Daily Treasury Outlook

Highlights

Global: It has been a tempestuous 12 hours. President Trump posted on social media Tuesday night that a “a whole civilization will die tonight, never to be brought back again”. Pakistan mediators worked behind the scenes to gain a two-week ceasefire between US and Iran. Tehran's Foreign Minister Seyed Abbas Araghchi said Iran will agree to the end in fighting "if attacks against Iran are halted". The relief was palpable across all asset classes. US equity futures climbed more than 2%, USTs climbed and the DXY index retreated. It is reported that Iran-US peace talks will be held in Islamabad on 10 April. Iran has stated that it will engage in talks with “complete distrust”. It remains to be seen if the ceasefire can deter attacks on other Middle East countries. The United Arab Emirates' Ministry of Defence said in a statement that the country is "currently dealing with missile attacks and incoming drones from Iran". Saudi Arabia says emergency alerts have been activated across the eastern region of the country, including in Riyadh.

Meanwhile in Asia, FTSE Russell will reclassify Vietnam from Frontier to Secondary Emerging market status in a four-trance phased implementation, beginning in September and concluding in 2027.

Market Watch: Risk-on sentiment is set to dominate the market. That said, it remains to be seen where global oil prices will find a floor considering the infrastructure damage that has been inflicted over the past month. The data calendar today includes India and New Zealand’s central bank meetings – both central banks are expected to stand pat. For RBI, we continue to expect some measures to support capital flows considering the pressure on the current account deficit remains from elevated oil prices. Japan’s March Eco Watched Survey, Eurozone February retail sales and PPI and US weekly mortgage applications are on tap. The FOMC meeting minutes from the 17–18 March meeting will also be released.

SG: The Government unveiled a substantial new support package to cushion the impact of the Middle East conflict. The package is valued at close to SGD1bn. Key measures include increasing the corporate income tax rebate (subject to a cap) to 50% from the 40% announced in the FY2026 Budget, a SGD200 increase in cost-of-living special payment for eligible Singaporeans, the early release of the CDC vouchers in June 2026 instead of January 2027, and SGD200 in cash relief for active platform workers and taxi drivers from end-April 2026. DPM Gan Kim Yong said growth in the coming quarters is likely to be affected and that the MTI will update its GDP forecast in May, while inflation for 2026 is now expected to come in higher than the earlier 1.0%- 2.0% range.

Key Market Movements

Equity	Value	% chg
S&P 500	6616.9	0.1%
DJIA	46584	-0.2%
Nikkei 225	53430	0.0%
SH Comp	3890.2	0.3%
STI	4958.0	-0.3%
Hang Seng	25117	0.0%
KLCI	1676.9	-0.2%

	Value	% chg
DXY	99.858	-0.1%
USDJPY	159.62	0.0%
EURUSD	1.1595	0.5%
GBPUSD	1.3291	0.4%
USDIDR	17095	0.3%
USDSGD	1.2826	-0.2%
SGDMYR	3.1401	0.1%

	Value	chg (bp)
2Y UST	3.79	-6.01
10Y UST	4.29	-3.76
2Y SGS	1.56	0.30
10Y SGS	2.22	-0.65
3M SORA	1.07	-0.14
3M SOFR	3.67	-0.01

	Value	% chg
Brent	109.27	-0.5%
WTI	112.95	0.5%
Gold	4707	1.2%
Silver	73.01	0.3%
Palladium	1472	-0.9%
Copper	12313	-0.4%
BCOM	137.83	-0.1%

Source: Bloomberg

Major Markets

ID: Energy Minister Bahlil Lahadalia said the government will implement B50 biodiesel from 1 July 2026 following nearly six months of trials across sectors including heavy equipment, ships, trains and trucks. Minister Bahlil said the B50 blend, comprising 50% crude palm oil and 50% fossil diesel, is expected to strengthen energy security, with the government estimating a reduction in fossil fuel consumption of about 4mn kL annually and subsidy savings of up to IDR48.0trn. Indonesia currently enforces a B40 mandate, which has reduced diesel imports by 3.3mn kL and cut emissions by 38.88mn tonnes of CO2 equivalent, while biodiesel utilisation reached 14.2mn kL in 2025 or 105.2% of the 13.5mn kL target, as reported by Antara News.

