

Daily Treasury Outlook

Highlights

Global: Tame US CPI at 0.2% MoM in January, which marked the smallest increase since July due to benign energy prices, gave market some reprieve on Friday after a volatile week. Fed's Goolsbee opined that "right now we are not on a path back to 2%. We're kind of stuck at 3% and that's not acceptable". The S&P500 was little changed on Friday restrained by tech weakness and registering its second consecutive week of losses, while UST bonds rallied on improved hopes that the Fed will cut interest rates later this year. The 2-year yield fell 5bps to 3.41%, the lowest since 2022 as market pricing for Fed rate cuts exceeded two cuts (~63bps), while the 10-year yield also dipped 5bps to 4.05%. Gold also reclaimed the US\$5,000 handle.

Market Watch: With the US markets out for Presidents' Day today, Asian markets are likely to range trade and generally see lighter volumes ahead of the Lunar New Year festive holidays. Today's economic data calendar comprises of GDP growth from Japan and Thailand, UK's Rightmove house prices. Fed's Bowman and ECB's Nagel are also speaking today. For the week ahead as markets reopen after the U.S. Presidents Day holiday, several key economic data releases, corporate earnings and central bank events stand to influence investor positioning. These include RBA minutes, Canada's CPI and UK's unemployment and jobless claims data tomorrow; Fed minutes, CPI for France and UK, and US housing starts on Wednesday; Australia's unemployment, Eurozone's consumer confidence, Malaysia's CPI and US' initial jobless claims on Thursday; and US' personal income, PCE, GDP, University of Michigan sentiment index and new home sales on Friday. On the central bank front, RBNZ is tipped to leave monetary policy unchanged on Wednesday, while BI is likely to follow suit on Thursday. For corporate earnings, watch for BHP today, Glencore on Wednesday, Walmart and Rico Tinto are scheduled to report on Thursday.

SG: January NODX accelerated to 9.3% YoY, up from 6.1% in December 2024, disappointing Bloomberg consensus forecast of 12.0% and our forecast of 10.3% YoY. Electronics NODX momentum more than doubled from 24.9% to 56.1% YoY due to a low base a year ago as well as strong AI-related demand. However non-electronics NODX declined 3.0% in January, following 0.8% growth in December, as weaker specialised machinery, food preparations and petrochemicals offset non-monetary gold.

Key Market Movements

Equity	Value	% chg
S&P 500	6836.2	0.0%
DJIA	49501	0.1%
Nikkei 225	56942	-1.2%
SH Comp	4082.1	-1.3%
STI	4937.8	-1.6%
Hang Seng	26567	-1.7%
KLCI	1739.5	-0.6%
	Value	% chg
DXY	96.915	0.0%
USDJPY	152.7	0.0%
EURUSD	1.1868	0.0%
GBPUSD	1.3651	0.2%
USDIDR	16839	0.1%
USDSGD	1.2629	0.0%
SGDMYR	3.0932	-0.1%
	Value	chg (bp)
2Y UST	3.41	-4.83
10Y UST	4.05	-4.98
2Y SGS	1.33	-0.90
10Y SGS	1.94	-3.87
3M SORA	1.14	0.09
3M SOFR	3.78	-0.34
	Value	% chg
Brent	67.75	0.3%
WTI	62.89	0.1%
Gold	5042	2.4%
Silver	77.41	2.8%
Palladium	1692	4.3%
Copper	12881	0.0%
BCOM	117.35	0.2%

Source: Bloomberg

Major Markets

CH: China's aggregate social financing (ASF) rose by RMB 7.2 trillion, up RMB 165.4 billion YoY, in January 2026. New yuan loans totaled RMB 4.71 trillion, down RMB 42 billion YoY. Structurally, government bond issuance was the key driver to ASF. Newly issued government bonds reached RMB 976.4 billion, increasing RMB 283.1 billion YoY. The continued front-loading of fiscal issuance suggests policymakers are leaning on early-year bond supply to anchor growth expectations and provide a near-term stabilizer. Corporate loans increased by RMB 4.45 trillion, down RMB 33 billion YoY, with medium- to long-term corporate loans rising RMB 3.18 trillion, down RMB 28 billion YoY. The moderation is not dramatic, but it does suggest that private sector credit appetite remains measured rather than outright strong.

Turning to monetary aggregates, M1 growth accelerated to 4.9% YoY (from 3.8% previously), while M2 growth rose to 9.0% YoY (from 8.5%). Both prints exceeded market expectations. The pickup in M1 likely reflects stronger equity market performance, suggesting improved transactional liquidity. However, outstanding ASF growth edged down to 8.2% YoY, creating a notable divergence between money supply and credit expansion. Historically, M2 (a broad measure of funding liquidity) and ASF (a proxy for credit deployment) exhibit relatively high correlation. The recent decoupling is therefore worth monitoring. One plausible explanation is rising foreign exchange settlement. Robust export receipts and increased corporate FX conversion into RMB may have lifted both M1 and M2 growth, without a commensurate rise in domestic credit demand. In other words, liquidity conditions appear supportive, but the transmission into real-sector borrowing remains incomplete — a nuance that policymakers will likely be watching closely. Overall, liquidity is not the constraint at this stage; confidence and credit demand arguably are.

