By Global Markets | 9 June 2026

Daily Treasury Outlook

Highlights

Global: This week kicked off with geopolitical angst and broad riskoff sentiment. Middle East hostilities escalated over the weekend, as Israel and Iran continued to exchange fire. Israel reportedly struck military targets in Iran, in retaliation of Iran's earlier missile attacks. Later, Iran and Israel agreed to ease strikes against each other following diplomatic efforts by US president Trump, but the ceasefire remained fragile. Brent price rose to an intraday high of US$98.08/ bbl, before a notable retracement. The S&P 500 and Nasdaq rebounded from Friday's tech-led rout, albeit at a mild fashion. AI fund raising continued with OpenAI filing for IPO and Amazon raising the largest ever Canadian dollar bond. Dollar ended the day marginally lower, while UST curve bear steepened.

On data front, US' 1-year inflation expectation unexpectedly declined to 3.5% in May, down from 3.6% in April, while 3-year and 5-year inflation expectation were unchanged at 3.1% and 3.0% respectively. Germany's factory orders fell more-than-expected by 3.8% MoM (vs consensus at -2.0% MoM) in April. Japan saw smaller-than-expected downward revision to 1Q GDP reading, to 1.8% QoQ on annualized basis (vs consensus at 1.4% QoQ). This was due to shallower downward revision to the business spending (down 1.0 percentage point to -0.7% QoQ). New Zealand's manufacturing volumes rose 3.6% QoQ, while total business sales value rose 5.3% YoY in the first quarter.

Market Watch: Asian markets are likely to trade with a slightly more upbeat tone today, though eyes remain on news flow out of the Middle East. Today's economic calendar in Asia session comprises of South Korea's 1Q26 GDP (1.8% QoQ; consensus at 1.7% QoQ), Japan's May monetary data, Australia's June Westpac consumer confidence and May NAB business confidence, Philippines' April unemployment rate, Japan May machine tool orders, Taiwan's May trade and China's May trade data. Later today, the market will watch out for Germany's April industrial production, US' May existing home sales and April trade balance.

Key Market Movements

Equity	Value	% chg
S&P 500	7405.7	0.3%
DJIA	50786	-0.2%
Nikkei 225	64025	-3.8%
SH Comp	3959.3	-1.7%
STI	4963.7	-1.7%
Hang Seng	24657	-1.2%
KLCI	1679.5	-0.8%
	Value	**% chg**
DXY	100.045	0.0%
USDJPY	160.16	-0.1%
EURUSD	1.1534	0.1%
GBPUSD	1.3340	0.0%
USDIDR	18178	0.9%
USDSGD	1.2883	-0.2%
SGDMYR	3.1598	0.6%
	Value	**chg (bp)**
2Y UST	4.16	1.48
10Y UST	4.56	3.19
2Y SGS	1.66	6.10
10Y SGS	2.18	8.74
3M SORA	1.06	0.62
3M SOFR	3.64	-0.07
	Value	**% chg**
Brent	94.25	1.2%
WTI	91.30	0.8%
Gold	4330	0.0%
Silver	68.19	0.5%
Palladium	1218	-0.6%
Copper	13616	0.7%
BCOM	132.80	0.1%

Source: Bloomberg

Major Markets

HK: The southbound travel scheme for Guangdong vehicles entering Hong Kong will be expanded, effectively from 25 July 2026. The scheme now extends to vehicles from Shenzhen, Foshan, Dongguan, Huizhou and Zhaoqing, with daily quota doubling from 100 to 200.

ID: Bank Indonesia reported that foreign exchange reserves dropped to USD144.9bn at end-May from USD146.2bn in April. BI noted that the change in the reserve position was "attributable to the issuance of government global bonds, as well as tax and services receipts, amid the government's external debt repayments and Bank Indonesia's rupiah stabilization policy in response to persistent uncertainty in the global financial markets and seasonal domestic demand for foreign exchange." Nonetheless, the reserve position was still equivalent to 5.6 months of imports, or 5.5 months of imports and government external debt servicing, above the international adequacy standard of around three months of imports.

