

## Daily Treasury Outlook

### Highlights

**Global:** Markets closed mixed on Friday as investors weighed a hot CPI print, record-low consumer sentiment, and the weekend peace talks, which ultimately failed to deliver any breakthrough. Even so, the S&P 500 still posted its strongest weekly gain of the year, recouping almost all the losses suffered since the US-Iran conflict began in late February. Oil prices gaped higher this morning after Trump said the US will conduct a full naval blockade of the Strait of Hormuz. On the geopolitical front, US Vice President Vance said on Sunday that the talks ended without agreement. With the two-week ceasefire announced on April 7 now already halfway through, the risk of renewed conflict remains elevated, which should keep oil prices well supported in the near term.

On data front, US March CPI rose 0.9% MoM and 3.3% YoY, marking the largest monthly increase since 2022 and the highest annual inflation rate since May 2024. The surge was overwhelmingly driven by energy, with energy prices jumping 10.9%. In particular, gasoline prices surged 21.2%, the sharpest increase since the series began in 1967, accounting for nearly three-quarters of the monthly rise in headline CPI. By contrast, core CPI remained relatively contained at 0.2% MoM and 2.6% YoY, up from 2.46% in February, suggesting that the inflation shock remains highly concentrated in energy rather than becoming broad-based, at least for now.

There are already signs that higher energy costs are beginning to filter through the real economy. Amazon announced a 3.5% fuel and logistics surcharge for third-party sellers, effective April 17. Meanwhile, consumer sentiment deteriorated sharply. The University of Michigan's preliminary April consumer sentiment index plunged to 47.6, the lowest reading in the survey's more than 70-year history. One-year inflation expectations jumped to 4.8% from 3.8% in March, while five-year inflation expectations edged up to 3.4%.

One bright spot remains the semiconductor sector. TSMC reported Q1 revenue of NT\$1.13tn, up 35% YoY and ahead of market expectations, reinforcing the view that AI-driven semiconductor demand remains resilient despite the increasingly fragile geopolitical backdrop.

Beyond the US, the World Bank has also turned more cautious. Its baseline forecast now sees growth in emerging markets and developing economies slowing to 3.65% in 2026, down from 4.0% projected in October, with growth potentially falling as low as 2.6% under an adverse scenario involving a prolonged war. At the same time, inflation in those economies is now expected to reach 4.9% in 2026, up from the previous forecast of 3.0%, underscoring how the conflict is evolving into a broader global supply-side shock.

### Key Market Movements

Equity	Value	% chg
S&P 500	6816.9	-0.1%
DJIA	47917	-0.6%
Nikkei 225	56924	1.8%
SH Comp	3986.2	0.5%
STI	4989.4	0.2%
Hang Seng	25894	0.5%
KLCI	1691.3	0.3%
	Value	% chg
DXY	98.650	-0.2%
USDJPY	159.27	0.2%
EURUSD	1.1723	0.2%
GBPUSD	1.3462	0.2%
USDIDR	17098	0.1%
USDSGD	1.2737	0.1%
SGDMYR	3.1119	-0.3%
	Value	chg (bp)
2Y UST	3.80	2.85
10Y UST	4.32	4.16
2Y SGS	1.53	-0.10
10Y SGS	2.07	-5.49
3M SORA	1.07	0.00
3M SOFR	3.67	-0.08
	Value	% chg
Brent	95.20	-0.8%
WTI	96.57	-1.3%
Gold	4750	-0.4%
Silver	75.88	0.7%
Palladium	1526	-1.5%
Copper	12846	1.3%
BCOM	132.14	-0.3%

Source: Bloomberg

**Market Watch:** Looking ahead, attention will shift to earnings season, which will provide the first meaningful test of corporate profitability in a war-driven macro environment. Bank earnings will be the main focus. On the data front, US PPI on Tuesday will be especially important. If producer prices show a similarly sharp, energy-driven rise, it would suggest that the CPI shock is increasingly flowing through supply chains, strengthening the case for the Fed to stay on hold for longer.

