Daily Treasury Outlook

Highlights

Global: US equities ended lower overnight, with the S&P 500 falling 0.5%, the Dow Jones declining 0.3% and the Nasdaq slipping 0.6%. The slide was driven mainly by tech stocks after Anthropic CEO Dario Amodei called for a slowdown in AI development due to safety risks, weighing on the near-term outlook for the sector. The US 10Y Treasury yield briefly breached 5% for the first time since October 2023, with market pricing around a 90% probability of a 25bp Fed rate hike at Wednesday's meeting. On the geopolitical front, tensions in the Middle East intensified after the Houthis launched missiles and drones at a Saudi military base, while talks over reopening the Strait of Hormuz between Iran and the Gulf States was postponed. Brent rose 1.0% to USD 105.68/bbl and WTI increased 1.3% to 101.39/bbl. In China, August credit data disappointed, with new yuan loans rising by CNY60 bn, well below expectations of CNY400 bn, despite rebounding from July's contraction. Household borrowing contracted for a sixth consecutive month, reflecting continued weakness in mortgage demand and consumer appetite for credit, while outstanding loan growth slowed to a record low 4.9% YoY. In India, headline CPI inflation accelerated to 4.82% YoY in August from 4.45% previously, broadly in line with expectations. Food inflation rose to 5.95%, while core inflation also picked up to around 4.2%, pointing to a broadening of price pressures beyond food and energy. In Hong Kong, industrial production rose 2.3% YoY in 2Q26, moderating from 3.1% in the previous quarter. Growth was not broad based, driven primarily by metals, electronics and machinery, while output in food and beverages and textiles contracted.

Market Watch: Today's data calendar is relatively busy. In China we have August industrial production, retail sales, fixed asset investment, unemployment and house price data. In the UK, we have unemployment and wage growth data. In the US we have the weekly ADP employment estimate and the Empire State Manufacturing Index. Over in Europe, ECB Supervisory Board Chair Buch is scheduled to speak.

Key Market Movements

Equity	Value	% chg
S&P 500	7620.0	-0.5%
DJIA	52421	-0.3%
Nikkei 225	63493	-0.8%
SH Comp	3885.3	-0.1%
STI	5718.0	0.4%
Hang Seng	24918	0.5%
KLCI	1698.0	0.7%

	Value	% chg
DXY	99.391	0.3%
USDJPY	154.35	0.5%
EURUSD	1.1549	-0.4%
GBPUSD	1.3499	-0.2%
USDIDR	17648	0.3%
USDSGD	1.2703	0.3%
SGDMYR	3.2073	-0.1%

	Value	chg (bp)
2Y UST	4.66	3.24
10Y UST	4.99	2.06
2Y SGS	1.79	1.60
10Y SGS	2.47	1.87
3M SORA	1.20	-0.11
3M SOFR	3.65	-0.15

	Value	% chg
Brent	105.68	1.0%
WTI	101.39	1.3%
Gold	4300	-1.1%
Silver	63.23	-1.9%
Palladium	1287	-1.2%
Copper	14001	-1.7%
BCOM	145.32	0.1%

Source: Bloomberg

Major Markets

ID: President Prabowo Subianto has appointed Suahasil Nazara as Indonesia's Finance Minister, replacing Purbaya Yudhi Sadewa. The appointment reinforces policy credibility, given Suahasil Nazara's extensive experience in fiscal policymaking and public finance management. Looking ahead, the main challenge will be to keep the fiscal deficit below 3% of GDP while balancing President Prabowo's growth ambitions against limited fiscal space and an increasingly challenging external environment.

MY: Prime Minister Anwar Ibrahim called for stronger Malaysia India cooperation in the electrical and electronics and semiconductor sectors to leverage their respective strengths. PM Anwar noted that Malaysia is positioning itself as a key player in these sectors in Southeast Asia and called for greater two way investment, including between Malaysia and Kerala, while around 30 companies from India, Malaysia and Gulf countries joined a business engagement covering sectors including semiconductors, AI, digital technology and renewable energy. India remains Malaysia's largest trading partner in South Asia, with bilateral trade reaching USD18.6bn in 2025.

