By Global Markets | 8 September 2026

Daily Treasury Outlook

Highlights

Global: The US market was closed on Monday for the Labor Day holiday. Market moves were exacerbated by holiday-thinned liquidity. Brent crude rose to a six-week high of US$98/bbl following tit-for-tat strikes between the US and Iran over the weekend, before paring gains on reports that Iran may be nearing a temporary accord with Oman to manage shipping through the Strait of Hormuz. The move in USD/JPY also caught market attention, with the pair breaking below 154 and reaching its strongest level since February. The Bank of Japan is likely to raise interest rates in September and continue hiking at a pace of once per quarter until January next year, according to an economic adviser to Prime Minister Takaichi. Separately, Chinese authorities announced a RMB300bn capital injection into the country's largest banks and insurers, aimed at strengthening the financial system and boosting lending.

On the data front, Germany's industrial production unexpectedly contracted by 1.1% MoM in July (vs. consensus: 0.2% MoM), marking the largest decline in nearly a year, likely due to temporary plant shutdowns. Meanwhile, June's reading was also revised lower by 0.2 percentage points. The Eurozone's 2Q26 GDP growth was revised higher to 0.6% QoQ and 1.2% YoY (from 0.4% QoQ and 1.0% YoY), alongside an upward revision to household consumption. Japan's 2Q GDP expanded by 1.4% QoQ on an annualized basis (vs. consensus: 1.8% QoQ), up from an earlier estimate of 1.1%, following an upward revision to business fixed investment. Japan's leading index rose to 117.9 in July, its highest level since 2014, although it remained marginally below the consensus forecast of 118.0. Separately, Japan's July nominal cash earnings and real cash earnings increased by 4.7% YoY and 2.4% YoY, respectively, both exceeding consensus expectations.

Market Watch: Global equity markets may trade cautiously today, with US equity index futures marginally lower. Key data releases today include New Zealand's 2Q manufacturing activity (previous: 3.1% QoQ), South Korea's 2Q26 GDP growth (expected at 0.6% QoQ and 3.7% YoY), Japan's final 2Q GDP reading and July labor cash earnings, Australia's September Westpac Consumer Confidence Index and August NAB Business Confidence Index, the Philippines' July unemployment rate, Taiwan's August CPI, China's August trade data, Germany's July trade data, and the US August NFIB Small Business Optimism Index.

SG: The July retail sales growth moderated to 1.5% YoY (0.9% MoM SA), down from 4.0% YoY (0.9% MoM SA) in June. This is the slowest pace of expansion since January 2026 when retail sales fell 0.1% YoY (6.4% MoM SA) due to the timing of the Chinese New Year festive season (January 2025 versus February 2026).

Major Markets

ID: The foreign exchange reserves rose to USD146.5bn at end-Aug from USD145.3bn at end-July. The increase “primarily attributable to tax and services receipts, as well as government's foreign loan withdrawal, amid government

Key Market Movements

Equity	Value	% chg
S&P 500	7718.6	0.0%
DJIA	53414	0.0%
Nikkei 225	66400	2.1%
SH Comp	3932.7	0.1%
STI	5792.3	-0.2%
Hang Seng	25413	-0.9%
KLCI	1714.8	0.4%
	Value	**% chg**
DXY	99.176	0.0%
USDJPY	154.36	-1.2%
EURUSD	1.1623	0.1%
GBPUSD	1.3541	0.2%
USDIDR	17640	0.0%
USDSGD	1.2659	-0.1%
SGDMYR	3.1962	0.2%
	Value	**chg (bp)**
2Y UST	4.37	0.00
10Y UST	4.78	0.00
2Y SGS	1.70	-1.00
10Y SGS	2.37	-1.48
3M SORA	1.20	0.27
3M SOFR	3.65	0.00
	Value	**% chg**
Brent	97.00	0.7%
WTI	91.48	0.0%
Gold	4404	-0.6%
Silver	66.16	-0.1%
Palladium	1392	0.0%
Copper	14510	0.7%
BCOM	142.87	0.0%

Source: Bloomberg

external debt repayments and Bank Indonesia's Rupiah stabilisation policy, in response to persistently high global financial markets uncertainty", according to BI. The reserve position was equivalent to 5.4 months of imports, or 5.3 months of imports and government external debt payments, remaining above the international adequacy standard of around three months of imports.

MY: Prime Minister Anwar Ibrahim called for a stronger STEM ecosystem and expanded opportunities for young talent through universities, research institutions, industry and startups. He urged relevant ministries and strategic partners to make the National Science Challenge a continuous talent pathway, while Education Ministry data showed STEM enrolment rose to 50.83% in 2024 from 40.95% in 2021, with pure sciences at about 15.8%, as reported by The Edge. Separately, Prime Minister's economic adviser Nurhisham Hussein said the country's fuel supply remains stable despite lower global supply levels, and the government expects sufficient supplies through year end. He said oil prices will remain elevated over the next two to three years, with countries likely to rebuild reserves only when prices return to around USD80.0 per barrel.

