

Daily Treasury Outlook

Highlights

Global: Soft nonfarm payrolls but bond market anxiety continues. Friday's US September non-farm payrolls rose just 29k, below market expectations of ~ 90k, while August was also revised down to 133,000. The unemployment edged up to 4.2% and average hourly earnings rose only 0.1% MoM (3.0% YoY), in a cooling labour market with soft rings, the S&P500 gained 0.73% on Friday, led by tech stocks, while the 10-year UST bond yield initially plunged then reversed and closed ~5.26% even as markets priced out an October FOMC rate hike, albeit the December FOMC remains live. US president Trump's suggestion to pay USD90 Medicare to more than 20 million seniors also flag ongoing fiscal sustainability risk with mid-term elections coming up.

Market Watch: Asian markets are likely to open with some relief that an October Fed rate hike is not forthcoming. Today's economic data calendar comprises of US' September services ISM, Japan's consumer confidence and Europe's/UK composite PMIs. Fed's William, Bowman, Schmid and Logan, as well as EcB's Zigman and BOE's Mann are also speaking today. For the week ahead, watch for US' August trade balance, ADP employment data and Taiwan's CPI tomorrow; Thailand's September CPI and Asian services/composite PMIs on Wednesday; September FOMC minutes (especially since Fed's Williams and Jefferson had recently opined room to wait rather than an immediate need to hike again), ECB minutes and initial jobless claims on Thursday; University of Michigan sentiment and inflation gauges as well as China's aggregate financing and new Yuan loans data on Friday. China market is closed for Golden Week holiday until Wednesday, but Beijing had announced to suspend October fuel exports beyond Hong Kong and Macau, which is likely to impact Asian supply conditions and may weigh on BI, BSP and MAS monetary policy decisions due later this month. On the central bank front, RBI meets on 5 October and is increasingly expected to hike 25bps to 5.5% in its first tightening since 2023. Malaysia's Budget 2027 will be tabled in parliament on Friday, 9 October.

SG: August retail sales is due today and is likely to have expanded 1.3% YoY (-0.5% MoM SA), versus 1.5% YoY (0.9% MoM SA) in July. MAS is likely to announce the date of its October monetary policy meeting this week.

Major Markets

MY: Prime Minister Anwar Ibrahim said Malaysia welcomes investment from Bahrain and is ready to expand bilateral cooperation across healthcare, Islamic finance, technology, tourism, food security, artificial intelligence, cybersecurity and smart manufacturing. He said Malaysian companies are also ready to use Bahrain as a gateway to the Gulf Cooperation Council market, while both sides discussed expediting senior officials' consultations to activate the High Level Joint Committee, as reported by The Edge. Separately, PM Anwar also said the government will announce a special allocation for youth in Budget 2027 on 9

Key Market Movements

Equity	Value	% chg
S&P 500	7722.7	0.7%
DJIA	51177	0.5%
Nikkei 225	68309	-0.9%
SH Comp	3842.2	0.0%
STI	5634.8	-0.6%
Hang Seng	23972	-2.6%
KLCI	1630.9	0.0%

	Value	% chg
DXY	101.932	-0.2%
USDJPY	157.85	-0.2%
EURUSD	1.1255	0.1%
GBPUSD	1.3241	0.3%
USDIDR	17875	-0.4%
USDSGD	1.2781	-0.2%
SGDMYR	3.1929	0.2%

	Value	chg (bp)
2Y UST	4.82	3.33
10Y UST	5.27	2.99
2Y SGS	1.97	-1.80
10Y SGS	2.45	-3.14
3M SORA	1.23	0.01
3M SOFR	3.69	0.26

	Value	% chg
Brent	102.25	-0.1%
WTI	91.11	-1.9%
Gold	4141	-0.9%
Silver	60.36	-1.0%
Palladium	1171	-1.2%
Copper	14259	0.1%
BCOM	141.51	-0.5%

Source: Bloomberg

October, with attention to education costs and the needs of students from low income families.