## Major Markets

**ID:** President Prabowo Subianto travelled to Russia on Sunday (12 Apr) to meet Russia President Vladimir Putin, with discussions focussed on oil and the broader energy situation, global geopolitics, and potential procurement of Russian fuel and raw materials, including fertiliser inputs. The visit comes as Indonesia faces pressure from rising global oil prices amid the Middle East conflict, with oil identified as strategically important for the country. Indonesia, while an oil producer, remains a net importer with heavily subsidised fuel, prompting recent measures including fuel rationing and a one-day-per-week work-from-home policy for civil servants to conserve energy.

**MY:** The unemployment rate stood at 2.9% in February 2026, unchanged for the fourth consecutive month, as the number of unemployed persons declined by 0.6% MoM, or 2.8k, to 506.8k. Meanwhile, the number of employed persons increased by 19.5k to 16.79mn, driven mainly by the services sector, particularly wholesale and retail trade, followed by accommodation and food & beverage services and information & communication, while agriculture, manufacturing, and construction also rose but mining and quarrying declined. The labour force participation rate holding steady at 70.9%.

**PH:** The Bangko Sentral ng Pilipinas (BSP) reported that net Foreign Direct Investment (FDI) inflows declined by 39.2% YoY (December: +31.2%) to USD443mn in January 2026. The decline in FDI net inflows was broad-based, driven by lower nonresidents' net investments in debt instruments, reinvestment of earnings, and equity capital. The majority of equity capital investments in January originated from Japan, US and South Korea, and were primarily directed towards 'manufacturing', 'real estate', and 'wholesale and retail trade' industries.

**TH:** The cabinet has approved an extensive emergency stimulus package to cushion the economy from the fallout of the escalating Middle East conflict and reduce the risk of stagflation. The plan includes cost-of-living relief, such as raising the monthly allowance for 13.2mn welfare cardholders by 33.3% to THB400 for one month. At the same time, funds will be allocated to subsidise fuel for lorries and public transport costs during the Songkran festival. The finance ministry is also leveraging state banks to accelerate energy independence through the deployment of targeted lending facilities for solar panels and electric vehicles, low-rate green housing loans, and subsidised credit for farmers buying fertiliser and seeds. The Industry Ministry is channelling an additional THB20bn toward supporting SMEs under a "Three Reductions" framework — cutting principal, interest, and instalments for vulnerable businesses — while offering fixed-rate green productivity loans, debt restructuring, and training programmes to help firms transition toward sustainable operations. To fund these measures, the government has mandated belt-tightening across state agencies, including cancelling overseas study trips and encouraging public sector work-from-home arrangements to curb national energy consumption.

**VN:** Lawmakers unanimously approved a resolution cutting fuel-related taxes to zero from April 16 to June 30, 2026, to shield consumers and businesses from global oil price volatility. The measure eliminates environmental protection taxes and VAT on key fuels, reduces the special consumption tax on petrol to zero, and empowers the government to adjust the policy if market conditions change. Separately, General Secretary and State President To Lam is set to visit China from April 14–17 at the invitation of Chinese President Xi Jinping.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded lower last Friday with shorter tenors trading flat to 1bps lower while belly tenors traded 1-2bps lower and 10Y tenors traded 2bps lower. US Investment Grade spreads traded flat at 80bps and US High Yield spreads widened by 8bps to 280bps respectively. Bloomberg Global Contingent Capital Index tightened by 6bps to 240bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 62bps and Asia USD High Yield spreads tightened by 11bps to 411bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market last Friday were USD302mn and zero respectively.

There were no notable issuers in the DM IG, APAC USD and Singdollar markets last Friday.

### Mandates:

There were no notable mandates last Friday.

