

## Daily Treasury Outlook

### Highlights

**Global:** Dual shocks emerged from an unexpected nonfarm payrolls (NFP) decline and the prolonged Iran war. US' NFP unexpectedly fell 92k in February, with a net downward revision of 69k for the past two month and as the unemployment rate edged up from 4.3% to 4.4%. Meanwhile, the average hourly earnings accelerated to 3.8% YoY (0.4% MoM) and January retail sales shrank 0.2% MoM (0% excluding auto). However, the bigger shock was in the energy complex with the effective closure of the Hormuz Strait which prompted output cuts by UAE and Kuwait due to clogged storage issues, following in the footsteps of Iraq and Saudi Arabia. The appointment of Ayatollah Ali Khamenei's son to be Iran's next supreme leader and the suggestion that US president Trump is weighing deploying a special operation to seize Iran's uranium have seen Brent shoot above US\$108 per barrel this morning. US president Trump had opined the oil price spike as a "minor excursion" and demanded Iran's "unconditional surrender", but financial market reactions suggest risk premiums are factoring in a more potent combination of geopolitical risk and weak US economy. The S&P500 slumped 1.33% on Friday, while the 10-year UST bond yield initially fell post-payrolls but later rebounded as energy prices surged and closed the week around 4.14%.

**Market Watch:** Fasten your seat belts - Asian markets are likely to wobble in risk-off mode at the start of this week with the prospect of an escalation of Iranian conflict inflicting greater economic damage through protracted higher energy prices. Investors will be closely monitoring Iranian-related headlines, but on the economic data front, China's CPI and PPI data, Germany's January factory orders, Taiwan' February export orders, and Eurozone's Sentix investor confidence data are on tap. ECB's Elderson is also speaking today.

Looking ahead to the week ahead, markets will focus on whether inflation risks from energy begin showing up in broader macro data and central bank communication, especially if Fed rhetoric start to slant away from the viability of future rate cuts later this year. The Fed and ECB's communications blackout start from 7 and 12 March respectively. Corporate earnings will also draw attention—particularly in energy, defence and large technology firms—to gauge how geopolitical shocks are affecting margins and investment. The US' University of Michigan sentiment index, JOLTS job opening and initial jobless claims data are also due. In Asia, investors will monitor China's latest activity indicators for trade, new Yuan loans and aggregate financing, as well as 4Q25 GDP readings from South Korea and Japan. Across ASEAN, markets will be sensitized to central bank messaging in economies such as Indonesia, Thailand and Malaysia, where rising energy prices could complicate monetary policy. Geopolitically, developments in the Middle East conflict and any policy responses from major oil producers will remain the dominant swing factor for global risk sentiment, with energy prices, bond yields and equity volatility likely to remain tightly linked. At this juncture, Asian governments are grappling with a deepening energy crunch that could soon hit supplies from cooking gas,

### Key Market Movements

Equity	Value	% chg
S&P 500	6740.0	-1.3%
DJIA	47502	-0.9%
Nikkei 225	55621	0.6%
SH Comp	4124.2	0.4%
STI	4848.3	0.0%
Hang Seng	25757	1.7%
KLCI	1718.1	0.3%
	Value	% chg
DXY	98.986	-0.3%
USDJPY	157.78	0.1%
EURUSD	1.1618	0.1%
GBPUSD	1.3413	0.4%
USDIDR	16906	0.1%
USDSGD	1.2777	-0.2%
SGDMYR	3.0823	-0.3%
	Value	chg (bp)
2Y UST	3.56	-1.59
10Y UST	4.14	0.20
2Y SGS	1.38	0.40
10Y SGS	2.00	1.16
3M SORA	1.12	-0.37
3M SOFR	3.71	-0.30
	Value	% chg
Brent	92.69	8.5%
WTI	90.90	12.2%
Gold	5172	1.8%
Silver	84.54	2.8%
Palladium	1626	-0.6%
Copper	12862	-0.3%
BCOM	131.49	3.7%

Source: Bloomberg

naphtha feedstock, jet fuel to shipping fuel. Ironically, US Treasury Bessent hinted the US may "unsanction" Russian oil. Next to watch would be any release of Strategic Oil Reserves.

## Major Markets

**CH:** China's head of National Development and Reform Commission indicated that this year's GDP increment is expected to exceed RMB6 trillion. When viewed alongside the fiscal deficit ratio of around 4% and an absolute deficit size of RMB5.89 trillion, this provides an important signal about policymakers' nominal growth expectations. In our view, these figures imply that the government is anticipating nominal GDP growth to recover to around 5% this year, broadly consistent with the 4.5%–5% real GDP growth target set in the Government Work Report. By implication, policymakers appear to expect the GDP deflator to return to positive territory, suggesting that reflationary pressures may gradually re-emerge in the Chinese economy after a prolonged period of subdued price dynamics.

