

## Daily Treasury Outlook

### Highlights

**Global:** Market saw wild swings on an extremely eventful Monday session, with reversals taking place across most parts of the financial markets. Earlier on, price pressure on oil intensified, as several Gulf states had reportedly curtailed production, and the Strait of Hormuz was functionally shut. Brent crude and WTI surged at opening, reaching their respective intraday highs at US\$119.50/bbl and US\$119.48/bbl. The shock was not contained to energy markets. Government bond yields sold off aggressively, while risk assets came under pressure. Asia equities were hit hard, with Nikkei and Kospi shedding more than 5% at closing.

However, market sentiment improved during the European and US sessions. G7 nations were reportedly considering the release of 300-400 million barrels of crude oil reserve to offset potential supply constraints. Later, US president Trump and Secretary of State Rubio addressed markets, saying the US had clear objectives and the conflict could end sooner than previously expected (previously suggesting a four-to-five-week timeline). Added to that, ships are beginning to make safe passage through the Strait of Hormuz. The hopes of some normalisation in energy supply and logistic fuelled reversal in crude prices and impressive recovery in risk assets. Brent crude nearly erased all intraday gains and closed at US\$98.96/bbl. Major US equity benchmark indexes bounced off lows and closed the day 0.5%-1.4% higher. UST yields closed lower across curve, while dollar completely reversed all gains.

On data front, according to New York Fed survey, US 1-year inflation expectations edged down to 3% in February, while 3- and 5-year expectation held steady at 3%. Germany's factory orders plummeted by 11.1% MoM (vs. consensus at -4.3%) in January, while industrial production fell 0.5% (vs. consensus at 1.0%). Separately, consumer inflation in China jumped in February to the highest in three years. China's CPI rose 1.3% YoY in February, partly lifted by the Chinese New Year spending, while decline in PPI narrowed to 0.9% YoY.

**Market Watch:** The geopolitical backdrop remains fluid, but Asian market is likely to trade with a more positive tone today. This morning, South Korea's 4Q25 GDP came in higher at 1.6% YoY, while Japan's final reading of annualized 4Q25 GDP came in higher at 1.3% QoQ. Meanwhile, Australia's March consumer confidence increased by 1.2% MoM to 91.6 and February NAB business confidence fell to -4. Next focus is Malaysia's January industrial production and Japan's February machine tool orders.

### Key Market Movements

Equity	Value	% chg
S&P 500	6796.0	0.8%
DJIA	47741	0.5%
Nikkei 225	52729	-5.2%
SH Comp	4096.6	-0.7%
STI	4756.6	-1.9%
Hang Seng	25408	-1.4%
KLCI	1674.2	-2.6%
	Value	% chg
DXY	99.175	0.2%
USDJPY	157.67	-0.1%
EURUSD	1.1636	0.2%
GBPUSD	1.3437	0.2%
USDIDR	16945	0.2%
USDSGD	1.2746	-0.2%
SGDMYR	3.0951	0.4%
	Value	chg (bp)
2Y UST	3.54	-2.46
10Y UST	4.10	-4.25
2Y SGS	1.48	9.30
10Y SGS	2.12	12.62
3M SORA	1.11	-0.87
3M SOFR	3.70	-0.97
	Value	% chg
Brent	98.96	6.8%
WTI	94.77	4.3%
Gold	5139	-0.6%
Silver	86.96	2.9%
Palladium	1695	4.2%
Copper	12954	0.7%
BCOM	132.67	0.9%

Source: Bloomberg

## Major Markets

**CH:** February CPI inflation accelerated to 1.3% YoY, rising above the 1% threshold for the first time in nearly three years. On a MoM basis, CPI increased 1.0%, broadly in line with seasonal patterns. In years when the Lunar New Year fell in mid-February—2015, 2018, 2021 and 2024—the average February CPI increase was also around 1.0% MoM, suggesting the latest reading largely reflects typical holiday dynamics.

Beyond the base effect from the Lunar New Year timing, the rebound in headline inflation was mainly supported by core CPI, which rose 1.0 percentage point YoY to 1.8%, the highest level in nearly seven years, while increasing 0.7% MoM. The pickup in core inflation was driven primarily by gold jewelry and services prices. Gold jewelry prices surged 76.6% YoY in February amid the sharp rally in global gold prices, while services prices rose 1.1% MoM, marking the strongest increase since the series was first published.

Meanwhile, PPI declined 0.9% YoY in February, with the contraction narrowing by 0.5 percentage points from the previous month, representing the strongest reading in roughly one and a half years. The stronger-than-expected PPI outcome was largely driven by the pass-through of higher global commodity prices, particularly non-ferrous metals and crude oil. On a MoM basis, PPI increased 0.4%.

From a structural perspective, copper smelting prices continued to rise, likely supported by strong demand from AI-related industries and the broader electrification cycle. Prices for silver, gold and aluminum smelting also increased significantly, lifting PPI readings in the non-ferrous mining and metal processing sectors. In contrast, midstream and downstream industries continue to face low capacity utilization, keeping producer prices in these sectors relatively subdued.

