

Daily Treasury Outlook

Highlights

Global: Inflation is showing signs of heating up in some of the larger global economies including US and India. US headline CPI rose 0.6% MoM in April from 0.9% in March, resulting in YoY reading of 3.8% versus 3.3% in March. Food CPI picked up 0.5% MoM after staying flat in March, while energy prices continued to rise by 3.8% MoM following an increase of 10.9% in March. Core CPI rose by a swifter 0.4% MoM from 0.2% in March, with YoY print at 2.8% versus 2.6% in March driven by shelter costs, which were up 0.6% MoM versus 0.3% in March. Fed funds futures increased pricings of a rate hike, to 20bps by the April 2027 meeting, versus 14bps priced at the start of the week. UST yields were higher across the curve, with the 10Y yield last seen at 4.46%. US equities closed mixed (S&P: -0.16%; NASDAQ: -0.71%; Dow: +0.11%) and the DXY index moved higher. Separately, according to a court filing, the Trump administration is in the process of refunding USD35.5bn in tariff collections as of 11 May, while “1,880 consolidated refunds have not been transmitted to the Treasury”.

India’s headline CPI picked up to 3.5% YoY in April from 3.4% in March, albeit lower than expected (Consensus: 3.8%; OCBC: 3.5%). With USD/INR hitting a record high in trading Tuesday, imported inflation risks remain rife. But more noteworthy is that retail fuel prices at state owned pumps have been little changed since February underscoring rising price pressures even before transportation costs bite.

Geopolitics remains front and centre, ahead of the meeting with President’s Xi and Trump. US Treasury Scott Bessent met Japanese FM Satsuki Katayama on 12 May, with Bessent reaffirming “the strong economic partnership between the United States and Japan”. Katayama noted that “we agreed that we are coordinating extremely well on recent market moves, including exchange rates.” UK Keir Starmer’s position remains on tenterhooks as calls for his resignation are growing.

Market Watch: Asian markets will likely be under pressure today following higher CPI prints but also a foreboding sense of energy supplies realities biting. Most regional governments noted in March that fuel supplies could last until June and notwithstanding the trickling in of a few tankers, that reality has unlikely changed. We expect authorities across the region to continue to consider measures to rationalise fuel supplies in the coming weeks. Economic releases today include Australia’s 1Q26 wage price index, Japan’s April Economy Watchers Survey, Eurozone’s second estimate of 1Q26 GDP and US April producer price index.

Key Market Movements

Equity	Value	% chg
S&P 500	7401.0	-0.2%
DJIA	49761	0.1%
Nikkei 225	62743	0.5%
SH Comp	4214.5	-0.2%
STI	4946.0	0.1%
Hang Seng	26348	-0.2%
KLCI	1750.6	0.3%
	Value	% chg
DXY	98.298	0.4%
USDJPY	157.63	0.3%
EURUSD	1.1739	-0.4%
GBPUSD	1.3540	-0.5%
USDIDR	17500	0.5%
USDSGD	1.2719	0.3%
SGDMYR	3.0913	0.0%
	Value	chg (bp)
2Y UST	3.99	3.78
10Y UST	4.46	4.96
2Y SGS	1.57	0.80
10Y SGS	2.07	0.65
3M SORA	1.08	0.50
3M SOFR	3.66	-0.06
	Value	% chg
Brent	107.77	3.4%
WTI	102.18	4.2%
Gold	4715	-0.4%
Silver	86.46	0.5%
Palladium	1495	-1.0%
Copper	14021	0.6%
BCOM	143.13	1.4%

Source: Bloomberg

Major Markets

ID: Danantara Indonesia aims to list PT Daya Energi Bersih Nusantara on the IDX by end 2028, after its waste to energy projects begin generating cash flow. The holding company will manage 33 projects with total investment of nearly USD5.0bn, while construction is expected to begin in the first week of June 2026 after all power purchase agreements are finalised, as reported by Antara News. Separately, Finance Minister Purbaya Yudhi Sadewa expects GDP growth to exceed 5.5% in 3Q26 and 4Q26, supported by planned EV purchase incentives and efforts to improve cheaper financing access for export-oriented sectors such as textiles, furniture and footwear through the Indonesian Export Financing Agency (LPEI). MSCI Inc. dropped PT Barito Renewables Energy and PT Dian Swastatika Sentosa from its indices, following through on potential consequences of concentrated ownership as stated last month.