MY: Economy Minister Akmal Nasrullah Mohd Nasir said the National Economic Action Council has assessed measures to diversify fuel input sources, strengthen cooperation with key partners, and safeguard production inputs amid the global energy crisis, with PETRONAS and relevant agencies taking action and Bank Negara Malaysia providing financing support to affected firms. He added the Economy Ministry is coordinating a comprehensive approach across macroeconomic, fiscal, financial and sectoral policies, including short- and medium-term interventions as the crisis is expected to impact the economy over the next six months to one year as reported by The Edge. Authorities have also agreed on practical measures such as flexible working hours and work from home arrangements for the public sector from 15 April 2026, except for critical sectors such as security, healthcare and education, while advancing initiatives to address leakages, secure medical supplies, and ensure operational continuity. Separately, Bank Negara Malaysia reported international reserves at USD126.6bn as of March 31, down from USD128.1bn on March 13.

PH: Headline inflation accelerated by 4.1% in March, up from 2.4% in February. The main drivers of the March inflation print were primarily the 'food & non-alcoholic beverages' (3.0% YoY versus 1.8% YoY in February), 'housing, water, electricity, gas & other fuels' (4.5% versus 3.5%), 'transport' (9.9% versus -0.3%), and 'restaurants & accommodation services' (5.0% versus 4.4%) subcategories. Similarly, the February core CPI rose higher to 3.2% YoY, up from 2.9% in the previous month. The Department of Economy, Planning, and Development Secretary Arsenio Balisacan stated, "the government is firmly committed to ensuring the continuous delivery of services, even as we pursue decisive measures to enhance the resilience of our economy and institutions, carefully balancing short-term relief measures and longer-term considerations toward enabling the economy to recover high growth quickly."

TH: Headline inflation remained negative for the 12th consecutive month in March, narrowing to -0.1% YoY compared to -0.9% in February. Meanwhile, core inflation remained stable at 0.6% in March, similar to the previous month. The drivers of headline inflation remained subdued, with food inflation remained broadly unchanged at 0.3% YoY. In contrast, the contraction in 'housing & furnishing' and 'transport & communication' inflation narrowed to -0.5% YoY and -0.02%, respectively, compared to -1.1% and -2.9% in February. The Commerce Ministry warned that inflation could rise sharply in 2Q26, potentially averaging 3.7% if oil prices remain elevated for two more months, and reaching 5.8% if they persist for three months. The Commerce Ministry expects headline inflation to accelerate to between 1.5-2.5%.

VN: Communist Party Secretary General To Lam was unanimously elected state president for a five-year term, with all 495 deputies present endorsing his nomination at the National Assembly session. He now holds both roles after securing a second term as general secretary in January, and pledged a new growth model driven by science, technology, innovation and digital transformation while prioritising stability, rapid and sustainable development, and improving living standards. Lawmakers also unanimously elected Le Minh Hung as prime minister, replacing Pham Minh Chinh, with Hung pledging to pursue sustainable growth and meet the annual GDP growth target of at least 10% through 2030. Separately, FTSE noted that it will include Vietnam in FTSE Russell's secondary emerging market group for the first time in September based on an interim review, which will put it in the same group as China, India, and Indonesia.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading flat to 2bps lower while belly tenors traded 1bps lower and 10Y tenors traded flat. US Investment Grade spreads traded flat at 82bps and US High Yield spreads widened by 4bps to 298bps respectively. Bloomberg Global Contingent Capital Index tightened by 5bps at 260bps. Bloomberg Asia USD Investment Grade spreads traded flat at 65bps and Asia USD High Yield spreads widened by 3bps to 449bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD3bn respectively.

There was one notable issuer in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- ERAC USA Finance LLC (guarantor: Enterprise Holdings Inc) priced USD3bn of debt in three tranches.

There were no notable issuers in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

There were three notable issuances in the Singdollar market yesterday.

- Cagamas Global PLC (guarantor: Cagamas Bhd) priced a SGD182mn 1Y fixed bond at 1.69%.
- Koh Brothers Group Ltd priced a SGD50mn 4.5Y fixed bond at 5.2%.
- In a debut issuance, Thakral Corporation Ltd priced a SGD70mn 3Y fixed bond at 5.0%.

