By Global Markets | 6 November 2026

Daily Treasury Outlook

Highlights

Global: US equities closed lower on Thursday, with all three major indices declining between 3.4% and 5.5% (S&P 500: -4.4%; Dow: -3.4%; Nasdaq: -5.5%) as investors shifted away from technology stocks amid concerns that tighter AI regulation could slow the buildout of data centres. Meanwhile, Brent crude rose 3.9% to close at around USD98/bbl. Central bank decisions were also in focus. The Bank of England (BoE) raised its policy rate by 25bp to 4.00%, its first hike in over three years, with the vote split at 8-1. Catherine Mann dissented in favour of a larger 50bp increase to 4.25%. Importantly, the MPC now expects CPI inflation to reach around 4.5% in 1Q27 and 5.0% by mid-2027, mainly due to higher energy prices. The accompanying November Monetary Policy Report noted that there is "limited evidence of knock-on effects on other prices and wages. However, the degree of inflationary pressure in the pipeline is now sufficient to warrant an increase in Bank Rate. Activity data in recent months have generally been stronger than expected, adding to the case for modestly tighter monetary policy." BoE Governor Andrew Bailey said the hike "shouldn't be seen as the first in an inevitable long sequence of hikes," but warned that "unless the conflict in the Middle East is resolved, neither does it seem likely to be the last increase." On the data front, US initial jobless claims fell 3.1% to 189k for the week ended 31 October, while continuing claims rose by 1.4% to 1.718mn for the week ended 24 October.

Market Watch: For the day ahead, market attention will be squarely focused on the US October labour market report. Consensus expects nonfarm payrolls to rise by 70k, compared with 29k in September, while the unemployment rate is expected to remain stable at 4.2%.

Major Markets

CH: The full text of the State Council's Report on Financial Work has been released. It calls for supporting Central Huijin Investment in playing a role akin to a market-stabilisation fund, broadening the sources and channels of long-term capital, and expanding the ways such funds can enter the market. The report also calls for strengthening the capital-market stabilisation framework and ensuring the stable operation of the stock, bond and foreign exchange markets.

MY: Bank Negara Malaysia (BNM) kept its policy rate unchanged at 2.75%, in line with consensus and our expectations. BNM's stance was largely unchanged from its previous meeting, with the door for normalisation remaining open. The assessment of growth remains strong, while the inflation outlook points to some upside into 2027. We reiterate our long-held view that BNM will normalise the policy rate by 25bp to 3.00% at its 21 January 2027 meeting.

ID: GDP growth was 5.5% YoY in 3Q26, accelerating from 5.3% in 2Q26 and exceeding expectations (Consensus: 5.2%; OCBC: 5.1%). This brought cumulative GDP growth for 1Q–3Q26 to 5.5% YoY. We have upgraded our 2026 GDP growth

Key Market Movements

Equity	Value	% chg
S&P 500	7353.7	-4.4%
DJIA	51523	-3.4%
Nikkei 225	61078	-1.8%
SH Comp	3689.9	0.1%
STI	5296.3	0.5%
Hang Seng	24797	3.7%
KLCI	1635.9	1.2%
	Value	**% chg**
DXY	101.565	0.0%
USDJPY	157.7	-0.5%
EURUSD	1.1219	-0.1%
GBPUSD	1.3450	-0.2%
USDIDR	18082	-0.5%
USDSGD	1.2776	-0.1%
SGDMYR	3.1696	-0.3%
	Value	**chg (bp)**
2Y UST	4.46	-11.86
10Y UST	4.83	-5.32
2Y SGS	1.82	-0.70
10Y SGS	2.15	-2.85
3M SORA	1.32	0.70
3M SOFR	3.80	0.33
	Value	**% chg**
Brent	98.29	3.9%
WTI	90.52	2.7%
Gold	4088	0.7%
Silver	51.78	-0.9%
Palladium	1034	2.8%
Copper	13844	-1.2%
BCOM	134.94	0.5%

Source: Bloomberg

forecast to 5.4% from 5.2%, primarily reflecting the stronger year-to-date outturn. The steady growth outlook offers some comfort to an economy that has been subject to cautious headlines for much of 2026. It will likely provide BI some comfort in pulling the trigger on a 25bp hike, we expect in December. Notwithstanding the resilient growth picture, incoming headlines on domestic political developments will be worth monitoring.

PH: Headline CPI rose to 7.8% YoY in October from 7.2% in September, its highest rate since February 2023. Similarly, core CPI jumped to 5.4% from an upwardly revised 4.8%, reaching its highest since September 2023. The continued acceleration in core inflation suggests that price pressures are broadening and that the risk of second-round effects is increasing. The main drivers of the October inflation print were transport, utilities, and restaurant and accommodation services. Headline CPI averaged 5.6% from Jan-October 2026, well above BSP's 2–4% target range. We revise our 2026 headline CPI forecast higher to 6.0% from 5.8%. This implies average inflation of 7.6% in November and December, keeping price pressures elevated through year-end. On the upside, GDP growth expected to recover supported by higher export growth and government spending. Our tracking estimate is pointing to growth of 4.1% YoY in 3Q26 versus 2.3% in 3Q26. The persistence of inflation risks amid an improving growth backdrop allows the BSP more room to focus on curbing inflationary pressures. We are therefore adding a cumulative 50bp in rate hikes from BSP. We now see BSP raising its policy rate by 25bp at its 17 December meeting, taking the rate to 5.75%, followed by another 25bp hike in 1Q27 to a peak of 6.00%.

