

## Daily Treasury Outlook

### Highlights

**Global:** The situation in the Middle East took a turn for the worse overnight as Iran attacked the Ras Laffan Industrial City in Qatar and operations at the Habshan gas facilities in Abu Dhabi were closed. The strikes on these facilities were reported by Iran as a retaliation to the Israeli attack on Iran's South Pars gas field. Brent prices popped to an intra-day Wednesday of just under USD112/barrel before retracing back to USD107.38/barrel. WTI prices are edging closer to USD100/barrel. It is reported that President Trump does not want any further strikes on Iranian energy infrastructure. Reuters reported this morning that the US could be considering deploying troops to the Middle East as an option to secure Kharg island and alleviate the blockade at the Strait of Hormuz. Stress is also building on other key global shipping routes including the Red Sea. Against this backdrop, the US Federal Reserve kept its policy rate unchanged at 3.5-3.75% as widely expected. The situation in the Middle East featured a few times in Fed Chair Powell's media briefing and the official policy statement. Specifically, Powell noted that "near-term measures of inflation expectations have risen in recent weeks, likely reflecting the substantial rise in oil prices caused by supply disruptions in the Middle East." Further, he noted "in the near term, higher energy prices will push up overall inflation, but it is too soon to know the scope and duration of the potential effects on the economy." The Summary of Economic projections showed that forecasts for PCE and core PCE inflation were raised for 2026 to 2.7% from 2.4% and 2.5%, previously. For 2027, PCE and core PCE inflation forecasts were raised to 2.2% from 2.1%. The assessment of the labour market remained that "job gains" remained "low" with the unemployment rate little change in recent months. The unemployment rate for 2027 was marginally higher at 4.3% from 4.2% but unchanged at 4.4% for 2026. The GDP growth outlook, however, was raised across the forecast horizon. The median 'dot plot' still pointed to one 25bp cut for the year.

The pain for Asian economies is becoming real. Retail fuel and gas prices have risen across Philippines, Thailand, Vietnam, and India. Fiscal constraints are becoming more obvious for Indonesia, as Bank Indonesia closed the door on rate cuts. We will gradually remove our rate cut calls for central banks across the region as the shifts in outlook are material. The first line of impact is inflation for economies without subsidies, fiscal balance for those with subsidies and trade balances across the region considering the net petroleum importer status.

**Market Watch:** SNB, BoE, ECB, BoJ and CBC Taiwan are scheduled to meet today. The deluge of central banks is expected to remain on hold. Data releases, albeit backward looking, include Malaysia's February CPI and goods trade data, Australia's February labour market data, the final print of Japan's January industrial production, UK's January labour market data and US new home sales are slated for releases.

### Key Market Movements

Equity	Value	% chg
S&P 500	6624.7	-1.4%
DJIA	46225	-1.6%
Nikkei 225	55239	2.9%
SH Comp	4063.0	0.3%
STI	5002.2	1.3%
Hang Seng	26025	0.6%
KLCI	1729.8	1.1%
	Value	% chg
DXY	100.086	0.5%
USDJPY	159.86	0.5%
EURUSD	1.1452	-0.8%
GBPUSD	1.3257	-0.7%
USDIDR	16985	0.0%
USDSGD	1.2836	0.6%
SGDMYR	3.0690	0.1%
	Value	chg (bp)
2Y UST	3.77	9.93
10Y UST	4.27	6.65
2Y SGS	1.46	-0.60
10Y SGS	2.10	-2.25
3M SORA	1.09	-0.36
3M SOFR	3.69	-0.04
	Value	% chg
Brent	107.38	3.8%
WTI	96.32	0.1%
Gold	4819	-3.7%
Silver	75.37	-4.9%
Palladium	1485	-7.6%
Copper	12396	-3.0%
BCOM	134.47	0.6%

Source: Bloomberg

## Major Markets

**CH:** Since March, dozens of city commercial banks, rural commercial banks, and village banks have successively lowered their time deposit rates, with interest rates on 2-year, 3-year, and 5-year fixed-term deposits generally falling below 2%.

