

Daily Treasury Outlook

Highlights

Global: US equities traded mixed (S&P: +0.8%; NASDAQ: +1.6%; Dow: -0.15%), the DXY index traded sideways and UST yields edged higher across the curve. It has been reported that there talks underway to potentially extend the two-week ceasefire, which expires on Tuesday next week, although senior US officials have not confirmed this. Meanwhile, President Donald Trump himself declared that the war is “very close to over.” The passage through the Strait of Hormuz remains choked effectively, with the US setting up its own naval blockade. Ten vessels were forced to turn around on Wednesday. The situation remains delicate, with Brent prices trading just shy of USD95/barrel. The data releases overnight underscored some resilience. The Empire manufacturing index at a reading of 11 in April was higher compared to -0.2 in March. Interestingly, the import price index was relatively showed stable growth of 0.8% MoM in March from 0.9% in February (Consensus: 2.3%), and ex-petroleum it eased further to 0.1% MoM from 0.9% in February. Compared to same period last year, the import price index was up 2.1% YoY versus 1.0% in February. The Beige book for April was released overnight, and it noted that “overall economic activity increased at a slight to modest pace in eight of the twelve Federal Reserve Districts, while two Districts reported little change and two Districts reported slight to modest declines. The conflict in the Middle East was cited as a major source of uncertainty that complicated decision-making around hiring, pricing, and capital investment, with many firms adopting a wait-and-see posture.” In terms of the labour market, “employment was steady to up slightly during this reporting period, though one District noted a slight decline. Most Districts described labor demand as stable, with low turnover, minimal layoffs, and hiring mostly for replacement.”

Market Watch: Market sentiment is likely to remain hesitantly optimistic as hopes of a ceasefire pull ahead of expectations of a relapse in Iran-US tensions. China’s 1Q26 GDP growth, monthly March activity data including retail sales, industrial production, new home sales, fixed asset investments will be in focus along with Eurozone’s final March CPI print. US releases include weekly labour market data, March industrial production, March capacity utilisation, and New York Fed Services Business Activity. Central bank speakers include BoE Governor, ECB’s Villeroy and Lagarde, and Fed’s Williams and Miran.

Key Market Movements

Equity	Value	% chg
S&P 500	7023.0	0.8%
DJIA	48464	-0.1%
Nikkei 225	58134	0.4%
SH Comp	4027.2	0.0%
STI	5021.2	0.3%
Hang Seng	25947	0.3%
KLCI	1683.4	-0.3%
	Value	% chg
DXY	98.055	-0.1%
USDJPY	159	0.1%
EURUSD	1.1799	0.0%
GBPUSD	1.3561	0.0%
USDIDR	17140	0.1%
USDSGD	1.2713	0.0%
SGDMYR	3.1116	0.1%
	Value	chg (bp)
2Y UST	3.76	1.65
10Y UST	4.28	3.55
2Y SGS	1.51	0.30
10Y SGS	2.03	1.38
3M SORA	1.06	-0.24
3M SOFR	3.67	0.02
	Value	% chg
Brent	94.93	0.1%
WTI	91.29	0.0%
Gold	4791	-1.0%
Silver	78.96	-0.7%
Palladium	1568	-1.2%
Copper	13248	-0.3%
BCOM	133.42	0.3%

Source: Bloomberg

Major Markets

CH: On April 15, the People's Bank of China (PBoC) and the State Administration of Foreign Exchange (SAFE) jointly issued the Notice on Adjusting Matters Related to Overseas Lending by Banking Financial Institutions (Yinfa [2026] No. 72), introducing two notable changes to the policy framework governing banks' overseas lending activities.

The first adjustment is a meaningful increase in the cap on outstanding overseas lending. For foreign-funded banks operating in China — including wholly foreign-owned banks, Sino-foreign joint venture banks, and domestic branches of foreign banks — the overseas lending leverage ratio was raised from 0.5x to 1.5x, effectively tripling their lending capacity. For the Export-Import Bank of China, the leverage ratio was lifted from 3.0x to 3.5x. At the same time, the minimum approved lending quota was increased from RMB2bn to RMB10bn.

The second change is the streamlining of rules for indirect overseas lending. Previously, overseas banks were required to handle such business with reference to Chinese regulatory standards. That requirement has now been removed and replaced with a more pragmatic approach, allowing overseas banks to operate in accordance with the laws and regulations of their local jurisdictions.

In our view, this adjustment is both timely and targeted. Against a backdrop of heightened external uncertainty and softer export growth, the latest move should help expand the cross-border lending capacity of both foreign-funded banks and policy banks, thereby strengthening financial support for trade finance, outbound investment, and Belt and Road-related projects.

At the margin, the increase in overseas lending quotas could also support RMB Internationalization in cross-border financing. Meanwhile, the “localization” of indirect lending management should reduce cross-jurisdictional frictions, as responsibility for risk management shifts more clearly from prescriptive regulatory requirements toward banks' own internal control frameworks.