**ID:** Bank Indonesia reported the official reserve assets stood at USD151.9bn at the end of February 2026, declining from USD154.6bn at the end of January. BI noted that the development reflected "tax and services revenues as well as the government's foreign loan withdrawal, amidst the government's external debt payments and Bank Indonesia's Rupiah stabilization policy in response to persistently high global financial market uncertainty." The reserve position was equivalent to 6.1 months of imports, or 5.9 months of imports and servicing the government's external debt, well above the international adequacy standard of around three months of imports.

**MY:** Approved investments reached MYR426.7bn in 2025, up 11.0% from MYR384.4bn in 2024, marking the highest level recorded with 8,390 projects expected to generate 244,902 new jobs, according to the Malaysian Investment Development Authority (MIDA). Domestic investments totalled MYR219.6bn, accounting for 51.5% of the total, while foreign investments rose 20.9% to MYR207.1bn, representing 48.5%. By sector, services secured MYR281.3bn or 65.9% of total approved investments across 7,004 projects, while manufacturing recorded MYR131.3bn or 30.8% across 1,354 projects. Singapore and China were the largest foreign investment sources at MYR58.3bn and MYR58.0bn respectively, followed by the US (MYR15.1bn), Japan (MYR7.6bn), and Hong Kong (MYR7.1bn).

**PH:** According to the Philippine Economic Zone Authority (PEZA), approved investments in January-February 2026 fell by 33% YoY to PHP35.4bn from PHP52.9bn. PEZA reported that these approved investments covered 52 projects spanning manufacturing, IT-BPM, logistics, facilities, and ecozone development. These projects are projected to generate USD10.4bn in exports and create around 5,000 jobs, with commitments coming from firms from South Korea, Indonesia, China, Japan, and the British Virgin Islands. PEZA Director General Tereso Panga stated, "While PEZA is cautiously optimistic about achieving double-digit growth in investment approvals this year, the approval of 52 new and expansion projects already underscores the continued diversification of industries within our ecozones and the steady expansion of investments across the countryside."

**TH:** The Thai National Shippers' Council (TNSC) and the Export-Import Bank of Thailand (Exim) have rolled out a THB1bn support package to help Thai exporters cope with the ongoing shipping disruption in the Middle East, as well as to provide strategic guidance for businesses affected by the resulting energy and logistics shock. The measures prioritise liquidity and debt relief, including emergency funding for existing Exim clients with export commitments to the Middle East, with repayment terms extended to up to 365 days and a 20% reduction in the existing interest rate during the grace period. Exim will also offer special low-interest working-capital loans for Middle East shipments, with financing tailored to each firm's needs. A separate facility provides up to USD150,000 per borrower at 3.99% interest, requiring only a key executive as guarantor. Initial priority will be given to SMEs, with plans to expand support to medium and larger firms. Beyond financing, TNSC and Exim urged exporters to strengthen their risk management, including reviewing additional surcharges, considering war-risk insurance, and building buffer time for rerouted voyages.

**VN:** Trade data for February 2026 was weak, with exports and imports below expectations. Export growth eased to 5.7% YoY (vs 12.8% consensus) from 29.7% in January, while imports slowed more sharply to 4.4% (vs 13.3%) from 49.2%. The trade deficit narrowed to USD1.0bn from USD1.7bn. Combined Jan–Feb data shows trade performance remained solid, with exports rising 18.1% YoY (vs 8.7% in Jan-Feb 2025; 18.9% in 4Q25) and imports increasing 25.9% (vs 15.9%; 20.3%). Mirroring the trade data, industrial production (IP) growth also slowed, rising 1.0% YoY in February after 19.4% in January. Still, year-to-date IP growth of 10.4% outpaced the 7.2% seen in early 2025.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded mixed last Friday with shorter tenors trading 1bps lower to 3bps higher while belly tenors traded 3-5bps higher and 10Y tenors traded 5bps higher. Global Investment Grade spreads widened by 2bps to 83bps and Global High Yield spreads widened by 13bps to 296bps respectively. Bloomberg Global Contingent Capital Index widened by 5bps to 241bps. Bloomberg Asia USD Investment Grade spreads traded flat at 61bps and Asia USD High Yield spreads traded flat at 365bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market last Friday were zero and USD1.85bn respectively.

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

- Bank of Nova Scotia/The (guarantor: Scotiabank Covered Bond Guarantor LP) (under our official coverage) priced a USD1.75bn 3Y fixed secured bond at 3.791%.

Among issuers under our official coverage, there was one notable issuer in the DM IG market.

- JPMorgan Chase Bank NA priced a USD100mn 5Y fixed bond at 4.46%.

There were no notable issuers in the APAC USD and Singdollar markets last Friday.

### Mandates:

There were no notable mandates last Friday.