MY: Approved investments dipped marginally by 0.2% YoY to MYR92.8bn in 1Q26, covering 1,249 projects across services, manufacturing and primary sectors, according to the Malaysian Investment Development Authority (MIDA). The projects are expected to create 50,226 jobs, up 46.7%, while foreign investments accounted for MYR56.2bn and domestic investments rose 13% YoY to MYR36.6bn. Services remained the largest contributor at MYR60.8bn, supported by MYR34.6bn in data centre and cloud computing investments, while manufacturing approvals stood at MYR24.1bn and primary sector approvals rose to MYR7.9bn, driven by oil and gas projects.

PH: According to the Philippine Economic Zone Authority (PEZA), investment approvals rose by 88% YoY to PHP124.8bn in Jan-May 2026. Despite global economic headwinds, momentum has held up notably well. These approved projects are expected to generate USD3.0bn in exports (+172% YoY) and create more than 20,000 jobs across the manufacturing, IT-BPM, ecozone development, logistics, tourism, and utilities sectors. Capital is sourced from companies based in the Netherlands, South Korea, Indonesia, Germany, Japan, and Singapore. In May alone, PEZA approved 31 projects worth PHP15.4bn, including three major export manufacturing projects in Pampanga, Laguna and Cebu. PEZA expects the 2026 Strategic Investment Priority Plan (SIPP) to attract more high-quality investments in advanced manufacturing, digital infrastructure, emerging technologies and sustainability-related industries, supporting its target of PHP300bn in approvals for the year.

ESG

SG: An increasing number of developers in Singapore are exceeding the country's highest green building requirements, with private demand rising by as much as 30%. Amid rising power costs, the push for energy efficiency is becoming more urgent to lower operating costs and reduce carbon emissions. This push aligns with Singapore's Green Building Masterplan, under which 80% of developments are expected to meet higher energy efficiency and environmental sustainability standards by 2030. Singapore is also targeting for 80% of new developments to be Super Low Energy (SLE) buildings from 2030 onwards.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 7bps to 11bps higher while belly tenors traded 12bps higher and 10Y traded 11bps higher.
- US Investment Grade spreads and US High Yield spreads were trading flat at 73bps and 265bps yesterday respectively. Bloomberg Global Contingent Capital Index widened by 1bps to 219bps.
- Bloomberg Asia USD Investment Grade widened by 3bps to 53bps yesterday while Asia USD High Yield spreads widened by 11bps to 370bps. (Bloomberg, OCBC)

New Issues:

- There were no notable issuances in the Singdollar market last Friday.
- The total issuance volumes for APAC and DM IG markets last Friday were USD1bn and USD10bn respectively (prior day: USD200.5mn and USD4bn respectively). The largest issuance in APAC and DM IG came from (1) China Construction Bank Corp which priced USD1bn bonds in two tranches and (2) Canadian Imperial Bank of Commerce which priced USD2bn credit in two tranches. (Bloomberg, OCBC)

Recent Coverage Developments:

- Nil

Equity Market Updates

US: US stocks advanced Monday, partially recovering from the prior week's sharp tech-led selloff, as dip buyers returned to chipmakers and AI-related names amid renewed enthusiasm over artificial intelligence. The S&P 500 rose 0.3%, the Nasdaq gained 0.9%, whilst the Dow edged down 0.2%, reflecting narrow breadth — only 181 of 503 S&P 500 constituents closed higher. Semiconductors led the rebound, with the Philadelphia Semiconductor Index surging 5.6% — its best day in over a year — after sinking 10% on 6 Jun 2026, its steepest single-day drop since March 2020. Intel rose 11.2% and Micron gained 9.9%, whilst Nvidia added 1.6%. Tesla climbed 4.3%. Energy shares also advanced as Brent crude surged as much as 5.4% to USD98.08 per barrel on fresh Middle East tensions before paring gains after Iran signalled an end to attacks on Israel. Financials underperformed, falling 0.6%. Treasury yields were mixed, with the long end selling off — the 10-year yield rose 2.3 basis points to 4.56% and the 30-year climbed 3.2 basis points to 5.03%, a psychologically significant level — whilst the 1-year yield fell 3.8 basis points to 3.82%, as markets continued to price in the possibility of a Fed rate hike following last Friday's stronger-than-expected May employment data. US CPI on 11 Jun 2026 is the next key event in focus.

