By Global Markets | 14 September 2026

Daily Treasury Outlook

Highlights

Global: Under pressure - US' core CPI accelerated more than expected by 0.3% MoM in July ahead of the highly anticipated FOMC policy decision due later this week, pushing the market probability of a 25bp rate hike to above 85%. Although a record surge in wireless telephone services was a key driver, nevertheless the heat is on the Fed given the rising oil prices with the re-escalation in Iranian tensions, especially with the temporary closure of Saudi Arabia's East-West pipeline. The University of Michigan one-year inflation expectations gauge also catapulted from 4% to 4.6% in September. The S&P500 added 0.9% on Friday, but fell 0.8% for the week, whilst the 10-year UST bond yield rose to a near 3-year high of 4.96% as investors fretted over the near-term Fed rate path. Separately, China has threatened to cancel the upcoming Xi-Trump summit if the US approved new arms sales to Taiwan. This contrasted with US president Trump indicating he is open to Chinese automakers building cars in the US provided they employ American workers.

Market Watch: Asian markets are likely to open with a careful tone today, awaiting the trifecta of central bank meetings starting with the FOMC decision on Wednesday, followed by BOE and BOJ. Fed chair Kevin Warsh may find himself cornered into a 25bp hike to 3.75-4% else risk disappointing markets after his hawkish rhetoric previously, but whether this is a one hike and done or with a potential second rate on the horizon will be key. The BoE is likely static but with 3 dissenters already at the July MPC, the key is how divided will the vote be, as well as the annual announcement on the pace of bond holding unwind. The BOJ is also expected to hike 25bps to 1.25% (highest since 1995) amid a sensitized JPY to any guidance for appetite for further hikes. Today's economic data calendar comprises of India's August CPI and PPI, with ECB's Lagarde, Schnabel and Escriva also speaking. China is the other key Asian focus with tomorrow's August data dump on industrial production, retail sales, fixed-asset investment, property and unemployment since consumption remains the weak link. On the corporate earnings front, watch for FedEx and Trip.com.

SG: August NODX is due on Thursday and will likely expand 34.7% YoY (1.2% MoM SA) versus July's 24.2% YoY (-0.3% MoM SA) and provide an important read on the health of electronics demand.

Major Markets

ID: President Prabowo Subianto affirmed Indonesia's commitment to multilateral cooperation and strategic partnerships during the 18th BRICS Summit in New Delhi on 12-13 September 2026. President Prabowo joined other BRICS leaders in a limited session on inclusive global governance and strengthening multilateralism, while also calling for stronger cooperation on industrialisation and supply chains by connecting members' resources, production capacities, technological capabilities, and markets. President Prabowo said BRICS could leverage its collective economic strength to boost investment, strengthen

Key Market Movements

Equity	Value	% chg
S&P 500	7657.0	0.9%
DJIA	52573	1.0%
Nikkei 225	64011	-1.9%
SH Comp	3888.1	-1.2%
STI	5695.9	0.1%
Hang Seng	24806	-0.6%
KLCI	1686.7	-1.1%

	Value	% chg
DXY	99.122	0.1%
USDJPY	153.61	-0.5%
EURUSD	1.1599	-0.1%
GBPUSD	1.3524	0.1%
USDIDR	17600	0.3%
USDSGD	1.267	-0.1%
SGDMYR	3.2108	-0.1%

	Value	chg (bp)
2Y UST	4.63	3.98
10Y UST	4.97	0.43
2Y SGS	1.78	5.70
10Y SGS	2.46	6.00
3M SORA	1.20	-0.01
3M SOFR	3.65	-0.03

	Value	% chg
Brent	104.61	-2.8%
WTI	100.05	-2.4%
Gold	4349	0.7%
Silver	64.49	1.4%
Palladium	1302	1.5%
Copper	14240	0.0%
BCOM	145.22	-1.3%

Source: Bloomberg

industries, create jobs, and improve its members' positions in global value chains, while also highlighting the link between climate resilience and national development.

MY: Prime Minister Anwar Ibrahim said BRICS offers significant geoeconomic advantages by creating critical mass through a large integrated market and opening opportunities to diversify trade, which he said would enable member economies to reduce their heavy dependence on traditional Western markets. He said ongoing wars continue to drive up energy prices, threaten key maritime routes and raise inflation and uncertainty, including for countries not directly involved in the conflict. Separately, Anwar and Russian President Vladimir Putin agreed to establish a special mechanism to expedite bilateral agreements, including Malaysian palm oil exports to Russia and direct flights, while Anwar also called for faster implementation of previously agreed visa free travel arrangements.