AU: Australia's international goods trade surplus widened sharply to AUD2.8bn in September, from AUD184mn in August. Exports rose by AUD1.1bn, or 2.3% MoM, driven by higher shipments of other mineral fuels and metals excluding non-monetary gold. Meanwhile, imports fell by AUD1.6bn, or 3.3% MoM, mainly due to lower imports of non-monetary gold, civil aircraft and confidentialised items. The stronger September trade balance provides a potentially positive signal for third-quarter net exports, although the improvement partly reflected volatility in gold and aircraft imports rather than a broad-based decline in import demand.

TW: Taiwan's CPI rose 2.3% YoY in October, easing from 2.7% in September and coming in below market expectations of 2.5%. Core inflation remained elevated at 2.2%, pointing to continued underlying price pressures. Among the main categories, transportation and communication prices recorded the largest increase at 4.4%, followed by education and entertainment at 2.9%. Fuel prices surged 15.2%, reflecting higher global oil prices and a low comparison base, while airfares climbed 12.5% as airlines raised fuel surcharges and airport service fees. These increases were partly offset by a 5.2% decline in hotel accommodation costs, following the introduction of government incentives for weekday domestic travel. The inflation outlook therefore remains vulnerable to global energy prices, while sticky services inflation suggests that domestic price pressures have yet to ease decisively.

Sustainability

Rest of the world: India approved INR145bn (US$1.5bn) in subsidies to support 92GWh of energy storage capacity through 2031, as it seeks to better integrate its rapidly growing renewable power fleet. The government aims to increase

storage capacity from around 54GWh currently to 411GWh by FY2031-32. This reflects growing global recognition of the need to strengthen grid infrastructure, including energy storage, to accommodate rising renewable energy capacity.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded flat to lower yesterday; shorter tenors traded flat to 3bps lower, belly tenors traded 3bps lower, and the 10Y tenor also traded 3bps lower.
- US Investment Grade spreads traded 2bps wider to 91bps, and US High Yield spreads widened by 16bps to 340bps.
- Bloomberg Asia USD Investment Grade traded flat at 73bps, and the Asia USD High Yield spreads also traded flat at 389bps. The Bloomberg Global contingent capital statistics widened by 2bps to 253bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar yesterday. APAC USD and DM IG markets saw USD2.5bn and USD19.45bn of issuances respectively. (prior business day: USD1.5bn and USD10.5bn respectively). APAC USD was led by Westpac Banking Corp, which priced USD2.5bn across three tranches, while DM IG was led by Apple Inc (priced USD7.5bn across seven tranches).

Credit Headlines:

- Alphabet Inc (GOOGL): Google will invest USD15bn in Malaysia during 2027-28 to expand data-centre capacity, develop local talent and support clean-energy and water initiatives, with construction expected to contribute USD1.1bn annually to GDP, support over 37,000 jobs per year, add more than 1GW of clean-energy capacity and train around 800,000 Malaysians.
- UBS Group AG (UBS): A Swiss parliamentary compromise could reduce UBS's additional capital requirements by permitting more conservative valuations of foreign subsidiaries, although the final requirements and implementation timeline remain subject to parliamentary debate.
- Prudential PLC (PRUFIN): 3Q2026 new business profit rose 1% y/y to USD709mn as weaker Chinese Mainland performance offset double-digit growth in HKSAR, Malaysia and other growth markets, while Prudential's outlook remains stable.
- DBS Group Holdings Ltd (DBSSP): 3Q2026 net profit fell 5% y/y to SGD2.81bn due to weaker markets trading, while NII rose 4%, asset quality remained stable with a 0.9% NPL ratio, and CET1 declined to 14.0% but remained above DBS's target range.
- Commerzbank AG (CMZB): 9M2026 net profit reached a record EUR2.67bn, up 41.4% y/y, supported by higher revenue and lower restructuring expenses, while the CET1 ratio was 14.2% and management reiterated its FY2026 net profit target of at least EUR3.4bn.
- UniCredit SpA: The ECB approved UniCredit's increased stake in Commerzbank on 15 October 2026, with approvals from the EU competition authority and Polish regulator expected by 1Q2027 at the latest.

- National Australia Bank Ltd (NAB): FY2026 earnings fell 13.4% y/y to AUD6.14bn due to AUD1.35bn of large notable-item expenses, while credit impairment charges rose 85.7% to AUD1.55bn and the Level 2 CET1 ratio increased to 11.87%.

