

Daily Treasury Outlook

Highlights

Global: Risk sentiment improved overnight as markets shifted their attention back to central bank meetings. The RBA delivered a 25bp rate hike to 4.10% on 17 March, marking its first back-to-back increase since mid-2023 and reinforcing the Board's view that inflation remains stubbornly above target. The decision, which was split, reflected renewed concern over re-accelerating cost pressures, particularly higher energy prices linked to the Iran conflict. Markets are now pricing around a 40% chance of another hike in May, while a move to 4.35% by August is now fully priced in — matching the peak of the 2024 tightening cycle. News flow over the past 24 hours continued to reinforce the message that global inflation pressures remain alive. In Japan, the latest wage negotiations appear to have been largely insulated from the drag of higher U.S. tariffs, as companies remain willing to offer generous pay increases to retain workers amid persistent labour shortages. Rengo, Japan's largest trade union federation representing around 7 million members, will release its first-round tally on 23 March. Its member unions are seeking an average wage increase of 5.94%. Elsewhere, global airlines have started raising airfares to offset the surge in fuel costs. Delta Air Lines' CEO noted that the sharp rise in jet fuel prices had increased the airline's costs by as much as USD400mn in March alone, with the industry moving quickly to pass higher input costs on to consumers.

In Europe, German investor sentiment weakened sharply, with the ZEW expectations index falling to -0.5 in March from 58.3, marking the steepest decline since February 2022. According to ZEW President Achim Wambach, financial market experts are increasingly sceptical that the conflict will be resolved quickly.

On the trade front, a small group of EU lawmakers decided on Tuesday to proceed with a vote on a U.S. trade deal in the European Parliament's trade committee on Thursday. The vote had already been postponed twice — first in January, in protest against Trump's remarks about acquiring Greenland, and again in February after Washington imposed a blanket 10% import surcharge.

Market Watch: For today, ahead of the FOMC decision and the Bank of Canada rate announcement tonight, the market focus will turn to U.S. data releases, including February PPI, January factory orders, and durable goods orders.

Key Market Movements

Equity	Value	% chg
S&P 500	6716.1	0.2%
DJIA	46993	0.1%
Nikkei 225	53700	-0.1%
SH Comp	4049.9	-0.9%
STI	4936.0	1.4%
Hang Seng	25869	0.1%
KLCI	1711.0	0.9%
	Value	% chg
DXY	99.575	-0.1%
USDJPY	159	0.0%
EURUSD	1.1540	0.3%
GBPUSD	1.3356	0.3%
USDIDR	16985	0.0%
USDSGD	1.2763	-0.1%
SGDMYR	3.0662	0.0%
	Value	chg (bp)
2Y UST	3.67	0.25
10Y UST	4.20	-1.75
2Y SGS	1.46	-0.20
10Y SGS	2.13	0.10
3M SORA	1.09	-0.39
3M SOFR	3.69	0.01
	Value	% chg
Brent	103.42	3.2%
WTI	96.21	2.9%
Gold	5006	0.0%
Silver	79.29	-1.8%
Palladium	1607	-0.1%
Copper	12775	-0.6%
BCOM	133.73	1.0%

Source: Bloomberg

Major Markets

CH: Data released by the National Energy Administration suggest that China's power demand remained solid in January–February, with total electricity consumption rising 6.1% YoY to 1,654.6bn kWh. Notably, this marked a 4.7ppt acceleration from the growth pace recorded in the same period last year, pointing to a firmer start to 2026 activity. What stands out to me is the clear shift in the composition of power demand. Electricity consumption in charging and battery-swapping services surged 55.1% YoY, while internet data services jumped 46.2% YoY.

ID: Bank Indonesia (BI) kept its policy rate unchanged at 4.75%, in line with both consensus and our expectations. Against the backdrop of geopolitical tensions and persistent volatility, the currency IDR depreciated versus USD, well in line with regional peers. Heightened geopolitical risks stemming from the Middle East conflict prompted BI to lower its global growth forecast for 2026 to 3.1%, from 3.2% previously, while higher oil prices led the central bank to revise its global inflation forecast up to 4.1%, from 3.8%. These developments have narrowed “the scope for further global monetary policy easing, including the likelihood of additional delays in Fed Funds Rate (FFR) cuts,” according to BI. On domestic fundamentals, BI noted that 1Q26 growth likely “improved,” supported by firmer domestic demand, including stronger household consumption during the festive period, and “acceleration” in government investment. For the full year, BI maintained its 2026 economic growth forecast at 4.9–5.7%. The forward guidance was clear. BI removed reference to looking for further monetary policy space to cut rates. We have taken BI's cue and removed our forecast for a cumulative 50bp rate cut at this juncture. We will continue to assess the situation as it remains fluid.

