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OCBC Group Research

By Global Markets | 5 August 2026

Daily Treasury Outlook

Highlights

Global: US equities rallied sharply overnight, with the S&P 500 and Dow closing at record highs and the Nasdaq gaining 2.6%. Upbeat corporate earnings and AI-linked forecasts supported sentiment, alongside renewed hopes of progress towards reopening the Strait of Hormuz. Treasury Secretary Scott Bessent said an agreement could be reached as early as today, while Iranian and Omani negotiators reportedly agreed on a temporary shipping arrangement pending approval from Iran's leadership. Oil prices fell more than 5%, with WTI near USD76 and Brent below USD80. On the data front, June JOLTS job openings were little changed at 7.4mn, in line with expectations, while hires, quits and layoffs were unchanged, pointing to stable labour-market conditions. Attention now turns to Friday's payrolls report. In Indonesia, the Financial System Stability Committee said financial-system stability remained resilient. Finance Minister Purbaya Yudhi Sadewa expects 2Q26 growth to slow from 5.6% but remain near 5.4%, supported by consumption, investment and government spending. Bank Indonesia reiterated that inflation should remain within its 1.5%–3.5% target range, while regulators said banking liquidity remains ample.

Market Watch: For the day ahead, markets will monitor July services and composite PMIs from Japan, Hong Kong, Singapore, China and India. Other releases include New Zealand's commodity-price index, July inflation from the Philippines and Thailand, Indonesia's second-quarter GDP, the Reserve Bank of India's policy decision and Singapore's June retail sales.

Major Markets

ID: CoreWeave will establish its first Asia Pacific data centre presence in Indonesia through three facilities with 360MW of contracted IT power, which are expected to come online in 2028. The AI cloud computing company will own and operate the compute environment across all three sites, providing local AI computing capacity for Southeast Asian workloads that require low latency and data locality. CoreWeave will also build and train a local team to operate the facilities, while the company operated 49 data centres globally as of 31 March 2026.

MY: The Ministry of Investment, Trade and Industry is considering imposing a levy on every EV sold to fund Malaysia's public charging network, after four years of CBU tax exemptions resulted in MYR3.3bn in forgone revenue but limited infrastructure investment. The government did not extend incentives for imported CBU EVs but retained import duty, excise duty and sales tax exemptions for CKD EVs until 31 December 2027, subject to government conditions aimed at supporting domestic vendors, technology transfer and high skilled jobs. Meanwhile, MITI has yet to receive official confirmation on whether BYD will proceed with its proposed Tanjung Malim investment, while several national, international and contract manufacturers already operate local assembly facilities.

Key Market Movements

Equity	Value	% chg
S&P 500	7736.5	1.8%
DJIA	54086	1.7%
Nikkei 225	63958	0.3%
SH Comp	3822.3	0.3%
STI	5612.3	0.0%
Hang Seng	25853	-0.6%
KLCI	1732.7	0.4%
	Value	**% chg**
DXY	99.858	0.0%
USDJPY	157.75	0.4%
EURUSD	1.1531	0.2%
GBPUSD	1.3452	0.1%
USDIDR	18023	0.2%
USDSGD	1.2822	0.0%
SGDMYR	3.1916	0.0%
	Value	**chg (bp)**
2Y UST	4.19	-4.56
10Y UST	4.61	-6.29
2Y SGS	1.71	-0.10
10Y SGS	2.35	0.00
3M SORA	1.13	-0.52
3M SOFR	3.63	0.03
	Value	**% chg**
Brent	79.36	-5.3%
WTI	75.77	-5.7%
Gold	4078	0.6%
Silver	59.55	2.4%
Palladium	1350	6.7%
Copper	14067	1.4%
BCOM	128.85	-1.3%

