

Daily Treasury Outlook

Highlights

Global: US equities closed higher on Thursday, buoyed by hopes that tensions in the Middle East may be easing. The Dow, S&P500 and Nasdaq advanced between 0.2% and 0.4% (S&P500: 0.3%; Dow: 0.2%; Nasdaq: 0.4%), with the S&P500 and Nasdaq also reaching fresh all-time highs. Markets responded positively to news of a 10-day ceasefire between Israel and Lebanon, as well as ongoing optimism regarding diplomacy in the broader regional conflict. Even so, intraday trading remained choppy as oil prices climbed again, highlighting that markets still perceive meaningful geopolitical risk beneath the gains. WTI and Brent crude settled higher at USD95/bbl and USD99/bbl, respectively. The two-week ceasefire brokered by Pakistan remains intact, though the situation is still delicate. With the truce set to expire on 22 April, diplomatic efforts are intensifying. Pakistan's army chief arrived in Tehran on Wednesday for talks with Iranian officials aimed at arranging a second round of negotiations between the US and Iran. No date has yet been set for these talks. Separately, Treasury Secretary Bessent warned that the US is preparing to impose secondary sanctions on financial institutions doing business with Iran. On the data front, there was a busy slate of US releases on Thursday. The Philadelphia Fed Manufacturing Business Outlook indicated that "manufacturing activity in the region continued to grow overall," with the general activity index surged to 26.7 in April — far exceeding consensus expectations of 10.3 and up from 18.1 in March. Under the hood, new orders and shipments surged to 33.0 and 34.0 points, respectively. However, price pressures intensified notably, with both the prices paid and prices received indices rising sharply. In contrast, the New York Fed's April Services Business Activity survey still pointed to contraction, albeit at a slower pace. Looking ahead, the New York survey also highlighted that "firms expect little improvement in the next six months." Turning to other US data, initial jobless claims declined by 5.0% to 207k for the week ending 11 April, underscoring the continued resilience of the US labour market despite the disruptions from war in the Middle East. On the other hand, continuing claims rose 1.7% to 1.82mn for the week ending 4 April.

Market Watch: For the day ahead, the calendar looks relatively light. In Asia, Malaysia will release its advance estimate of the 1Q26 GDP, with consensus expecting growth to remain robust at 5.5%, up from the full-year 2025 growth of 5.2%. Alongside this, Malaysia will also release its March CPI figures, with inflation expecting to pick up to 1.7% compared to 1.4% in the previous month.

SG: Singapore's March non-oil domestic exports rose 15.3% YoY on strong AI-driven electronics demand and a low base from 2025, as compared to the 4.0% growth in February. This marks the seventh consecutive month of expansion, with total electronics exports growth at 74% YoY in March from the previous year, driven mainly by integrated circuits (ICs), disk media products and personal computers (PCs). On a yearly basis, total trade expanded by 38.5% in March as both exports and imports grew.

Key Market Movements

Equity	Value	% chg
S&P 500	7041.3	0.3%
DJIA	48579	0.2%
Nikkei 225	59518	2.4%
SH Comp	4055.5	0.7%
STI	5007.8	-0.3%
Hang Seng	26394	1.7%
KLCI	1689.7	0.4%
	Value	% chg
DXY	98.215	0.2%
USDJPY	159.17	0.1%
EURUSD	1.1781	-0.2%
GBPUSD	1.3527	-0.3%
USDIDR	17136	0.0%
USDSGD	1.2729	0.1%
SGDMYR	3.1086	-0.1%
	Value	chg (bp)
2Y UST	3.77	1.23
10Y UST	4.31	2.78
2Y SGS	1.50	-1.10
10Y SGS	2.02	-1.07
3M SORA	1.05	-0.60
3M SOFR	3.67	0.07
	Value	% chg
Brent	99.39	4.7%
WTI	94.69	3.7%
Gold	4790	0.0%
Silver	78.42	-0.7%
Palladium	1555	-0.9%
Copper	13271	0.2%
BCOM	134.39	0.7%

Source: Bloomberg

Major Markets

CH: China's economic growth reaccelerated to 5% in 1Q26 from 4.5% in 4Q25, coming in above market expectations. Despite the energy shock in March, the economy delivered a solid start to the year, supported primarily by the earlier transmission of macro policy easing, which helped offset still-fragile domestic consumption. Looking ahead to 2Q, growth momentum may moderate at the margin. Infrastructure investment could soften as the initial wave of front-loaded fiscal support fades and bond issuance normalizes. In addition, local government debt constraints and weak land sale revenues continue to cap investment appetite. As such, whether infrastructure can remain a reliable growth stabilizer will increasingly depend on stronger central government support.

