

## Daily Treasury Outlook

### Highlights

**Global:** US equities extended their relief rally on Thursday, with all three major indices closing higher and the Dow Jones Industrial Average has now turned positive for the year. On the geopolitical front, the two-week US–Iran ceasefire brokered by Pakistan on 7 April continues to face increasing strain. On Thursday, Israel struck a bridge in Lebanon, while Hezbollah resumed rocket attacks into northern Israel. Israeli Prime Minister Benjamin Netanyahu reiterated that Israel would continue its operations against Hezbollah, asserting that the ceasefire does not cover Israeli actions in Lebanon. Adding to market unease, Iran’s IRGC claimed that commercial shipping through the Strait of Hormuz had once again halted, citing what it described as Israeli ceasefire violations in Lebanon. Further complicating the diplomatic backdrop, Iran’s president stated that the planned negotiations between Tehran and Washington, scheduled to take place in Islamabad on Friday, would be “meaningless” in light of Israel’s continued military operations in Lebanon. On a marginally more constructive note, Israel and Lebanon are expected to hold direct talks in Washington next week.

On the data front, the PCE price index rose 2.8% YoY in February, unchanged from January, while core PCE edged down to 3.0% YoY from 3.1%, in line with consensus. However, these readings pre-date the latest Middle East escalation. With crude oil prices now more than 50% higher than a year ago, markets are increasingly pricing in a more adverse inflation outlook. Consistent with this, consensus expectations for today’s US CPI release point to a sharp acceleration to 3.4% YoY in March, from 2.4% in February. On growth, the third estimate of 4Q25 US GDP showed the economy expanding at an annualised 0.5%, below the 0.7% consensus, reflecting weaker government spending and exports. This reinforces signs of moderating momentum, with the Atlanta Fed’s GDPNow estimate for 1Q26 revised down to just 1.3%.

**Market Watch:** Key releases today include US March CPI, where headline inflation is expected to accelerate sharply to 3.4% YoY from 2.4% in February, marking the highest reading in nearly two years, largely driven by higher energy prices. The preliminary April University of Michigan consumer sentiment survey will also be released, offering insight into household confidence. In Asia, China is set to publish its March CPI and PPI data, while Indonesia will release its March consumer confidence reading. On the central bank front, the Bank of Korea is widely expected to keep its policy rate unchanged at 2.50%. Meanwhile, ECB Vice President Luis de Guindos is scheduled to speak at an event in Soria, Spain.

### Key Market Movements

| Equity     | Value  | % chg |
|------------|--------|-------|
| S&P 500    | 6824.7 | 0.6%  |
| DJIA       | 48186  | 0.6%  |
| Nikkei 225 | 55895  | -0.7% |
| SH Comp    | 3966.2 | -0.7% |
| STI        | 4977.1 | -0.4% |
| Hang Seng  | 25752  | -0.5% |
| KLCI       | 1686.2 | -0.6% |

|        | Value  | % chg |
|--------|--------|-------|
| DXY    | 98.819 | -0.3% |
| USDJPY | 158.96 | 0.2%  |
| EURUSD | 1.1699 | 0.3%  |
| GBPUSD | 1.3436 | 0.3%  |
| USDIDR | 17085  | 0.4%  |
| USDSGD | 1.273  | -0.1% |
| SGDMYR | 3.1225 | 0.2%  |

|         | Value | chg (bp) |
|---------|-------|----------|
| 2Y UST  | 3.77  | -1.88    |
| 10Y UST | 4.28  | -1.57    |
| 2Y SGS  | 1.53  | 1.80     |
| 10Y SGS | 2.12  | -1.51    |
| 3M SORA | 1.07  | 0.04     |
| 3M SOFR | 3.67  | -0.06    |

|           | Value  | % chg |
|-----------|--------|-------|
| Brent     | 95.92  | 1.2%  |
| WTI       | 97.87  | 3.7%  |
| Gold      | 4767   | 1.0%  |
| Silver    | 75.34  | 1.6%  |
| Palladium | 1550   | -0.6% |
| Copper    | 12682  | -0.2% |
| BCOM      | 132.48 | 0.8%  |