PH: Several Indian firms have committed to expanding their operations in the Philippines following meetings with President Ferdinand Marcos Jr. in New Delhi. Among them, the New Delhi-based iSON Group has pledged USD75mn in new and scaled-up investments, which are expected to generate approximately 2,000 jobs across agricultural technology, healthcare, and BPO and digital infrastructure. The group has already invested ~USD65mn in the country since 2021, supporting the construction of 450 telecommunications towers across Luzon, Visayas and Mindanao. President Marcos Jr. also met with NPCI International Ltd to advance cooperation on digital payments, including a potential LandBank partnership based on India's Unified Payments Interface. Separately, discussions with GMR Group and Cavitex Holdings helped advance the Sangley Point International Airport project, which is intended to decongest the Ninoy Aquino International Airport. Meanwhile an executive roundtable with Cognizant, VVDN Technologies, Hinduja Group, and HCLTech highlighted expansion plans in digitalisation, AI, and other technology-related sectors. President Marcos Jr. was in India for a two-day visit to attend the 18th BRICS summit in his capacity as ASEAN chair. During his visit, he also held a bilateral meeting with Indian Prime Minister Narendra Modi.

Sustainability

Rest of the world: Thailand has drafted a long-term power plan for public consultation, with scenarios targeting a clean-power share of at least 65%, rising to 89% under the most ambitious pathway. The most renewable-heavy scenario could require about THB700bn of investment through 2050 in power grids, battery storage and other supporting infrastructure. The plan reflects efforts to meet rising electricity demand from data centres and advanced manufacturing while reducing dependence on imported natural gas, which remains the country's dominant power source. Thailand's reliance on imported gas has left it vulnerable to global fuel price volatility, a risk underscored by the impacts of the Middle East conflict.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 3-5bps higher, belly tenors trading 2-3bps higher, and 10Y tenor trading 1bps higher.
- US Investment Grade widened by 1bps to 79bps, and US High Yield spreads widened by 6bps to 271bps respectively. Bloomberg Global Contingent Capital spreads widened by 5bps to 206bps.
- Bloomberg Asia USD Investment Grade spread tightened by 1bps to 55bps, and the Asia USD High Yield spreads widened by 2bps to 315bps. (Bloomberg, OCBC)

New Issues:

- Last Friday, there were no issuances in the Singdollar market. APAC and DM IG markets were USD800mn and USD21.3bn respectively yesterday (prior day: zero and USD6.25bn). Issuances in DM IG markets were led by Aon North America Inc / Aon Global Holdings PLC (guarantors: multiple), who priced USD13.5bn across seven tranches.

Credit Headlines:

- There were no notable headlines yesterday.

Equity Market Updates

US: US equities ended lower as concerns over the pace and sustainability of AI development weighed on technology sentiment. Semiconductor stocks led the decline, with the Philadelphia Semiconductor Index falling 5.9%, its sharpest drop in more than two months. The S&P 500 slipped 0.5%, the Nasdaq lost 0.6%, and the Dow eased 0.3%. Market sentiment was further pressured by a spike in oil prices amid escalating Middle East tensions. Brent crude surged as much as 5% intraday before trimming gains, reigniting inflation concerns ahead of the upcoming Federal Reserve meeting on 15-16 September, where markets are pricing in a high likelihood of a 25bp rate hike. The 10-year Treasury yield briefly crossed the 5% mark for the first time since October 2023 before easing to around 4.97%, helped by improving geopolitical developments between Russia and Ukraine. The yield curve flattened as front-end yields rose while longer-dated yields retreated. In China, August aggregate financing reached CNY1.66 trillion, falling short of expectations and highlighting soft credit demand. Meanwhile, Singapore's air quality deteriorated to unhealthy levels islandwide for the first time since 2019 due to Indonesian wildfire haze. Investors are also approaching the anticipated Xi-Trump meeting later this month with muted expectations, viewing it as largely symbolic with limited near-term policy implications.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	99.391	0.27%	USD-SGD	1.2703
USD-JPY	154.35	0.48%	EUR-SGD	1.4672
EUR-USD	1.155	-0.43%	JPY-SGD	0.8231
AUD-USD	0.714	-0.40%	GBP-SGD	1.7150
GBP-USD	1.350	-0.18%	AUD-SGD	0.9069
USD-MYR	4.076	0.14%	NZD-SGD	0.7342
USD-CNY	6.709	0.02%	CHF-SGD	1.5543
USD-IDR	17648	0.27%	SGD-MYR	3.2073
USD-VND	25975	0.21%	SGD-CNY	5.2859