Against this backdrop, we expect growth to ease to around 4.8% in 2Q. Nevertheless, the economy remains broadly on track to achieve the official 4.5–5% target for the year, and we maintain our full-year growth forecast at 4.7–4.8%. On monetary policy, the combination of cost-push reflation and a stronger-than-expected start reduces the urgency for near-term easing. That said, we continue to expect a 10bps policy rate cut, likely delayed to 2H26. In my view, ongoing efforts to repair banks' net interest margins will be a key precondition, ultimately creating room for further easing to consolidate growth and buffer against rising external uncertainties.

ID: Australia and Indonesia are exploring closer cooperation in the agricultural sector, including potential Australian imports of Indonesian urea fertilizer, as global geopolitical disruptions tighten supply. Deputy Minister of Agriculture Sudaryono said that the closure of the Strait of Hormuz has affected fertilizer distribution worldwide, creating stronger demand for alternative suppliers. Indonesia is well-positioned to capitalise given its domestic urea production capacity of about 9.4mn tons annually, with 2026 output targeted at 7.8mn tons and exportable surplus of ~1.5mn tons after meeting the 6.3mn ton subsidy requirement. In addition to Australia, Indonesian urea is also attracting demand from India, the Philippines, and Brazil, though Deputy Minister Sudaryono emphasised that domestic supply security will remain the top priority before committing to exports. Looking ahead, the government plans to rejuvenate older fertilizer plants to improve efficiency, raise production capacity, and strengthen Indonesia's position in the global fertilizer market.

MY: The Department of Islamic Development Malaysia (Jakim) and Australia's Department of Agriculture, Forestry and Fisheries signed a memorandum of understanding (MOU) on Thursday, marking a key step in enhancing market access and strengthening food security cooperation between the two countries. In 2025, Australia was Malaysia's 12th largest trading partner, with total bilateral trade valued at RM78.6bn. During the discussions, Prime Minister Datuk Seri Anwar Ibrahim emphasised that the significance of the agreement goes beyond policy and directly impacts the people, especially amid rising food prices and strained supply chains. The MOU also focuses on sharing agricultural expertise to benefit both nations.

TH: Bank of Thailand (BoT) Assistant Governor Chayawadee Chai-anant, on the sidelines of the IMF-World Bank spring meetings in Washington, shared that the conflict in the Middle East is materially slowing the Thai economy and cautioned that worst-case scenarios carry "no limits" should the conflict persist. Tourism, a key engine of growth, has weakened considerably, with tourist arrivals from Gulf countries collapsing to near zero in March following airport closures in the region, while visitors from Malaysia have also slipped amid elevated fuel costs. Accordingly, BoT has revised down its 2026 GDP growth forecast to 1.3% under a baseline scenario where the conflict ends in 2H26, down from its earlier projection. Under this baseline scenario, inflation is expected to reach 3.5%. Although the country entered this ongoing crisis in a strong position, she said that the strain on the Thai economy is intense, and even the current account surplus could be revised down sharply or potentially turn into a deficit. Regarding monetary policy, she indicated that rate hikes could only be considered if inflationary pressures prove persistent beyond a year, noting that tightening would do little to address supply-driven inflation.

ESG

ID: Indonesia plans to accelerate the decarbonisation of its cement industry by implementing a decarbonisation strategy based on five key pillars, which include energy and material efficiency, electrification and the use of renewable energy by replacing fossil-fuel-based machinery with electric-based systems, as well as the implementation of carbon capture technologies. In the 2010 baseline, the cement industry had a clinker factor of 81%, a thermal substitution rate (TSR) of 3%, and specific emissions of 724 kg of CO₂ per ton of cement equivalent. With various efficiency and innovative measures, clinker factor has been reduced to 68.1%, TSR increased to 12.58%, while specific emissions dropped to 566.3 kg of CO₂ per ton of cement equivalent. Like many industries, the global cement industry is navigating a complex business environment shaped by urbanisation, decarbonisation and digitalisation, amid heightened geopolitical uncertainty.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2bps lower while belly tenors traded 1-2bps lower and 10Y tenors traded 1bps lower. US Investment Grade spreads widened by 1bps to 79bps and US High Yield spreads widened by 2bps to 273bps respectively. Bloomberg Global Contingent Capital Index tightened by 2bps to 234bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 59bps and Asia USD High Yield spreads tightened by 3bps to 398bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.5bn and USD17.18bn respectively.

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

- Bank of America Corp priced USD10bn of Senior Unsecured debt in five tranches.
- Toronto-Dominion Bank/The priced USD2.8bn of Senior Unsecured debt in three tranches.
- Bank of New York Mellon Corp/The (BK) priced USD1.5bn of Senior Unsecured debt in two tranches.

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

- Zurich Finance Ireland II DAC (guarantor: Zurich Insurance Co Ltd/Japan) priced a USD500mn 30.5NC10.5 subordinated fixed debt at 5.875%.

