By Global Markets | 9 July 2026

Daily Treasury Outlook

Highlights

Global: Geopolitical tensions escalated overnight as the US and Iran exchanged strikes. The US military stated that it struck Iran for a second consecutive day, while President Trump declared the Iran ceasefire "over" at the NATO summit in Ankara after the US targeted more than 80 Iranian military sites in retaliation for attacks on commercial vessels in the Strait of Hormuz. Iran subsequently retaliated by striking US bases in Bahrain and Kuwait. The US Treasury also revoked Iran's waiver permitting the sale of its oil on international markets. Brent crude prices surged to USD78.02 per barrel from just below USD72 per barrel, while WTI crude rose to USD74.40 per barrel. Risk sentiment deteriorated, with US equities ending Wednesday's session mixed (S&P 500: -0.28%; Dow Jones: -1.09%; Nasdaq: +0.20%). Movements in the DXY Index and US Treasury yields were choppy, with the latter ending the session higher.

The minutes of the 16–17 June FOMC meeting indicated that "participants generally expected solid real GDP growth to continue throughout the remainder of the year" and cited several factors likely to support ongoing expansion, including AI-related investment, household spending, and fiscal policy support. Regarding the labour market, "participants generally expected labour market conditions to remain stable in the near term, with the unemployment rate staying close to current levels." On inflation, "participants anticipated that inflation would remain elevated in the near term and then begin to decline as the effects of tariffs and energy price increases wane and other supply disruptions related to the closure of the Strait of Hormuz diminish." Participants also judged that "the risks to the inflation outlook were still tilted to the upside." Specifically, inflation pressures were viewed as becoming more broad-based, with "many participants" noting that AI-related investments could contribute to higher electricity demand and prices. The minutes further noted that "several participants remarked that they did not see the current policy stance as restrictive, while a few other participants commented that they saw the current policy stance as slightly restrictive." Fed funds futures are currently pricing in 37.8bp of rate hikes for this year. Overall, the June FOMC minutes can be interpreted as carrying a hawkish bias, despite Fed Chair Warsh's assertion that only one proposal was considered during the meeting.

Tariff discussions continue to linger in the background. India appeared before the USTR panel alongside Pakistan and Jordan on the second day of hearings. Meanwhile, the IMF lowered its 2026 global GDP growth forecast to 3.0% from 3.1% in its April projections. The IMF also raised its 2026 headline inflation forecast by 0.3 percentage points to 4.7% and expects inflation to ease to 3.9% in 2027. The escalation in geopolitical tensions comes at a time when the semiconductor-related equity trade is also facing increasing scrutiny. Oil-importing economies, particularly India, Indonesia, and the Philippines, have been adversely affected by the rise in energy prices. For Indonesia, the situation has been compounded by S&P Dow Jones' release of its 2026/2027 Country Classification Watchlist on 7 July. Indonesia, alongside Turkey, was placed on watch for a potential downgrade from Emerging Market status to Special Measures or Frontier Market status in the 2027 annual review. This follows

Key Market Movements

Equity	Value	% chg
S&P 500	7482.7	-0.3%
DJIA	52348	-1.1%
Nikkei 225	66819	-2.1%
SH Comp	3970.9	-0.5%
STI	5369.6	0.5%
Hang Seng	24199	3.0%
KLCI	1683.6	0.0%
	Value	**% chg**
DXY	100.991	0.0%
USDJPY	162.59	0.3%
EURUSD	1.1417	0.0%
GBPUSD	1.3389	0.2%
USDIDR	17999	0.1%
USDSGD	1.2937	0.1%
SGDMYR	3.1508	0.0%
	Value	**chg (bp)**
2Y UST	4.22	3.33
10Y UST	4.58	2.81
2Y SGS	1.61	0.80
10Y SGS	2.15	1.98
3M SORA	1.11	0.41
3M SOFR	3.63	0.03
	Value	**% chg**
Brent	78.02	5.2%
WTI	73.52	4.4%
Gold	4077	-0.7%
Silver	58.30	-2.8%
Palladium	1219	-3.9%
Copper	13166	-1.5%
BCOM	127.59	1.1%

Source: Bloomberg

similar concerns raised by MSCI, which has shifted its focus toward the implementation of previously announced reforms. CEO Jeffrey Hendrik acknowledged the announcement and stated that the exchange would "engage in constructive communication and discussion" with S&P DJI.

Market Watch: Today's data calendar includes China's June CPI and PPI releases, Malaysia's May industrial production data, Taiwan's June trade figures, and the weekly US labour market report. Bank Negara Malaysia is also scheduled to meet today. Both we and market consensus expect the policy rate to remain unchanged. We see scope for BNM to adopt a more optimistic tone on the growth outlook, given the strength of incoming activity data and a well-contained inflation backdrop.