Foreign Exchange					Equity and Commodity		
	Day Close	% Change		Day Close	Index	Value	Net change
DXY	100.045	-0.02%	**USD-SGD**	1.2883	**DJIA**	50,786.01	-80.77
USD-JPY	160.16	-0.08%	**EUR-SGD**	1.4862	**S&P**	7,405.73	21.99
EUR-USD	1.153	0.10%	**JPY-SGD**	0.8044	**Nasdaq**	25,929.66	220.23
AUD-USD	0.705	-0.04%	**GBP-SGD**	1.7186	**Nikkei 225**	64,024.60	-2563.52
GBP-USD	1.334	-0.01%	**AUD-SGD**	0.9077	**STI**	4,963.67	-86.29
USD-MYR	4.074	1.10%	**NZD-SGD**	0.7484	**KLCI**	1,679.52	-13.91
USD-CNY	6.783	-0.07%	**CHF-SGD**	1.6150	**JCI**	5,342.14	-252.63
USD-IDR	18178	0.88%	**SGD-MYR**	3.1598	**Baltic Dry**	2,981.00	-56.00
USD-VND	26338	0.03%	**SGD-CNY**	5.2614	**VIX**	18.92	-2.59

SOFR					Government Bond Yields (%)		
Tenor	EURIBOR	Change	Tenor	USD SOFR	Tenor	SGS (chg)	UST (chg)
1M	2.0090	0.00%	**1M**	3.6185	**2Y**	1.66 (+0.06)	4.17(--)
3M	2.3120	0.04%	**2M**	3.6415	**5Y**	1.83 (+0.08)	4.29 (+0.02)
6M	2.5840	-0.15%	**3M**	3.6630	**10Y**	2.18 (+0.09)	4.54 (+0.03)
12M	2.8420	-0.32%	**6M**	3.7483	**15Y**	2.15 (+0.08)	--
			1Y	3.9368	**20Y**	2.12 (+0.07)	--
					30Y	2.15 (+0.06)	5 (+0.04)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/17/2026	0.027	2.700	0.007	3.625
07/29/2026	0.177	15.000	0.044	3.662
09/16/2026	0.507	33.100	0.127	3.745
10/28/2026	0.717	20.900	0.179	3.797
12/09/2026	1.135	41.800	0.284	3.902

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.62

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	91.30	0.8%	Corn (per bushel)	4.188	0.3%
Brent (per barrel)	94.25	1.2%	Soybean (per bushel)	11.158	-0.5%
Heating Oil (per gallon)	359.99	0.3%	Wheat (per bushel)	5.833	0.6%
Gasoline (per gallon)	307.06	0.8%	Crude Palm Oil (MYR/MT)	45.050	0.3%
Natural Gas (per MMBtu)	3.15	-2.5%	Rubber (JPY/KG)	4.124	-0.9%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	13616	0.7%	Gold (per oz)	4330	0.0%
Nickel (per mt)	18341	-1.3%	Silver (per oz)	68.19	0.5%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
6/09/2026 7:00	SK	GDP SA QoQ	1Q P	1.70%	1.80%	1.70%	--
6/09/2026 7:00	SK	GDP YoY	1Q P	3.60%	3.80%	3.60%	--
6/09/2026 7:01	UK	BRC Sales Like-For-Like YoY	May	0.80%	3.40%	-3.40%	--
6/09/2026 9:00	PH	Unemployment Rate	Apr	--	--	5.00%	--
6/09/2026 15:00	MA	Foreign Reserves	29-May	--	--	$129.5b	--
6/09/2026 18:00	US	NFIB Small Business Optimism	May	96	--	95.9	--
6/09/2026 20:15	US	ADP Weekly Employment Change	23-May	--	--	35.750k	--
6/09/2026 20:30	US	Trade Balance	Apr	-$56.1b	--	-$60.3b	--
6/09/2026 20:30	US	Imports MoM	Apr	1.60%	--	2.30%	--
6/09/2026 20:30	US	Exports MoM	Apr	2.40%	--	2.00%	--
6/09/2026 22:00	US	Existing Home Sales	May	4.07m	--	4.02m	--
6/09/2026 22:00	US	Existing Home Sales MoM	May	1.10%	--	0.20%	--
6/09/2026 22:00	US	Wholesale Inventories MoM	Apr F	0.60%	--	0.50%	--
6/09/2026 22:00	US	Wholesale Trade Sales MoM	Apr	1.20%	--	2.80%	--
6/09/2026	CH	Exports YoY	May	15.00%	--	14.10%	--
6/09/2026	CH	Imports YoY	May	26.00%	--	25.30%	--

Source: Bloomberg

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