There was one notable issuer in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

- Malayan Banking Berhad priced a USD600mn 3Y FRN at SOFR+57bps.

There was one notable issuance in the Singdollar market yesterday.

- Perennial Treasury Pte. Ltd. priced a SGD115mn 5Y fixed bond at 5.25%.

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: U.S. equity markets advanced modestly on Thursday, with the S&P 500 rising 0.3% to close at 7,041.28, the Nasdaq Composite gaining 0.4% to 24,102.70, and the Dow Jones Industrial Average increasing 0.2% to 48,578.72. This marked the second consecutive record closing for both the S&P 500 and Nasdaq indices. The Nasdaq extended its winning streak to 12 trading sessions, the longest such run since July 2009, while the S&P 500 posted gains in 11 of the last 12 sessions. Sector performance was led by energy stocks, buoyed by rising oil prices, whereas the healthcare sector lagged following Abbott Laboratories' downward revision of its full-year profit outlook. Microsoft was the primary driver of the S&P 500's gains, appreciating 2.2%, as technology shares continued to attract investor capital amid diminishing concerns over AI-related disruptions. Treasury yields rose, with the 10-year note increasing by 2.9 basis points to 4.308% and the 30-year bond climbing 3.9 basis points to 4.929%, supported by elevated oil prices and stronger-than-expected economic indicators. Initial jobless claims in the U.S. declined by 11,000 to 207,000, representing the largest weekly decrease since February. Meanwhile, the Philadelphia Federal Reserve's business activity index surged to 26.7 from 18.1, significantly exceeding the consensus estimate of 10.0. In geopolitical developments, President Trump announced a 10-day ceasefire between Israel and Lebanon and expressed optimism regarding potential U.S.-Iran negotiations over the weekend, indicating that a deal was imminent.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.215	0.16%	USD-SGD	1.2729
USD-JPY	159.17	0.11%	EUR-SGD	1.4996
EUR-USD	1.178	-0.15%	JPY-SGD	0.7997
AUD-USD	0.716	-0.13%	GBP-SGD	1.7218
GBP-USD	1.353	-0.25%	AUD-SGD	0.9116
USD-MYR	3.955	-0.09%	NZD-SGD	0.7498
USD-CNY	6.823	0.05%	CHF-SGD	1.6243
USD-IDR	17136	-0.02%	SGD-MYR	3.1086
USD-VND	26334	0.00%	SGD-CNY	5.3591

Equity and Commodity

Index	Value	Net change
DJIA	48,578.72	115.00
S&P	7,041.28	18.33
Nasdaq	24,102.70	86.68
Nikkei 225	59,518.34	1384.10
STI	5,007.83	-13.37
KLCI	1,689.71	6.29
JCI	7,621.38	-2.20
Baltic Dry	2,523.00	39.00
VIX	17.94	-0.23

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9980	0.30%	1M	3.6540
3M	2.2400	-0.13%	2M	3.6609
6M	2.4680	-0.28%	3M	3.6698
12M	2.7560	-0.40%	6M	3.6808
			1Y	3.6867

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.5 (-0.01)	3.77(-)
5Y	1.66 (-0.01)	3.92 (+0.02)
10Y	2.02 (-0.01)	4.31 (+0.03)
15Y	2.07 (-0.01)	--
20Y	2.06 (-0.03)	--
30Y	2.15 (-0.02)	4.93 (+0.03)

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	-0.165	-7.000	-0.041	3.600

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.72
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	94.69	3.7%	Corn (per bushel)	4.485	-0.6%
Brent (per barrel)	99.39	4.7%	Soybean (per bushel)	11.638	-0.3%
Heating Oil (per gallon)	383.29	2.1%	Wheat (per bushel)	5.985	0.8%
Gasoline (per gallon)	316.37	3.1%	Crude Palm Oil (MYR/MT)	44.430	#DIV/0!
Natural Gas (per MMBtu)	2.65	1.4%	Rubber (JPY/KG)	3.790	0.5%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13271	0.2%	Gold (per oz)	4790	0.0%
Nickel (per mt)	18239	0.6%	Silver (per oz)	78.42	-0.7%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/17/2026 12:00	MA	CPI YoY	Mar	1.70%	--	1.40%	--
4/17/2026 12:00	SK	Bloomberg April South Korea Economic Survey					
4/17/2026 12:00	MA	GDP YoY	1Q A	5.50%	--	6.30%	--
4/17/2026 15:30	UK	Bloomberg April United Kingdom Economic Survey					
4/17/2026 15:30	TH	Gross International Reserves	10-Apr	--	--	\$281.0b	--
4/17/2026 15:30	TH	Forward Contracts	10-Apr	--	--	\$23.1b	--

Source: Bloomberg

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