spreads widened by 1bps to 343bps. (Bloomberg, OCBC)

New Issues:

- There were SGD750mn of issuances in the Singdollar market yesterday led by Temasek Financial I LTD, who priced a USD750mn 10Y bond at 2.65% (guarantor: Temasek Holdings Pte Ltd).
- The total issuances in the APAC and DM IG markets were USD600mn and USD8.05bn respectively yesterday were (last Friday: USD50mn and USD1bn respectively). The largest issuance from DM IG markets came from BMW US Capital LLC (Guarantor: Bayerische Motoren Wereke AG) (priced USD2.45bn across five tranches). (Bloomberg, OCBC)

Credit Developments:

- **SCISP**: Acquired a 20% stake in Aster Power and became its sole gas supplier.
- **SHANG**: Issued a positive profit alert, expecting 1H2026 operating PATMI to rise at least 70% y/y.
- **SWIPRO**: Retail properties remained resilient with strong occupancy and sales growth, while office leasing conditions, especially in HKSAR, stayed weak.

- **HPLSP**: Guided for a 1H2026 net loss due to weaker hotel performance amid Middle East tensions and elevated borrowing costs.
- **XOM**: Reported strong 2Q2026 earnings, improved leverage metrics, and benefited from robust upstream and refining market conditions.
- **OUESP**: Expects a 1H2026 net loss mainly from non-cash losses and impairments related to its associate Gemdale, though support from core holdings remains solid.
- **CMZB / UniCredit**: CMZB Chief Executive Officer Bettina Orlopp is preparing for discussions with UniCredit Chief Executive Officer Andrea Orcel and other UniCredit executives following the release of CMZB's 2Q2026 results that are expected to be announced on 6 August.
- **ICBPIJ**: Delivered resilient 1H2026 operating growth and stronger cash flow, with healthy credit metrics despite FX losses and higher raw material cost pressures.

Equity Market Updates

US: US stocks rallied strongly on Monday, as easing Middle East tensions and robust corporate earnings lifted all major indices. The S&P 500 rose 1.5%, the Nasdaq Composite surged 2.1%, and the Dow Jones Industrial Average gained 1.3%, with the S&P 500 closing at its highest level in two months. The primary catalyst was President Trump signalling a return to diplomacy with Iran, which drove crude oil prices sharply lower and alleviated fuel-cost pressures across consumer and airline stocks. Communication services and technology led sectoral gains: Meta Platforms jumped 6% as AI-infrastructure spending concerns that had weighed on the stock last week abated, whilst Microsoft added 4.9%, completing its best three-day performance in 26 years. Amazon surged 4.6% to close above a USD3t market cap for the first time, a milestone previously reached only by Apple, Microsoft, Nvidia, and Alphabet, though shares slipped roughly 1.9% in after-hours trade after Chair Jeff Bezos filed to sell approximately USD4.07b in stock. Industrials were buoyed by the ISM manufacturing PMI rising to 55.6 in July, a four-year high. Treasury yields fell, with the 10-year yield declining around 4.8 basis points to 4.69%, as oil-driven inflation fears receded, though the US Treasury raised its Q3 borrowing estimate to USD739b, USD68b above its May projection, and bill auctions drew only lukewarm demand amid ongoing uncertainty over the Fed's policy path.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.897	-0.02%	USD-SGD	1.2822
USD-JPY	157.18	-0.14%	EUR-SGD	1.4753
EUR-USD	1.151	-0.16%	JPY-SGD	0.8159
AUD-USD	0.700	-0.27%	GBP-SGD	1.7220
GBP-USD	1.343	-0.37%	AUD-SGD	0.8977
USD-MYR	4.096	0.23%	NZD-SGD	0.7527
USD-CNY	6.756	0.04%	CHF-SGD	1.5825
USD-IDR	17990	-0.06%	SGD-MYR	3.1927
USD-VND	26282	-0.05%	SGD-CNY	5.2668

Equity and Commodity

Index	Value	Net change
DJIA	53,178.41	693.38
S&P	7,600.50	110.78
Nasdaq	25,913.90	540.05
Nikkei 225	63,754.90	-607.12
STI	5,612.28	-16.22
KLCI	1,725.73	0.83
JCI	6,234.50	-1.63
Baltic Dry	2,732.00	59.00
VIX	15.86	-0.13

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.2090	0.14%	1M	3.6491
3M	2.4840	0.49%	2M	3.7089
6M	2.7060	0.93%	3M	3.7603
12M	2.9640	0.20%	6M	3.8998
			1Y	4.0678

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.71 (--)	4.25(--)
5Y	1.89 (--)	4.39 (-0.06)
10Y	2.35 (--)	4.68 (-0.06)
15Y	2.39 (--)	--
20Y	2.41 (--)	--
30Y	2.45 (--)	5.23 (-0.04)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.305	30.500	0.076	3.703
09/16/2026	0.640	64.000	0.160	3.794
10/28/2026	0.935	29.500	0.234	3.868
12/09/2026	1.380	44.500	0.345	3.979

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)	80.34	-5.1%	Corn (per bushel)	4.493	1.9%
Brent (per barrel)	83.77	-7.0%	Soybean (per bushel)	11.688	-0.3%
Heating Oil (per gallon)	387.72	-5.9%	Wheat (per bushel)	6.510	1.8%
Gasoline (per gallon)	296.67	-7.9%	Crude Palm Oil (MYR/MT)	44.880	-0.9%
Natural Gas (per MMBtu)	2.78	1.2%	Rubber (JPY/KG)	4.260	-0.1%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	13870	0.6%	Gold (per oz)	4054	0.2%
Nickel (per mt)	17060	-1.1%	Silver (per oz)	58.17	1.0%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/04/2026 5:16	US	Omdia Total Vehicle Sales	Jul	16.32m	16.33m	16.52m	--
8/04/2026 7:00	SK	CPI MoM	Jul	-0.10%	-0.20%	0.10%	--
8/04/2026 7:00	SK	CPI YoY	Jul	3.00%	2.80%	3.20%	--
8/04/2026 9:30	AU	ANZ-Indeed Job Advertisements MoM	Jul	--	--	-0.20%	--
8/04/2026 16:30	HK	Retail Sales Value YoY	Jun	8.50%	--	7.90%	--
8/04/2026 16:30	HK	Retail Sales Volume YoY	Jun	5.80%	--	4.80%	--
8/04/2026 20:30	US	Trade Balance	Jun	-$73.0b	--	-$77.6b	--
8/04/2026 22:00	US	Factory Orders	Jun	0.20%	--	-1.30%	--
8/04/2026 22:00	US	JOLTS Job Openings	Jun	7454k	--	7594k	--
8/04/2026 22:00	US	Durable Goods Orders	Jun F	0.30%	--	0.30%	--
8/04/2026 22:00	US	Durables Ex Transportation	Jun F	0.60%	--	0.60%	--
8/04/2026 22:00	US	Cap Goods Orders Nondef Ex Air	Jun F	0.90%	--	0.90%	--
8/04/2026 22:00	US	Cap Goods Ship Nondef Ex Air	Jun F	1.90%	--	1.90%	--

Source: Bloomberg

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