

## Daily Treasury Outlook

### Highlights

**Global:** U.S. equities have now effectively erased the Iran war selloff, with the S&P 500 closing less than 1% below its all-time high. That resilience looks increasingly striking against a far more complicated macro backdrop, where elevated oil prices, a more hawkish Fed narrative, and the IMF's downgrade to global growth all point to a less benign underlying picture. On the inflation front, U.S. headline PPI rose 0.5% MoM and 4.0% YoY in March. The increase was driven largely by energy, with energy prices surging 8.5% MoM, while the core reading remained remarkably benign at just 0.1% MoM. To us, this suggests that war-related cost pressures have not yet meaningfully broadened into the wider non-energy producer base.

What is changing more visibly is the central bank tone. Chicago Fed President Goolsbee said rate cuts may need to wait until 2027 if oil prices remain elevated and inflation does not move back toward 2%. That marks a notable shift from one of the more dovish FOMC voices, who had previously leaned toward multiple cuts in 2026. In Europe, ECB President Christine Lagarde said on Tuesday that the ECB has not yet decided whether it will need to raise rates, as the economic fallout from the Iran war on the euro area remains too uncertain to assess with confidence.

At the same time, the war is proving to be an earnings tailwind for parts of the financial sector. Volatility, stronger commodities activity, and rising FX hedging demand are driving record revenues for Wall Street trading desks.

The IMF, meanwhile, downgraded its 2026 global growth forecast to 3.1% from 3.3%, based on a baseline assumption that the Iran war proves relatively short-lived and oil prices normalize in 2H26, with Brent averaging USD82/bbl for the year. Notably, the IMF said that absent the Middle East conflict, it would have upgraded global growth by 0.1ppt to 3.4%, supported by the ongoing technology investment boom, lower interest rates, less severe U.S. tariffs, and fiscal support in some economies. It also laid out three scenarios — weaker, worse, and severe — depending on how the conflict evolves. Under the “worse” scenario, which assumes a more prolonged war, oil would remain around USD100/bbl this year and USD75/bbl in 2027, while global growth would slow to 2.5% this year from 3.4% in 2025. The IMF added that central banks may still be able to look through a temporary energy shock and hold rates steady despite weaker activity — effectively a form of de facto easing — but only if inflation expectations remain well anchored. Overall, the IMF expects emerging market and developing economies to bear a larger growth hit than advanced economies, with 2026 growth for that group revised down by 0.3ppts to 3.9%, reflecting their greater dependence on oil inputs.

On the policy front, President Donald Trump's administration plans to launch next Monday the system that will be used to issue refunds to U.S. importers for the USD166bn they have paid in tariffs.

### Key Market Movements

Equity	Value	% chg
S&P 500	6967.4	1.2%
DJIA	48536	0.7%
Nikkei 225	57877	2.4%
SH Comp	4026.6	1.0%
STI	5007.6	0.5%
Hang Seng	25872	0.8%
KLCI	1688.1	0.5%
	Value	% chg
DXY	98.124	-0.2%
USDJPY	158.79	-0.4%
EURUSD	1.1796	0.3%
GBPUSD	1.3567	0.5%
USDIDR	17122	0.1%
USDSGD	1.2717	-0.1%
SGDMYR	3.1072	-0.3%
	Value	chg (bp)
2Y UST	3.74	-2.73
10Y UST	4.25	-4.54
2Y SGS	1.51	-2.10
10Y SGS	2.01	-3.10
3M SORA	1.06	0.00
3M SOFR	3.67	-0.02
	Value	% chg
Brent	94.79	-4.6%
WTI	91.28	-7.9%
Gold	4842	2.1%
Silver	79.55	5.2%
Palladium	1587	0.7%
Copper	13285	1.8%
BCOM	132.96	-0.6%

Source: Bloomberg

**Market Watch:** For today, markets will remain highly sensitive to any headline around negotiations, which could reportedly resume later this week. U.S. retail sales are due later today, while Bank of America and Morgan Stanley will report Q1 results on Wednesday morning. Multiple FOMC speakers are also on the calendar. After Goolsbee's hawkish pivot, the market will be watching closely for further clues on the Fed's reaction function to oil-driven inflation.