Overall, we see this as a targeted easing measure in the cross-border finance space. The core policy intention is clear: to expand the overseas lending capacity of foreign-funded banks and policy banks in response to a more challenging external environment, while also reducing transaction frictions through a more localized and operationally flexible regulatory framework. From a signalling perspective, the tripling of the leverage ratio for foreign-funded banks stands out the most. To us, this sends a fairly clear message that China remains committed to further financial opening and to encouraging deeper foreign participation in cross-border financial intermediation.

ID: According to Bank Indonesia (BI), the country's external debt remained manageable in February 2026 at USD437.9bn (January: USD434.9bn). The increase was mainly driven by the public sector, "particularly from the central bank, in line with foreign capital inflows into monetary instruments, namely Bank Indonesia Rupiah Securities (SRBI)." Government external debt stood at USD215.9bn and was largely directed toward sectors including human health and social activities, public administration, and defence and compulsory social security. BI highlighted that "the current state of government external debt is still dominated by long-term tenors," which account for 99.98% of total government external debt. In contrast, private external debt declined to USD193.7bn. Overall, Indonesia's external debt structure remained financially stable, with debt-to-GDP ratio at 29.8% and long-term debt denominating 84.9% of total external debt. Seeking to maintain a healthy structure, BI emphasised that it and the government "will continue strengthening coordination to monitor external debt developments." Additionally, "the role of external debt will continue to be optimised to support financing for development and promote sustainable national economic growth. Such efforts are undertaken by minimising the risks posed to economic stability."

MY: Malaysia's flood-related losses in 2025 dropped to MYR636.9mn in 2025 from MYR933.4mn in 2024, equivalent to 0.03% of the nominal GDP. According to the Special Report on Impact of Floods in Malaysia 2025, public assets and infrastructure accounted for the highest losses, rising to MYR 380.2mn in 2025 (2024: MYR303.4mn). This was followed by living quarters and agriculture, which declined to MYR183.8mn and MYR52.6mn, respectively, down from MYR372.2mn and MYR185.2mn in 2024. In 2025, every state in Malaysia were affected by floods, with Terengganu recording the highest loss value at MYR89.2mn (2024: MYR182.0mn). Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin noted that more than 51.2% of flood victims adopted proactive measures by maintaining reserves of daily necessities to ensure their survival during emergency situations. However, 22.5% of victims made no prior preparations, which may increase their vulnerability during and after the flood.

PH: According to Energy Undersecretary Alessandro Sales, motorists in the Philippines may benefit from another round of fuel price cuts next week as global oil prices remain steady despite tensions in the Strait of Hormuz. The recent ceasefire in the Middle East has helped stabilize global markets, allowing for a rollback in diesel, gasoline, and kerosene prices, with further reductions possible if current trends continue. As of 10 April 2026, data from the Department of Energy revealed that the Philippines had ~50 days' worth of fuel inventory. The Department of Energy is also considering requiring oil companies to submit weekly detailed pump pricing reports to enhance transparency amid the Middle East crisis. Meanwhile, police have increased support at gas stations to ensure the smooth distribution of the government's P10 per liter fuel subsidy for public utility vehicle drivers.

ESG

Rest of the world: The EU plans to reduce electricity taxes and accelerate the expansion of clean technologies to reduce consumers' exposure to rising oil and gas prices, as part of its plan to manage the impact of the Middle East conflict. There are also plans to propose an electrification target to push industries to switch from fossil fuels to electricity, and wean off fossil fuels faster to protect the EU from future oil and gas supply disruptions.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors traded 1bps higher and 10Y tenors traded 2bps higher. US Investment Grade spreads traded flat at 78bps and US High Yield spreads widened by 2bps to 271bps respectively. Bloomberg Global Contingent Capital Index tightened by 2bps to 236bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 60bps and Asia USD High Yield spreads tightened by 11bps to 401bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD7.2bn and USD19.75bn respectively.

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

- JPMorgan Chase & Co (among our official coverage) priced USD10bn of debt in four tranches.
- Morgan Stanley (among our official coverage) priced USD10bn of debt in four tranches.
- Electricite de France SA priced USD2.75bn in three tranches.

Among issuers under our official coverage, there was one notable issuer in the DM IG market.

- Allianz SE priced USD750mn of debt in one tranche.

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

- SoftBank Group Corp priced USD1.5bn of debt in three tranches.
- Sompo Holdings Inc priced USD1.3bn of debt in one tranche.
- Australian Metcoal Financing Pty Ltd priced USD900mn of debt in two tranches.

There was one notable issuance in the Singdollar market yesterday.

- PSA Treasury Pte. Ltd. (guarantor: PSA International Pte Ltd) priced a SGD400mn 30Y fixed bond at 2.7%.

Mandates:

- Korea Expressway Corporation may issue a USD-denominated bond offering with expected tenor(s) of 3Y FXD/FRN and/or 5Y FXD.