Looking ahead, CPI is likely to decline on a MoM basis in March as seasonal factors fade, although the YoY growth rate is expected to remain above 1%, suggesting inflation momentum is gradually stabilizing.

**ID:** Bank Indonesia reported that the consumer confidence index eased to 125.2 in February, down from 127.0 in January. Improvements in the present situation index (115.9 from 115.1) were offset by a weaker expectations index (134.4 from 138.8). Specifically, gains in the present situation were broad-based across income, goods purchases, and employment conditions, while the decline in the expectations index reflected softer outlooks for employment, income, and business conditions over the next six months. Separately, Energy and Mineral Resources Minister Bahlil Lahadalia stated that Indonesia has begun gradually importing crude oil from the United States as part of efforts to diversify supply away from the Middle East.

**MY:** Securities Commission Malaysia aims to expand the capital market from MYR4.3trn in December 2025 to MYR5.8trn - MYR6.3trn over the next five years under the Capital Market Masterplan 2026–2030. Chairman Mohammad Faiz Azmi said the expansion will be supported by new listings, mobilisation of institutional capital, value creation initiatives and stronger corporate bond financing, while the plan is anchored on four pillars of market vibrancy, inclusivity, sustainability financing and regional opportunities, as reported by The Edge. The commission will also promote ASEAN focused exchange traded funds, attract foreign listings, and mobilise private and concessional funding for the estimated MYR1.2trn needed for Malaysia’s energy transition.

**TH:** Transport Minister Phiphat Ratchakitprakarn and Energy Minister Auttapol Rerkpiboon stated that the government is stepping up measures to manage fuel costs following the ongoing conflict in the Middle East, which has driven global oil prices higher. They emphasised that domestic fuel stocks remain adequate, and that shortages at some stations were primarily due to panic buying. Minister Auttapol added that the government will continue to use the Oil Fuel Fund to cushion the rise in diesel and petrol prices. The Energy Ministry will also present energy-saving initiatives to the cabinet, initially focusing on government agencies, including higher air-conditioning temperature settings, fewer lights, relaxed dress codes, and promoting remote working arrangements. Additionally, the government will extend the LPG price freeze for two more months, until the end of May, to help ease cost of living pressures during this period. On supply, the government has implemented several measures, including suspending most oil exports (except to Laos and Myanmar) and ordering higher legal reserves.

**VN:** The government plans to bring forward its nationwide rollout of E10 biofuel to 1 June 2026, one month earlier than planned, in response to oil prices surging above USD100 amid Middle East tensions. Officials said the accelerated shift will help reduce reliance on conventional gasoline, noting that both E5 and E10 have shown no quality or engine-performance issues during nationwide distribution and pilot phases. The government views expanded biofuel use as a key part of the energy transition, supporting emissions reduction, energy security, and domestic ethanol production.

## ESG

**Rest of the world:** EU countries gave the final approval to a new climate target to cut greenhouse gas emissions 90% by 2040, pressing on with its ambitious climate agenda despite political resistance. This target is more ambitious than most major economies’ emissions reduction commitments, including China whose aim is to cut carbon intensity of GDP by 17% from 2026 to 2030. As part of the agreement, the EU will also consider the option in the future to use international carbon credits to meet a further 5% of its 2040 emissions reductions, potentially further softening the domestic efforts required. The deal also delays the launch of a new EU carbon market by one year to 2028.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 6-11bps higher while belly tenors traded 12bps higher and 10Y tenors traded 12bps higher. Global Investment Grade spreads traded flat at 83bps and Global High Yield spreads widened by 5bps to 301bps respectively. Bloomberg Global Contingent Capital Index widened by 12bps to 253bps. Bloomberg Asia USD Investment Grade spreads widened by 4bps to 65bps and Asia USD High Yield spreads widened by 32bps to 397bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1bn and USD100mn respectively.

There were no notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

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

- Goldman Sachs Finance Corp International Ltd (guarantor: Goldman Sachs Group Inc/The) priced a USD100mn 2Y fixed bond at 3.2%.

There was one notable issuer in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

- Industrial and Commercial Bank of China Limited/Hong Kong priced a USD1bn 3Y FRN at SOFR+38bps.

There were no notable issuances in the Singdollar markets yesterday.

### Mandates:

- Power Construction Corp of China may issue USD-denominated senior unsecured fixed rate guaranteed green bonds.
- Beijing Construction Engineering Group Co.,Ltd may issue USD-denominated fixed rate senior unsecured guaranteed sustainable bonds.
- LG Energy Solution Ltd may issue USD-denominated senior unsecured notes with expected tenor(s) of 3Y FXD/FRN, 5Y FXD/FRN and/or 10Y FXD.

