Daily Treasury Outlook

Highlights

Global: US equities closed marginally lower with the broad indices of S&P500, Dow, and Nasdaq declining ~0.1% (S&P500: -0.005%; Dow: -0.1%; NASDAQ: -0.2%). The US Bureau of Labor Statistics (BLS) released its January jobs report, showing total nonfarm payroll employment rose by 130k in January following a downwardly revised 48k in December (previous: 50k). Moreover, the November print was also revised lower to 41k (previous: 56k). The report which was delayed by nearly a week due to a partial US government shutdown printed stronger than consensus expectations of 65k. According to BLS, "job gains occurred in health care, social assistance, and construction, while federal government and financial activities lost jobs." The unemployment rate also edged lower to 4.3%, down from 4.4% in December, while the average hourly earnings rose by 0.4% MoM (3.7% YoY). Beyond the January headline number, the BLS also reported the benchmark annual revisions, with the job gains averaging at just 15k per month in 2025 compared to the initially reported 49k. Nonetheless, rate cut expectations have shifted, with the market pricing the first rate cut by July compared to June in the previous day. In terms of Fed speak, Jeffrey Schmid reaffirmed his resistance to further rate cuts, arguing that it would "risk allowing high inflation to persist longer."

Market Watch: The Asian calendar is relatively light today, with Thailand's January consumer confidence and India's January CPI. Prime Minister Lawrence Wong will also deliver the Budget 2026 statement at 3.30pm in Parliament. In other data releases, the US will publish its January Federal Budget Balance, along with the usual weekly claims data. Meanwhile, the UK will release its preliminary 4Q25 GDP growth data.

Key Market Movements

Equity	Value	% chg
S&P 500	6941.5	0.0%
DJIA	50121	-0.1%
Nikkei 225	57651	0.0%
SH Comp	4132.0	0.1%
STI	4984.6	0.4%
Hang Seng	27266	0.3%
KLCI	1756.4	0.5%
	Value	**% chg**
DXY	96.834	0.0%
USDJPY	153.26	-0.7%
EURUSD	1.1872	-0.2%
GBPUSD	1.3628	-0.1%
USDIDR	16783	-0.1%
USDSGD	1.2621	-0.2%
SGDMYR	3.1015	0.0%
	Value	**chg (bp)**
2Y UST	3.51	5.79
10Y UST	4.17	2.97
2Y SGS	1.33	0.40
10Y SGS	1.99	1.46
3M SORA	1.14	-0.24
3M SOFR	3.79	-0.37
	Value	**% chg**
Brent	69.40	0.9%
WTI	64.63	1.0%
Gold	5084	1.2%
Silver	84.28	4.3%
Palladium	1724	0.7%
Copper	13167	0.4%
BCOM	118.85	0.9%

Source: Bloomberg

By Global Markets | 12 February 2026

Major Markets

CH: China's CPI moderated to 0.2% YoY in January from 0.8% YoY in December, while core CPI eased to 0.8% YoY from 1.2%. The headline softening was largely technical, driven by calendar distortions: this year's Lunar New Year fell in mid-February rather than January, shifting part of the seasonal demand boost out of the January data.

Encouragingly, underlying momentum was firmer than the YoY prints suggest. Core CPI rose 0.3% MoM, above the seasonal norm of 0.2% and the strongest reading in six months. The upside surprise was driven by three factors. First, prices in trade-in subsidy–related categories rose more than seasonally expected. Following the rollout of the first batch of government subsidies ("national trade-in program") on January 1, prices of household appliances, transportation equipment, and communication devices increased by 0.7%, 0.3%, and 0.9% MoM, respectively — all exceeding historical seasonal patterns. Second, international gold prices continued to climb, providing additional support. Third, selected services prices firmed: airfares and travel agency fees rose 5.7% and 2.0% MoM, respectively. Taken together, these dynamics suggest that core inflation is not collapsing, but rather stabilizing at a low level with pockets of resilience.

On the production side, PPI rose 0.4% MoM, marking the fourth consecutive monthly gain. The YoY decline narrowed and came in better than market expectations, primarily reflecting stronger-than-anticipated gains in international non-ferrous metals prices. This sequential improvement is an important early signal that the industrial price cycle may be bottoming.

Looking ahead, PPI base effects will turn increasingly favorable in coming months. Against the backdrop of low base effects, firmer non-ferrous metals prices, and the orderly implementation of "anti-involution" policies aimed at curbing excessive competition, PPI YoY growth is likely to recover in a volatile manner and could turn positive within the year. If sustained, this would mark a meaningful inflection after a prolonged period of industrial deflation.

