

Daily Treasury Outlook

Highlights

Global: US equities finished mixed overnight, with the S&P 500 broadly flat, the Dow Jones gaining 0.4% and the Nasdaq falling 0.4%. Technology stocks led the weakness, particularly memory-chip names, after China's CXMT announced progress on a denser DRAM design and plans to launch a new server-memory product by year-end, raising concerns over greater competition for established memory-chip producers. On the geopolitical front, US-Iran tensions remain elevated after further Houthi attacks on Saudi Arabia, including strikes on Riyadh airport, while tanker attacks continued around the Strait of Hormuz. Oil prices rose on the renewed supply risks, with Brent gaining 1.8% to USD106.7/bbl and WTI rising 2.0% to USD93.7/bbl.

Cleveland Fed President Hammack delivered a hawkish speech yesterday, arguing that the Federal Reserve should move relatively quickly towards a restrictive monetary policy stance, with smaller and earlier adjustments being preferable to waiting and potentially requiring larger hikes later. She warned that inflationary pressures have become increasingly broad-based, extending beyond higher energy prices, while businesses are also planning to raise selling prices faster than their input costs. She also highlighted that strong AI-related investment is raising prices for electronic components and equipment, which is increasing costs across several industries. In India, headline CPI inflation accelerated to 5.5% YoY in September from 4.8% in August, exceeding market expectations of 5.4%. The increase was driven by food inflation, which rose sharply to 7.7% from 6.0%, reflecting higher vegetable prices and weak monsoon conditions. Transport inflation also increased to 5.0% from 4.6%, reflecting elevated energy prices, while core inflation rose to 4.6% from 4.2% in August, suggesting price pressures are becoming broader based.

Market Watch: Today's data calendar is relatively busy. In Australia, we have the RBA's September meeting minutes as well as the NAB Business Survey. In Europe, Germany will release its final September CPI figures, while ECB officials Elderson and Lane, along with the BoE's Dhingra, are scheduled to speak. In the US, we have weekly ADP employment data and existing home sales data, alongside speeches from Fed officials Waller and Barkin. The IMF will also release its updated World Economic Outlook.

Major Markets

MY: Prime Minister Anwar Ibrahim and Jordan's King Abdullah II discussed expanding bilateral cooperation in semiconductors, emerging technologies and advanced technical education during their meeting on 12 October. The discussions covered potential cooperation in developing advanced technical education and training centres to produce more engineers and skilled workers to meet future industry needs, alongside stronger ties in higher education and human capital development. Both leaders also explored expanding trade and investment through a potential free trade agreement (FTA), tariff restructuring

Key Market Movements

Equity	Value	% chg
S&P 500	7807.2	-0.1%
DJIA	51851	0.4%
Nikkei 225	69031	0.0%
SH Comp	3797.2	-0.4%
STI	5415.5	0.3%
Hang Seng	24271	0.2%
KLCI	1618.0	0.6%

	Value	% chg
DXY	102.589	0.4%
USDJPY	158.61	0.2%
EURUSD	1.1155	-0.4%
GBPUSD	1.3208	-0.2%
USDIDR	17903	0.1%
USDSGD	1.2805	0.0%
SGDMYR	3.1892	-0.1%

	Value	chg (bp)
2Y UST	4.79	0.00
10Y UST	5.24	0.00
2Y SGS	1.93	-0.40
10Y SGS	2.44	-1.04
3M SORA	1.23	0.36
3M SOFR	3.71	0.00

	Value	% chg
Brent	106.65	1.8%
WTI	93.74	2.1%
Gold	4172	-0.5%
Silver	60.26	-0.9%
Palladium	1143	-1.1%
Copper	14619	0.5%
BCOM	144.54	0.4%

Source: Bloomberg

and stronger supply chains, as well as cooperation in energy, transport, the halal industry and tourism.

ID: Energy and Mineral Resources Minister Bahlil Lahadalia outlined four policies to support micro, small and medium enterprises (MSMEs) in Indonesia's energy and mineral resources sector, as reported by Antara. The policies give MSMEs and cooperatives priority in obtaining mining business permits (IUPs) without undergoing a tender process, while Ministerial Regulation No. 14 of 2025 establishes procedures for cooperation in managing community oil wells. The other measures require mining permit holders to cooperate with local contractors and prioritise mining operations with relatively small production quotas when approving revisions to Work Plans and Budgets (RKABs).