Source: Bloomberg

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Sustainability

SG: The Maritime and Port Authority of Singapore (MPA) will issue eight new licences to supply liquefied natural gas (LNG) as a marine fuel in Singapore from 1 Sep 2026, which will expand Singapore's LNG bunkering capacity and support its development as a multi-fuel bunkering hub. This reflects a growing demand for LNG and the maritime industry's broader shift towards alternative fuels. The licences will be awarded to Aramco Trading Singapore, Equatorial Marine Fuel Management Services, ExxonMobil Asia Pacific, PetroChina International (Singapore), Shell Eastern Trading, Sinopec Fuel Oil (Singapore), TotalEnergies Gas & Power Asia (TEGPA)-Sembcorp Fuels (Singapore) Joint Venture, and Vitol Bunkers (S). Heightened geopolitical uncertainty and oil supply disruptions arising from the Middle East conflict have reinforced the maritime industry's focus on fuel supply security and diversification. This transition can help the industry hedge against oil supply disruptions and geopolitical risks in the long term, while advancing its decarbonisation journey.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading -1bps to flat, belly tenors trading flat, and the 10Y tenor trading flat.
- US Investment Grade spreads traded tightened by 1bps to 76bps, and US High Yield spreads tightened by 5bps to 266bps. Bloomberg Global Contingent Capital Index widened by 1 bps to 209bps.
- Bloomberg Asia USD Investment Grade widened by 1 bps to 58bps, and the Asia USD High Yield spreads widened by 1bps to 344bps. (Bloomberg, OCBC)

New Issues:

- There were SGD400mn of issuances in the Singdollar market yesterday led by Mapletree Logistics Trust, who priced a SGD400mn PerpNC5 bond at 3.5%.
- The total issuances in the APAC and DM IG markets were USD1.57bn and USD17.75bn respectively yesterday (day before: USD600mn and USD8.15bn respectively). The largest issuance from APAC markets came from Mizuho Bank Ltd (priced USD670mn across two tranches), and DM IG markets was led by AbbVie Inc (priced USD10.5bn across nine tranches). (Bloomberg, OCBC)

Credit Developments:

- **LREIT (Lendlease Global Commercial REIT):** FY2026 results were stable with stronger capital structure following the Jem office divestment and full acquisition of PLQ Mall, supported by resilient Singapore retail assets, healthy occupancy, positive rental reversions, and improved debt metrics.
- **PLNIJ (PT Perusahaan Listrik Negara):** Reported a 1H2026 net loss due entirely to non-cash FX losses, while underlying operations remained profitable and operating cash flow improved on higher government subsidy receipts.

- **CBA (Commonwealth Bank of Australia):** Announced changes to its home loan arrears reporting methodology that will increase reported early-stage arrears but have no impact on asset quality, provisions, regulatory capital, or 90+ day arrears.
- **LMRTSP (Landmark REIT):** Launched a consent solicitation to replace SOR-based reset mechanisms on two SGD perpetual securities with SORA-OIS-based rates, while its proposed resumption of distributions in 2027 remains uncertain given the need for a meaningful improvement in operating performance.

Equity Market Updates

US: US stocks surged on Tuesday, with the S&P 500 recording its 25th record close of 2026 and its first since 2 June, as strong corporate earnings and a sharp decline in oil prices boosted investor sentiment. The S&P 500 rose 1.8%, the Nasdaq climbed 2.6%, and the Dow gained 1.7%. The main catalyst was renewed optimism surrounding a potential agreement to reopen the Strait of Hormuz, which drove oil prices sharply lower and lifted risk appetite across markets. Financials were among the strongest performers, with Goldman Sachs and Morgan Stanley each advancing about 3%. Earnings also helped fuel the rally. Caterpillar jumped after raising its revenue growth outlook, supported by strong demand from data centre-related projects, while Amgen increased its full-year guidance after reporting better-than-expected sales. Treasury yields declined as lower oil prices reduced inflation concerns and eased some uncertainty around the Federal Reserve's policy path. Gains were led by the five- to ten-year segment of the curve, and futures markets are now pricing in roughly 15 basis points of policy tightening by September. After the close, however, AMD fell around 9% in after-hours trading after issuing a third-quarter outlook that disappointed investors. The decline was compounded by Elon Musk's announcement that SpaceX would exclusively use Nvidia chips for future development.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	99.858	-0.04%	USD-SGD	1.2822
USD-JPY	157.75	0.36%	EUR-SGD	1.4784
EUR-USD	1.153	0.19%	JPY-SGD	0.8129
AUD-USD	0.705	0.66%	GBP-SGD	1.7248
GBP-USD	1.345	0.14%	AUD-SGD	0.9035
USD-MYR	4.098	0.05%	NZD-SGD	0.7558
USD-CNY	6.749	-0.10%	CHF-SGD	1.5852
USD-IDR	18023	0.18%	SGD-MYR	3.1916
USD-VND	26278	-0.02%	SGD-CNY	5.2646