MY: The unemployment rate held steady at 2.9% in March 2026, unchanged from February, while the number of unemployed persons rose by 2.2k to 509.0k. Employed persons increased by 13.2k to 16.80mn in March from 16.79mn in February, with the services sector remaining the largest contributor, led by accommodation and food and beverage services, information and communication, and transportation and storage, while manufacturing, construction and agriculture also recorded gains. The labour force participation rate stayed unchanged at 70.9%.

TH: The Consumer Confidence Index (CCI) fell to 50.6 in April, down from 51.8 in March. This marks the second consecutive month of decline, with the decrease broadly observed across the sub-indices of 'economic situation' (44.1 versus 45.5 in March), 'income' (59.0 versus 60.2 in March), and 'job' (48.6 versus 49.8 in March). According to the University of the Thai Chamber of Commerce, the decline driven by high global energy prices linked to the Middle East conflict. The university added that consumers are expected to remain cautious through 1H26 as they await greater clarity on geopolitical risks and the rollout of government support measures.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading 1bps lower to 2bps higher while belly tenors traded 2-3bps higher and 10Y tenors traded 3bps higher. US Investment Grade spreads traded flat at 76bps and US High Yield spreads widened by 4bps to 267bps respectively. Bloomberg Global Contingent Capital Index widened by 2bps to 221bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 52bps and Asia USD High Yield spreads tightened by 4bps to 376bps respectively (Bloomberg, OCBC).

New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD600mn and USD15.5bn respectively, lower than the prior day (USD1.6bn and USD18.5bn). The highest issuance in DM IG market came from ServiceNow Inc which priced USD4bn of debt in five tranches, while the issuances were from APAC market came from Greentown China Holdings Ltd (guarantor: Subsidiaries) which priced a USD300mn 3NC2 fixed bond at 7.55% and THI Capital Co Ltd

(guarantor: Shandong Hi-Speed Group Co Ltd) which priced a USD300mn 3Y fixed bond at 4.25%. There was one notable issuance in the Singdollar market yesterday where Westpac Banking Corp priced a SGD500mn 12NC7 subordinated Tier 2 fixed bond at 3%.

Recent Coverage Developments:

Mapletree Investments Pte Ltd announced that it has bought a site in Manalapan, New Jersey in the US where it plans to develop a logistics facility, and completion is expected in 1Q2028 (refer to Daily Credit Snapshot 12 May 2026).

Equity Market Updates

US: US stocks declined Tuesday as hotter-than-expected April inflation data and surging oil prices weighed on sentiment, with the S&P 500 falling 0.2%, the Nasdaq dropping 0.7%, and the Dow edging up 0.1%. Consumer prices rose 3.8% year-over-year in April, driven by a surge in gasoline prices following the war in Iran, halting the market's record-setting rally. Technology stocks led declines, with chipmakers particularly hard hit as semiconductor shares sank 3%, whilst Qualcomm plunged 11.5% in its worst day since March 2020. US oil prices climbed back above USD100 per barrel as the US remained far from reaching a deal with Iran, with President Trump stating the ceasefire was "on life support". Treasury yields rose 4 to 5 basis points across the curve, with the 2-year yield climbing 3.8 basis points, the 10-year advancing 5.0 basis points, and the 30-year gaining 3.9 basis points, as markets digested the strong inflation print and boosted expectations for sustained higher rates. Overnight, Anthropic was reported to be in early talks to raise at least USD30b at a valuation exceeding USD900b, whilst AI chipmaker Cerebras guided its IPO pricing above the marketed range.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	98.298	0.35%	USD-SGD	1.2719
USD-JPY	157.63	0.28%	EUR-SGD	1.4939
EUR-USD	1.174	-0.37%	JPY-SGD	0.8070
AUD-USD	0.724	-0.12%	GBP-SGD	1.7224
GBP-USD	1.354	-0.51%	AUD-SGD	0.9211
USD-MYR	3.935	0.27%	NZD-SGD	0.7571
USD-CNY	6.797	0.02%	CHF-SGD	1.6295
USD-IDR	17500	0.51%	SGD-MYR	3.0913
USD-VND	26334	0.04%	SGD-CNY	5.3415