Equity and Commodity		
Index	Value	Net change
DJIA	52,421.20	-152.09
S&P	7,619.98	-37.00
Nasdaq	26,186.41	-146.63
Nikkei 225	63,492.99	-518.35
STI	5,718.02	22.09
KLCI	1,698.01	11.27
JCI	6,534.69	-6.68
Baltic Dry	3,507.00	-14.00
VIX	17.10	1.26

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.3880	0.08%	1M	3.8896
3M	2.6470	0.15%	2M	3.9352
6M	2.8200	0.50%	3M	3.9827
12M	3.1600	0.70%	6M	4.1369
			1Y	4.3968

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.79 (+0.02)	4.65(--)
5Y	2.13 (+0.02)	4.82 (+0.04)
10Y	2.47 (+0.02)	4.99 (+0.02)
15Y	2.51 (+0.01)	--
20Y	2.45 (+0.01)	--
30Y	2.5 (+0.02)	5.35 (-0.01)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.919	91.900	0.230	3.861
10/28/2026	1.384	46.500	0.346	3.977
12/09/2026	2.072	68.900	0.518	4.150

Secured Overnight Fin. Rate	
SOFR	3.62

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	101.39	1.3%	Corn (per bushel)	5.120	0.3%
Brent (per barrel)	105.68	1.0%	Soybean (per bushel)	12.853	0.4%
Heating Oil (per gallon)	496.15	0.0%	Wheat (per bushel)	7.070	0.0%
Gasoline (per gallon)	331.71	0.3%	Crude Palm Oil (MYR/MT)	45.970	1.0%
Natural Gas (per MMBtu)	2.90	2.3%	Rubber (JPY/KG)	5.090	5.4%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14001	-1.7%	Gold (per oz)	4300	-1.1%
Nickel (per mt)	16334	-0.8%	Silver (per oz)	63.23	-1.9%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/15/2026 5:00	SK	Export Price Index YoY	Aug	--	42.40%	49.10%	48.90%
9/15/2026 5:00	SK	Import Price Index YoY	Aug	--	15.60%	18.70%	18.80%
9/15/2026 10:00	CH	Retail Sales YoY	Aug	0.80%	--	0.60%	--
9/15/2026 10:00	CH	Retail Sales YTD YoY	Aug	--	--	1.20%	--
9/15/2026 10:00	CH	Industrial Production YoY	Aug	4.80%	--	4.50%	--
9/15/2026 10:00	CH	Industrial Production YTD YoY	Aug	--	--	5.30%	--
9/15/2026 10:00	CH	Fixed Assets Ex Rural YTD YoY	Aug	-7.10%	--	-6.70%	--
9/15/2026 12:30	JN	Tertiary Industry Index MoM	Jul	0.30%	--	-0.20%	--
9/15/2026 14:00	UK	Average Weekly Earnings 3M/YoY	Jul	3.90%	--	4.10%	--
9/15/2026 14:00	UK	Weekly Earnings ex Bonus 3M/YoY	Jul	3.50%	--	3.50%	--
9/15/2026 14:00	UK	ILO Unemployment Rate 3Mths	Jul	4.90%	--	4.90%	--
9/15/2026 14:00	UK	Claimant Count Rate	Aug	--	--	4.30%	--
9/15/2026 14:00	UK	Jobless Claims Change	Aug	--	--	-11.0k	--
9/15/2026 17:00	EC	ZEW Survey Expectations	Sep	--	--	31.4	--

Source: Bloomberg

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