By Global Markets | 13 July 2026

Daily Treasury Outlook

Highlights

Global: The US-Iran ceasefire has broken down, but the initial reaction in the oil market has been modest. US President Trump declared the ceasefire "over" last Wednesday, while Iran also announced the closure of the Strait of Hormuz. The S&P 500 gained a muted 0.42% on Friday, with investors awaiting the start of the US earnings season, which kicks off tomorrow with major banks such as Goldman Sachs and JPMorgan. Meanwhile, the 10-year US Treasury yield rose for the second consecutive week, closing 1bp higher at 4.56%, supported by rising energy prices.

Market Watch: Asian markets are likely to open cautiously today following the re-escalation of US-Iran tensions over the weekend. Today's economic calendar includes India's June CPI and trade balance data. Fed Governors Bowman and Waller, ECB's Schnabel, BOE's Pill, and RBNZ's Conway are also scheduled to speak.

The week ahead is likely to be consequential. Investors should keep an eye on China's trade data; Singapore's advance 2Q26 GDP growth estimates; and the US CPI and ADP employment data, all due tomorrow. This will be followed by China's 2Q26 GDP, industrial production, retail sales, new home sales, and fixed asset investment data, as well as the US PPI on Wednesday. On Thursday, attention will turn to the Fed's Beige Book and US retail sales, while Friday will feature the University of Michigan Consumer Sentiment Index and Malaysia's CPI.

On the central bank front, Fed Chair Waller is scheduled to testify before the House Financial Services Committee tomorrow, followed by testimony before the Senate Banking Committee on Wednesday. Several other Fed officials are also due to speak this week. Meanwhile, the Bank of Canada is expected to keep its policy rate unchanged at 2.25% on Wednesday, while the Bank of Korea is likely to raise rates by 25bps to 2.75% on Thursday and may adopt a hawkish tone amid accelerating inflation and AI-driven economic growth.

SG: Advance estimates for 2Q26 GDP growth due tomorrow morning at 8am is likely to print at 5.9% YoY (1.6% QoQ SA), aided by stellar manufacturing performance due to the sustained AI-related demand, compared to 1Q25 growth of 6.0% YoY (1.0% QoQ SA). 1H26 growth is tipped to come in around 6% YoY, which implies upside risk to the full-year 2026 official growth forecast of 2-4% YoY. We also upgrade our 2026 GDP growth forecast from around 3.5% to 4.3% YoY. June NODX is also due Friday and is likely to ease to 23.9% YoY (-3.5% MoM SA) versus the May reading of 38.4% YoY (7.7% MoM SA).

Major Markets

CN: Last week, China's markets were defined by a sharp onshore-offshore divergence. A rotation out of crowded mainland AI and semiconductor names into oversold offshore internet, consumer and pharmaceutical stocks weighed on A-

Key Market Movements

Equity	Value	% chg
S&P 500	7575.4	0.4%
DJIA	52637	0.3%
Nikkei 225	68558	1.2%
SH Comp	3996.2	-1.0%
STI	5469.3	0.7%
Hang Seng	24175	0.6%
KLCI	1691.5	0.8%
	Value	**% chg**
DXY	100.952	0.0%
USDJPY	161.68	-0.4%
EURUSD	1.1416	-0.1%
GBPUSD	1.3404	0.0%
USDIDR	18055	-0.2%
USDSGD	1.2915	-0.1%
SGDMYR	3.1537	0.0%
	Value	**chg (bp)**
2Y UST	4.21	3.14
10Y UST	4.56	1.01
2Y SGS	1.60	0.30
10Y SGS	2.13	-1.11
3M SORA	1.12	0.04
3M SOFR	3.63	-0.09
	Value	**% chg**
Brent	76.01	-0.4%
WTI	71.41	-0.9%
Gold	4120	-0.1%
Silver	59.87	-0.2%
Palladium	1279	2.1%
Copper	13485	0.0%
BCOM	126.84	-0.4%

Source: Bloomberg

share indices, with the growth-heavy ChiNext and Shenzhen Component indices falling around 4–5%. In contrast, Hong Kong-listed Chinese equities rallied strongly, led by a nearly 5% gain in the Hang Seng Tech Index.

Three macro catalysts shaped the market backdrop. First, the PBOC's Q2 Monetary Policy Committee meeting reaffirmed an accommodative policy stance, reinforcing expectations of further monetary easing. Second, China's reflation momentum softened, with weaker inflation data highlighting still-subdued domestic demand. Third, renewed military action in the Middle East pushed oil prices higher, adding to uncertainty. Against this backdrop, the China Government Bond (CGB) yields drifted lower as investors priced in a more accommodative policy outlook alongside the weaker inflation readings while Chinese yuan edged modestly higher against the US dollar despite widening yield differential between the US and China.