HK: Retail sales growth strengthened in August, with sales value and volume rising by 5.6% YoY and 2.9% YoY, respectively, supported by a further pickup in visitor arrivals. On a sequential basis, retail sales rebounded by 3.3% MoM in both value and volume terms in August. Consumer spending increased across most retail categories, with the notable exceptions of fuels, clothing, footwear and allied products, and department stores. Sales of jewellery, watches and valuable gifts remained a key driver of overall retail performance, rising by a still-robust 11.9% YoY in August, although the pace of growth continued to moderate from earlier highs. We expect consumption sentiment to remain lukewarm in coming months, amid elevated interest rates and increasing slack in the labour market.

ID: Coordinating Minister for Economic Affairs Airlangga Hartarto said the Indonesia European Union Comprehensive Economic Partnership Agreement is targeted for signing this year, allowing implementation to begin in early 2027. He said the agreement would expand market access and strengthen trade and business engagement between Indonesia and the European Union, including opportunities for German businesses and investment. Minister Airlangga highlighted opportunities for deeper Indonesia-Germany cooperation in new and renewable energy, electricity infrastructure, the EV and battery ecosystem, semiconductors, digital infrastructure and sustainable financing. Germany remains an important economic and industrial partner, with bilateral trade reaching around USD6.1bn in 2025 and more than 250 German multinational companies operating in Indonesia, as reported by Antara.

PH: According to Bangko Sentral ng Pilipinas (BSP), headline inflation for September is expected to settle “within the range of 6.4-7.4%”. BSP highlighted that upside price pressures in September could stem from weather-related increases in vegetable, fish, rice and fruit prices, alongside higher domestic fuel costs, and the depreciation of the Philippine peso. These pressures could be partly offset by lower meat prices and electricity rates. The BSP states that it will “remain vigilant and guided by incoming data, particularly on inflation and growth prospects. It will continue to assess the impact of latest developments in the Middle East and recent weather disturbances on the country’s inflation and economic outlook.”

TH: The Bank of Thailand (BoT) is closely monitoring the economic impact of persistent flooding in Bangkok and nearby provinces, with Assistant Governor Chayawadee Chai-Anant noting that initial damage has been concentrated in the services sectors, including transport, goods distribution, retail and wholesale, and construction. In contrast, manufacturing and tourism have so far been less affected. SMEs and small traders have faced damaged inventories, weaker demand and greater debt-servicing difficulties. Assistant Governor Chayawadee said that it is too early to quantify the impact on GDP while flooding continues. The BoT has directed 16 financial institutions to roll out emergency support measures, including lower instalments, extended repayment terms, reduced rates, and emergency financing. Thailand’s economy was broadly stable in August, supported by exports, private investment, consumption and tourism. Looking ahead, the BoT expects the economic recovery to continue unevenly, led by exports and private investment, and will monitor five key risks: the sustainability of the global tech and AI cycle, geopolitical and trade risks, the

effect of government measures, the impact of flooding and El Niño, and the pace of tourism's recovery.

VN: GDP growth accelerated to 9.95% YoY in 3Q26, up from an upwardly revised 8.8% YoY in the previous quarter, and beat consensus expectations (8.65%), boosting growth for the first nine months to 9.0%. The industrial and construction sector drove the momentum, expanding 11.2% YoY and accounting for nearly half of total gross value added. Meanwhile, services grew 8.7% YoY, while agriculture expanded 4.2% YoY. On the inflation front, CPI rose to 5.1% YoY in September 2026, edging up from 4.9% YoY in August, mainly reflecting a continued pickup in transportation inflation (11.7% YoY in September versus 8.0% YoY in August), which more than offset lower food and foodstuff inflation (4.4% YoY versus 4.7% YoY).

