

Daily Treasury Outlook

Highlights

Global: Market is hoping for the Trump-Xi meeting on 14-15 May to yield results, even as US and Iran both rejected the latest peace plan. Risk assets extended their rally last week with the S&P500 notching up a 0.84% gain to another fresh high as US' April nonfarm payrolls delivered a better-than-expected 115k (consensus forecast: 65k) with the unemployment rate unchanged at 4.3%, albeit the average hourly earnings and labor force participation rate disappointed slightly at 0.2% MoM and 61.8% respectively. The May final University of Michigan sentiment index was also revised down to 48.2, although the 1- and 5–10-year inflation gauges also eased slightly to 4.5% and 3.4% respectively. The 10-year UST bond yield also retreated 3bps to 4.35% on Friday after a choppy week and the Treasury Department said it will keep nominal note and bond sized unchanged for at least the next several quarters.

Market Watch: Asian markets are likely to open on an upbeat tone today. The economic data calendar comprises of China's May CPI, Indonesia's consumer confidence, and US' existing home sales. For the week ahead, watch for US' April CPI and NFIB small business optimism tomorrow, Eurozone's revised 1Q26 GDP and US' PPI on Wednesday, UK's 1Q26 GDP print and US' April retail sales on Thursday, and revised 1Q26 GDP readings from Malaysia and Macau on Friday, as well as China's monetary aggregates data due this week. On the central bank front, there is the BOJ summary of opinions tomorrow and BOC summary of deliberations on Thursday. In Asia, investors should monitor China-US diplomatic signalling and whether higher oil prices and shipping disruptions could begin feeding more materially into Asian inflation and manufacturing margins. In the corporate earnings front, keep an eye on JD.com and Under Armour on Tuesday, Alibaba, Cisco Systems on Wednesday, and Applied Materials on Thursday.

Major Markets

China: April trade data beat expectations, with both exports and imports surprising on the upside. Exports accelerated sharply to 14.1% YoY from 2.5% in March, while imports surged 25.3% YoY. The trade surplus reached USD84.82bn in April, although strong import growth in recent months slightly narrowed the cumulative surplus to USD349.1bn in January-April. The rebound in exports was partly flattered by a favourable base effect. China's exports to the US returned to positive growth, rising 11.3% YoY, as US-bound shipments had fallen into deep contraction after reciprocal tariffs took effect in early April last year. Beyond base effects, resilient demand for AI-related products continued to provide an important structural tailwind to China's exports. Imports also beat expectations again, mainly supported by strong demand for integrated circuits. IC imports surged 54.7% YoY in April, with monthly import value reaching a record high, underscoring the strength of the AI supply chain. Meanwhile, higher crude oil prices linked to the Iran war lifted the import bill. Although crude oil import volume fell 20% YoY, import value still rose 13.2% YoY. Looking ahead, the AI

Key Market Movements

Equity	Value	% chg
S&P 500	7398.9	0.8%
DJIA	49609	0.0%
Nikkei 225	62714	-0.2%
SH Comp	4180.0	0.0%
STI	4921.9	-0.4%
Hang Seng	26394	-0.9%
KLCI	1748.1	-0.6%
	Value	% chg
DXY	97.900	-0.2%
USDJPY	156.68	-0.2%
EURUSD	1.1787	0.5%
GBPUSD	1.3631	0.6%
USDIDR	17373	0.2%
USDSGD	1.2672	-0.1%
SGDMYR	3.0929	0.1%
	Value	chg (bp)
2Y UST	3.88	-2.66
10Y UST	4.35	-3.20
2Y SGS	1.56	0.90
10Y SGS	2.08	-0.54
3M SORA	1.05	0.51
3M SOFR	3.67	-0.04
	Value	% chg
Brent	101.29	1.2%
WTI	95.42	0.6%
Gold	4715	0.6%
Silver	80.34	2.4%
Palladium	1491	0.2%
Copper	13573	1.3%
BCOM	138.40	0.8%

Source: Bloomberg

supply chain should remain a key source of resilience, further supporting exports of mechanical and electrical products. In addition, elevated oil prices may strengthen China's relative competitiveness in energy-intensive goods. Compared with more energy-import-dependent economies, China benefits from a more complete and stable supply chain, as well as relative energy cost advantages, which could allow it to capture additional export substitution demand.

ID: The foreign reserves fell to USD146.2bn at end April 2026, down from USD148.2bn at end March. The decline was influenced by "tax and service receipts, as well as the government's global bond issuance, amid government external debt payments and rupiah exchange rate stabilisation measures," according to Bank Indonesia. The reserves were equivalent to 5.8 months of imports or 5.6 months of imports and government external debt payments, above the international adequacy standard of around 3 months of imports.