## Major Markets

**CH:** China's exports in USD terms moderated sharply to 2.5% YoY in March, from 21.8% previously, while imports surged 27.8% YoY. As a result, the trade surplus narrowed to USD51bn. That said, the post-Lunar New Year period typically comes with sizeable seasonal distortions. In most years, it takes around three weeks after the holiday for work resumption and production activity to fully normalize, which likely exerted some temporary drag on exports this time. This is also broadly consistent with the signal from container throughput data. All in, export performance was broadly in line with expectations.

By contrast, imports rebounded far more strongly than expected, likely supported by firmer AI-related imports as well as an improving domestic investment cycle. At the product level, imports of mechanical and electrical products improved markedly from the previous month, rising 25.9% YoY. Imports of AI-related products such as integrated circuits also strengthened significantly, up 53.7% YoY. In contrast, despite the sharp rise in oil prices in March, both the value and volume of crude oil imports declined slightly on a YoY basis.

Looking ahead to 2Q26, we expect exports to remain relatively resilient. Support should come from continued front-loading during the IEEPA tariff window, as well as China's persistent competitive edge in the "new three" sectors.

**ID:** Energy and Mineral Resources Minister Bahlil Lahadalia said Indonesia has secured initial agreements to purchase crude oil and LPG from Russia following talks with Russian Energy Minister Sergey Tsivilev in Russia as reported by Antara News. Minister Bahlil said Russia expressed readiness to support Indonesia's energy security through oil, natural gas, and storage supply, with cooperation to be pursued under government-to-government and business-to-business schemes to ensure availability of national energy reserves. He added that Indonesia is open to expanding collaboration into crude storage, long-term supply of crude oil and LPG, nuclear exploration, and the mineral sector, while Russia reaffirmed its readiness to collaborate across oil, gas, storage, and nuclear energy.

**MY:** Economy Minister Akmal Nasrullah Mohd Nasir said the government will raise the transportation sector's biodiesel mandate from B10 to B15, starting with B12, to support energy security amid the ongoing Middle East conflict. Minister Akmal said recovery from the crisis could take up to 18 months and added that the government will expand the mandate without extra cost by using existing blending infrastructure, while supporting phased upgrades of B20 and B30 depots under RMK13 and preparing for a B30 mandate for commercial and public transport. Minister Akmal revealed that Malaysia's biodiesel production capacity stands at 2.36mn tonnes per annum, more than double last year's actual production of 975.2k tonnes.

**TH:** Year-to-date, as of 12 April 2026, Thailand welcomed 10.4mn foreign tourists, generating THB506.1bn in revenue. The Songkran holiday provided a notable boost through increased short-haul travel. Although cumulative arrivals were 2.7% lower compared to the previous year, the latest weekly data indicate improving momentum as Songkran travel demand picked up. Tourist arrivals from China remained the largest source market so far this year at 1.7mn, followed by Malaysia (1.1mn), Russia (0.8mn), India (0.7mn) and South Korea (0.4mn). Looking ahead, the Ministry of Tourism and Sports expects arrivals to remain broadly steady, supported several factors including the Trusted Thailand safety-image campaign, the government's travel facilitation measures, and efforts to increase flight frequencies.

**VN:** The Communist Party General Secretary and President To Lam is set to visit China this week to meet Xi Jinping, aiming to strengthen energy security and economic ties amid disruptions from the Iran conflict. He is expected to oversee agreements including a potential aircraft deal between VietJet Aviation JSC and Commercial Aircraft Corp. of China Ltd., alongside pacts on metro construction in Ho Chi Minh City, and cooperation in energy and telecommunications, as reported by Bloomberg. The visit marks his first overseas trip since assuming the presidency, as the country seeks to secure trade continuity and attract further Chinese investment in infrastructure and energy while managing rising fuel costs and supply risks.