ID: President Prabowo Subianto said the Red and White Village Cooperatives will provide micro and super micro loans at an annual interest rate of 8%, including through the Mekaar collateral free lending programme, whose rate has been reduced from 22% to 8%, as reported by Antara News. The cooperatives will operate as integrated village economic service hubs offering financing, grocery stores, pharmacies, logistics centres, warehouses and cold storage facilities, while distributing government subsidised goods. In addition, the government aims to have 40,000 cooperatives operational by end 2026, with 35,870 construction sites verified as of 9 Jul, around 20,000 units under construction and 15,500 completed. It will also conduct intensive managerial training from 17 to 31 Jul 2026, covering cooperative governance, business management and community service standards.

MY: Barisan Nasional (BN) won a landslide victory in the 11 July elections, securing 48 of 56 seats, up from 40 seats in the 2022 elections. Pakatan Harapan (PH), PM Anwar's coalition, won 8 seats compared to 12 in 2022. The results represent a resounding victory for the incumbents and make the relationship between the federal and state governments even more pertinent. We have argued before, and maintain, that the economic outlook and the policies for Johor will not shift materially because of these elections. With the elections out of the way, the focus can shift back to economic policies for Johor and pave the way for the Johor Singapore Special Economic Zone (JS-SEZ) blueprint to be released in 4Q26. The political calendar is likely just heating up. BN will head to the polls in Negeri Sembilan on 1 August with strong momentum on its side. National polls also cannot be ruled out within the next 12 months against a backdrop of resilient economic activity, underscored by May retail and wholesale trade growth. This data has nudged down our 2Q26 GDP tracking estimate slightly to 6.0% YoY (versus 6.2% previously).

ESG

ID: Indonesia's state energy firm Pertamina has signed a memorandum of understanding (MoU) with Boeing to explore opportunities in further developing the sustainable aviation fuel (SAF) ecosystem in the country, including identifying feedstock sources, developing SAF technologies and supporting SAF policy development. Pertamina has launched several SAF initiatives, including SAF production and certification, the use of SAF by its subsidiary Pelita Air, and the Cilacap Biorefinery project to produce SAF using used cooking oil and other sustainable waste-based feedstocks. Indonesia plans to introduce a 1% SAF blend in its aviation fuel by 2027, but the high cost of production remains a major obstacle.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower to higher last Friday with shorter tenors trading 0-1bps higher, belly tenors trading 1bps lower, and the 10Y tenor trading 1bps lower.
- US Investment Grade spreads widened by 1 bps to 76bps, and US High Yield spreads tightened by 1bps to 263bps. Bloomberg Global Contingent Capital Index tightened by 2bps to at 207bps.
- Bloomberg Asia USD Investment Grade tightened by 1bps to 54bps, and the Asia USD High Yield spreads tightened by 5bps to 341bps. (Bloomberg, OCBC)

New Issues:

- There were no notable issuances in the Singdollar market last Friday.
- The total issuances in the APAC and DM IG markets respectively were zero and USD491mn last Friday (prior day: USD300mn and USD2.05bn respectively). The largest issuance in the DM IG came from Deere Funding Canada Corporation (priced USD300mn 5Y bond at T+55bps). (Bloomberg, OCBC)

Credit Developments:

- **PT Pertamina Persero** and Boeing signed an MoU to collaborate on developing Indonesia’s sustainable aviation fuel ecosystem, supporting emissions reduction goals and expanding cleaner fuel protection opportunities.

Equity Market Updates

US: US stocks advanced Friday as SK Hynix's landmark Nasdaq debut, the largest foreign IPO in US history at USD26.5b, reignited appetite for the AI trade and lifted semiconductor stocks broadly. The S&P 500 gained 1.2% and the Nasdaq jumped 1.7%, posting weekly gains despite a volatile week shaped by resurfacing geopolitical tensions; the Dow's move was comparatively modest. The Philadelphia Semiconductor Index surged around 3% on the day, with SK Hynix ADRs closing up roughly 13%, giving the company a market value of approximately USD1.2t, surpassing Micron and AMD. Sentiment was also supported by the Fed's semi-annual Monetary Policy Report, which described growth as solid and productivity as strong, though it acknowledged inflation remains well above the 2% target, elevated by tariffs and the Iran conflict. The 10-year Treasury yield closed at 4.56% on 11 Jul 2026. Overnight, the geopolitical backdrop deteriorated sharply: Iran declared the Strait of Hormuz closed "until further notice" after the Islamic Revolutionary Guard Corps attacked a Cyprus-flagged container ship, prompting the US to launch a third round of strikes this week hitting approximately 140 Iranian military targets. Looking ahead, June CPI data and Fed Chair Kevin Warsh's inaugural Congressional testimony on 15 Jul