Major Markets

CN: The International Monetary Fund (IMF) has revised up its 2026 China GDP growth forecast by 0.2 percentage points to 4.6% in its latest World Economic Outlook. The upgrade reflects stronger-than-expected economic performance, driven primarily by the resilience of China's high-tech manufacturing sector and robust exports of technology-related products. Separately, the PBOC's Monetary Policy Committee convened its second-quarter meeting on 4 July to discuss the policy framework for the next stage. The committee called for greater coordination between incremental and existing policy measures to maximise their combined effectiveness. It also reiterated the importance of enhancing the forward-looking, flexible and targeted nature of monetary policy, while calibrating the intensity, pace and timing of policy implementation in accordance with evolving domestic and global economic and financial conditions, as well as developments in financial markets. The statement suggests policymakers remain committed to maintaining policy flexibility and stand ready to adjust the policy mix should the growth outlook or external environment change materially.

ID: Bank Indonesia's consumer confidence index fell to 117.8 in June from 120.9 in May, marking the lowest reading since September. The current economic conditions index declined to 109.2 from 112.2, as consumers became less optimistic about current income, jobs and durable goods purchases. The consumer expectations index also fell to 126.4 from 129.7, reflecting weaker expectations for income, jobs and business activity over the next six months. President Prabowo Subianto and Prime Minister Narendra Modi oversaw 16 bilateral agreements at Istana Merdeka, Jakarta on 7 July 2026, covering defence, energy, health, culture and technology. Key documents included cooperation on maritime safety and security, disaster management, minerals and steel supply chains, telecommunications, agriculture, research and innovation, as well as the BrahMos Missile Defence System and air to air missile cooperation.

MY: Prime Minister Anwar Ibrahim reaffirmed Malaysia's commitment to strengthening strategic cooperation with the United Arab Emirates following a meeting with UAE Federal National Council Defence, Interior and Foreign Affairs Committee chairman Dr Ali Rashid Al Nuaimi. The discussions covered geopolitical developments, including the United States and Iran conflict, as well as cooperation in artificial intelligence. Separately, the Economy Ministry said Malaysia's petroleum supply remains stable and sufficient, with the government committed to maintaining secure fuel supplies through December 2026. The ministry added that the government will support supply security by diversifying import sources, optimising domestic fuel production through biodiesel and implementing long term supply agreements.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-5bps higher, belly tenors trading 5-6bps higher, and the 10Y tenor trading 6bps higher.
- US Investment Grade spreads traded flat at 74bps, and US High Yield spreads widened by 4bps to 264bps. Bloomberg Global Contingent Capital Index widened by 1bps to at 207bps.
- Bloomberg Asia USD Investment Grade traded flat at 54bps, and the Asia USD High Yield spreads widened by 1bps to 339bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- The total issuances in the APAC and DM IG markets respectively were USD150mn and USD5.1bn (prior day: USD725mn and USD32.2bn respectively). The largest issuance in APAC USD and DM IG came from Mizuho Bank Ltd (priced USD150mn 2Y bond at 4.6%) and Accenture Capital Inc (guarantor: Accenture PLC) (priced USD5bn across five tranches) respectively. (Bloomberg, OCBC)

Credit Developments:

- **ESR-REIT (EREIT):** EREIT plans to acquire five freehold logistics properties in Melbourne for AUD276.8 million at a 1.9% discount to valuation, funded through divestment proceeds, debt and potentially perpetual securities.
- **Keppel Infrastructure Trust (KITSP):** KITSP has secured SGD125 million in combined term loan and revolving credit facilities.
- **Exxon Mobil Corporation (XOM):** XOM expects higher 2Q2026 earnings from stronger oil prices and improved product margins. It has also completed its redomiciliation to Texas with a new parent company set up.

Equity Market Updates

US: US equities ended mixed on Wednesday, as a sharp re-escalation in US-Iran tensions overshadowed a rebound in chipmakers, leaving the market sharply divided. The S&P 500 fell 0.3%, the Dow dropped 1.1%, shedding over 570 points in its sharpest single-day decline in recent weeks, whilst the Nasdaq edged up 0.2% as technology and growth names showed relative resilience. The catalyst was President Trump's declaration at the NATO summit in Ankara that the US-Iran ceasefire MOU was "over," following US strikes on Iran overnight in response to attacks on three commercial vessels in the Strait of Hormuz; Trump subsequently warned he would "hit them hard again tonight." Brent crude surged 5.4% to USD78.19 and WTI rose 4.4% to USD73.52 on the renewed hostilities, reviving energy-driven inflation concerns. Broadcom gained 4.8% after expanding its multiyear chip agreement with Apple, worth more than USD30b, whilst