For February, supported by Lunar New Year seasonality, we expect CPI to rebound to around 1% YoY. While the PPI-to-CPI correlation has weakened structurally in recent years and clear signs of pass-through remain limited at this stage, we should not underestimate the potential for gradual transmission. As supply–demand conditions rebalance across selected industrial chains, upstream price increases may slowly filter downstream. If that process gains traction, it could help anchor a modest upward shift in the 2026 inflation center.

ID: The Financial Services Authority will establish a Capital Market Integrity Reform Task Force to accelerate implementation of eight previously announced reform measures and restore investor confidence, Acting Chairperson Friderica Widyasari Dewi said. The task force will involve OJK, the Indonesia Stock Exchange, KSEI, KPEI and industry participants, and will oversee measures including raising the minimum free float requirement to 15% from 7.5%, strengthening ultimate beneficial ownership disclosure, and expanding investor disclosure thresholds to above 1% from 5%.

MY: The unemployment rate was unchanged at 2.9% in December 2025, similar to November. The number of employed persons continued on an uptrend and rose by 37.0k to 17.13mn in December, particularly in the services sector, including wholesale & retail trade, accommodation and food & beverage service activities, as well as information and communication activities. Likewise, higher employment was seen in agriculture, manufacturing, and construction services, while the mining & quarrying sector posted decreases. The labour force participation was also unchanged at 70.9% in December 2025, similar to November 2025.

TH: The cabinet endorsed a comprehensive visa packaged proposed by the Ministry of Foreign Affairs aimed at boosting tourism, attracting long-stay visitors, and supporting economic activity. According to Deputy government spokeswoman Aiyarin Phanrit the rollout will be implemented in phases designed to make Thailand more appealing to tourists, remote workers, and longer-term residents. Over the medium term, the ministry plans to simplify non-immigrant visas by reducing the number of categories to 7, down from 17, by August 31. Additionally, there are plans to add eight more countries to the Visa on Arrival list and to revise the criteria for long-stay retirement visas.

VN: Motor vehicle sales rose 89.9% YoY to 29.8k units in January 2026, up from 55.8% YoY (42.7k units) in December 2025. Higher sales were supported by improved growth in passenger cars (102.9% YoY in Jan-26 from 58.6% Dec-25) and commercial vehicles (79.1% from 58.3%), which more than offset the weakness in hybrid vehicles (-4.5%, down from 11.5%).

ESG

Rest of the world: Europe's green hydrogen industry is urging the EU to prioritise European manufacturers in public contracts, as China's large-scale projects are threatening the development of the EU hydrogen industry. Many green hydrogen projects were cancelled or delayed amid high European energy costs and cheaper fossil fuel-based hydrogen. The European Commission plans to propose a law to prioritise European manufacturers in public procurement. Globally, investment in clean hydrogen fell for a second year in a row, according to BNEF. Clean hydrogen investment fell by 21% to from USD9.1bn in 2024 to USD7.3bn in 2025, as consistently high costs and challenges securing offtake have made it challenging for developers to reach final investment decisions on clean hydrogen projects.

Credit Market Updates

Market Commentary:
The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 1bps higher while belly tenors traded flat and 10Y traded 1bps lower. Global Investment Grade spreads tightened by 1bps to 75bps and Global High Yield spreads tightened by 2bps to 265bps respectively. Bloomberg Global Contingent Capital Index tightened by 1bps to 223bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 58bps and Asia USD High Yield spreads tightened by 9bps to 342bps respectively. (Bloomberg, OCBC)

New Issues:
APAC recorded no new issuance yesterday, and the DM IG market saw a modest USD600mn in supply.

Across the DM IG, APAC USD and SGD markets, there were no notable issuers.

Mandates:
There were no notable mandates yesterday.