Source: Bloomberg

## Major Markets

**ID:** Coordinating Economic Affairs Minister Airlangga Hartarto said Indonesia expects 1Q26 growth of at least 5.5%, with full year growth projected at around 5.4% in line with the state budget, supported by resilient domestic demand. He said the government will adjust economic policies in response to global developments, including the Middle East conflict, while maintaining its 2026 baseline growth assumption and factoring in an average crude purchase price of USD76 per barrel.

**MY:** The Industrial Production Index growth slowed to 3.1% YoY in February 2026 from 5.9% in January, as manufacturing growth eased to 4.2% from 7.3% and electricity output rose 4.6% from 6.2%, while mining output contracted 2.0% after a marginal 0.1% increase. Export oriented industries expanded 5.0% from 7.8%, supported by manufacture of computer, electronics and optical products at 15.7% and manufacture of electrical equipment at 3.5%, while domestic oriented industries grew 2.7% from 6.4%, led by food processing products at 8.4% and fabricated metal products, except machinery and equipment, at 3.6%. Manufactured goods exports increased 7.1% in February from 11.9%.

**VN:** Some quasi-monetary policy easing was agreed on 9 April after a meeting chaired by SBV Governor Pham Duc An. Commercial banks acquiesced in lowering deposit and lending rates following SBV and government guidance, after competition for deposits had pushed up funding and borrowing costs, while the policy rate remains unchanged. The SBV said the move is intended to stabilize market interest rates, support businesses and households, steer credit toward productive and growth-driving sectors, and will be reinforced by close monitoring, liquidity support if needed, and stricter oversight of banks' rate-setting behaviour.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading 1bps lower to 1bps higher while belly tenors traded flat and 10Y tenors traded 1bps lower. US Investment Grade spreads tightened by 1bps to 80bps and US High Yield spreads tightened by 9bps to 272bps respectively. Bloomberg Global Contingent Capital Index traded flat at 246bps. Bloomberg Asia USD Investment Grade spreads traded flat at 63bps and Asia USD High Yield spreads tightened by 5bps to 422bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD1.76bn respectively.

There were three notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- Deutsche Bank AG/New York NY (among our official coverage) priced a USD1bn 6NC5 senior non-preferred fixed-to-FRN bond at T + 115bps.

Among issuers under our official coverage, there were two notable issuers in the DM IG market.

- Zurich Finance Ireland Designated Activity Co (guarantor: Zuerich Versicherungs-Gesellschaft AG) priced a 10Y USD200mn fixed bond at 4.985%.

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

### Mandates:

- Incheon International Airport Corporation may issue USD-denominated 3Y or 5Y fixed rate notes.
- Guangzhou Finance Holdings Group Co., Ltd. may issue USD-denominated fixed rate bonds.

## Equity Market Updates

**US:** US stocks advanced Thursday as optimism grew that a fragile two-week ceasefire between the US and Iran would hold, despite ongoing tensions over the Strait of Hormuz and Israeli strikes in Lebanon. The S&P 500 rose 0.6%, the Nasdaq gained 0.8%, and the Dow added 0.6%, marking the seventh consecutive day of gains for major indices. Markets reversed early losses after reports emerged that Israel would begin direct talks with Lebanon and that the Strait of Hormuz was open, though Iran's Deputy Foreign Minister said civilian vessels could pass with Iranian guidance. Consumer discretionary and industrials led sector gains, whilst software stocks fell 3.9% on persistent artificial intelligence disruption concerns. Semiconductor stocks hit record highs, with the PHLX Semiconductors Index rising 2.1%. Oil prices settled near USD98 per barrel after earlier surging above USD100. Treasury yields edged higher, with the 10-year yield rising to 4.29% and the 30-year yield climbing to 4.90%. A USD22bn 30-year bond auction drew weaker-than-expected demand, with the bid-to-cover ratio falling to 2.39 from 2.45 in the previous auction. Apple announced it would close its first unionised US retail location in Towson, Maryland, citing declining mall conditions.