MY: Putrajaya will finalise the rationalisation of fuel subsidies, particularly targeting higher-income earners soon, says Prime Minister Datuk Seri Anwar Ibrahim, as reported by TheStar. This underscores the vulnerabilities on the fiscal side and RON95 subsidy rationalisation is a risk we have been flagging since the start of geopolitical tensions. Malaysian authorities have been prudent in the past 2 years in adjusting subsidies and we expect a similar approach to further adjustments to Budi95. For context, global Brent prices averaged USD86/barrel year-to-date versus budget estimates of USD60-65/barrel necessitating some consideration on rationalising fuel subsidies.

PH: According to the Department of Agriculture, the Philippines and Vietnam have agreed to establish a rice trade mechanism aimed at ensuring a stable supply and price stability through April 2027. The agreement was reached during President Ferdinand Marcos Jr.'s bilateral meeting with Vietnamese Prime Minister Le Minh Hung on the sidelines of the 48th ASEAN Summit in Cebu. Under the agreement, the Philippines will receive uninterrupted shipments of 1.5mn metric tons of Dai Thom 8 rice from Vietnam at a fixed price of \$450/mt. Agriculture Secretary Francisco Tiu Laurel Jr. stated the agreement will help reduce supply risks amid geopolitical uncertainty and climate-related disruptions. The deal builds on a broader five-year supply commitment signed during President Marcos Jr.'s visit to Hanoi in January 2024 but introduces more concrete pricing terms.

TH: Thailand's plan to develop the Middle East as a new export growth market is facing challenges as the ongoing conflict in the region disrupts shipping routes and dampens regional demand. Following the closure of the Strait of Hormuz, Thai exports to the Middle East declined sharply by 57.1% in March, down from a 19.4% increase in February. By product category, exports of vehicles, gems and jewellery, air-conditioners, rubber products, and processed seafood all recorded steep declines ranging from 41.4–67.5%. Despite this, Thailand's overall exports still grew 18.7% in March, cushioned by robust demand from the US, Japan, Europe, South Asia, and Australia. Shipments to the Middle East accounted for just 1.6% of total exports in March, down from 3.7% in 2025. In response, the Commerce Ministry has adjusted its strategy to focus on protecting existing markets while expanding into alternative ones. It also plans to promote higher-value service exports such as digital content, gaming, healthcare, and food security-related products to mitigate vulnerabilities caused by logistics

disruptions.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 1-2bps higher while belly tenors traded 1-2bps higher and 10Y tenors traded 2-3bps higher. US Investment Grade spreads remained flat at 77bps and US High Yield spreads widened by 3bps to 266bps respectively. Bloomberg Global Contingent Capital Index widened by 2bps to 222bps. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 55bps and Asia USD High Yield spreads widened by 1bps to 386bps respectively (Bloomberg, OCBC).

New Issues:

The total issuance volumes for APAC and DM IG markets last Friday were USD300mn and USD100mn respectively, lower than the prior day (USD1.55bn and USD6.98bn). The only issuance in DM IG market came from Credit Agricole SA (under our official coverage). There were no notable issuances in the APAC and Singdollar markets last Friday.

Recent Coverage Developments:

The Ministry of National Development (“MND”) is implementing three measures in the executive condominium market, which will apply to all EC sites with tender closing dates on or after 08 May 2026, AIMS APAC REIT reported results for the second half and full financial year ending 31 March 2026, QBE Insurance Group Ltd posted solid 1QFY26 results (refer to Daily Credit Snapshot 08 May 2026).