Alibaba surged 11.6% and Arista Networks rose 7%. On the downside, JPMorgan fell 2.5% and Visa declined 1.3% as credit-sensitive financials came under pressure, while Alphabet, Amazon, and Microsoft each dropped more than 1% on data centre spending concerns. Treasury yields rose across the curve, with the 10-year climbing approximately 4 basis points to 4.57% and the 2-year up a similar magnitude to 4.21%, whilst the 30-year rose to 5.07%, as oil price fears and hawkish Fed minutes reinforced rate-hike concerns. The FOMC minutes from the June meeting revealed a divided committee, with several members having favoured raising rates at that meeting in light of Iran war-driven inflation, and many others assessing that the appropriate funds rate would be above the current target range by year-end.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.991	-0.03%	USD-SGD	1.2937
USD-JPY	162.59	0.30%	EUR-SGD	1.4773
EUR-USD	1.142	0.04%	JPY-SGD	0.7956
AUD-USD	0.693	0.03%	GBP-SGD	1.7322
GBP-USD	1.339	0.22%	AUD-SGD	0.8966
USD-MYR	4.077	0.17%	NZD-SGD	0.7373
USD-CNY	6.806	0.15%	CHF-SGD	1.6003
USD-IDR	17999	0.09%	SGD-MYR	3.1508
USD-VND	26295	0.00%	SGD-CNY	5.2617

Equity and Commodity		
Index	Value	Net change
DJIA	52,348.39	-576.76
S&P	7,482.71	-21.14
Nasdaq	25,870.65	51.96
Nikkei 225	66,819.05	-1437.91
STI	5,369.57	27.33
KLCI	1,683.61	0.68
JCI	5,873.37	-113.13
Baltic Dry	2,875.00	78.00
VIX	16.90	0.77

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.2230	-0.04%	1M	3.6719
3M	2.3130	-0.34%	2M	3.7024
6M	2.5420	-0.20%	3M	3.7543
12M	2.6950	0.07%	6M	3.8803
			1Y	4.0454

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.61 (+0.01)	4.21(--)
5Y	1.8 (+0.02)	4.33 (+0.04)
10Y	2.15 (+0.02)	4.58 (+0.03)
15Y	2.19 (+0.01)	--
20Y	2.21 (+0.01)	--
30Y	2.25 (+0.01)	5.07 (+0.02)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.305	30.500	0.076	3.703
09/16/2026	0.861	55.700	0.215	3.842
10/28/2026	1.105	24.300	0.276	3.902
12/09/2026	1.527	42.200	0.382	4.008

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)	73.52	4.4%	Corn (per bushel)	4.348	-1.8%
Brent (per barrel)	78.02	5.2%	Soybean (per bushel)	11.950	-0.1%
Heating Oil (per gallon)	365.75	10.8%	Wheat (per bushel)	5.995	-1.6%
Gasoline (per gallon)	310.34	5.1%	Crude Palm Oil (MYR/MT)	45.030	0.4%
Natural Gas (per MMBtu)	3.21	-1.6%	Rubber (JPY/KG)	4.140	0.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13166	-1.5%	Gold (per oz)	4077	-0.7%
Nickel (per mt)	16338	-0.1%	Silver (per oz)	58.30	-2.8%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/09/2026 2:00	US	FOMC Meeting Minutes	17-Jun	--	--	--	0
7/09/2026 3:00	US	Consumer Credit	May	$17.500b	-$0.182b	$20.733b	$20.823b
7/09/2026 7:01	UK	RICS House Price Balance	Jun	-30.00%	-33.00%	-35.00%	-34.00%
7/09/2026 9:30	CH	CPI YoY	Jun	1.10%	--	1.20%	--
7/09/2026 9:30	CH	PPI YoY	Jun	4.10%	--	3.90%	--
7/09/2026 11:00	SK	Bank Lending To Household Total	Jun	--	--	KR1181.8t	--
7/09/2026 11:45	TH	Consumer Confidence Economic	Jun	--	--	43.1	--
7/09/2026 12:00	MA	Industrial Production YoY	May	9.40%	--	8.20%	--
7/09/2026 12:00	MA	Manufacturing Sales Value YoY	May	--	--	9.10%	--
7/09/2026 15:00	MA	BNM Overnight Policy Rate	9-Jul	2.75%	--	2.75%	--
7/09/2026 20:30	US	Initial Jobless Claims	4-Jul	217k	--	215k	--
7/09/2026 20:30	US	Continuing Claims	27-Jun	1814k	--	1814k	--
7/09/2026 20:30	US	Initial Claims 4-Wk Moving Avg	4-Jul	--	--	222.00k	--
7/09/2026 22:00	US	Existing Home Sales	Jun	4.20m	--	4.17m	--
7/09/2026 22:00	US	Existing Home Sales MoM	Jun	1.00%	--	3.20%	--
7/09/2026-7/13/2026	VN	Domestic Vehicle Sales YoY	Jun	--	--	6.50%	--
7/09/2026-7/15/2026	CH	Money Supply M2 YoY	Jun	8.50%	--	8.60%	--

Source: Bloomberg

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