

Daily Treasury Outlook

Highlights

Global: Financial markets started July on a more constructive note. However, US markets were closed for the holiday on Friday following a softer-than-expected June nonfarm payrolls print of just 57k, while the unemployment rate held steady at 4.2%. Meanwhile, tanker traffic through the Strait of Hormuz recovered on Sunday after some vessels made U-turns on Saturday, while OPEC+ agreed to raise its output target by 188k barrels per day for August. Separately, SK Hynix's USD29bn IPO on Nasdaq is expected to take place on 10 July.

Market Watch: Asian markets may start the week on a supportive note today, while awaiting confirmation of whether incoming macroeconomic data will validate the hawkish repricing of interest rate expectations by markets. Today's economic calendar includes Thailand's June CPI, Germany's factory orders, Eurozone Sentix investor confidence, and retail sales data. German Chancellor Merz is also set to present a pro-growth reform package to the cabinet today. The Fed's Waller and the ECB's Schnabel and Wunsch are also scheduled to speak. Looking ahead, key events this week include the FOMC June minutes, the US services ISM, May trade data, and weekly jobless claims, as well as China's inflation and aggregate financing data. On the central bank front, the RBNZ is expected to keep its cash rate unchanged at 2.5% on Wednesday as lower oil prices ease near-term inflation risks, while BNM is also likely to leave its policy rate unchanged at 2.75% on Thursday. The BOE will also release its Financial Stability Report tomorrow. In addition, the US corporate earnings season will kick off with results from PepsiCo and Delta Air Lines.

SG: May retail sales likely rose 4.2% YoY (-1.2% MoM SA), compared with April's 5.4% YoY (+0.3% MoM SA).

Major Markets

ID: Coordinating Minister for Economic Affairs Airlangga Hartarto said CPTPP members agreed on 26 Jun to launch preparatory discussions for Indonesia, the Philippines and the United Arab Emirates. He said Indonesia had aligned domestic regulations with CPTPP provisions across 22 chapters and submitted a questionnaire to New Zealand on 12 May last year, while the government targets full membership by 2027. Separately, the Ministry of Energy and Mineral Resources aims to complete the 2026 to 2035 National Energy General Plan by September 2026, with the roadmap to guide energy supply, demand and transition strategy.

VN: The GDP growth accelerated to 8.4% YoY in 2Q26 from 7.9% YoY in 1Q26, beating the consensus forecast of a more subdued 7.0% growth, and lifting 1H26 growth to 8.2% YoY. The expansion was driven mainly by an 11.8% YoY increase in the industry and construction sector, up from 9.0% YoY in the previous quarter, supported by robust manufacturing activity and recovering export orders. Similarly, the agriculture, forestry, and fisheries sector strengthened to 6.7% YoY from 3.7% YoY, while growth in the services sector eased slightly to 7.3% YoY from 8.3% YoY. Meanwhile, headline CPI inflation eased to 4.7% YoY in June from 5.6%

Key Market Movements

Equity	Value	% chg
S&P 500	7483.2	0.0%
DJIA	52900	0.0%
Nikkei 225	69744	1.5%
SH Comp	4043.6	0.4%
STI	5244.3	0.5%
Hang Seng	23350	1.3%
KLCI	1679.1	1.0%
	Value	% chg
DXY	100.857	0.0%
USDJPY	161.34	0.1%
EURUSD	1.1437	0.0%
GBPUSD	1.3350	0.0%
USDIDR	17954	-0.2%
USDSGD	1.2917	-0.1%
SGDMYR	3.1540	0.0%
	Value	chg (bp)
2Y UST	4.14	0.00
10Y UST	4.48	0.00
2Y SGS	1.61	1.30
10Y SGS	2.13	3.95
3M SORA	1.09	0.40
3M SOFR	3.63	0.00
	Value	% chg
Brent	72.12	0.4%
WTI	68.69	0.0%
Gold	4177	1.3%
Silver	62.42	2.5%
Palladium	1274	0.8%
Copper	13367	0.3%
BCOM	123.07	0.0%

Source: Bloomberg

YoY in May, although 1H26 inflation averaged 4.4% YoY, close to the government's 4.5% target ceiling.

MY: The Finance Ministry approved an additional 100 litres of subsidised diesel per month for nearly 200k owners of pick-up and jeep-type diesel vehicles nationwide under Budi Madani Diesel, raising their monthly quota to 300 litres beginning July. The recipients comprised more than 174k in Peninsular Malaysia and over 22k in Sabah, Sarawak and Labuan as of 4 Jul, while Finance Minister II Amir Hamzah Azizan said more than 238k users had benefited since implementation began on 27 Jun in Peninsular Malaysia and 1 Jul in Sabah and Sarawak, as reported by The Edge. Between 27 Jun and 4 Jul, the programme recorded more than 336k diesel transactions, involving 12.6mn litres of subsidised diesel and more than MYR23.0mn in government subsidies.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 0-1bps higher, belly tenors trading flat, and the 10Y tenor trading 1bps higher.
- US Investment Grade and US High Yield spreads both traded flat at 74bps, and 267bps respectively. Bloomberg Global Contingent Capital Index tightened by 2bps to at 213bps.
- Bloomberg Asia USD Investment Grade and Asia USD High Yield spreads both traded flat at 55bps and 342bps respectively. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market last Friday.
- The total issuances in the APAC and DM IG markets were USD300mn and zero (prior day: USD400mn and zero respectively). (Bloomberg, OCBC)

Credit Developments:

- There were no credit headlines last Friday.