Equity and Commodity		
Index	Value	Net change
DJIA	54,085.88	907.47
S&P	7,736.52	136.02
Nasdaq	26,584.99	671.09
Nikkei 225	63,957.53	202.63
STI	5,612.25	-0.03
KLCI	1,732.66	6.93
JCI	6,319.61	85.12
Baltic Dry	2,843.00	111.00
VIX	16.50	0.64

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.2420	1.49%	1M	3.6482
3M	2.4610	-0.93%	2M	3.7049
6M	2.7050	-0.04%	3M	3.7552
12M	2.9390	-0.84%	6M	3.8793
			1Y	4.0332

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.71 (--)	4.2(--)
5Y	1.89 (--)	4.33 (-0.06)
10Y	2.35 (--)	4.62 (-0.06)
15Y	2.39 (--)	--
20Y	2.41 (--)	--
30Y	2.45 (--)	5.18 (-0.05)

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	0.579	57.900	0.145	3.779
10/28/2026	0.835	25.600	0.209	3.842
12/09/2026	1.253	41.800	0.313	3.947

Financial Spread (bps)		
	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.65

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	75.77	-5.7%	Corn (per bushel)	4.423	-1.6%
Brent (per barrel)	79.36	-5.3%	Soybean (per bushel)	11.550	-1.2%
Heating Oil (per gallon)	377.05	-2.8%	Wheat (per bushel)	6.385	-1.9%
Gasoline (per gallon)	285.22	-3.9%	Crude Palm Oil (MYR/MT)	45.510	1.4%
Natural Gas (per MMBtu)	2.68	-3.6%	Rubber (JPY/KG)	4.250	-0.2%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14067	1.4%	Gold (per oz)	4078	0.6%
Nickel (per mt)	17193	0.8%	Silver (per oz)	59.55	2.4%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/05/2026 9:00	PH	CPI YoY 2018=100	Jul	6.40%	--	6.40%	--
8/05/2026 9:45	CH	RatingDog China PMI Composite	Jul	--	--	53.6	--
8/05/2026 9:45	CH	RatingDog China PMI Services	Jul	53.7	--	54.1	--
8/05/2026 11:00	TH	CPI YoY	Jul	2.55%	--	2.42%	--
8/05/2026 11:00	TH	CPI Core YoY	Jul	1.40%	--	1.23%	--
8/05/2026 12:00	ID	GDP YoY	2Q	5.14%	--	5.61%	--
8/05/2026 12:30	IN	RBI Repurchase Rate	5-Aug	5.25%	--	5.25%	--
8/05/2026 13:00	SI	Retail Sales YoY	Jun	4.20%	--	3.00%	--
8/05/2026 16:00	EC	S&P Global Eurozone Composite PMI	Jul F	51.9	--	51.9	--
8/05/2026 16:30	UK	S&P Global UK Services PMI	Jul F	51.8	--	51.8	--
8/05/2026 16:30	UK	S&P Global UK Composite PMI	Jul F	52.1	--	52.1	--
8/05/2026 19:00	US	MBA Mortgage Applications	31-Jul	--	--	-6.40%	--
8/05/2026 20:15	US	ADP Employment Change	Jul	65k	--	98k	--
8/05/2026 21:45	US	S&P Global US Services PMI	Jul F	53.6	--	53.6	--
8/05/2026 22:00	US	ISM Services Index	Jul	54.5	--	54	--

Source: Bloomberg

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