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: US stocks staged a dramatic late-session recovery Tuesday, with the S&P 500 closing 0.1% higher after falling as much as 1.2% earlier in the day, whilst the Nasdaq gained 0.1%. The Dow ended marginally lower. Markets swung sharply on heightened uncertainty surrounding President Donald Trump's 8 p.m. deadline for Iran to agree to a ceasefire and reopen the Strait of Hormuz, with Trump warning that "a whole civilisation will die tonight" if terms were not met. Oil prices surged above USD115 per barrel during the session, the highest levels since October, as tensions escalated. However, stocks rallied back in late trading after Pakistan's prime minister urged Trump to extend his deadline for another two weeks, with Trump later agreeing to a two-week ceasefire suspension. Treasury yields rose 2 to 3 basis points across the curve, with the 10-year yield climbing to around 4.30% and the 30-year yield reaching 4.92%. The USD58bn 3-year Treasury auction drew a high yield of 3.897%, up from 3.579% in March, with a bid-to-cover ratio of 2.68. Communication services stocks outperformed, with Alphabet rising 1.8% on a deal for Broadcom to supply chips through 2031.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.858	-0.12%	**USD-SGD**	1.2826
USD-JPY	159.62	-0.04%	**EUR-SGD**	1.4872
EUR-USD	1.160	0.47%	**JPY-SGD**	0.8031
AUD-USD	0.697	0.81%	**GBP-SGD**	1.7046
GBP-USD	1.329	0.42%	**AUD-SGD**	0.8943
USD-MYR	4.030	0.05%	**NZD-SGD**	0.7350
USD-CNY	6.863	-0.27%	**CHF-SGD**	1.6073
USD-IDR	17095	0.33%	**SGD-MYR**	3.1401
USD-VND	26335	-0.01%	**SGD-CNY**	5.3421

Equity and Commodity

Index	Value	Net change
DJIA	46,584.46	-85.42
S&P	6,616.85	5.02
Nasdaq	22,017.85	21.51
Nikkei 225	53,429.56	15.88
STI	4,958.01	-14.39
KLCI	1,676.86	-3.97
JCI	6,971.03	-18.40
Baltic Dry	2,095.00	29.00
VIX	25.78	1.61

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9090	0.37%	**1M**	3.6541
3M	2.1030	1.35%	**2M**	3.6638
6M	2.4580	-1.21%	**3M**	3.6678
12M	2.7990	-1.62%	**6M**	3.6687
			1Y	3.6545

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.56 (--)	3.72(--)
5Y	1.85 (-0.01)	3.93 (-0.05)
10Y	2.22 (-0.01)	4.25 (-0.04)
15Y	2.26 (-0.01)	--
20Y	2.28 (--)	--
30Y	2.33 (-0.01)	4.86 (-0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	0.010	1.000	0.002	3.643
04/29/2026	0.005	0.500	0.001	3.642
06/17/2026	-0.057	-6.200	-0.014	3.627
07/29/2026	-0.115	-5.800	-0.029	3.612
09/16/2026	-0.146	-3.100	-0.037	3.605

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)	112.95	0.5%	Corn (per bushel)	4.490	-1.1%
Brent (per barrel)	109.27	-0.5%	Soybean (per bushel)	11.583	-0.7%
Heating Oil (per gallon)	447.74	3.4%	Wheat (per bushel)	5.980	0.5%
Gasoline (per gallon)	330.52	-0.1%	Crude Palm Oil (MYR/MT)	46.910	-1.0%
Natural Gas (per MMBtu)	2.87	2.1%	Rubber (JPY/KG)	3.867	1.8%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	12313		Gold (per oz)	4707	1.2%
Nickel (per mt)	16948		Silver (per oz)	73.01	0.3%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/08/2026 3:00	US	Consumer Credit	Feb	$10.250b	$9.484b	$8.050b	$7.665b
4/08/2026 7:00	SK	BoP Current Account Balance	Feb	--	$23192.7m	$13259.1m	--
4/08/2026 7:00	SK	BoP Goods Balance	Feb	--	$23363.6m	$15173.3m	--
4/08/2026 8:30	HK	S&P Global Hong Kong PMI	Mar	--	49.3	53.3	--
4/08/2026 9:00	PH	Unemployment Rate	Feb	--	5.10%	5.80%	--
4/08/2026 11:00	SK	Bank Lending To Household Total	Mar	--	--	KR1172.3t	--
4/08/2026 11:00	ID	Foreign Reserves	Mar	--	--	$151.9b	--
4/08/2026 12:30	IN	RBI Repurchase Rate	8-Apr	5.25%	--	5.25%	--
4/08/2026 17:00	EC	PPI MoM	Feb	-0.60%	--	0.70%	--
4/08/2026 17:00	EC	PPI YoY	Feb	-3.00%	--	-2.10%	-2.20%
4/08/2026 17:00	EC	Retail Sales MoM	Feb	-0.20%	--	-0.10%	--
4/08/2026 17:00	EC	Retail Sales YoY	Feb	1.60%	--	2.00%	--
4/08/2026 19:00	US	MBA Mortgage Applications	3-Apr	--	--	-10.40%	--

Source: Bloomberg

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