**ID:** The Coordinating Ministry for Economic Affairs said Indonesia is preparing its response to a United States Trade Representative probe into alleged unfair trade practices and forced labor by coordinating with ministries and stakeholders to present supporting evidence. Spokesperson Haryo Limanseto said the government will establish a cross-sectoral team to prepare cases, ensure policy alignment, and engage in consultations with the US agency, while demonstrating compliance with international trade laws and existing regulations. The US administration launched Section 301 investigations on 11 March related to structural excess capacity targeting 16 economies, and on 12 March related to forced labour enforcement targeting up to 60 countries, with Indonesia included in both investigations. Separately, the Indonesian market is closed from 18 March to 24 March for the public holiday, including Eid al-Fitr.

**MY:** Bursa Malaysia said the exchange will close on 20 and 24 March for the Aidilfitri public holidays, with trading to resume on 25 March. The exchange said all Good Till Date and Good Till Cancelled orders due to expire on 20 and 23 March will lapse automatically at 5:30 p.m. on 19 March to ensure orderly settlement and avoid unintended carryover during the long weekend, as reported by The Edge. Elsewhere, the ringgit rose to its strongest level against the Singapore dollar in five years, last seen at 3.0664.

**TH:** House Speaker Sophon Zaram announced that the House of Representatives will convene today to vote for a new prime minister (PM). Bhumjaithai leader Anutin Charnvirakul, currently serving as caretaker prime minister, is widely expected to return to office after his party's strong electoral performance in February. The prime ministerial candidate must secure a majority in the 500-seat house (i.e., more than half, or 251 votes), and caretaker PM Anutin is expected to receive 290 votes from his coalition. House Speaker Sophon stated that once the PM vote is completed and the new cabinet is formed and sworn in, the country will have a fully authorised government capable of addressing national challenges.

## ESG

**Rest of the world:** India is proposing that clean energy firms use only locally made solar ingots and wafers from June 2028, in efforts to reduce Chinese imports. The government has already mandated the usage of locally assembled solar panels in state-run projects even though components like cells, wafers, ingots and polysilicon could be imported. With an existing manufacturing capacity of around 2GW for ingots and wafers, India plans to further strengthen the solar panel manufacturing supply chain with domestically-made components. This can reduce India's reliance on China for solar components and reduce exposure to any shocks in external supply chains.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenors traded 4-5bps lower and 10Y tenors traded 5bps lower. Global Investment Grade spreads tightened by 1bps to 89ps and Global High Yield spreads tightened by 2bps to 309bps respectively. Bloomberg Global Contingent Capital Index tightened by 3ps to 247bps. Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 62bps and Asia USD High Yield spreads tightened by 4bps to 397bps respectively. (Bloomberg, OCBC)

### New Issues:

There was one notable issuance in the Singdollar market yesterday.

- Hotel Properties Ltd priced a SGD150mn PerpNC5 variable subordinated perpetual.

Yesterday, there was no new issue in the APAC IG market, while the DM IG market saw no significant issuers pricing transactions of at least USD1.0bn.

Among issuers under our official coverage, USD200mn were priced in total.

- BNP Paribas SA priced a USD100mn 5Y senior preferred FRN at SOFR+70bps.
- NatWest Markets PLC priced a USD100mn 5Y fixed bond at 4.64%.

### Mandates:

There were no notable mandates yesterday.

## Equity Market Updates

**US:** US stocks tumbled Wednesday as the Federal Reserve held interest rates steady and Chair Jerome Powell warned that escalating Middle East tensions and rising oil prices could push inflation higher, dimming hopes for rate cuts this year. The S&P 500 fell 1.4%, the Nasdaq dropped 1.5%, and the Dow declined 1.6%, marking the benchmark's worst rate-decision day since December 2024. Markets had already been under pressure after February's producer price index rose 0.7%, well above the 0.3% forecast, signalling persistent inflation before the energy shock. An Israeli strike on Iran's South Pars gas field sent Brent crude surging towards USD106, exacerbating inflation concerns. Powell described the situation as "an energy shock of some size and duration" and called service inflation "frustrating," making a 2026 rate cut seem less likely. Treasury yields rose 7 to 10 basis points across the curve, with the 10-year climbing to 4.27%. Separately, President Trump is scheduled to meet Japanese Prime Minister Sanae Takaichi on Thursday after tensions over Japan's refusal to deploy warships to secure the Strait of Hormuz.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.086	0.51%	USD-SGD	1.2836
USD-JPY	159.86	0.54%	EUR-SGD	1.4699
EUR-USD	1.145	-0.76%	JPY-SGD	0.8029
AUD-USD	0.702	-1.14%	GBP-SGD	1.7021
GBP-USD	1.326	-0.74%	AUD-SGD	0.9017
USD-MYR	3.916	-0.05%	NZD-SGD	0.7442
USD-CNY	6.888	0.04%	CHF-SGD	1.6185
USD-IDR	16985	-0.03%	SGD-MYR	3.0690
USD-VND	26300	0.05%	SGD-CNY	5.3706