Equity Market Updates

US: US stocks surged Friday, with the S&P 500 and Nasdaq Composite hitting fresh records as a blowout earnings season and a better-than-expected jobs report powered major indices to a sixth consecutive weekly gain. The S&P 500 rose 2.3% for the week, whilst the Nasdaq climbed 4.5% to notch its largest six-week percentage gain since 2009, and the Dow industrials edged up 0.2%. Semiconductor stocks led the rally, with Intel surging 14%, Micron advancing 15.5%, and Sandisk jumping 16.6%. Corporate America outstripped expectations by the widest margin outside the Covid-19 era since at least 2013, with first-quarter profits at S&P 500 companies surging 27%, more than double the roughly 12% analysts had forecast. Treasury yields remained unchanged on 9 May, with the 2-year at 3.89%, the 10-year at 4.37%, and the 30-year at 4.94%. Looking ahead, President Donald Trump is set to meet Chinese President Xi Jinping in Beijing from Wednesday to Friday, with discussions expected to cover trade, tariffs, Iran, and AI technology. Trump called Iran's latest response to his peace proposal "totally unacceptable" on Sunday, maintaining pressure on efforts to end the 10-week conflict affecting the Strait of Hormuz.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.900	-0.17%	USD-SGD	1.2672
USD-JPY	156.68	-0.16%	EUR-SGD	1.4928
EUR-USD	1.179	0.52%	JPY-SGD	0.8089
AUD-USD	0.725	0.51%	GBP-SGD	1.7279
GBP-USD	1.363	0.56%	AUD-SGD	0.9183
USD-MYR	3.921	0.34%	NZD-SGD	0.7559
USD-CNY	6.801	-0.05%	CHF-SGD	1.6322
USD-IDR	17373	0.18%	SGD-MYR	3.0929
USD-VND	26309	0.00%	SGD-CNY	5.3676

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9670	-0.35%	1M	3.6328
3M	2.2340	-0.62%	2M	3.6412
6M	2.4720	-1.98%	3M	3.6475
12M	2.7080	-3.11%	6M	3.6728
			1Y	3.7505

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/17/2026	-0.060	-6.000	-0.015	3.619
07/29/2026	-0.105	-4.500	-0.026	3.608
09/16/2026	-0.108	-0.300	-0.027	3.607
10/28/2026	-0.045	6.300	-0.011	3.623
12/09/2026	0.058	10.300	0.015	3.648

Equity and Commodity

Index	Value	Net change
DJIA	49,609.16	12.19
S&P	7,398.93	61.82
Nasdaq	26,247.08	440.88
Nikkei 225	62,713.65	-120.19
STI	4,921.90	-20.06
KLCI	1,748.06	-10.79
JCI	6,969.40	-204.93
Baltic Dry	2,978.00	-56.00
VIX	17.19	0.11

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.56 (+0.01)	3.92(--)
5Y	1.72 (--)	4 (-0.04)
10Y	2.08 (-0.01)	4.39 (-0.03)
15Y	2.07 (-0.01)	--
20Y	2.08 (--)	--
30Y	2.12 (--)	4.96 (-0.03)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.60
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	95.42	0.6%	Corn (per bushel)	4.563	0.8%
Brent (per barrel)	101.29	1.2%	Soybean (per bushel)	11.943	1.5%
Heating Oil (per gallon)	389.91	2.2%	Wheat (per bushel)	6.075	1.0%
Gasoline (per gallon)	352.67	2.0%	Crude Palm Oil (MYR/MT)	44.780	-0.3%
Natural Gas (per MMBtu)	2.76	-0.4%	Rubber (JPY/KG)	4.037	0.2%

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13573	1.3%	Gold (per oz)	4715	0.6%
Nickel (per mt)	18892	-1.3%	Silver (per oz)	80.34	2.4%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
5/11/2026 7:01	UK	S&P Global, KPMG and REC UK Report on Jobs					
5/11/2026 9:30	CH	PPI YoY	Apr	1.80%	--	0.50%	--
5/11/2026 9:30	CH	CPI YoY	Apr	0.009	--	1.00%	--
5/11/2026 9:30	CH	CPI Core YoY	Apr	--	--	0.011	--
5/11/2026 11:00	ID	Consumer Confidence Index	Apr	--	--	122.9	--
5/11/2026 15:30	UK	Bloomberg May United Kingdom Economic Survey					
5/11/2026 22:00	US	Existing Home Sales	Apr	4.05m	--	3.98m	--
5/11/2026 22:00	US	Existing Home Sales MoM	Apr	2.00%	--	-3.60%	--
5/11/2026	PH	Bank Lending YoY	Mar	--	--	0.09	--
5/11/2026	PH	Bank Lending Net of RRP's YoY	Mar	--	--	9.50%	--
5/11/2026	PH	Money Supply M3 SRF YoY	Mar	--	--	0.103	--
5/11/2026-5/15/2026	ID	Local Auto Sales	Apr	--	--	61271	--
5/11/2026-5/13/2026	VN	Domestic Vehicle Sales YoY	Apr	--	--	20.20%	--
5/11/2026-5/17/2026	CH	FDI YTD YoY CNY	Apr	--	--	-7.30%	--
5/11/2026-5/13/2026	EL	CPI YoY	Apr	--	--	1.47%	--
5/11/2026-5/15/2026	CH	New Yuan Loans CNY YTD	Apr	8900.0b	--	8600.0b	--

Source: Bloomberg

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