PH: President Ferdinand Marcos Jr. highlighted investment commitments from major companies following his five-day working visit to Singapore. During his visit, he met executives from FedEx, Mitsubishi Corp. and Vena Energy. According to President Marcos, the largest is from Mitsubishi's USD700mn investment in Ayala Corp., which would raise its ownership stake from 4.7% to 15% and is "expected to be among the largest foreign equity investments in the Philippines in recent years." Meanwhile, FedEx expressed interest in expanding its Clark Gateway Hub in Pampanga, scheduled to open in 4Q28, which would add air cargo capacity and help MSMEs reach overseas markets. In the energy sector, Vena Energy outlined plans to invest PHP52bn over the next two years in renewable energy projects, targeting up to 1.29 gigawatts of additional power generation capacity in line with the government's renewable energy targets of 35% by 2030 and 50% by 2040. President Marcos also visited the Singapore Nuclear Research and Safety Institute to learn from Singapore's studies on nuclear energy as a source of energy.

Sustainability

Rest of the world: Global finance officials are gathering in Bangkok this week amid renewed concerns over energy security, inflation and debt pressures. The World Bank warned that accessible global oil storage is dwindling, leaving energy markets more vulnerable to supply disruptions, while elevated diesel and fertiliser prices are adding to economic strains. This underscores the continued importance of energy security as supply disruptions and limited buffers leave markets vulnerable to further shocks.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday; shorter tenors traded flat to 1bps lower, belly tenors traded 1-2bps lower, and 10Y tenor traded 2bps lower.
- US Investment Grade spreads traded flat at 81bps, and US High Yield spreads also traded flat at 308bps. Bloomberg Global Contingent Capital spreads traded tightened by 1bps to 235bps.
- Bloomberg Asia USD Investment Grade spread traded flat at 60bps, and the Asia USD High Yield spreads also traded flat at 359bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the SGD bond market.
- There were zero and USD400mn issuances in the APAC and DM IG markets respectively. (prior business day: both zero).

Credit Headlines:

- **Genting Bhd (GENT):** Proposes a MYR1.25bn rights issue, with MYR800mn allocated to debt repayment, which is estimated to reduce annual interest expense by MYR41.3mn, and MYR429.5mn allocated to working capital and corporate needs; major shareholders have committed to 45.1% of the issue, with the remainder underwritten.
- **Fosun International (FOSUN):** Agreed to sell a 5% stake in Hainan Mining to state-owned Changxing Xinhua for approximately RMB901mn, reducing its stake from 47.82% to 42.82% while retaining control; this is its fifth listed-asset disposal in 2026, following partial stake sales in Gland Pharma, Chongqing Rural Commercial Bank, Huayang Intelligent and Sanyuan.

Equity Market Updates

US: US equities finished mixed on Monday as weakness in semiconductor stocks weighed on technology names, while the broader market remained close to record highs amid the lightest trading volumes seen this year. The S&P 500 eased 0.1%, the Nasdaq slipped 0.4%, while the Dow Jones rose 0.4%, supported by gains in Salesforce and Chevron. The semiconductor sector remained under pressure, with stocks such as Micron, Super Micro Computer, Lumentum, Ciena and Coherent declining between 4% and 10%, extending the sector's recent weakness. The selloff was partly linked to more cautious expectations surrounding AI-related spending, although the long-term AI investment theme remains firmly intact. In contrast, Microsoft regained the USD4 trillion market capitalisation milestone for the first time in almost a year. US bond markets were closed for the Columbus Day holiday, resulting in subdued trading activity. Treasury futures were little changed, while expectations for higher yields edged up following a more than 2% rise in oil prices after Houthi attacks on Saudi Arabia heightened geopolitical concerns. Investor focus now shifts to a busy week of market-moving catalysts, including major US bank earnings led by JPMorgan and the latest US inflation data. Both are expected to play an important role in shaping expectations for the Federal Reserve's next policy decisions. Meanwhile, Singapore's Straits Times Index has retreated 6.6% from its recent peak, largely due to profit-taking and earnings downgrade concerns surrounding the three local banks, creating a more attractive entry point for investors seeking exposure to quality Singapore financial stocks.