PH: The Bangko Sentral ng Pilipinas (BSP) reported that net Foreign Direct Investment (FDI) inflows declined by 17.8% in 1H26 compared with the same period in 2025 (1H25: -3.1%). However, monthly data showed an improvement in June, with net FDI inflows increasing by 35.1% YoY (May: 5.3%) to USD447mn. The decline in net FDI inflows in 1H26 was mainly due to weaker foreign net investments in debt instruments, reflecting lower intercompany borrowing, as well as reduced reinvestment of earnings. In contrast, equity capital investments increased from a year earlier, with Japan, the United States and Singapore serving as the main sources of capital. These investments were directed primarily towards the 'manufacturing', 'financial and insurance', and 'real estate' sectors.

TH: The Board of Investment (BOI), chaired by Finance Minister Ekniti Nitithanprapas, met on 11 September 2026 to advance investment initiatives aimed at Thailand's next phase of economic development, including expanding the Thailand FastPass programme and revising its overall strategy to raise investment's share of GDP from 20% to over 30%. The BOI selected 17 additional projects worth more than THB121bn for FastPass, covering electronics and electrical appliances, processed food, animal feed, and automotive and parts, with more than 14,000 jobs expected to be created. This brings the programme's total to 42 projects worth more than THB344bn, supporting more than 27,000 jobs. Beyond FastPass, the BOI has substantially overhauled its investment promotion approach following a July consultation, now requiring all projects to demonstrate tangible value creation, industry contributions, and clear implementation plans, while gradually reducing support for lower-value-added activities. Collectively, these measures support the government's broader targets to support annual economic growth above 3%, place Thailand among the world's top 20 most competitive economies, lift investment above 30% of GDP, and help the country reach high-income status within 12 years.

Sustainability

SG: Singapore and the Lao People's Democratic Republic (Lao PDR) signed an Implementation Agreement on carbon credits collaboration under Article 6 of the Paris Agreement. Eligible high-integrity correspondingly adjusted carbon credits authorised under this Implementation Agreement may be used for purposes including to offset up to 5% of a company's taxable emissions under Singapore's International Carbon Credits (ICC), or to comply with binding mandates such as

Nationally Determined Contributions (NDCs) and other international mitigation purposes. This marks Singapore's 12th implementation agreement, having signed similar agreements with Bhutan, Chile, Ghana, Mongolia, Paraguay, Papua New Guinea, Peru, Rwanda, Thailand, The Philippines and Vietnam.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher last Friday with the shorter tenors trading 5-7bps higher, belly tenors trading 6-7bps higher, and 10Y tenor trading 6bps higher.
- US Investment Grade remained unchanged at 78bps, and US High Yield spreads tightened by 7bps to 265bps respectively. Bloomberg Global Contingent Capital spreads widened by 2bps to 201bps.
- Bloomberg Asia USD Investment Grade spread widened by 2bps to 56bps, and the Asia USD High Yield spreads widened by 5bps to 313bps. (Bloomberg, OCBC)

New Issues:

- Last Friday, there were no issuances in the Singdollar market. APAC and DM IG markets were zero and USD0.25bn respectively last Friday (prior day: USD1.05bn and USD3.6bn).

Credit Headlines:

- **Microsoft Corporation ("MSFT")** plans to more than triple data-centre capacity from approximately 12GW to over 38GW by 2032, easing constraints on Azure and AI growth. The expansion strengthens its competitive position but requires substantial capital, potentially including new bond issuance, while key risks include overbuilding, regulatory opposition and delays in bringing capacity online.
- **Commonwealth Bank of Australia ("CBA")** may sell its remaining 45% stake in Colonial First State ("CFS") as Brookfield Corporation ("Brookfield") advances a potential AUD5bn+ acquisition; KKR currently owns the other 55%. The transaction would complete CBA's exit from wealth management and is expected to have a negligible credit impact.

