Daily Treasury Outlook

Highlights

Global: Wall Street ended mixed overnight as markets weighed a broadly in-line US inflation report against escalating geopolitical risks in the Middle East. Geopolitics remains the dominant market driver. Oil prices stayed elevated amid persistent disruptions around the Strait of Hormuz, with Brent trading near USD98/bbl. The International Energy Agency (IEA) announced a coordinated release of approximately 400mn barrels from strategic reserves, the largest on record, to cushion supply risks. However, the move has done little to stabilise energy markets. Shipments through the Strait of Hormuz remain effectively halted, and security risks continue to rise. At least three vessels were struck in or near the strait yesterday, marking one of the highest daily attack tallies since tensions escalated. On the data front, US February CPI came broadly in line with expectations. Headline CPI increased 0.3% MoM, while core CPI rose a softer 0.2% MoM. On a year-on-year basis, headline and core inflation held steady at 2.4% and 2.5% respectively. Still, the recent surge in oil prices suggests energy inflation may re-accelerate in the March CPI print if elevated prices persist.

Market Watch: For the day ahead, India's headline CPI is expected to have risen to 3.13% in February, from 2.75% in January. Markets will focus on the release of US initial jobless claims to gauge labour-market health. Fed Governor Michelle Bowman is also scheduled to speak following the release.

Key Market Movements

Equity	Value	% chg
S&P 500	6775.8	-0.1%
DJIA	47417	-0.6%
Nikkei 225	55025	1.4%
SH Comp	4133.4	0.2%
STI	4863.8	0.1%
Hang Seng	25899	-0.2%
KLCI	1708.8	0.4%
	Value	**% chg**
DXY	99.231	0.4%
USDJPY	158.95	0.6%
EURUSD	1.1567	-0.4%
GBPUSD	1.3412	0.0%
USDIDR	16870	0.1%
USDSGD	1.2743	0.1%
SGDMYR	3.0777	-0.2%
	Value	**chg (bp)**
2Y UST	3.65	6.27
10Y UST	4.23	7.39
2Y SGS	1.43	-1.10
10Y SGS	2.05	-1.92
3M SORA	1.11	-0.05
3M SOFR	3.69	-0.29
	Value	**% chg**
Brent	91.98	4.8%
WTI	87.25	4.6%
Gold	5176	-0.3%
Silver	85.74	-2.9%
Palladium	1637	-1.4%
Copper	13042	-0.7%
BCOM	131.96	1.7%

Source: Bloomberg

Major Markets

ID: President Prabowo Subianto stated that ongoing global crises are accelerating the country's push toward food and energy self-sufficiency. Speaking at the first anniversary of Danantara, he noted that geopolitical tensions present both risks and opportunities, President Prabowo highlighted progress in food production and said the government aims to achieve energy self-sufficiency within four years, with plans to fast-track large-scale solar power projects targeting up to 100 gigawatts of capacity. He also emphasized Danantara's central role in consolidating and optimizing state assets. Praising its early performance and international recognition, he noted the fund's improving return on assets while urging further gains toward a 10% benchmark, as reported by Antara news.

MY: The unemployment rate was unchanged at 2.9% in January 2026, similar to December 2025. The number of employed persons continued its uptrend and rose by 7.1k to 16.8mn in January, particularly in the services sector, including wholesale and retail trade, accommodation and food and beverage service activities, as well as transportation and storage activities. Likewise, higher employment was recorded in agriculture, manufacturing, construction, and the mining and quarrying sectors. The labour force participation rate rose by 0.1 percentage points to 70.9% in January 2026.

TH: The government is intensifying efforts to curb fuel demand as it spends heavily to keep domestic diesel prices low amid a surge in global energy costs. Acting Energy Minister Auttapol Rerkpiboon said that the Oil Fuel Fund is losing over THB1bn per day, with the cumulative losses potentially reaching TH10bn by 18 March. Minister Auttapol stated that "the government will reassess the situation, taking into account the fund's position and global prices, to determine the most appropriate next steps," while also reassuring that the fund will continue subsidies for the time being. The government continues to urge the public not to hoard fuel and has taken further measures to protect supplies by suspending most oil exports, increasing biofuel blending, and encouraging work from home arrangement for civil servants and state enterprise staff.

Credit Market Updates

Market Commentary:
The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 1bps lower while belly tenors traded 2-3bps lower and 10Y tenors traded 3bps lower. Global Investment Grade spreads widened by 3bps to 86bps and Global High Yield spreads widened by 2bps to 294bps respectively. Bloomberg Global Contingent Capital Index tightened by 1ps to 241bps. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 61bps and Asia USD High Yield spreads tightened by 6bps to 374bps respectively. (Bloomberg, OCBC)

New Issues:
The total issuance volumes for APAC and DM IG market yesterday were zero and USD41.8bn respectively.

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

- Salesforce Inc priced USD25bn of debt in eight tranches.
- Morgan Stanley (under our official coverage) priced USD6bn of debt in two tranches.
- UBS AG/Stamford CT (under our official coverage) priced USD3bn of debt in three tranches.

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

- Wells Fargo & Co priced USD2.25bn of debt in one tranche.
- BNP Paribas SA priced USD100mn of debt in one tranche.