## Equity Market Updates

**US:** US stocks halted a seven-day rally on Friday as investors braced for high-stakes weekend negotiations between the US and Iran, with the S&P 500 falling 0.1%, the Dow Jones Industrial Average declining 0.6%, and the Nasdaq Composite rising 0.4%. Despite the cautious close, major indices posted their best weekly gains since November, with the S&P 500 advancing 7.6% over the week as a tentative two-week ceasefire in the Middle East largely held firm. March inflation data came in roughly in line with expectations, with headline consumer prices jumping 0.9% month-on-month—the largest increase in nearly four years due to war-fueled energy costs whilst core inflation rose a more modest 0.2%, below the 0.3% estimate. Treasury yields rose 2 to 4 basis points across the curve, with the 10-year yield climbing 3.8 basis points to 4.315% and the 30-year yield advancing 2.9 basis points to 4.912%, as the relatively tame core reading was overshadowed by geopolitical uncertainty ahead of the Pakistan talks. Semiconductor stocks outperformed after Taiwan Semiconductor Manufacturing reported a 35% increase in quarterly revenue, beating estimates and suggesting AI chip demand remained resilient despite the Middle East conflict.

### Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.650	-0.17%	USD-SGD	1.2737
USD-JPY	159.27	0.20%	EUR-SGD	1.4929
EUR-USD	1.172	0.21%	JPY-SGD	0.7997
AUD-USD	0.706	-0.25%	GBP-SGD	1.7147
GBP-USD	1.346	0.19%	AUD-SGD	0.9000
USD-MYR	3.965	-0.46%	NZD-SGD	0.7436
USD-CNY	6.829	-0.02%	CHF-SGD	1.6139
USD-IDR	17098	0.08%	SGD-MYR	3.1119
USD-VND	26331	0.02%	SGD-CNY	5.3630

### Equity and Commodity

Index	Value	Net change
DJIA	47,916.57	-269.23
S&P	6,816.89	-7.77
Nasdaq	22,902.89	80.47
Nikkei 225	56,924.11	1028.79
STI	4,989.41	12.33
KLCI	1,691.31	5.07
JCI	7,458.50	150.91
Baltic Dry	2,201.00	40.00
VIX	19.23	-0.26

### SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9980	1.83%	1M	3.6639
3M	2.1980	2.23%	2M	3.6704
6M	2.4530	0.99%	3M	3.6824
12M	2.7150	1.31%	6M	3.7066
			1Y	3.7381

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.53 (-)	3.83(-)
5Y	1.72 (-0.03)	3.94 (+0.05)
10Y	2.07 (-0.05)	4.35 (+0.04)
15Y	2.12 (-0.05)	--
20Y	2.14 (-0.05)	--
30Y	2.19 (-0.05)	4.94 (+0.03)

### 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	3.643
06/17/2026	-0.005	-2.000	-0.001	3.637
07/29/2026	-0.044	-4.000	-0.011	3.628
09/16/2026	-0.085	-4.000	-0.021	3.617

### Financial Spread (bps)

Value	Change	
TED	35.36	--

### Secured Overnight Fin. Rate

SOFR	3.57
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### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	96.57	-1.3%	Corn (per bushel)	4.410	-0.7%
Brent (per barrel)	95.20	-0.8%	Soybean (per bushel)	11.758	0.9%
Heating Oil (per gallon)	376.16	-4.5%	Wheat (per bushel)	5.710	-0.6%
Gasoline (per gallon)	303.73	1.2%	Crude Palm Oil (MYR/MT)	44.910	-1.8%
Natural Gas (per MMBtu)	2.65	-0.8%	Rubber (JPY/KG)	3.794	-0.9%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12846	1.3%	Gold (per oz)	4750	-0.4%
Nickel (per mt)	17241	0.9%	Silver (per oz)	75.88	0.7%

Source: Bloomberg, Reuters

### Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/13/2026 7:01	UK	S&P Global, KPMG and REC UK Report on Jobs					
4/13/2026 8:00	SK	Exports 10 Days YoY	Apr	--	36.70%	55.60%	--
4/13/2026 8:00	SK	Imports 10 Days YoY	Apr	--	12.70%	21.70%	--
4/13/2026 18:30	IN	CPI YoY	Mar	3.40%	--	3.21%	--
4/13/2026 22:00	US	Existing Home Sales	Mar	4.05m	--	4.09m	--
4/13/2026 22:00	US	Existing Home Sales MoM	Mar	-0.80%	--	1.70%	--

Source: Bloomberg

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