## Equity Market Updates

**US:** US stocks fell Friday as a surprise 92,000 job loss in February and surging oil prices fuelled stagflation concerns, sending the S&P 500 down 1.3%, the Nasdaq 1.6% lower, and the Dow off 0.9%. The decline marked the worst week for equities since October, with the VIX volatility index jumping 24% to around 29.5, its highest level since April's tariff-driven selloff. The unemployment rate rose to 4.4%, exceeding the 4.3% forecast, whilst WTI crude oil price smashes above USD100 per barrel as the US-Iran conflict entered its seventh day with no resolution in sight. Financial shares sank, with BlackRock down 7.7% after curbing withdrawals from a private-credit fund, whilst chipmakers plunged as Oracle and OpenAI reportedly scrapped partnership plans. Treasury yields climbed 17 basis points for the week to 4.13% on the 10-year note, the largest weekly gain since April 2025, as inflation concerns from elevated oil prices overshadowed the weak jobs data. Separately, Boeing is reportedly close to a 500-aircraft order for 737 Max jets tied to President Trump's upcoming Beijing visit.

### Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.986	-0.33%	USD-SGD	1.2777
USD-JPY	157.78	0.12%	EUR-SGD	1.4846
EUR-USD	1.162	0.08%	JPY-SGD	0.8099
AUD-USD	0.703	0.31%	GBP-SGD	1.7143
GBP-USD	1.341	0.42%	AUD-SGD	0.8986
USD-MYR	3.948	0.07%	NZD-SGD	0.7546
USD-CNY	6.905	-0.10%	CHF-SGD	1.6476
USD-IDR	16906	0.14%	SGD-MYR	3.0823
USD-VND	26214	0.10%	SGD-CNY	5.3959

### SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9400	-0.77%	1M	3.6770
3M	2.0490	0.15%	2M	3.6763
6M	2.1390	0.14%	3M	3.6716
12M	2.3230	0.30%	6M	3.6365
			1Y	3.5471

### Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed	
				Funds Rate	#N/A N/A
01/28/2026	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A	
03/18/2026	-0.069	-6.900	-0.017	3.629	
04/29/2026	-0.214	-14.500	-0.054	3.593	
06/17/2026	-0.567	-35.300	-0.142	3.504	
07/29/2026	-0.874	-30.700	-0.219	3.428	
09/16/2026	-1.229	-35.500	-0.307	3.339	

### Equity and Commodity

Index	Value	Net change
DJIA	47,501.55	-453.19
S&P	6,740.02	-90.69
Nasdaq	22,387.68	-361.31
Nikkei 225	55,620.84	342.78
STI	4,848.25	1.69
KLCI	1,718.06	4.86
JCI	7,585.69	-124.85
Baltic Dry	2,010.00	-128.00
VIX	29.49	5.74

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.38 (--)	3.6(--)
5Y	1.58 (--)	3.73(--)
10Y	2 (+0.01)	4.19(--)
15Y	2.09 (+0.01)	--
20Y	2.11 (--)	--
30Y	2.17 (--)	4.8(--)

### Financial Spread (bps)

Value	Change	
TED	35.36	--

### Secured Overnight Fin. Rate

SOFR	3.66
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## Commodities Futures

Energy			Soft Commodities		
	Futures	% chg		Futures	% chg
WTI (per barrel)	90.90	12.2%	Corn (per bushel)	4.470	1.2%
Brent (per barrel)	92.69	8.5%	Soybean (per bushel)	11.850	1.8%
Heating Oil (per gallon)	362.24	0.2%	Wheat (per bushel)	6.113	4.9%
Gasoline (per gallon)	274.66	2.8%	Crude Palm Oil (MYR/MT)	42.500	3.8%
Natural Gas (per MMBtu)	3.19	6.1%	Rubber (JPY/KG)	3.600	-0.8%

  

Base Metals		Precious Metals			
	Futures	% chg	Futures	% chg	
Copper (per mt)	12862	-0.3%	Gold (per oz)	5172	1.8%
Nickel (per mt)	17469	1.5%	Silver (per oz)	84.54	2.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/09/2026 9:30	CH	PPI YoY	Feb	-1.10%	--	-1.40%	--
3/09/2026 9:30	CH	CPI YoY	Feb	0.90%	--	0.20%	--
3/09/2026 11:00	ID	Consumer Confidence Index	Feb	--	--	127	--
3/09/2026 17:30	EC	Sentix Investor Confidence	Mar	-3	--	4.2	--
3/09/2026 23:00	US	NY Fed 1-Yr Inflation Expectations	Feb	--	--	3.09%	--
3/09/2026	PH	Bank Lending YoY	Jan	--	--	10.50%	--
3/09/2026	PH	Bank Lending Net of RRP's YoY	Jan	--	--	9.20%	--
3/09/2026	PH	Money Supply M3 SRF YoY	Jan	--	--	7.00%	--

Source: Bloomberg

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