ID: The Nusantara Capital Authority confirmed the readiness of medical services and facilities for civil servants and residents in the future capital, with 16 ministries and state agencies set to gradually begin operating this year. Director of Basic Services Suwito noted that four hospitals have been established in the Government Core Area, three of which are already operating, providing two to three beds per 1,000 residents, as reported by Antara. In addition, he added that BPJS Kesehatan coverage is available at Hermina and Mayapada hospitals and that services for work-related accidents, illnesses, and injuries are accessible across the area. Separately, Danantara Indonesia will break ground on 14 new natural resources processing projects worth USD19.0bn this year and is seeking credit ratings from Moody's and S&P, according to chief executive Rosan Roeslani.

MY: The 4Q25 GDP print knocked it out of the park, with economic growth rising to 6.3% YoY from 5.4% in 3Q25 (Consensus: 5.7%; OCBC: 5.9%), well above the advance estimate of 5.7%. For 2025, the economy grew by 5.2% from 5.1% in 2024. The drivers of economic growth remained broad-based across domestic and external demand. On the domestic demand front, the standout was investment spending which improved to 9.3% YoY from 7.4% in 3Q25, with public and private sector spending rising in 4Q25 versus 3Q25. Household spending was resilient, rising by 5.3% YoY in 4Q25 versus 5.0% in 3Q25 while government consumption expenditure growth picked up to 8.0% YoY from 7.1% in 3Q25.

in 3Q25. Consistent with strong domestic demand conditions, import growth of goods and services picked up to 7.9%YoY in 4Q25 from 0.7% in 3Q25. Goods import growth rose to 9.7% YoY from 0.3% in 3Q25 more than offsetting slower services import growth of 0.3% from 2.2% in 3Q25. Meanwhile, goods export growth improved to 2.2% YoY from 0.1% in 3Q25 supported by technology export upcycle. We raise our 2026 GDP growth forecast to 4.4% from 3.8%, driven by continued external tailwinds, particularly from the technology export upcycle, and domestic reform momentum bearing fruit from higher investment and consumption expenditures. This nonetheless represents slower growth compared to 2025.

TH: The Pheu Thai Party has formally pledged to back the Bhumjaithai Party in leading the next government, with PM Anutin Charnvirakul stating that both parties will set aside past disputes and “work together to push Thailand towards a stable future that meets the expectations of the Thai people.” According to unofficial results from the Election Commission of Thailand, the Pheu Thai Party has secured 74 seats, making it the third-largest party in parliament. Along with seven other parties holding a total of nine MPs seats, the Bhumjaithai Party has secured 276 votes to form its coalition government, as reported by the Bangkok Post on 15 February. Attention now turns to the Klatham Party, with the Bhumjaithai Party having begun negotiations as part of efforts to form the new coalition government.

VN: The government has authorized Starlink to offer fixed and mobile satellite internet services after revising regulations last year to allow SpaceX to begin trial operations, as reported by Bloomberg. The Ministry of Science and Technology issued Starlink’s local license, which also includes approval to use radio frequencies and related equipment, though no deployment timeline was disclosed. The move precedes an anticipated visit by General Secretary To Lam to the US, including attendance at President Trump’s inaugural Board of Peace meeting, as negotiations continue on the reciprocal tariff agreement. SpaceX continues preparing for its five-year pilot program, while Amazon’s Kuiper/LEO project is also seeking approval and plans to invest USD570mn in local infrastructure.

ESG

MY: The UK and Malaysia are collaborating to develop a more sustainable, integrated and future-ready transport system in Malaysia. The UK plans to support Malaysia in scaling low-carbon public transport, accelerating electrification and embedding sustainability into urban development. Discussions at the UK-Malaysia Green Transport Dialogue in Kuala Lumpur provided a platform for an exchange on policy approaches, planning frameworks, technological innovation and operational best practices. Building on the momentum from the event, the UK and Malaysia will continue exploring how shared insights and expertise can support Malaysia’s long-term aspirations for an integrated and sustainable transport system.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded flat to lower last Friday with shorter tenors trading flat to 2bps lower while belly tenors and 10Y traded 3bps lower. Global Investment Grade spreads widened by 2bps to 78bps and Global High Yield spreads widened by 4bps to 281bps respectively. Bloomberg Global Contingent Capital Index widened by 4bps to 229bps. Bloomberg Asia USD Investment Grade spreads widened by 2bps to 61bps and Asia USD High Yield spreads widened by 4bps to 350bps respectively. (Bloomberg, OCBC)

New Issues:

APAC recorded no new issuance last Friday, and the DM IG market saw only USD5mn in supply.