MY: The Economy Ministry said a Cabinet meeting chaired by Prime Minister Anwar Ibrahim decided to postpone the 30 March launch of the Johor Singapore Special Economic Zone master plan and blueprint in Johor Bahru until a date to be announced. Economy Minister Akmal Nasrullah Mohd Nasir said on 12 March that the ministry was finalising both documents, with the blueprint serving as a general reference and the master plan guiding implementing parties in developing the zone, as reported by The Edge. Separately, the government will grant a 50% toll discount for Class 1 private vehicles on most highways from March 18 to March 19 at a cost of MYR21.0mn, while suspending highway maintenance works from March 18 to March 30 to ease travel during Hari Raya Aidilfitri.

TH: The price of diesel will be raised today (effective 18 March), with further gradual increases planned until it reaches THB33/litre, in order to reduce the burden of subsidies. Deputy PM and Transport Minister Phiphat Ratchakitprakarn reassured the public that the gradual price adjustment would be incremental, rising by no more than THB1/litre at a time. The previous cap was THB29.94/litre, representing a 10% increase. Energy Minister Atthapol Rerkipiboon added that the prices of gasohol 95 and E20 will also be increased on the same day. The Ministry of Energy also apologised for fuel shortages that have disrupted services, including transport and logistics. Director-general of the Energy Business Department, Sarawut Kaewtathip, stated that the country has 101 days' worth of oil reserves, including scheduled deliveries.

VN: Vietnam and China reaffirmed their commitment to deepening strategic trust and advancing comprehensive cooperation at the 17th meeting of the Viet Nam–China Steering Committee for Bilateral Cooperation, co-chaired by Deputy Prime Minister Bui Thanh Son and China Foreign Minister Wang Yi in Ha Noi on 17 March. Both sides pledged to enhance collaboration across trade, infrastructure, agriculture, energy, high technology, people-to-people exchanges and railway connectivity, while promoting more balanced trade and expanded market access for Vietnamese products. They also agreed to manage maritime differences responsibly, respect international law including UNCLOS, and work toward peace, stability and an effective Code of Conduct in the East Sea, as reported by the Government News portal.

ESG

ID: Indonesia and Japan signed a Memorandum of Cooperation (MoC) in two strategic areas, namely critical minerals and nuclear energy, on the sidelines of the Indo-Pacific Energy Security Ministerial and Business Forum. Collaboration in the critical minerals sector will focus on strengthening the global supply chain to improve its reliability and long-term stability, while nuclear energy cooperation will focus on developing low-carbon technologies with high safety standards. Both countries will also continue discussions on strengthening regional energy security, including cooperation in the liquefied natural gas (LNG) and coal supply chains, as well as accelerating energy transition projects under the Asia Zero Emission Community (AZEC) framework, such as the operation of the Sarulla geothermal power plant (PLTP) and the completion of the Legok Nangka PLTSa.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-4bps higher while belly tenors traded 4bps lower and 10Y tenors traded 3bps lower. Global Investment Grade spreads tightened by 3bps to 90ps and Global High Yield spreads tightened by 3bps to 311bps respectively. Bloomberg Global Contingent Capital Index tightened by 3ps to 250bps. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 64bps and Asia USD High Yield spreads widened by 5bps to 401bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.3bn and USD9.5bn respectively.

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

- Augusta SpinCo Corporation priced USD3.5bn of debt in five tranches.
- HSBC Holdings PLC (among our coverage) priced USD2.5bn of debt in two tranches.
- Bunge Ltd Finance Corp priced USD1.2bn of debt in two tranches.
- Anglo American Capital PLC priced USD2.3bn of debt in three tranches.

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

- Sydney Airport Finance Company Pty Limited (guarantors: Multiple Guarantors) priced a USD1bn 10Y secured fixed bond at T+105bps.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: US stocks advanced Tuesday as investors bought the dip for a second consecutive session, shrugging off renewed oil price gains driven by escalating Middle East tensions. The S&P 500 rose 0.2%, the Nasdaq Composite gained 0.5%, and the Dow Jones Industrial Average added 0.1%. Energy shares led the advance as Brent crude climbed 3.2% to USD103.42 per barrel, after Iran attacked more energy infrastructure in the region. The rally marked a shift in market behaviour, with equities climbing despite higher oil prices—a departure from the usual inverse relationship seen since the Iran conflict began. Amazon rose 1.6% after announcing artificial intelligence would double its web services sales to USD600b by 2036, whilst Micron Technology jumped 4.5% ahead of its earnings release. Eli Lilly fell 5.9% after concerns over obesity drug pricing. Treasury yields declined, with the 10-year yield falling 2 basis points to 4.20% as a USD13b 20-year bond auction met solid demand. The EU's reported decision to restart ratification of its delayed US trade deal provided additional support to risk sentiment.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.575	-0.14%	USD-SGD	1.2763
USD-JPY	159.00	-0.04%	EUR-SGD	1.4732
EUR-USD	1.154	0.30%	JPY-SGD	0.8028
AUD-USD	0.711	0.47%	GBP-SGD	1.7050
GBP-USD	1.336	0.27%	AUD-SGD	0.9069
USD-MYR	3.918	-0.26%	NZD-SGD	0.7478
USD-CNY	6.885	-0.08%	CHF-SGD	1.6266
USD-IDR	16985	-0.03%	SGD-MYR	3.0662
USD-VND	26288	0.01%	SGD-CNY	5.3949