| Foreign Exchange |           |          |         |           |
|------------------|-----------|----------|---------|-----------|
|                  | Day Close | % Change |         | Day Close |
| DXY              | 98.819    | -0.32%   | USD-SGD | 1.2730    |
| USD-JPY          | 158.96    | 0.25%    | EUR-SGD | 1.4896    |
| EUR-USD          | 1.170     | 0.31%    | JPY-SGD | 0.8007    |
| AUD-USD          | 0.708     | 0.54%    | GBP-SGD | 1.7103    |
| GBP-USD          | 1.344     | 0.31%    | AUD-SGD | 0.9016    |
| USD-MYR          | 3.984     | 0.19%    | NZD-SGD | 0.7460    |
| USD-CNY          | 6.831     | -0.03%   | CHF-SGD | 1.6105    |
| USD-IDR          | 17085     | 0.44%    | SGD-MYR | 3.1225    |
| USD-VND          | 26325     | -0.04%   | SGD-CNY | 5.3674    |

| Equity and Commodity |           |            |
|----------------------|-----------|------------|
| Index                | Value     | Net change |
| DJIA                 | 48,185.80 | 275.88     |
| S&P                  | 6,824.66  | 41.85      |
| Nasdaq               | 22,822.42 | 187.43     |
| Nikkei 225           | 55,895.32 | -413.10    |
| STI                  | 4,977.08  | -18.97     |
| KLCI                 | 1,686.24  | -10.07     |
| JCI                  | 7,307.59  | 28.38      |
| Baltic Dry           | 2,161.00  | 22.00      |
| VIX                  | 19.49     | -1.55      |

| SOFR  |         |        |       |          |
|-------|---------|--------|-------|----------|
| Tenor | EURIBOR | Change | Tenor | USD SOFR |
| 1M    | 1.9350  | 0.89%  | 1M    | 3.6521   |
| 3M    | 2.1620  | -0.37% | 2M    | 3.6650   |
| 6M    | 2.5250  | 0.52%  | 3M    | 3.6729   |
| 12M   | 2.8600  | -0.42% | 6M    | 3.6930   |
|       |         |        | 1Y    | 3.7049   |

| Government Bond Yields (%) |              |              |
|----------------------------|--------------|--------------|
| Tenor                      | SGS (chg)    | UST (chg)    |
| 2Y                         | 1.53 (+0.02) | 3.78(--)     |
| 5Y                         | 1.75 (-0.01) | 3.9 (-0.03)  |
| 10Y                        | 2.12 (-0.02) | 4.29 (-0.02) |
| 15Y                        | 2.17 (-0.02) | --           |
| 20Y                        | 2.19 (-0.02) | --           |
| 30Y                        | 2.24 (-0.01) | 4.89(--)     |

| Fed Rate Hike Probability |                 |                 |                     |                                   |
|---------------------------|-----------------|-----------------|---------------------|-----------------------------------|
| Meeting                   | # of Hikes/Cuts | % of Hikes/Cuts | Implied Rate Change | Expected Effective Fed Funds Rate |
| 03/18/2026                | 0.010           | 1.000           | 0.002               | 3.643                             |
| 04/29/2026                | 0.016           | 1.600           | 0.004               | 3.642                             |
| 06/17/2026                | 0.006           | -0.900          | 0.002               | 3.640                             |
| 07/29/2026                | -0.024          | -3.100          | -0.006              | 3.632                             |
| 09/16/2026                | -0.105          | -8.100          | -0.026              | 3.612                             |