Equity and Commodity		
Index	Value	Net change
DJIA	46,225.15	-768.11
S&P	6,624.70	-91.39
Nasdaq	22,152.42	-327.11
Nikkei 225	55,239.40	1539.01
STI	5,002.17	66.20
KLCI	1,729.81	18.82
JCI	7,106.84	84.55
Baltic Dry	2,024.00	-14.00
VIX	25.09	2.72

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9420	-0.82%	1M	3.6840
3M	2.1480	-0.42%	2M	3.6936
6M	2.3330	0.91%	3M	3.7021
12M	2.5470	0.28%	6M	3.7101
			1Y	3.7024

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.46 (-0.01)	3.79(--)
5Y	1.67 (-0.02)	3.88 (+0.09)
10Y	2.1 (-0.02)	4.27 (+0.07)
15Y	2.19 (-0.02)	--
20Y	2.2 (-0.02)	--
30Y	2.28 (--)	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	0.041	4.100	0.010	3.652
06/17/2026	-0.041	-8.200	-0.010	3.632
07/29/2026	-0.159	-11.800	-0.040	3.602
09/16/2026	-0.294	-13.600	-0.074	3.569

Financial Spread (bps)		
Value	Change	
TED	35.36	--

  

Secured Overnight Fin. Rate	
SOFR	3.65

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	96.32	0.1%	Corn (per bushel)	4.633	2.0%
Brent (per barrel)	107.38	3.8%	Soybean (per bushel)	11.618	0.4%
Heating Oil (per gallon)	419.78	4.5%	Wheat (per bushel)	6.043	2.5%
Gasoline (per gallon)	309.85	-0.8%	Crude Palm Oil (MYR/MT)	45.020	-0.9%
Natural Gas (per MMBtu)	3.07	1.1%	Rubber (JPY/KG)	3.750	0.0%

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12396	-3.0%	Gold (per oz)	4819	-3.7%
Nickel (per mt)	17151	-0.3%	Silver (per oz)	75.37	-4.9%

Source: Bloomberg, Reuters

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/19/2026 2:00	US	FOMC Rate Decision (Upper Bound)	18-Mar	3.75%	3.75%	3.75%	--
3/19/2026 2:00	US	FOMC Rate Decision (Lower Bound)	18-Mar	3.50%	3.50%	3.50%	--
3/19/2026 2:00	US	Fed Interest on Reserve Balances Rate	19-Mar	3.65%	3.65%	3.65%	--
3/19/2026 2:00	US	Fed Reverse Repo Rate	19-Mar	--	3.50%	3.50%	--
3/19/2026 2:00	US	FOMC Median Rate Forecast: Current Yr	18-Mar	3.38%	3.38%	3.38%	--
3/19/2026 2:00	US	FOMC Median Rate Forecast: Next Yr	18-Mar	3.13%	3.13%	3.13%	--
3/19/2026 2:00	US	FOMC Median Rate Forecast: +2 Yrs	18-Mar	3.13%	3.13%	3.13%	--
3/19/2026 2:00	US	FOMC Median Rate Forecast: Long-Run	18-Mar	3.13%	3.13%	3.00%	--
3/19/2026 4:00	US	Total Net TIC Flows	Jan	--	-\$25.0b	\$44.9b	\$113.9b
3/19/2026 4:00	US	Net Long-term TIC Flows	Jan	--	\$15.5b	\$28.0b	\$96.5b
3/19/2026 9:00	CH	Swift Global Payments CNY	Feb	--	2.74%	3.13%	--
3/19/2026 12:00	MA	CPI YoY	Feb	1.60%	--	1.60%	--
3/19/2026 12:00	MA	Exports YoY	Feb	12.20%	--	19.60%	--
3/19/2026 12:00	MA	Imports YoY	Feb	5.60%	--	5.30%	--
3/19/2026 12:00	MA	Trade Balance MYR	Feb	19.30b	--	21.37b	--
3/19/2026 18:00	EC	Construction Output MoM	Jan	--	--	0.90%	--

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](https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html) for cross-border marketing disclaimers and disclosures.