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

Mandates:
There were no notable mandates yesterday.

Equity Market Updates

US: US stocks closed mixed Wednesday as surging oil prices and rising Treasury yields overshadowed a strong earnings report from Oracle, with investors focused on escalating Middle East tensions. The S&P 500 fell 0.1%, the Nasdaq Composite rose 0.1%, and the Dow Jones Industrial Average declined 0.6% to its lowest close of the year. Brent crude futures jumped 4.8% to around USD92 a barrel, shrugging off the International Energy Agency's announcement that member countries would release a record 400 million barrels from strategic reserves. Iran struck three more cargo vessels in the Strait of Hormuz overnight, intensifying concerns over energy supply disruptions. Oracle surged 14% after reporting third-quarter results that beat expectations and raising its full-year revenue forecast, driven by 84% growth in its cloud infrastructure business. Energy stocks outperformed as oil prices climbed, whilst consumer staples lagged after Campbell's cut its full-year profit forecast. Treasury yields rose across the curve, with the 10-year yield climbing 5 basis points to 4.21% and the 30-year yield advancing 6.6 basis points to 4.86%, reflecting inflation concerns and weak demand at the USD39 billion 10-year note auction. February inflation data came in line with expectations, though future reports are expected to reflect recent energy price increases.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.231	0.41%	USD-SGD	1.2743
USD-JPY	158.95	0.57%	EUR-SGD	1.4742
EUR-USD	1.157	-0.38%	JPY-SGD	0.8016
AUD-USD	0.715	0.45%	GBP-SGD	1.7092
GBP-USD	1.341	-0.04%	AUD-SGD	0.9113
USD-MYR	3.919	-0.13%	NZD-SGD	0.7535
USD-CNY	6.874	0.08%	CHF-SGD	1.6325
USD-IDR	16870	0.05%	SGD-MYR	3.0777
USD-VND	26251	0.04%	SGD-CNY	5.3930

Equity and Commodity

Index	Value	Net change
DJIA	47,417.27	-289.24
S&P	6,775.80	-5.68
Nasdaq	22,716.13	19.03
Nikkei 225	55,025.37	776.98
STI	4,863.81	3.17
KLCI	1,708.78	7.10
JCI	7,389.40	-51.51
Baltic Dry	1,919.00	-147.00
VIX	24.23	-0.70

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9510	0.52%	1M	3.6791
3M	2.1380	2.89%	2M	3.6776
6M	2.2950	5.37%	3M	3.6784
12M	2.5520	7.82%	6M	3.6506
			1Y	3.5970

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.43 (-0.01)	3.67(--)
5Y	1.64 (-0.01)	3.8 (+0.06)
10Y	2.05 (-0.02)	4.23 (+0.07)
15Y	2.14 (-0.02)	--
20Y	2.15 (-0.02)	--
30Y	2.21 (-0.02)	4.88 (+0.09)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	-0.003	-0.300	-0.001	3.638
04/29/2026	-0.106	-10.300	-0.027	3.612
06/17/2026	-0.350	-24.400	-0.088	3.551
07/29/2026	-0.556	-20.600	-0.139	3.500
09/16/2026	-0.797	-24.100	-0.199	3.440

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.64

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	87.25	4.6%	Corn (per bushel)	4.443	1.8%
Brent (per barrel)	91.98	4.8%	Soybean (per bushel)	12.005	1.1%
Heating Oil (per gallon)	367.88	9.9%	Wheat (per bushel)	5.885	0.6%
Gasoline (per gallon)	278.83	5.6%	Crude Palm Oil (MYR/MT)	43.850	1.7%
Natural Gas (per MMBtu)	3.21	6.3%	Rubber (JPY/KG)	3.745	0.4%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	13042	-0.7%	Gold (per oz)	5176	-0.3%
Nickel (per mt)	17693	1.2%	Silver (per oz)	85.74	-2.9%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/12/2026 2:00	US	Federal Budget Balance	Feb	-$310.0b	-$307.5b	-$307.0b	--
3/12/2026 8:00	AU	Consumer Inflation Expectation	Mar	--	5.20%	5.00%	--
3/12/2026 8:01	UK	RICS House Price Balance	Feb	-8.00%	-12.00%	-10.00%	--
3/12/2026 20:30	US	Trade Balance	Jan	-$66.0b	--	-$70.3b	--
3/12/2026 20:30	US	Imports MoM	Jan	--	--	3.60%	--
3/12/2026 20:30	US	Exports MoM	Jan	--	--	-1.70%	--
3/12/2026 20:30	US	Initial Jobless Claims	7-Mar	215k	--	213k	--
3/12/2026 20:30	US	Initial Claims 4-Wk Moving Avg	7-Mar	--	--	215.75k	--
3/12/2026 20:30	US	Continuing Claims	28-Feb	1849k	--	1868k	--
3/12/2026 20:30	US	Housing Starts	Jan	1341k	--	1404k	--
3/12/2026 20:30	US	Building Permits	Jan P	1410k	--	1455k	--
3/12/2026 20:30	US	Housing Starts MoM	Jan	-4.50%	--	6.20%	--
3/12/2026 20:30	US	Building Permits MoM	Jan P	-3.10%	--	4.80%	--

Source: Bloomberg

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