Equity Market Updates

US: US equities rebounded on Friday as softer oil prices and strong earnings-driven gains in the cloud technology sector helped offset a firmer-than-expected August inflation reading. The recovery ended a four-session decline for the S&P 500, with the index rising 0.9%, while the Nasdaq and Dow Jones advanced 1.0% each. Investor sentiment was supported by robust demand for AI-related cloud infrastructure, with one major technology company reporting cloud infrastructure revenue of USD7.4 billion, more than double the previous year and comfortably ahead of expectations. Meanwhile, Brent crude eased to around USD104 per barrel after global energy demand forecasts were revised lower, easing concerns over inflation pressures linked to rising oil prices. On the macro front, US core CPI increased 0.3% month-on-month in August, exceeding consensus estimates of 0.2%. The annual core inflation rate rose to 2.4%, reinforcing expectations that the Federal Reserve will raise interest rates at its 15-16 September meeting. Markets are currently pricing in around a 90% probability of a hike, with expectations for two further increases by year-end. Treasury yields finished mixed, resulting in a flatter yield curve. The 2-year Treasury yield rose 4 basis points to 4.63%, while the 10-year yield edged up to 4.97%, nearing the closely watched 5% threshold and remaining near multi-year highs. Looking ahead, sentiment may remain fragile after a group of high-profile AI industry leaders over the weekend called for a slower pace of AI development, prompting Nasdaq 100 futures to fall more than 1% during early Asian trading on Monday. Separately, the BRICS summit concluded with renewed diplomatic engagement between China and India, as President Xi Jinping and Prime Minister Narendra Modi held their first bilateral meeting in India in seven years. The Federal Reserve's policy decision on Wednesday remains the key event risk and is expected to set the tone for global markets in the week ahead.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.122	0.07%	USD-SGD	1.2670
USD-JPY	153.61	-0.52%	EUR-SGD	1.4699
EUR-USD	1.160	-0.11%	JPY-SGD	0.8252
AUD-USD	0.717	0.17%	GBP-SGD	1.7140
GBP-USD	1.352	0.09%	AUD-SGD	0.9087
USD-MYR	4.071	0.14%	NZD-SGD	0.7371
USD-CNY	6.707	-0.07%	CHF-SGD	1.5518
USD-IDR	17600	0.35%	SGD-MYR	3.2108
USD-VND	25920	-0.01%	SGD-CNY	5.2931

Equity and Commodity

Index	Value	Net change
DJIA	52,573.29	509.19
S&P	7,656.98	65.28
Nasdaq	26,333.04	251.32
Nikkei 225	64,011.34	-1259.61
STI	5,695.93	6.18
KLCI	1,686.74	-18.78
JCI	6,541.38	-47.96
Baltic Dry	3,507.00	-14.00
VIX	15.84	-2.00

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.3880	0.08%	1M	3.8647
3M	2.6470	0.15%	2M	3.9108
6M	2.8200	0.50%	3M	3.9572
12M	3.1600	0.70%	6M	4.1066
			1Y	4.3631

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.78 (+0.06)	4.61(--)
5Y	2.11 (+0.07)	4.78 (+0.02)
10Y	2.46 (+0.06)	4.95(--)
15Y	2.5 (+0.06)	--
20Y	2.43 (+0.05)	--
30Y	2.48 (+0.04)	5.34 (-0.01)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.885	88.500	0.221	3.847
10/28/2026	1.328	44.300	0.332	3.957
12/09/2026	1.967	63.900	0.492	4.117

Secured Overnight Fin. Rate

SOFR	3.62

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	100.05	-2.4%	Corn (per bushel)	5.103	-0.7%
Brent (per barrel)	104.61	-2.8%	Soybean (per bushel)	12.803	-2.7%
Heating Oil (per gallon)	495.93	-1.9%	Wheat (per bushel)	7.070	-2.2%
Gasoline (per gallon)	330.72	-2.5%	Crude Palm Oil (MYR/MT)	45.500	-1.0%
Natural Gas (per MMBtu)	2.83	-0.1%	Rubber (JPY/KG)	4.831	0.0%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14240	0.0%	Gold (per oz)	4349	0.7%
Nickel (per mt)	16469	-1.2%	Silver (per oz)	64.49	1.4%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/14/2026 12:30	JN	Capacity Utilization MoM	Jul	--	--	4.10%	--
9/14/2026 12:30	JN	Industrial Production MoM	Jul F	--	--	0.10%	--
9/14/2026 12:30	JN	Industrial Production YoY	Jul F	--	--	4.10%	--
9/14/2026 14:30	IN	Wholesale Prices YoY	Aug	9.90%	--	9.78%	--
9/14/2026 16:30	HK	Industrial Production YoY	2Q	--	--	3.10%	--
9/14/2026 16:30	HK	PPI YoY	2Q	--	--	17.70%	--
9/14/2026 18:30	IN	CPI YoY	Aug	4.88%	--	4.45%	--
9/14/2026-9/16/2026	IN	Exports YoY	Aug	--	--	19.60%	19.60%
9/14/2026-9/16/2026	IN	Imports YoY	Aug	--	--	17.50%	17.50%
9/14/2026-9/16/2026	IN	Trade Balance	Aug	-$32075m	--	-$31980m	--
9/14/2026-9/15/2026	CH	Money Supply M2 YoY	Aug	7.60%	--	7.70%	--
9/14/2026-9/15/2026	CH	Money Supply M1 YoY	Aug	4.10%	--	4.00%	--
9/14/2026-9/15/2026	CH	Money Supply M0 YoY	Aug	--	--	11.60%	--

Source: Bloomberg

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