By Global Markets | 9 September 2026

Daily Treasury Outlook

Highlights

Global: On geopolitics, Iran's attacks on Saudi energy facilities and the subsequent destruction of five Iranian tankers raised concerns about another prolonged disruption to oil supplies, pushing Brent crude to USD99.46 per barrel and WTI to USD94.65. This kept 10-year Treasury yields elevated near 4.8%, while markets are still assigning a roughly 58% probability of Federal Reserve rate hike at the next meeting. On the other hand, traditional safe havens have not benefited from the geopolitical tensions as December gold futures fell 1% to USD4,340 an ounce. The calendar is light on the data front. China August exports rose 25% YoY while imports increased 28.2%, widening the trade surplus to USD119.09 billion as demand for advanced technology products and artificial intelligence-related goods played an important role. Financial markets ended the session on a cautious note. The S&P 500 fell 0.6%, the Dow Jones dropped 1.2%, and the Nasdaq slipped 0.3%.

Market Watch: China publishes August CPI and PPI data. Elsewhere in Asia, South Korea releases August employment figures, Malaysia reports July industrial production, and Taiwan publishes August trade data. France releases July industrial production, while the United States reports June employer compensation costs.

Major Markets

ID: Finance Minister Purbaya said the Jakarta Bandung High Speed Railway debt has been restructured over an 80 year tenor, with annual instalments of around IDR1.0trn, which he described as manageable for the government's fiscal capacity, as reported by Antara. Under the restructuring, the Finance Ministry will acquire Danantara Indonesia's 60% stake in PT Pilar Sinergi BUMN Indonesia at zero upfront cost and assume responsibility for future debt servicing through a state backed entity, with the formal transfer scheduled for 15 September 2026. Minister Purbaya said the government also plans to extend the high-speed rail network toward East Java after the transfer, adding that preliminary discussions with Chinese officials had received positive interest.

MY: Prime Minister Anwar Ibrahim said the government is considering proposals raised by smallholders and commodity sector operators, including higher diesel allocations, easier access to funding for farm roads and alternative water sources, and stronger smallholder representation in Parliament. PM Anwar said several matters will be discussed at Wednesday's (9 September) Cabinet meeting and with menteri besars and chief ministers next month, while any decisions will be announced in Budget 2027. PM Anwar also highlighted concerns over income, production quality and yields, farm road infrastructure and housing conditions.

AU: Australia's Westpac-Melbourne Institute Consumer Sentiment Index fell 5.2% to 84.4 in September from 88.9 in August, as higher fuel prices and rising expectations of further rate hikes unwound the improvement in sentiment seen

Key Market Movements

Equity	Value	% chg
S&P 500	7673.5	-0.6%
DJIA	52786	-1.2%
Nikkei 225	65269	-1.7%
SH Comp	3940.6	0.2%
STI	5767.5	-0.4%
Hang Seng	25317	-0.4%
KLCI	1714.4	0.0%

	Value	% chg
DXY	98.787	-0.4%
USDJPY	153.98	-0.2%
EURUSD	1.1624	0.0%
GBPUSD	1.3541	0.0%
USDIDR	17630	-0.1%
USDSGD	1.265	-0.1%
SGDMYR	3.2091	0.4%

	Value	chg (bp)
2Y UST	4.39	2.75
10Y UST	4.79	0.61
2Y SGS	1.70	-0.70
10Y SGS	2.36	-1.03
3M SORA	1.20	0.09
3M SOFR	3.65	0.12

	Value	% chg
Brent	97.92	0.9%
WTI	93.03	1.7%
Gold	4356	-1.1%
Silver	65.75	-0.6%
Palladium	1353	-2.8%
Copper	14709	1.4%
BCOM	143.83	0.7%

Source: Bloomberg

over recent months. All sub-indices tracking economic conditions and household finances declined, with the "family finances compared with a year ago" sub-index recording the largest fall, dropping 9.2% from August. Within this category, sentiment among homeowners, both with and without mortgages, fell by around 13%, while sentiment among renters edged up 0.6%, suggesting the housing downturn is increasingly weighing on consumer confidence. Meanwhile, the mortgage rate expectations sub-index rose 7.3%, indicating that consumers are becoming more convinced that further interest rate hikes lie ahead.

Australia's NAB Business Confidence Index fell 2 points to -8 in September, while the Business Conditions Index declined 5 points to -1, marking the first time in six years that the index has fallen into negative territory. The deterioration in business conditions was driven primarily by weaker profitability and trading activity, with the profitability index plunging 10 points and the trading index declining 5 points. The results likely reflect the impact of global uncertainty and volatile oil prices, which continue to exert cost pressures on businesses. The weakness was broad-based across industries, with conditions deteriorating in six of the eight sectors surveyed, led by construction, mining, and manufacturing. Capacity utilisation also fell by 0.6ppts to 82.5%, with five of the eight industries reporting a decline.

Sustainability

SG: Energy and food security are among Singapore's priorities as it takes on the role of ASEAN chairmanship in 2027, reflecting the growing focus by ASEAN governments on strengthening resilience against supply disruptions caused by recent geopolitical events. Singapore will seek to deepen regional integration and strengthen partnerships beyond the region with the aim of making ASEAN a more effective and integrated single market. The Financing Asia's Transition Partnership (Fast-P), a blended finance initiative launched in 2023, is an example of efforts to mobilise capital towards the region's energy transition. Looking ahead, similar blended finance approaches could also be explored to support ASEAN's growing climate adaptation and resilience needs, which are expected to require significant investment alongside transition efforts.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded flat to lower yesterday with the shorter tenors and belly tenors trading flat while the 10Y tenor traded 1bps lower.
- US Investment Grade traded flat at 80bps, and US High Yield spreads also traded flat at 267bps respectively. Bloomberg Global Contingent Capital spreads widened by 1bps to 203bps.
- Bloomberg Asia USD Investment Grade spread widened by 1bps to 57bps, and the Asia USD High Yield spreads widened by 1bps to 325bps. (Bloomberg, OCBC)

New Issues:

- Yesterday, there were no issuances in the Singdollar, APAC and DM IG markets were USD9.8bn and USD32.6bn respectively yesterday (prior day: both zero and USD100mn).