Equity and Commodity

Index	Value	Net change
DJIA	46,993.26	46.85
S&P	6,716.09	16.71
Nasdaq	22,479.53	105.35
Nikkei 225	53,700.39	-50.76
STI	4,935.97	67.28
KLCI	1,710.99	14.43
JCI	7,106.84	84.55
Baltic Dry	2,038.00	10.00
VIX	22.37	-1.14

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9580	0.51%	1M	3.6779
3M	2.1570	0.00%	2M	3.6840
6M	2.3120	1.00%	3M	3.6890
12M	2.5400	0.71%	6M	3.6725
			1Y	3.6182

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.46 (-)	3.68(-)
5Y	1.69 (-0.01)	3.79 (-0.01)
10Y	2.13 (-)	4.2 (-0.02)
15Y	2.21 (+0.01)	--
20Y	2.22 (+0.01)	--
30Y	2.28 (+0.02)	4.85 (-0.03)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	0.011	1.100	0.003	3.643
04/29/2026	-0.030	-4.100	-0.008	3.632
06/17/2026	-0.193	-16.300	-0.048	3.592
07/29/2026	-0.410	-21.700	-0.103	3.537
09/16/2026	-0.626	-21.500	-0.156	3.484

Financial Spread (bps)

Value	Change
TED	35.36

Secured Overnight Fin. Rate

SOFR	3.70
------	------

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	96.21	2.9%	Corn (per bushel)	4.540	0.0%
Brent (per barrel)	103.42	3.2%	Soybean (per bushel)	11.570	0.2%
Heating Oil (per gallon)	401.58	4.6%	Wheat (per bushel)	5.898	-1.3%
Gasoline (per gallon)	312.34	4.1%	Crude Palm Oil (MYR/MT)	45.420	-1.8%
Natural Gas (per MMBtu)	3.03	0.3%	Rubber (JPY/KG)	3.750	-4.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12775	-0.6%	Gold (per oz)	5006	0.0%
Nickel (per mt)	17195	-1.5%	Silver (per oz)	79.29	-1.8%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/18/2026 7:00	SK	Unemployment rate SA	Feb	3.00%	2.90%	3.00%	--
3/18/2026 18:00	EC	Eurozone Inflation Ticker Update					
3/18/2026 18:00	EC	CPI YoY	Feb F	1.90%	--	1.90%	--
3/18/2026 18:00	EC	CPI MoM	Feb F	0.70%	--	0.70%	--
3/18/2026 18:00	EC	CPI Core YoY	Feb F	2.40%	--	2.40%	--
3/18/2026 19:00	US	MBA Mortgage Applications	13-Mar	--	--	3.20%	--
3/18/2026 20:30	US	PPI Final Demand MoM	Feb	0.30%	--	0.50%	--
3/18/2026 20:30	US	PPI Ex Food and Energy MoM	Feb	0.30%	--	0.80%	--
3/18/2026 20:30	US	PPI Ex Food, Energy, Trade MoM	Feb	0.30%	--	0.30%	--
3/18/2026 20:30	US	PPI Final Demand YoY	Feb	3.00%	--	2.90%	--
3/18/2026 20:30	US	PPI Ex Food and Energy YoY	Feb	3.70%	--	3.60%	--
3/18/2026 20:30	US	PPI Ex Food, Energy, Trade YoY	Feb	3.40%	--	3.40%	--
3/18/2026 22:00	US	Factory Orders	Jan	0.10%	--	-0.70%	--
3/18/2026 22:00	US	Factory Orders Ex Trans	Jan	0.30%	--	0.40%	--
3/18/2026 22:00	US	Durable Goods Orders	Jan F	0.00%	--	0.00%	--
3/18/2026 22:00	US	Durables Ex Transportation	Jan F	0.40%	--	0.40%	--

Source: Bloomberg

Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html for cross-border marketing disclaimers and disclosures.