Across the DM IG, APAC USD and SGD markets, there were no notable issuers.

Mandates:

There were no notable mandates last Friday.

Equity Market Updates

US: US equity indexes closed mixed on Friday after a volatile week dominated by AI concerns and inflation data. The S&P 500 ended nearly flat at 6,836.17, up less than 0.1%, the Nasdaq fell 0.2% to 22,546.67, and the Dow Jones rose 0.2% to 49,500.93. Stocks initially rallied after the Bureau of Labor Statistics reported consumer-price growth slowed to an annual pace of 2.4% in January, cooler than expected, but gave up gains as technology and communication services sectors came under pressure. Following the inflation print, markets recalibrated rate-cut expectations, with growing confidence that easing price pressures could allow the Federal Reserve to deliver at least two rate cuts this year. Treasury yields fell to their lowest levels of 2025, led by the two-year note, which dropped as much as six basis points to around 3.4%, its lowest since October. Yields across the curve declined by at least three basis points. That optimism was partly tempered by comments from Austan Goolsbee, who cautioned that services inflation remains elevated. He noted that inflation appears “stuck around 3%” rather than on a clear path back to the Fed’s 2% target, emphasising that any future rate cuts remain conditional on further progress in disinflation.

Foreign Exchange

	Day Close	% Change		Day Close
DX	96.915	-0.01%	USD-SGD	1.2629
USD-JPY	152.70	-0.03%	EUR-SGD	1.4990
EUR-USD	1.187	-0.03%	JPY-SGD	0.8271
AUD-USD	0.707	-0.24%	GBP-SGD	1.7236
GBP-USD	1.365	0.21%	AUD-SGD	0.8932
USD-MYR	3.908	0.14%	NZD-SGD	0.7626
USD-CNY	6.905	0.05%	CHF-SGD	1.6439
USD-IDR	16839	0.12%	SGD-MYR	3.0932
USD-VND	25970	0.02%	SGD-CNY	5.4734

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9510	-0.86%	1M	3.6641
3M	1.9990	0.76%	2M	3.6618
6M	2.1470	0.75%	3M	3.6526
12M	2.2480	0.09%	6M	3.5866
			1Y	3.4071

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.006	-0.600	-0.001	3.638
03/18/2026	-0.103	-10.300	-0.026	3.613
04/29/2026	-0.305	-20.200	-0.076	3.563
06/17/2026	-0.858	-55.300	-0.215	3.424
07/29/2026	-1.285	-42.700	-0.321	3.318
09/16/2026	-1.848	-56.300	-0.462	3.177

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	62.89	0.1%	Corn (per bushel)	4.318	0.1%
Brent (per barrel)	67.75	0.3%	Soybean (per bushel)	11.330	-0.4%
Heating Oil (per gallon)	238.79	-0.2%	Wheat (per bushel)	5.488	-0.7%
Gasoline (per gallon)	191.10	-0.3%	Crude Palm Oil (MYR/MT)	39.500	-0.7%
Natural Gas (per MMBtu)	3.24	0.8%	Rubber (JPY/KG)	3.480	0.9%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12881	0.0%	Gold (per oz)	5042	2.4%
Nickel (per mt)	16984	-2.5%	Silver (per oz)	77.41	2.8%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	49,500.93	48.95
S&P	6,836.17	3.41
Nasdaq	22,546.67	-50.48
Nikkei 225	56,941.97	-697.87
STI	4,937.78	-78.98
KLCI	1,739.54	-11.31
JCI	8,212.27	-53.08
Baltic Dry	2,083.00	-12.00
VIX	20.60	-0.22

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.33 (-0.01)	3.41(-)
5Y	1.54 (-0.02)	3.6 (-0.06)
10Y	1.94 (-0.04)	4.05 (-0.05)
15Y	2.05 (-0.03)	--
20Y	2.09 (-0.02)	--
30Y	2.16 (-0.02)	4.69 (-0.04)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.65
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Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
2/16/2026 10:30	TH	GDP Annual YoY	2025	2.10%	--	2.50%	--
2/16/2026 10:30	TH	GDP YoY	4Q	1.30%	--	1.20%	--
2/16/2026 10:30	TH	GDP SA QoQ	4Q	0.60%	--	-0.60%	--
2/16/2026 15:30	EC	Bloomberg Feb. Eurozone Economic Survey					
2/16/2026 18:00	EC	Industrial Production SA MoM	Dec	-1.50%	--	0.70%	--
2/16/2026 18:00	EC	Industrial Production WDA YoY	Dec	1.30%	--	2.50%	--
2/16/2026	PH	Overseas Cash Remittances YoY	Dec	3.30%	--	3.60%	--
2/16/2026	PH	Overseas Workers Cash Remittances	Dec	--	--	\$2910m	--

Source: Bloomberg

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