Sustainability

SG: Singapore's government agencies are building nuclear expertise in areas ranging from reactor engineering to safety and regulation, as part of preparations for a review of its nuclear capabilities by the International Atomic Energy Agency (IAEA) in 2027. It will assess whether Singapore has developed the capabilities and regulatory frameworks needed to make an informed decision on deploying nuclear energy as part of its energy mix. A new Nuclear Development Department within the Energy Market Authority (EMA) will study the practical requirements of operating nuclear power plant projects, including project management and financing. EMA and the National Environment Agency (NEA) are also recruiting for more nuclear-related expertise. These efforts signal Singapore's push to assess nuclear energy's potential role in its future energy mix, while building the institutional capabilities needed to keep the option open as its power needs grow.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower last Friday; shorter tenors traded 5-6bps lower, belly tenors traded 5-6bps lower, and 10Y tenor traded 5bps lower.
- US Investment Grade spreads tightened 1bp to 81bps, and US High Yield spreads tightened by 12bps to 306bps respectively. Bloomberg Global Contingent Capital spreads widened by 3bps to 241bps.
- Bloomberg Asia USD Investment Grade spread widened by 3bps to 59bps, and the Asia USD High Yield spreads tightened by 2bps to 346bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the SGD markets.
- There were zero and USD52.5mn of issuances in the APAC and DM IG markets respectively (prior business day: zero and USD1.15bn).

Credit Headlines:

Mapletree Investment Ptd Ltd (MAPLSP): In an interview with the Business Times, MAPLSP's Group CEO Mr Hiew Yoon Khong reaffirmed

the company's commitment to rejuvenating the HarbourFront Precinct, in line with its focus on future-ready developments. He said development, particularly of logistics facilities, will play a bigger role in MAPLSP's next phase of growth alongside acquisitions of completed assets. This is especially relevant in the current higher cost-of-capital environment, where development can offer a more attractive risk-return proposition. Beyond generating returns, development also strengthens MAPLSP's pipeline of assets for monetisation, capital recycling and injection into its unlisted real estate funds and REIT platforms. Separately, Bloomberg reported, citing unnamed sources, that MAPLSP is evaluating a plan to list four of its India office parks through a REIT in Mumbai, targeting a mid-to-late 2027 listing. The REIT could raise up to SGD600mn, though the company declined to comment.

- **First Real Estate Investment Trust (FIRTSP):** FIRTSP has issued a notice to redeem its SGD100mn FIRTSP 3.25% '27s on 19 October 2026 at a make-whole amount of SGD100.67mn. The redemption is funded by proceeds from the divestment of eight hospital assets and three non-hospital assets. Based on previous disclosure, those proceeds were IDR6.2tn (~SGD471.6mn). After the redemption, FIRTSP will have no outstanding bonds or perpetual securities.
- **Industry Outlook – Singapore Private Home Prices:** URA's flash estimates released last Thursday showed that the private residential property price index rose 1.4% q/q in 3Q2026, up from 0.5% in the previous quarter. The average increase across the first three quarters of 2026 was 0.9%, unchanged from the same period in 2025. Private residential sales volume fell 30% q/q. Outside Central Region ("OCR") prices rose 2.2%, reversing a 0.1% dip in the previous quarter. Core Central Region prices slipped 0.1%, after rising 1.8% in the previous quarter. The flash estimates are based on transaction prices submitted for stamp duty and developers' sales data up to mid-September. Full statistics will be released on 23 October 2026.
- **BNP Paribas SA (BNP):** BNP announced last week its strategic entry into the Nordic wealth management market, which it says will focus on Ultra-High-Net-Worth ("UHNW") clients.

Equity Market Updates

US: US stocks advanced Friday as a sharply weaker-than-expected September jobs report, with nonfarm payrolls rising just 29,000 against a consensus of around 90,000 and prior months revised down a combined 60,000, fuelled speculation the Federal Reserve will delay any further rate hikes. The S&P 500 rose 0.7%, the Nasdaq gained 1.2%, and the Dow added 0.5%, with consumer discretionary and technology leading gains. Nvidia hit all-time highs and Tesla jumped on solid sales. Treasury yields initially fell sharply, with 2-year yields touching as low as 4.69%, down around 10 basis points on the day, but the rally unwound through the session as investors questioned whether the soft data was sustainably disinflationary, with yields on 2- to 5-year notes ending 2 to 5 basis points higher on the day, near multi-decade highs, with the belly of the curve underperforming. Fed Vice Chair Jefferson and New York Fed President Williams both signalled policymakers have time to assess data before deciding on further tightening. Notably, the S&P 500 still ended the week lower, as the prior bond rout, which sent 10-year yields to their highest in over two decades, weighed on

rate-sensitive sectors. In China, Beijing's latest stimulus package, its largest since September 2024, drew a cautious market reception, with investors reportedly viewing the measures as insufficient in scale.