Equity Market Updates

US: US stocks surged Wednesday as optimism over potential US-Iran peace talks lifted major indices to record highs, with the S&P 500 rising 0.8% to close above 7,000 for the first time since late January, the Nasdaq advancing 1.6% to 24,016, and the Dow slipping 0.2% to 48,464. The rally marked the Nasdaq's 11th consecutive daily gain and extended a two-week rebound from late March lows driven by Iran war concerns. Markets responded to reports that the US and Iran are considering extending their two-week ceasefire to negotiate a lasting peace agreement, with President Trump suggesting the conflict was close to ending. Technology stocks led sector gains, with software names rallying for a third straight session as investors went bottom fishing on hopes the worst of AI disruption fears may be over. Tesla jumped nearly 7% whilst Microsoft and Broadcom also posted strong gains. Bank of America and Morgan Stanley rose after their equity trading desks beat revenue forecasts. Treasury yields climbed 2 to 4 basis points across the curve, with the 10-year yield rising to 4.28% as oil prices stabilised and robust bank earnings lifted the economic outlook. JPMorgan and Morgan Stanley led a USD23.6bn investment-grade bond issuance calendar.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	98.055	-0.07%	USD-SGD	1.2713
USD-JPY	159.00	0.13%	EUR-SGD	1.5000
EUR-USD	1.180	0.03%	JPY-SGD	0.7994
AUD-USD	0.717	0.62%	GBP-SGD	1.7239
GBP-USD	1.356	-0.04%	AUD-SGD	0.9114
USD-MYR	3.958	0.14%	NZD-SGD	0.7515
USD-CNY	6.819	0.05%	CHF-SGD	1.6253
USD-IDR	17140	0.11%	SGD-MYR	3.1116
USD-VND	26334	-0.02%	SGD-CNY	5.3656

Equity and Commodity		
Index	Value	Net change
DJIA	48,463.72	-72.27
S&P	7,022.95	55.57
Nasdaq	24,016.02	376.94
Nikkei 225	58,134.24	256.85
STI	5,021.20	13.63
KLCI	1,683.42	-4.70
JCI	7,623.59	-52.36
Baltic Dry	2,484.00	130.00
VIX	18.17	-0.19

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9920	-0.55%	1M	3.6574
3M	2.2430	1.77%	2M	3.6644
6M	2.4750	1.56%	3M	3.6737
12M	2.7670	2.18%	6M	3.6817
			1Y	3.6784

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.51 (-)	3.75(-)
5Y	1.68 (-)	3.89 (+0.03)
10Y	2.03 (+0.01)	4.27 (+0.04)
15Y	2.08 (+0.02)	--
20Y	2.09 (-)	--
30Y	2.18 (+0.02)	4.89 (+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	0.007	0.200	0.002	3.643
07/29/2026	-0.055	-6.200	-0.014	3.628
09/16/2026	-0.155	-10.000	-0.039	3.602

Financial Spread (bps)		
Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.66

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	91.29	0.0%	Corn (per bushel)	4.513	1.9%
Brent (per barrel)	94.93	0.1%	Soybean (per bushel)	11.670	0.8%
Heating Oil (per gallon)	375.32	3.6%	Wheat (per bushel)	5.938	0.3%
Gasoline (per gallon)	306.92	1.0%	Crude Palm Oil (MYR/MT)	43.590	#DIV/0!
Natural Gas (per MMBtu)	2.61	0.4%	Rubber (JPY/KG)	3.770	0.0%

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13248	-0.3%	Gold (per oz)	4791	-1.0%
Nickel (per mt)	18133	-0.4%	Silver (per oz)	78.96	-0.7%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/16/2026 2:00	US	Fed Releases Beige Book					
4/16/2026 4:00	US	Total Net TIC Flows	Feb	--	\$184.5b	-\$25.0b	-\$38.4b
4/16/2026 4:00	US	Net Long-term TIC Flows	Feb	--	\$58.6b	\$15.5b	\$2.4b
4/16/2026 9:30	CH	New Home Prices MoM	Mar	--	--	-0.28%	--
4/16/2026 9:30	CH	Used Home Prices MoM	Mar	--	--	-0.43%	--
4/16/2026 10:00	CH	GDP YoY	1Q	4.80%	--	4.50%	--
4/16/2026 10:00	CH	Retail Sales YoY	Mar	2.40%	--	--	--
4/16/2026 10:00	CH	Industrial Production YoY	Mar	5.30%	--	--	--
4/16/2026 10:00	CH	Surveyed Jobless Rate	Mar	5.20%	--	5.30%	--
4/16/2026 10:00	CH	Property Investment YTD YoY	Mar	-11.50%	--	-11.10%	--
4/16/2026 14:00	UK	Industrial Production YoY	Feb	-1.00%	--	0.40%	--
4/16/2026 14:00	UK	Manufacturing Production YoY	Feb	-0.30%	--	1.30%	--
4/16/2026 14:00	UK	Trade Balance GBP/Mn	Feb	-£1300m	--	£3922m	--
4/16/2026 17:00	EC	Eurozone Inflation Ticker Update					
4/16/2026 17:00	EC	CPI YoY	Mar F	2.50%	--	2.50%	--
4/16/2026 17:00	EC	CPI MoM	Mar F	1.20%	--	1.20%	--

Source: Bloomberg

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