## Equity Market Updates

**US:** US stocks staged a dramatic reversal Monday, with the S&P 500 rising 0.8%, the Nasdaq gaining 1.4%, and the Dow adding 0.5%, after President Donald Trump told CBS that the war with Iran was "very complete, pretty much" and could end soon. Markets had opened sharply lower as oil prices surged above USD100 a barrel for the first time since 2022, with Brent crude spiking as much as 29% to USD119.50 before tumbling below USD90 following Trump's remarks. Technology stocks led the rally, with Nvidia climbing 2.7% and the Philadelphia Semiconductor Index advancing. Energy stocks extended gains on the oil price surge, whilst financials declined the most as the Middle East conflict fuelled concerns over economic activity. Treasury yields whipsawed throughout the session, with the 10-year yield ultimately slipping three basis points to 4.1% and the 30-year falling 1.6 basis points to 4.74% as investors sought safe-haven assets. The 2-year yield rose 3.8 basis points to 3.59%. Trump also indicated he was mulling taking over the Strait of Hormuz and held a phone call with Russian President Vladimir Putin to discuss a "quick" ending to the conflict.

## Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.175	0.19%	USD-SGD	1.2746
USD-JPY	157.67	-0.07%	EUR-SGD	1.4832
EUR-USD	1.164	0.15%	JPY-SGD	0.8084
AUD-USD	0.708	0.65%	GBP-SGD	1.7130
GBP-USD	1.344	0.18%	AUD-SGD	0.9020
USD-MYR	3.963	0.39%	NZD-SGD	0.7563
USD-CNY	6.907	0.03%	CHF-SGD	1.6398
USD-IDR	16945	0.23%	SGD-MYR	3.0951
USD-VND	26275	0.23%	SGD-CNY	5.4023

## Equity and Commodity

Index	Value	Net change
DJIA	47,740.80	239.25
S&P	6,795.99	55.97
Nasdaq	22,695.95	308.27
Nikkei 225	52,728.72	-2892.12
STI	4,756.61	-91.64
KLCI	1,674.17	-43.89
JCI	7,337.37	-248.32
Baltic Dry	2,010.00	-128.00
VIX	25.50	-3.99

## SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9400	-0.77%	1M	3.6745
3M	2.0490	0.15%	2M	3.6739
6M	2.1390	0.14%	3M	3.6728
12M	2.3230	0.30%	6M	3.6291
			1Y	3.5239

## Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.48 (+0.09)	3.56(--)
5Y	1.7 (+0.12)	3.69 (-0.04)
10Y	2.12 (+0.13)	4.11 (-0.04)
15Y	2.2 (+0.11)	--
20Y	2.22 (+0.11)	--
30Y	2.27 (+0.1)	4.72 (-0.04)

## Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A
03/18/2026	-0.036	-3.600	-0.009	3.634
04/29/2026	-0.160	-12.400	-0.040	3.602
06/17/2026	-0.525	-36.500	-0.131	3.511
07/29/2026	-0.820	-29.500	-0.205	3.438
09/16/2026	-1.206	-38.600	-0.301	3.341

## Financial Spread (bps)

	Value	Change
TED	35.36	--

## Secured Overnight Fin. Rate

SOFR	3.65
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## Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	94.77	4.3%	Corn (per bushel)	4.375	-2.1%
Brent (per barrel)	98.96	6.8%	Soybean (per bushel)	11.805	-0.4%
Heating Oil (per gallon)	358.66	-1.0%	Wheat (per bushel)	5.980	-2.2%
Gasoline (per gallon)	280.84	2.3%	Crude Palm Oil (MYR/MT)	44.540	4.8%
Natural Gas (per MMBtu)	3.12	-2.1%	Rubber (JPY/KG)	3.735	3.8%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12954	0.7%	Gold (per oz)	5139	-0.6%
Nickel (per mt)	17469	0.0%	Silver (per oz)	86.96	2.9%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/10/2026 7:00	SK	GDP SA QoQ	4Q P	-0.30%	-0.20%	-0.30%	--
3/10/2026 7:00	SK	GDP YoY	4Q P	1.50%	1.60%	1.50%	--
3/10/2026 7:00	SK	GDP Annual YoY	2025 P	--	1.00%	1.00%	--
3/10/2026 7:30	AU	Westpac Consumer Conf SA MoM	Mar	--	1.20%	-2.60%	--
3/10/2026 7:30	AU	Westpac Consumer Conf Index	Mar	--	91.6	90.5	--
3/10/2026 8:30	AU	NAB Business Confidence	Feb	--	-1	3	4
3/10/2026 8:30	AU	NAB Business Conditions	Feb	--	7	7	--
3/10/2026 12:00	MA	Industrial Production YoY	Jan	5.00%	--	4.80%	--
3/10/2026 12:00	MA	Manufacturing Sales Value YoY	Jan	--	--	6.40%	--
3/10/2026 15:00	GE	Trade Balance SA	Jan	15.4b	--	17.1b	17.2b
3/10/2026 15:00	GE	Exports SA MoM	Jan	-1.50%	--	4.00%	4.00%
3/10/2026 15:00	GE	Imports SA MoM	Jan	0.20%	--	1.40%	--
3/10/2026 18:00	US	NFIB Small Business Optimism	Feb	99.6	--	99.3	--
3/10/2026 20:15	US	ADP Weekly Employment Change	21-Feb	--	--	12.750k	--
3/10/2026 22:00	US	Existing Home Sales	Feb	3.88m	--	3.91m	--
3/10/2026 22:00	US	Existing Home Sales MoM	Feb	-0.80%	--	-8.40%	--

Source: Bloomberg

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