## ESG

**Rest of the world:** Renewable power made up almost 50% of the world's electricity capacity in 2025 after a record increase in solar installations, according to data from the International Renewable Energy Agency. Global solar capacity grew by 511 GW in 2025 to 2,392 GW. Countries at COP28 in 2023 committed to collaborate to triple global renewable energy generation capacity to at least 11,000 GW by 2030. Meeting this target by 2030 would require an annual growth in renewable capacity of 16.6% from 2025 to 2030. However, geopolitical tensions could affect the growth in renewable capacity as countries prioritise addressing energy security concerns.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-5bps lower while belly tenors and 10Y tenors traded 6bps lower. US Investment Grade spreads tightened by 1bps to 78bps and US High Yield spreads tightened by 12bps to 269bps respectively. Bloomberg Global Contingent Capital Index tightened by 4bps to 238bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 61bps and Asia USD High Yield spreads tightened by 5bps to 412bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.93bn and USD10.85bn respectively.

There were three notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- Royal Bank of Canada priced USD3bn of debt in two tranches.
- CaixaBank SA priced USD2bn of debt in two tranches.
- BNP Paribas SA priced USD1.5bn of debt in one tranche.

There were two notable issuers in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

- Development Bank of Japan Inc (guarantor: Japan) priced a USD1bn 5Y fixed bond at MS+58bps.
- NAVER Corp priced a USD500mn 5Y fixed green bond at T+60bps.

There was one notable issuance in the Singdollar market yesterday.

- Lendlease Global Commercial REIT priced a SGD120mn PerpNC3 subordinated fixed perpetual at 4.28%.

### Mandates:

- Evergreen Marine (Asia) Pte. Ltd. (guarantor: Evergreen Marine Corporation (Taiwan) Ltd.) may issue USD-denominated 3Y fixed green bonds.
- Korea Ocean Business Corporation may issue USD-denominated blue bond offering with expected tenor(s) of 3Y and/or 5Y in fixed or floating rate format.
- Sompo Holdings, Inc. may issue USD-denominated 11NC10 senior callable fixed-to-fixed reset rate notes.
- PT Bank Negara Indonesia ("BNI") may issue USD-denominated AT1 securities.

## Equity Market Updates

**US:** US stocks surged Tuesday as optimism over potential peace talks between the US and Iran sent oil prices tumbling and lifted equities to within sight of record highs. The S&P 500 rose 1.2%, the Nasdaq gained 2.0%, and the Dow added 0.7%. The rally marked the first time the benchmark posted back-to-back gains exceeding 1% since April 2025. Hopes that the US and Iran may pursue a second round of negotiations pushed crude oil sharply lower, with US crude sliding 7.9% to USD91.28 a barrel and Brent falling below USD95. The Nasdaq 100 extended its winning streak to a 10th consecutive day, its longest such run since 2021. Technology stocks led the advance, with Nvidia climbing 3.8% and contributing the most to the S&P 500's gain. Energy stocks fell as much as 3.1%, poised to erase all gains accumulated since the Iran war began. Adding to the positive sentiment, producer price data came in cooler than expected, easing inflation concerns. Treasury yields declined, with the 10-year yield falling 4.5 basis points as investors digested the benign inflation data and peace prospects. Major banks reported quarterly earnings, with JPMorgan traders delivering a record revenue haul.

### Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.124	-0.25%	USD-SGD	1.2717
USD-JPY	158.79	-0.41%	EUR-SGD	1.4999
EUR-USD	1.180	0.31%	JPY-SGD	0.8007
AUD-USD	0.713	0.44%	GBP-SGD	1.7251
GBP-USD	1.357	0.45%	AUD-SGD	0.9062
USD-MYR	3.952	-0.62%	NZD-SGD	0.7503
USD-CNY	6.816	-0.21%	CHF-SGD	1.6286
USD-IDR	17122	0.11%	SGD-MYR	3.1072
USD-VND	26338	-0.01%	SGD-CNY	5.3625

### Equity and Commodity

Index	Value	Net change
DJIA	48,535.99	317.74
S&P	6,967.38	81.14
Nasdaq	23,639.08	455.34
Nikkei 225	57,877.39	1374.62
STI	5,007.57	23.40
KLCI	1,688.12	7.60
JCI	7,675.95	175.76
Baltic Dry	2,250.00	49.00
VIX	18.36	-0.76

### SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.0030	0.25%	1M	3.6645
3M	2.2040	0.27%	2M	3.6690
6M	2.4370	-0.65%	3M	3.6773
12M	2.7080	-0.26%	6M	3.6850
			1Y	3.6798

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.51 (-0.02)	3.74(--)
5Y	1.67 (-0.03)	3.87 (-0.04)
10Y	2.01 (-0.03)	4.24 (-0.05)
15Y	2.06 (-0.03)	--
20Y	2.09 (-0.03)	--
30Y	2.16 (-0.02)	4.85 (-0.04)

### 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	0.005	0.500	0.001	3.642
06/17/2026	-0.002	-0.700	-0.001	3.641
07/29/2026	-0.095	-9.300	-0.024	3.618
09/16/2026	-0.174	-7.900	-0.043	3.598

### Financial Spread (bps)

Value	Change	
TED	35.36	--

### Secured Overnight Fin. Rate

SOFR	3.63
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### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	91.28	-7.9%	Corn (per bushel)	4.430	0.6%
Brent (per barrel)	94.79	-4.6%	Soybean (per bushel)	11.580	-0.4%
Heating Oil (per gallon)	362.43	-5.5%	Wheat (per bushel)	5.920	1.7%
Gasoline (per gallon)	303.95	-2.5%	Crude Palm Oil (MYR/MT)	43.590	-2.0%
Natural Gas (per MMBtu)	2.60	-1.1%	Rubber (JPY/KG)	3.770	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13285	1.8%	Gold (per oz)	4842	2.1%
Nickel (per mt)	18206	2.9%	Silver (per oz)	79.55	5.2%

Source: Bloomberg, Reuters

### Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/15/2026 5:00	SK	Export Price Index MoM	Mar	--	16.30%	2.10%	2.50%
4/15/2026 5:00	SK	Export Price Index YoY	Mar	--	28.70%	10.70%	11.10%
4/15/2026 5:00	SK	Import Price Index MoM	Mar	--	16.10%	1.10%	1.50%
4/15/2026 5:00	SK	Import Price Index YoY	Mar	--	18.40%	1.20%	1.60%
4/15/2026 7:00	SK	Unemployment rate SA	Mar	2.90%	2.70%	2.90%	--
4/15/2026 11:00	SK	Money Supply L SA MoM	Feb	--	--	0.30%	--
4/15/2026 11:00	SK	Money Supply M2 SA MoM	Feb	--	--	0.70%	--
4/15/2026 11:00	ID	External Debt	Feb	--	--	\$434.7b	--
4/15/2026 14:30	IN	Wholesale Prices YoY	Mar	3.60%	--	2.13%	--
4/15/2026 17:00	EC	Industrial Production WDA YoY	Feb	-1.00%	--	-1.20%	-1.10%
4/15/2026 17:00	EC	Industrial Production SA MoM	Feb	0.30%	--	-1.50%	--
4/15/2026 19:00	US	MBA Mortgage Applications	10-Apr	--	--	-0.80%	--
4/15/2026 20:30	US	Empire Manufacturing	Apr	0	--	-0.2	--
4/15/2026 20:30	US	Import Price Index MoM	Mar	2.30%	--	1.30%	--
4/15/2026 20:30	US	Import Price Index ex Petroleum MoM	Mar	0.30%	--	1.20%	--
4/15/2026 20:30	US	Import Price Index YoY	Mar	4.40%	--	1.30%	--

Source: Bloomberg

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