Equity and Commodity		
Index	Value	Net change
DJIA	49,760.56	56.09
S&P	7,400.96	-11.88
Nasdaq	26,088.20	-185.93
Nikkei 225	62,742.57	324.69
STI	4,946.00	3.23
KLCI	1,750.56	5.25
JCI	6,858.90	-46.72
Baltic Dry	3,001.00	23.00
VIX	17.99	-0.39

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9470	-1.02%	1M	3.6292
3M	2.2540	0.90%	2M	3.6428
6M	2.4920	0.81%	3M	3.6525
12M	2.7780	2.58%	6M	3.6879
			1Y	3.7945

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.57 (+0.01)	3.99(--)
5Y	1.73 (+0.01)	4.13 (+0.05)
10Y	2.07 (+0.01)	4.47 (+0.05)
15Y	2.06 (--)	--
20Y	2.07 (--)	--
30Y	2.1 (--)	5.03 (+0.04)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
06/17/2026	-0.041	-4.100	-0.010	3.624
07/29/2026	-0.045	-0.400	-0.011	3.622
09/16/2026	0.073	11.800	0.018	3.652
10/28/2026	0.195	12.200	0.049	3.682
12/09/2026	0.390	19.500	0.098	3.731

Financial Spread (bps)		
Value	Change	
TED	35.36	--
Secured Overnight Fin. Rate		
SOFR	3.60	

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	102.18	4.2%	Corn (per bushel)	4.673	1.4%
Brent (per barrel)	107.77	3.4%	Soybean (per bushel)	12.135	1.1%
Heating Oil (per gallon)	415.88	4.8%	Wheat (per bushel)	6.650	6.9%
Gasoline (per gallon)	369.77	2.7%	Crude Palm Oil (MYR/MT)	44.510	-1.0%
Natural Gas (per MMBtu)	2.84	-2.3%	Rubber (JPY/KG)	4.008	1.1%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14021	0.6%	Gold (per oz)	4715	-0.4%
Nickel (per mt)	18952	-1.6%	Silver (per oz)	86.46	0.5%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
5/13/2026 2:00 US		Federal Budget Balance	Apr	\$220.0b	\$215.0b	\$258.4b	--
5/13/2026 19:00 US		MBA Mortgage Applications	08-May	--	--	-4.40%	--
5/13/2026 20:30 US		PPI Final Demand MoM	Apr	0.50%	--	0.50%	--
5/13/2026 20:30 US		PPI Ex Food and Energy MoM	Apr	0.30%	--	0.10%	--
5/13/2026 20:30 US		PPI Ex Food, Energy, Trade MoM	Apr	0.30%	--	0.20%	--
5/13/2026 20:30 US		PPI Final Demand YoY	Apr	4.80%	--	4.00%	--
5/13/2026 20:30 US		PPI Ex Food and Energy YoY	Apr	4.30%	--	3.80%	--
5/13/2026 20:30 US		PPI Ex Food, Energy, Trade YoY	Apr	4.10%	--	3.60%	--
5/12/2026-5/17/2026 CH		FDI YTD YoY CNY	Apr	--	--	-7.30%	--
5/12/2026-5/15/2026 CH		New Yuan Loans CNY YTD	Apr	8900.0b	--	8600.0b	--
5/12/2026-5/15/2026 CH		Aggregate Financing CNY YTD	Apr	16080.0b	--	14830.0b	--
5/12/2026-5/15/2026 CH		Money Supply M2 YoY	Apr	8.50%	--	8.50%	--
5/12/2026-5/15/2026 CH		Money Supply M1 YoY	Apr	5.20%	--	5.10%	--
5/12/2026-5/15/2026 CH		Money Supply M0 YoY	Apr	--	--	12.50%	--

Source: Bloomberg

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