2026, alongside major bank earnings from JPMorgan, Goldman Sachs, and others, are set to dominate market focus this week.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.952	0.05%	USD-SGD	1.2915
USD-JPY	161.68	-0.43%	EUR-SGD	1.4746
EUR-USD	1.142	-0.12%	JPY-SGD	0.7987
AUD-USD	0.695	0.19%	GBP-SGD	1.7308
GBP-USD	1.340	-0.03%	AUD-SGD	0.8979
USD-MYR	4.073	-0.11%	NZD-SGD	0.7444
USD-CNY	6.775	-0.25%	CHF-SGD	1.5976
USD-IDR	18055	-0.16%	SGD-MYR	3.1537
USD-VND	26269	-0.10%	SGD-CNY	5.2463

Equity and Commodity		
Index	Value	Net change
DJIA	52,637.01	149.60
S&P	7,575.39	31.75
Nasdaq	26,281.61	74.72
Nikkei 225	68,557.73	813.88
STI	5,469.29	35.41
KLCI	1,691.49	13.85
JCI	5,924.36	11.92
Baltic Dry	2,944.00	34.00
VIX	15.03	-0.81

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.2700	0.49%	1M	3.6972
3M	2.4120	1.43%	2M	3.7235
6M	2.6260	0.81%	3M	3.7776
12M	2.8310	0.64%	6M	3.9065
			1Y	4.0705

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.6 (--)	4.23(--)
5Y	1.77 (-0.01)	4.3 (+0.02)
10Y	2.13 (-0.01)	4.59 (+0.01)
15Y	2.17 (-0.01)	--
20Y	2.19 (-0.01)	--
30Y	2.23 (--)	5.08 (-0.01)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.337	33.700	0.084	3.708
09/16/2026	0.862	52.500	0.216	3.839
10/28/2026	1.117	25.500	0.279	3.903
12/09/2026	1.497	38.100	0.374	3.998

Financial Spread (bps)		
	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.53

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	71.41	-0.9%	Corn (per bushel)	4.380	2.4%
Brent (per barrel)	76.01	-0.4%	Soybean (per bushel)	11.965	1.4%
Heating Oil (per gallon)	355.33	-0.5%	Wheat (per bushel)	6.320	3.4%
Gasoline (per gallon)	298.46	-1.8%	Crude Palm Oil (MYR/MT)	44.550	-0.6%
Natural Gas (per MMBtu)	2.94	-2.4%	Rubber (JPY/KG)	4.152	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13485	0.0%	Gold (per oz)	4120	-0.1%
Nickel (per mt)	16741	0.9%	Silver (per oz)	59.87	-0.2%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
7/13/2026 8:00	SK	Exports 10 Days YoY	Jul	--	53.90%	85.90%	--
7/13/2026 8:00	SK	Imports 10 Days YoY	Jul	--	17.40%	35.60%	--
7/13/2026 14:30	EC	Bloomberg July Eurozone Economic Survey					
7/13/2026 15:30	UK	Bloomberg July United Kingdom Economic Survey					
7/13/2026 18:30	IN	CPI YoY	Jun	4.20%	--	3.93%	--
7/13/2026	IN	Trade Balance	Jun	-$26500m	--	-$28210m	--
7/13/2026	IN	Exports YoY	Jun	--	--	18.00%	--
7/13/2026	IN	Imports YoY	Jun	--	--	20.60%	--
7/11/2026-7/17/2026	CH	FDI YTD YoY CNY	Jun	--	--	-8.60%	--
7/13/2026-7/15/2026	IN	Current Account	May	--	--	$4.7b	--
7/10/2026-7/15/2026	CH	New Yuan Loans CNY YTD	Jun	11060.0b	--	9110.0b	--
7/10/2026-7/15/2026	CH	Aggregate Financing CNY YTD	Jun	21200.0b	--	17480.0b	--
7/10/2026-7/15/2026	CH	Money Supply M2 YoY	Jun	8.50%	--	8.60%	--
7/10/2026-7/15/2026	CH	Money Supply M1 YoY	Jun	4.90%	--	5.50%	--
7/10/2026-7/15/2026	CH	Money Supply M0 YoY	Jun	--	--	11.90%	--

Source: Bloomberg

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