Foreign Exchange

	Day Close	% Change		Day Close
DX-Y	101.932	-0.16%	USD-SGD	1.2781
USD-JPY	157.85	-0.15%	EUR-SGD	1.4393
EUR-USD	1.126	0.10%	JPY-SGD	0.8100
AUD-USD	0.696	0.36%	GBP-SGD	1.6935
GBP-USD	1.324	0.33%	AUD-SGD	0.8896
USD-MYR	4.084	-0.04%	NZD-SGD	0.7184
USD-CNY	6.706	-0.01%	CHF-SGD	1.5436
USD-IDR	17875	-0.42%	SGD-MYR	3.1929
USD-VND	25987	0.05%	SGD-CNY	5.2361

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4370	0.12%	1M	3.9126
3M	2.5980	0.35%	2M	3.9345
6M	3.0580	0.49%	3M	4.0171
12M	3.3230	0.61%	6M	4.1678
			1Y	4.4657

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.205	20.500	0.051	3.928
12/09/2026	0.994	78.900	0.249	4.125
01/27/2027	1.385	39.100	0.346	4.222
03/17/2027	2.111	72.600	0.528	4.404

Equity and Commodity

Index	Value	Net change
DJIA	51,176.96	250.40
S&P	7,722.72	56.27
Nasdaq	27,190.86	319.26
Nikkei 225	68,309.46	-647.26
STI	5,634.82	-32.85
KLCI	1,630.87	0.51
JCI	6,036.89	27.39
Baltic Dry	3,148.00	8.00
VIX	15.31	-1.08

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.97 (-0.02)	4.81(--)
5Y	2.21 (-0.05)	5.05 (+0.04)
10Y	2.45 (-0.03)	5.26 (+0.03)
15Y	2.51 (-0.03)	--
20Y	2.45 (-0.03)	--
30Y	2.49 (-0.02)	5.6 (+0.01)

Secured Overnight Fin. Rate

SOFR	3.87
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	91.11	-1.9%	Corn (per bushel)	4.978	-0.9%
Brent (per barrel)	102.25	-0.1%	Soybean (per bushel)	12.783	-0.4%
Heating Oil (per gallon)	450.11	-3.0%	Wheat (per bushel)	6.830	0.0%
Gasoline (per gallon)	331.24	-2.7%	Crude Palm Oil (MYR/MT)	43.540	-0.5%
Natural Gas (per MMBtu)	3.04	2.3%	Rubber (JPY/KG)	4.410	-0.7%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14259	0.1%	Gold (per oz)	4141	-0.9%
Nickel (per mt)	15626	-0.1%	Silver (per oz)	60.36	-1.0%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/05/2026 8:00	AU	Melbourne Institute Inflation MoM	Sep	--	0.30%	0.50%	--
10/05/2026 8:30	JN	S&P Global Japan PMI Composite	Sep F	--	--	52.5	--
10/05/2026 8:30	JN	S&P Global Japan PMI Services	Sep F	--	--	51.6	--
10/05/2026 13:00	SI	Retail Sales YoY	Aug	2.00%	--	1.50%	--
10/05/2026 16:00	EC	S&P Global Eurozone Services PMI	Sep F	53	--	53	--
10/05/2026 16:00	EC	S&P Global Eurozone Composite PMI	Sep F	53.1	--	53.1	--
10/05/2026 16:30	UK	S&P Global UK Services PMI	Sep F	51.7	--	51.7	--
10/05/2026 16:30	UK	Official Reserves Changes	Sep	--	--	\$5328m	--
10/05/2026 16:30	UK	S&P Global UK Composite PMI	Sep F	51.7	--	51.7	--
10/05/2026 21:45	US	S&P Global US Services PMI	Sep F	58.7	--	58.7	--
10/05/2026 21:45	US	S&P Global US Composite PMI	Sep F	58.4	--	58.4	--
10/05/2026 22:00	US	ISM Services Index	Sep	55	--	55.4	--

Source: Bloomberg

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