Equity Market Updates

US: With US markets closed on Friday, 4 Jul 2026, in observance of Independence Day, the last trading session was Thursday, when US stocks delivered a mixed close as a sharply weaker-than-expected June jobs report triggered a rotation out of technology and into defensive sectors. The Dow Jones Industrial Average climbed to a record closing high just below 53,000, whilst the Nasdaq fell, having dropped 4.6% the prior week, and the S&P 500 ended broadly flat for the day, though the Nasdaq gained 1.4% on the week. The US economy added just 57,000 jobs in June, well below the 115,000 consensus estimate, prompting markets to pare back bets on a Federal Reserve rate hike; the dollar weakened and gold rose toward USD4,200 an ounce, its first weekly gain since May. Healthcare, consumer staples and small-caps outperformed, with the Russell 2000 posting its best first half since 1991. Treasury yields were little changed, with the 10-year at 4.49% and the 2-year at 4.14%, as the soft data offset lingering inflation concerns

flagged by Fed Chair Kevin Warsh. Over the long weekend, the US and Iran agreed to halt strikes and send delegations to Doha this week for further talks on the Strait of Hormuz, though the ceasefire remains fragile amid competing interpretations of the MOU. Looking ahead, markets face a packed July calendar, with the Section 122 blanket tariff scheduled to expire on 24 Jul and the Fed's next rate decision in focus, with markets currently pricing roughly a 37% probability of a 25 basis point hike.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	100.857	0.00%	USD-SGD	1.2917
USD-JPY	161.34	0.14%	EUR-SGD	1.4777
EUR-USD	1.144	0.04%	JPY-SGD	0.8005
AUD-USD	0.694	0.26%	GBP-SGD	1.7248
GBP-USD	1.335	0.03%	AUD-SGD	0.8966
USD-MYR	4.072	-0.20%	NZD-SGD	0.7380
USD-CNY	6.779	-0.09%	CHF-SGD	1.6076
USD-IDR	17954	-0.22%	SGD-MYR	3.1540
USD-VND	26297	0.02%	SGD-CNY	5.2517

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	#N/A	#VALUE!	1M	#N/A Connection
3M	#N/A	#VALUE!	2M	#N/A Connection
6M	#N/A	#VALUE!	3M	#N/A Connection
12M	#N/A	#VALUE!	6M	#N/A Connection
			1Y	#N/A Connection

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.219	21.900	0.055	3.683
09/16/2026	0.654	43.400	0.163	3.791
10/28/2026	0.959	30.600	0.240	3.868
12/09/2026	1.199	23.900	0.300	3.927

Equity and Commodity

Index	Value	Net change
DJIA	52,900.07	594.83
S&P	7,483.24	0.01
Nasdaq	25,832.67	-207.36
Nikkei 225	69,744.07	1010.92
STI	5,244.29	27.14
KLCI	1,679.05	17.22
JCI	5,875.78	131.22
Baltic Dry	∇/A Connectic	#VALUE!
VIX	15.81	-0.34

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.61 (+0.01)	#VALUE!
5Y	1.77 (+0.03)	4.23(--)
10Y	2.13 (+0.04)	#VALUE!
15Y	2.17 (+0.04)	--
20Y	2.21 (+0.05)	--
30Y	2.25 (+0.05)	#VALUE!

Financial Spread (bps)

Value	Change
TED	∇/A Connectic --

Secured Overnight Fin. Rate

SOFR	∇/A Connection
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	68.69	0.2%	Corn (per bushel)	4.250	1.0%
Brent (per barrel)	72.12	0.4%	Soybean (per bushel)	11.318	0.5%
Heating Oil (per gallon)	318.22	-1.1%	Wheat (per bushel)	5.905	-0.3%
Gasoline (per gallon)	291.73	-0.9%	Crude Palm Oil (MYR/MT)	44.390	-0.1%
Natural Gas (per MMBtu)	3.20	-0.7%	Rubber (JPY/KG)	4.012	0.8%

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13367	0.3%	Gold (per oz)	4177	1.3%
Nickel (per mt)	16424	1.1%	Silver (per oz)	62.42	2.5%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/06/2026 8:30	HK	S&P Global Hong Kong PMI	Jun	--	--	50.4	--
7/06/2026 9:00	AU	Melbourne Institute Inflation MoM	Jun	--	--	-0.30%	--
7/06/2026 9:00	AU	Melbourne Institute Inflation YoY	Jun	--	--	4.40%	--
7/06/2026 9:30	AU	ANZ-Indeed Job Advertisements MoM	Jun	--	--	1.80%	--
7/06/2026 11:30	TH	CPI YoY	Jun	2.70%	--	2.79%	--
7/06/2026 11:30	TH	CPI Core YoY	Jun	1.07%	--	0.92%	--
7/06/2026 11:30	TH	CPI NSA MoM	Jun	0.15%	--	0.17%	--
7/06/2026 13:00	SI	Retail Sales YoY	May	5.40%	--	5.40%	--
7/06/2026 13:00	SI	Retail Sales SA MoM	May	--	--	0.30%	--
7/06/2026 13:00	SI	Retail Sales Ex Auto YoY	May	--	--	4.50%	--
7/06/2026 16:00	UK	New Car Registrations YoY	Jun	--	--	7.10%	--
7/06/2026 16:30	UK	S&P Global UK Construction PMI	Jun	40	--	38.2	--
7/06/2026 16:30	EC	Sentix Investor Confidence	Jul	-10	--	-13.4	--
7/06/2026 17:00	EC	Retail Sales MoM	May	0.30%	--	-0.40%	--
7/06/2026 17:00	EC	Retail Sales YoY	May	1.60%	--	1.00%	--
7/06/2026 17:00	EC	PPI YoY	May	5.80%	--	4.90%	--

Source: Bloomberg

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