Foreign Exchange

	Day Close	% Change		Day Close
DXJ	102.589	0.37%	USD-SGD	1.2805
USD-JPY	158.61	0.19%	EUR-SGD	1.4288
EUR-USD	1.116	-0.40%	JPY-SGD	0.8071
AUD-USD	0.696	-0.34%	GBP-SGD	1.6914
GBP-USD	1.321	-0.20%	AUD-SGD	0.8912
USD-MYR	4.084	-0.02%	NZD-SGD	0.7156
USD-CNY	-	-	CHF-SGD	1.5344
USD-IDR	17903	0.11%	SGD-MYR	3.1892
USD-VND	25932	0.23%	SGD-CNY	5.2236

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4310	0.70%	1M	3.9290
3M	2.6320	-0.38%	2M	3.9621
6M	2.9090	-0.92%	3M	4.0461
12M	3.1910	-0.68%	6M	4.2051
			1Y	4.4943

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.194	19.400	0.048	3.928
12/09/2026	1.034	84.000	0.259	4.138
01/27/2027	1.454	42.000	0.363	4.242
03/17/2027	2.165	71.100	0.541	4.420

Equity and Commodity

Index	Value	Net change
DJIA	51,850.55	195.60
S&P	7,807.24	-4.30
Nasdaq	27,245.90	-120.27
Nikkei 225	69,030.92	-11.19
STI	5,415.48	13.59
KLCI	1,618.01	9.56
JCI	5,936.15	-157.61
Baltic Dry	2,917.00	-56.00
VIX	15.21	0.37

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.93 (--)	4.79(--)
5Y	2.19 (-0.01)	5.02(--)
10Y	2.44 (-0.01)	5.23(--)
15Y	2.49 (-0.01)	--
20Y	2.47 (-0.01)	--
30Y	2.52 (--)	5.59(--)

Secured Overnight Fin. Rate

SOFR	3.87
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	93.74	2.1%	Corn (per bushel)	4.830	0.7%
Brent (per barrel)	106.65	1.8%	Soybean (per bushel)	12.878	-0.3%
Heating Oil (per gallon)	472.32	-0.3%	Wheat (per bushel)	6.723	0.2%
Gasoline (per gallon)	329.17	-0.1%	Crude Palm Oil (MYR/MT)	42.000	-3.7%
Natural Gas (per MMBtu)	3.17	-1.6%	Rubber (JPY/KG)	4.470	0.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14619	0.5%	Gold (per oz)	4172	-0.5%
Nickel (per mt)	15619	0.0%	Silver (per oz)	60.26	-0.9%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/13/2026 7:01	UK	BRC Sales Like-For-Like YoY	Sep	0.70%	1.00%	0.50%	--
10/13/2026 7:50	JN	PPI MoM	Sep	0.50%	-0.30%	-0.20%	-0.30%
10/13/2026 7:50	JN	PPI YoY	Sep	7.60%	6.80%	7.60%	--
10/13/2026 7:50	JN	Bank Lending Incl Trusts YoY	Sep	--	5.30%	5.40%	5.30%
10/13/2026 7:50	JN	Bank Lending Ex-Trusts YoY	Sep	--	5.70%	5.80%	--
10/13/2026 8:30	AU	NAB Business Confidence	Sep	--	--	-8	--
10/13/2026 8:30	AU	NAB Business Conditions	Sep	--	--	-1	--
10/13/2026 18:00	US	NFIB Small Business Optimism	Sep	98.2	--	98.7	--
10/13/2026 22:00	US	Existing Home Sales	Sep	3.95m	--	3.98m	--
10/13/2026 22:00	US	Existing Home Sales MoM	Sep	-0.80%	--	-2.00%	--
10/13/2026-10/15/2026	CH	Money Supply M2 YoY	Sep	7.40%	--	7.50%	--
10/13/2026-10/15/2026	CH	Money Supply M1 YoY	Sep	4.00%	--	4.10%	--
10/13/2026-10/15/2026	CH	Money Supply M0 YoY	Sep	--	--	11.20%	--

Source: Bloomberg

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