Equity Market Updates

US: The main indices ended little changed after trading in a narrow range, with the S&P 500 flat, the Nasdaq down 0.2% and the Dow off 0.1%, halting its three-day run of record closes. Stocks opened higher following a stronger-than-expected January employment report, which showed 130,000 new payrolls versus expectations for 68,000. While the data supported the economic outlook, it also reduced expectations of a near-term rate cut in June, which fell from 1.05 cuts on Tuesday to 0.69 cuts as of the time of writing. After the initial move, markets drifted sideways, reflecting a continued divergence between broader sector strength and weakness in several mega-cap names. Amazon (-1.3%) and Alphabet (-2.3%) extended post-earnings declines, weighing on communication services (-1.3%) and consumer discretionary (-0.6%). Information technology edged up 0.2% despite early volatility, helped by a 2.3% rise in the PHLX semiconductor index as memory stocks rebounded, though software lagged and Microsoft (-2.2%) fell again. Financials (-1.5%) were pressured by further weakness in banks and a sharp drop in Robinhood (-8.8%) after disappointing revenue, while energy (+2.6%) led gains as oil rose amid geopolitical tensions. Materials (+1.3%) and consumer staples (+1.5%) also advanced, supported by positive earnings reactions. Small- and mid-cap indices gave back early gains, with the Russell 2000 closing 0.4% lower and the S&P MidCap 400 down 0.2%. Treasury yields rose following the jobs data as markets adjusted to a firmer growth backdrop and slightly less accommodative policy expectations.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	96.834	0.04%	**USD-SGD**	1.2621
USD-JPY	153.26	-0.73%	**EUR-SGD**	1.4988
EUR-USD	1.187	-0.19%	**JPY-SGD**	0.8235
AUD-USD	0.713	0.73%	**GBP-SGD**	1.7202
GBP-USD	1.363	-0.11%	**AUD-SGD**	0.8997
USD-MYR	3.916	-0.21%	**NZD-SGD**	0.7635
USD-CNY	6.912	-0.01%	**CHF-SGD**	1.6359
USD-IDR	16783	-0.10%	**SGD-MYR**	3.1015
USD-VND	26000	0.43%	**SGD-CNY**	5.4809

Equity and Commodity

Index	Value	Net change
DJIA	50,121.40	-66.74
S&P	6,941.47	-0.34
Nasdaq	23,066.47	-36.00
Nikkei 225	57,650.54	1286.60
STI	4,984.58	20.33
KLCI	1,756.39	8.85
JCI	8,290.97	159.23
Baltic Dry	1,882.00	-13.00
VIX	17.65	-0.14

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9760	0.36%	**1M**	3.6608
3M	1.9810	-0.05%	**2M**	3.6603
6M	2.1140	-0.84%	**3M**	3.6552
12M	2.2270	0.23%	**6M**	3.6054
			1Y	3.4602

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.33 (--)	3.51(--)
5Y	1.57 (+0.01)	3.74 (+0.04)
10Y	1.99 (+0.01)	4.18 (+0.03)
15Y	2.08 (+0.01)	--
20Y	2.12 (-0.01)	--
30Y	2.19 (--)	4.81 (+0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.006	-0.600	-0.001	3.638
03/18/2026	-0.060	-6.000	-0.015	3.624
04/29/2026	-0.225	-16.500	-0.056	3.582
06/17/2026	-0.706	-48.100	-0.176	3.462
07/29/2026	-1.065	-35.900	-0.266	3.372
09/16/2026	-1.558	-49.300	-0.390	3.249

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.65

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.63	1.0%	Corn (per bushel)	4.275	-0.3%
Brent (per barrel)	69.40	0.9%	Soybean (per bushel)	11.240	0.1%
Heating Oil (per gallon)	244.04	1.7%	Wheat (per bushel)	5.373	1.7%
Gasoline (per gallon)	197.89	1.0%	Crude Palm Oil (MYR/MT)	40.030	-0.9%
Natural Gas (per MMBtu)	3.16	1.4%			

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13167	0.4%	Gold (per oz)	5084	1.2%
Nickel (per mt)	17880	2.2%	Silver (per oz)	84.28	4.3%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
2/12/2026 3:00	US	Jan	-$94.4b	-$94.6b	-$128.6b	--	75.4967
2/12/2026 12:00	TH	Jan	--	--	51.9	--	3.84615
2/12/2026 12:00	TH	Jan	--	--	45.5	--	46.1538
2/12/2026 21:30	US	7-Feb	223k	--	231k	--	98.6755
2/12/2026 21:30	US	7-Feb	--	--	212.25k	--	5.96026
2/12/2026 21:30	US	31-Jan	1850k	--	1844k	--	69.0728
2/12/2026 23:00	US	Jan	4.15m	--	4.35m	--	87.4172
2/12/2026 23:00	US	Jan	-4.60%	--	5.10%	--	54.3046

Source: Bloomberg