| Financial Spread (bps)      |        |    |
|-----------------------------|--------|----|
| Value                       | Change |    |
| TED                         | 35.36  | -- |
| Secured Overnight Fin. Rate |        |    |
| SOFR                        | 3.59   |    |

| Commodities Futures      |         |       |                         |         |       |  |
|--------------------------|---------|-------|-------------------------|---------|-------|--|
| Energy                   | Futures | % chg | Soft Commodities        | Futures | % chg |  |
| WTI (per barrel)         | 97.87   | 3.7%  | Corn (per bushel)       | 4.440   | -0.7% |  |
| Brent (per barrel)       | 95.92   | 1.2%  | Soybean (per bushel)    | 11.653  | 0.3%  |  |
| Heating Oil (per gallon) | 393.70  | 3.4%  | Wheat (per bushel)      | 5.745   | -1.0% |  |
| Gasoline (per gallon)    | 300.07  | -0.2% | Crude Palm Oil (MYR/MT) | 45.710  | 1.2%  |  |
| Natural Gas (per MMBtu)  | 2.67    | -2.0% | Rubber (JPY/KG)         | 3.829   | -0.1% |  |
| Base Metals              | Futures | % chg | Precious Metals         | Futures | % chg |  |
| Copper (per mt)          | 12682   | -0.2% | Gold (per oz)           | 4767    | 1.0%  |  |
| Nickel (per mt)          | 17088   | -1.2% | Silver (per oz)         | 75.34   | 1.6%  |  |

Source: Bloomberg, Reuters

## Economic Calendar

| Date Time       | Country Code | Event                                   | Period | Survey  | Actual | Prior    | Revised |
|-----------------|--------------|---|--------|---------|--------|----------|---------|
| 4/10/2026 8:50  | SK           | BOK Base Rate                           | 10-Apr | 2.50%   | 2.50%  | 2.50%    | --      |
| 4/10/2026 11:00 | ID           | Consumer Confidence Index               | Mar    | --      | --     | 125.2    | --      |
| 4/10/2026 14:00 | VN           | Bloomberg April Vietnam Economic Survey |        |         |        |          |         |
| 4/10/2026 15:30 | TH           | Gross International Reserves            | 3-Apr  | --      | --     | \$277.7b | --      |
| 4/10/2026 15:30 | TH           | Forward Contracts                       | 3-Apr  | --      | --     | \$23.0b  | --      |
| 4/10/2026 20:30 | US           | Real Avg Weekly Earnings YoY            | Mar    | --      | --     | 1.70%    | 1.60%   |
| 4/10/2026 20:30 | US           | Real Avg Hourly Earning YoY             | Mar    | --      | --     | 1.40%    | 1.30%   |
| 4/10/2026 20:30 | US           | CPI MoM                                 | Mar    | 0.90%   | --     | 0.30%    | --      |
| 4/10/2026 20:30 | CA           | Net Change in Employment                | Mar    | 15.0k   | --     | -83.9k   | --      |
| 4/10/2026 20:30 | US           | Core CPI MoM                            | Mar    | 0.30%   | --     | 0.20%    | --      |
| 4/10/2026 20:30 | CA           | Unemployment Rate                       | Mar    | 6.70%   | --     | 6.70%    | --      |
| 4/10/2026 20:30 | US           | CPI YoY                                 | Mar    | 3.40%   | --     | 2.40%    | --      |
| 4/10/2026 20:30 | CA           | Full Time Employment Change             | Mar    | --      | --     | -108.4k  | --      |
| 4/10/2026 20:30 | US           | Core CPI YoY                            | Mar    | 2.70%   | --     | 2.50%    | --      |
| 4/10/2026 20:30 | CA           | Part Time Employment Change             | Mar    | --      | --     | 24.5k    | --      |
| 4/10/2026 20:30 | US           | CPI Index NSA                           | Mar    | 330.555 | --     | 326.785  | --      |

Source: Bloomberg

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