Equity Market Updates

US: US equities started the week on a weaker footing as renewed geopolitical tensions and surging energy prices dampened risk appetite. US equities retreated on Tuesday as investors returned from the Labour Day break to a sharp rise in geopolitical risks and energy prices. The S&P 500 fell 0.6%, the Nasdaq slipped 0.3%, and the Dow Jones Industrial Average dropped 1.2%, marking its weakest session in several weeks. Investors remained cautious as conflicts in the Middle East raised concerns over global energy supply and inflation. Oil prices rallied sharply after attacks disrupted key energy infrastructure in Saudi Arabia, triggering fears of supply interruptions. Brent crude climbed towards the USD100 per barrel mark, reaching its highest level since July, further fuelling concerns that higher energy costs could keep inflation elevated for longer. The move in oil spilled over to bond markets, with Treasury yields pushing higher across the curve. The 10-year Treasury yield touched a fresh 52-week high near 4.8% as investors adjusted to the prospect of stickier inflation, continued heavy government borrowing and sustained supply of new debt issuance. Healthcare stocks led the market lower following a sharp drop in a major biotechnology company. Looking ahead, investors will focus on developments in the bond market and whether rising energy prices continue to strengthen the case for higher interest rates into year-end.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.787	-0.39%	USD-SGD	1.2650
USD-JPY	153.98	-0.25%	EUR-SGD	1.4705
EUR-USD	1.162	0.01%	JPY-SGD	0.8215
AUD-USD	0.722	-0.01%	GBP-SGD	1.7129
GBP-USD	1.354	0.00%	AUD-SGD	0.9129
USD-MYR	4.063	0.40%	NZD-SGD	0.7404
USD-CNY	6.710	-0.01%	CHF-SGD	1.5626
USD-IDR	17630	-0.06%	SGD-MYR	3.2091
USD-VND	25997	-0.18%	SGD-CNY	5.3056

Equity and Commodity

Index	Value	Net change
DJIA	52,786.07	-628.18
S&P	7,673.52	-45.08
Nasdaq	26,421.41	-85.58
Nikkei 225	65,269.33	-1130.51
STI	5,767.45	-24.83
KLCI	1,714.40	-0.39
JCI	6,686.44	66.77
Baltic Dry	3,575.00	-53.00
VIX	15.72	0.42

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.3800	0.68%	1M	3.7725
3M	2.6690	-0.37%	2M	3.8125
6M	2.7970	0.11%	3M	3.8425
12M	3.1160	0.26%	6M	3.9718
			1Y	4.1678

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.7 (-0.01)	4.4(--)
5Y	2 (-0.01)	4.56 (+0.02)
10Y	2.36 (-0.01)	4.79 (+0.01)
15Y	2.4 (-0.01)	--
20Y	2.36 (-0.02)	--
30Y	2.42 (-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	0.627	62.700	0.157	3.781
10/28/2026	0.892	26.600	0.223	3.848
12/09/2026	1.434	54.100	0.358	3.983

Secured Overnight Fin. Rate

SOFR	3.65

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	93.03	1.7%	Corn (per bushel)	5.110	-0.2%
Brent (per barrel)	97.92	0.9%	Soybean (per bushel)	13.025	0.7%
Heating Oil (per gallon)	456.78	0.6%	Wheat (per bushel)	7.303	2.0%
Gasoline (per gallon)	325.25	1.2%	Crude Palm Oil (MYR/MT)	46.880	-0.2%
Natural Gas (per MMBtu)	2.92	-2.0%	Rubber (JPY/KG)	4.681	1.8%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14709	1.4%	Gold (per oz)	4356	-1.1%
Nickel (per mt)	16868	0.9%	Silver (per oz)	65.75	-0.6%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/09/2026 7:00	SK	Unemployment rate SA	Aug	2.80%	2.70%	2.80%	--
9/09/2026 7:50	JN	Money Stock M2 YoY	Aug	--	2.00%	2.20%	2.10%
9/09/2026 7:50	JN	Money Stock M3 YoY	Aug	--	1.20%	1.40%	1.30%
9/09/2026 9:30	CH	PPI YoY	Aug	3.60%	--	3.50%	--
9/09/2026 9:30	CH	CPI YoY	Aug	0.80%	--	0.50%	--
9/09/2026 12:00	MA	Industrial Production YoY	Jul	5.60%	--	6.50%	--
9/09/2026 14:00	JN	Machine Tool Orders YoY	Aug P	--	--	50.40%	--
9/09/2026 16:00	SI	Automobile COE Open Bid Cat B	9-Sep	--	--	131001	--
9/09/2026 16:00	SI	Automobile COE Open Bid Cat A	9-Sep	--	--	128501	--
9/09/2026 16:00	SI	Automobile COE Open Bid Cat E	9-Sep	--	--	135000	--
9/09/2026 16:00	TA	Exports YoY	Aug	34.70%	--	32.90%	--
9/09/2026 19:00	US	MBA Mortgage Applications	4-Sep	--	--	0.80%	--
9/09/2026-9/13/2026	VN	Domestic Vehicle Sales YoY	Aug	--	--	-5.00%	--
9/09/2026-9/15/2026	CH	Money Supply M2 YoY	Aug	7.60%	--	7.70%	--

Source: Bloomberg

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