Equity Market Updates

US: US stocks suffered their worst session since the April 2025 tariff shock on Thursday, as a Democratic sweep of the midterm elections stoked fears of tighter regulation on the artificial intelligence industry, triggering a broad-based technology rout. The S&P 500 fell 4.4%, the Nasdaq 100 sank 6.4%, its worst day since March 2020, and the Dow dropped 2.6%, with the Nasdaq 100 wiping out a record USD2.3t in market value. Chipmakers bore the brunt of the selloff, with Nvidia falling 9.3%, Micron tumbling 15%, and the Philadelphia Semiconductor Index plunging 12%, extending its decline from a June peak to 35%. Qualcomm and Arm Holdings compounded the damage with underwhelming earnings outlooks. Banks also sold off sharply, with Goldman Sachs and Morgan Stanley each falling over 7%, marking the sector's worst day since February. Treasuries surged on haven demand, with yields falling as much as 12 basis points across maturities to their lowest since early September, bull-steepening the curve. Apple raised USD7.5b in investment-grade debt, drawing solid demand despite the volatility. The VIX spiked 39%, its largest jump since April 2025. Asian equity futures pointed sharply lower heading into Friday's open, with South Korean and Taiwanese futures down at least 7%.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	101.565	0.00%	USD-SGD	1.2776
USD-JPY	157.70	-0.46%	EUR-SGD	1.4339
EUR-USD	1.122	-0.08%	JPY-SGD	0.8101
AUD-USD	0.693	-1.06%	GBP-SGD	1.7183
GBP-USD	1.345	-0.16%	AUD-SGD	0.8853
USD-MYR	4.048	-0.39%	NZD-SGD	0.7147
USD-CNY	6.668	-0.10%	CHF-SGD	1.5649
USD-IDR	18082	-0.46%	SGD-MYR	3.1696
USD-VND	25680	-0.16%	SGD-CNY	5.2183

Equity and Commodity

Index	Value	Net change
DJIA	51,523.06	-1833.06
S&P	7,353.73	-334.89
Nasdaq	24,315.00	-1421.51
Nikkei 225	61,077.90	-1110.73
STI	5,296.25	27.62
KLCI	1,635.86	19.30
JCI	5,030.26	110.49
Baltic Dry	2,694.00	104.00
VIX	28.18	11.57

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4510	0.66%	1M	3.8923
3M	2.7590	-0.22%	2M	3.9933
6M	3.0080	0.07%	3M	4.0300
12M	3.3020	-0.45%	6M	4.1141
			1Y	4.2565

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.82 (-0.01)	4.46(--)
5Y	1.96 (-0.02)	4.6 (-0.08)
10Y	2.15 (-0.03)	4.83 (-0.05)
15Y	2.18 (-0.03)	--
20Y	2.15 (-0.03)	--
30Y	2.18 (-0.03)	5.25 (-0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.072	7.200	0.018	3.898
12/09/2026	0.636	63.600	0.159	4.035
01/27/2027	0.805	16.900	0.201	4.077
03/17/2027	1.116	31.100	0.279	4.155

Secured Overnight Fin. Rate

SOFR	3.94

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	90.52	2.7%	Corn (per bushel)	4.400	-1.0%
Brent (per barrel)	98.29	3.9%	Soybean (per bushel)	11.810	-1.0%
Heating Oil (per gallon)	435.19	3.5%	Wheat (per bushel)	5.993	0.1%
Gasoline (per gallon)	276.34	1.3%	Crude Palm Oil (MYR/MT)	41.260	-4.0%
Natural Gas (per MMBtu)	2.95	-0.4%	Rubber (JPY/KG)	4.450	-0.4%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	13844	-1.2%	Gold (per oz)	4088	0.7%
Nickel (per mt)	16322	3.4%	Silver (per oz)	51.78	-0.9%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
11/06/2026 7:30	JN	Labor Cash Earnings YoY	Sep	3.80%	4.60%	3.80%	3.90%
11/06/2026 7:50	JN	Japan Buying Foreign Bonds	30-Oct	--	¥1312.0b	-¥92.6b	-¥81.8b
11/06/2026 10:30	TH	CPI YoY	Oct	3.33%	--	2.82%	--
11/06/2026 10:30	TH	CPI NSA MoM	Oct	0.48%	--	0.25%	--
11/06/2026 10:30	TH	CPI Core YoY	Oct	1.60%	--	1.50%	--
11/06/2026 11:00	ID	Foreign Reserves	Oct	--	--	$146.3b	--
11/06/2026 15:00	MA	Foreign Reserves	30-Oct	--	--	$132.1b	--
11/06/2026 15:30	TH	Gross International Reserves	30-Oct	--	--	$274.4b	--
11/06/2026 16:30	HK	Foreign Reserves	Oct	--	--	$433.0b	--
11/06/2026 21:30	US	Change in Nonfarm Payrolls	Oct	70k	--	29k	--
11/06/2026 21:30	US	Change in Manufact. Payrolls	Oct	7k	--	9k	--
11/06/2026 21:30	US	Unemployment Rate	Oct	4.20%	--	4.20%	--
11/06/2026 23:00	US	U. of Mich. Sentiment	Nov P	48	--	48	--
11/06/2026	PH	Foreign Reserves	Oct	--	--	$100.0b	$99.5b

Source: Bloomberg

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