AU: Job advertisements in Australia rose 2.5% MoM in August, taking annual growth to 7.8%, according to data from ANZ Indeed data. The increase was driven by strong gains in Victoria, Western Australia and Queensland, while New South Wales recorded a slight decline. Seasonal hiring ahead of the Christmas period boosted demand, particularly in retail and food service roles, with the trend expected to continue through September and peak in early October. Other sectors recording stronger growth were education and cleaning & sanitation. In contrast, hiring in the technology sector continued to soften, reflecting still-subdued demand.

Sustainability

Rest of the world: In addition to supporting the construction of pipelines that bypass the Strait of Hormuz, Japan also plans to deepen cooperation with South Korea on stable emergency supplies of liquefied natural gas (LNG), crude oil and petroleum products to strengthen energy security. Both countries also exchanged views on coordinating responses to carbon emissions and supply chain due diligence rules including the EU's carbon border adjustment mechanism. This underscores how recent energy supply disruptions are driving greater regional cooperation to diversify energy sources, reduce exposure to geopolitical risks and strengthen supply chain resilience.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with the shorter tenors trading flat to 1bps lower while the belly tenors and 10Y were trading 1bps lower.
- Due to US Labor Day holiday, spreads remained the same for US Investment Grade (80bps), US High Yield (267bps), Bloomberg Asia USD Investment Grade (56bps), and Asia USD High Yield (324bps). Bloomberg Global Contingent Capital spreads tightened by 2bps to 202bps. (Bloomberg, OCBC)

New Issues:

- Yesterday, there were no issuances in the Singdollar, APAC and DM IG markets were zero and USD100mn respectively yesterday (prior day: both zero).

Credit Developments:

- **Fosun International (FOSUNI):** Indirect subsidiary Fosun Pharma Singapore sold 9.9mn Gland Pharma shares, representing approximately 6.00% of Gland Pharma's total shares, for approximately USD294mn on 4 September 2026; Gland Pharma remains a subsidiary, and the proceeds will primarily fund R&D investment, share buybacks and repayment of interest-bearing debt, with the actual financial impact subject to audit results.
- **Chinese banks: Agricultural Bank of China, Bank of China, China Construction Bank and ICBC (AGRBK, BCHINA, CCB, ICBCAS):** China's Ministry of Finance is providing RMB300bn of capital through special bonds to selected banks and insurers, including reported subscriptions of RMB130bn toward AGRBK's planned RMB160bn raising and RMB70bn toward ICBCAS's planned RMB100bn raising; following a similar RMB520bn exercise involving BCHINA and CCB in 2025, all four banks' 1H2026 CET1 ratios remained above regulatory minimums despite year-to-date declines, at 14.24% for CCB, 13.21% for ICBCAS, 12.04% for BCHINA and 10.80% for AGRBK.
- **Westpac Banking Corp (WSTP):** Westpac plans to expand loan securitisation with private-credit investors and superannuation funds to distribute credit risk, improve capital efficiency and free balance-sheet capacity, appointing former Goldman Sachs partner Rob Taylor to advance the strategy amid strong institutional demand and increased regulatory scrutiny of private credit following the collapse of property developer Bathla Group.
- **Temasek Holdings (Private) Limited (TEMASE):** Senior Minister and Coordinating Minister for National Security K Shanmugam stated that Temasek is accountable to the Singapore Government for its overall portfolio and long-term performance, but not for individual investments or portfolio-company decisions, with the Government's role being to ensure professional management and enable properly considered commercial decisions amid questions concerning Singapore Airlines' investment in Air India.

Equity Market Updates

US: US equities retreated on Friday after a much stronger-than-expected August payrolls report, with 162,000 jobs added versus forecasts of roughly 55,000, reigniting expectations of further Federal Reserve tightening ahead of the 16 September policy meeting. The S&P 500 fell 0.4%, the Dow Jones Industrial Average declined 0.5%, and the Nasdaq Composite eased 0.3%, led lower by consumer discretionary, healthcare, and financial stocks, although the S&P 500 still managed a slight weekly gain. Among notable movers, a major athletic apparel company plunged as much as 20% after cutting its full-year sales and earnings guidance for a second straight quarter, while a leading semiconductor firm declined despite another earnings beat as its AI-related revenue outlook failed to meet elevated market expectations. Rare earth stocks outperformed following reports that some Chinese suppliers had halted shipments to US customers. Treasury yields moved higher across the curve, particularly at the short end, reflecting rising rate-hike expectations. The 2-year yield briefly climbed to 4.38%, while the 10-year and 30-year yields ended near 4.78% and 5.25%, respectively. Markets are now pricing in more than a 50% chance of a September rate hike, with upcoming CPI and PPI readings likely to be key catalysts. On the geopolitical front, reports indicate that Chinese President Xi Jinping may visit Washington on 24 September for a summit with US President Donald Trump, potentially marking the highest-level engagement between the two countries in more than a decade.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.176	0.00%	**USD-SGD**	1.2659
USD-JPY	154.36	-1.22%	**EUR-SGD**	1.4714
EUR-USD	1.162	0.08%	**JPY-SGD**	0.8202
AUD-USD	0.722	0.21%	**GBP-SGD**	1.7142
GBP-USD	1.354	0.16%	**AUD-SGD**	0.9139
USD-MYR	4.046	0.04%	**NZD-SGD**	0.7441
USD-CNY	6.711	0.00%	**CHF-SGD**	1.5638
USD-IDR	17640	0.02%	**SGD-MYR**	3.1962
USD-VND	26044	-0.14%	**SGD-CNY**	5.2999

Equity and Commodity

Index	Value	Net change
DJIA	53,414.25	-271.86
S&P	7,718.60	-29.11
Nasdaq	26,506.99	-77.07
Nikkei 225	66,399.84	1378.90
STI	5,792.28	-9.68
KLCI	1,714.79	6.69
JCI	6,619.67	-16.80
Baltic Dry	3,628.00	140.00
VIX	15.30	0.77

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.3640	1.85%	**1M**	3.7679
3M	2.6790	0.90%	**2M**	3.8064
6M	2.7940	0.18%	**3M**	3.8372
12M	3.1080	-0.03%	**6M**	3.9632
			1Y	4.1477

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.7 (-0.01)	4.37(--)
5Y	2.01 (-0.01)	4.54(--)
10Y	2.37 (-0.01)	4.79(--)
15Y	2.41 (-0.02)	--
20Y	2.38 (-0.02)	--
30Y	2.44 (-0.02)	5.25(--)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.617	61.700	0.154	3.781
10/28/2026	0.883	26.600	0.221	3.848
12/09/2026	1.392	50.900	0.348	3.975

Secured Overnight Fin. Rate

SOFR	3.66

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	91.48	0.2%	Corn (per bushel)	5.120	-0.6%
Brent (per barrel)	97.00	0.7%	Soybean (per bushel)	12.938	-1.0%
Heating Oil (per gallon)	454.02	-1.2%	Wheat (per bushel)	7.160	-2.7%
Gasoline (per gallon)	321.46	2.5%	Crude Palm Oil (MYR/MT)	46.980	2.0%
Natural Gas (per MMBtu)	2.98	2.1%	Rubber (JPY/KG)	4.600	0.3%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14510	0.7%	Gold (per oz)	4404	-0.6%
Nickel (per mt)	16715	-0.8%	Silver (per oz)	66.16	-0.1%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/08/2026 7:00	SK	GDP SA QoQ	2Q P	0.60%	0.60%	0.60%	--
9/08/2026 7:00	SK	GDP YoY	2Q P	3.70%	3.70%	3.70%	--
9/08/2026 7:30	JN	Labor Cash Earnings YoY	Jul	3.80%	4.70%	3.40%	4.00%
9/08/2026 7:50	JN	GDP Annualized SA QoQ	2Q F	1.80%	1.40%	1.10%	--
9/08/2026 7:50	JN	GDP SA QoQ	2Q F	0.40%	0.40%	0.30%	--
9/08/2026 7:50	JN	GDP Deflator YoY	2Q F	2.60%	2.60%	2.60%	--
9/08/2026 7:50	JN	BoP Current Account Balance	Jul	¥2849.5b	¥2988.9b	-¥92.3b	--
9/08/2026 7:50	JN	Trade Balance BoP Basis	Jul	-¥385.5b	-¥399.9b	-¥135.2b	--
9/08/2026 8:30	AU	Westpac Consumer Conf SA MoM	Sep	--	--	6.00%	--
9/08/2026 9:30	AU	NAB Business Confidence	Aug	--	--	-6	--
9/08/2026 9:30	AU	NAB Business Conditions	Aug	--	--	4	--
9/08/2026 16:00	TA	CPI YoY	Aug	2.35%	--	2.54%	--
9/08/2026 18:00	US	NFIB Small Business Optimism	Aug	99.3	--	99.8	--
9/08/2026	CH	Imports YoY	Aug	31.00%	--	27.50%	27.60%

Source: Bloomberg

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