OCBC Group Research

By Global Markets | 20 February 2026

Daily Treasury Outlook

Highlights

Global: US equities retreated overnight, with the S&P 500 declining 0.3%. The pullback reflected rising geopolitical tensions in the Middle East. Crude oil prices strengthened after President Trump stated that the United States needs to "make a meaningful deal" with Iran, adding that the next 10 days will be critical in determining whether an agreement can be reached. Reports that the US is deploying additional military assets to the region contributed to a higher risk premium in energy markets. Macro data releases were relatively light, though weekly labour market indicators were somewhat more constructive. Initial jobless claims fell to 206k for the week ending 14-Feb, well below the consensus forecast of 225k. Year-to-date, claims are averaging 213.1k, below last year's average of 226.1k. Continuing claims increased slightly to 1.87mn, broadly in line with expectations. Separately, US trade data showed a significant narrowing of the annual bilateral trade deficit with China, which declined to USD202.1bn in 2025 from USD295.5bn in 2024, the smallest gap in about two decades. At the same time, trade deficits with Mexico and Vietnam rose to USD 196.9bn and USD 178.2bn, respectively, from USD 171.9bn and USD 123.5bn in 2024, highlighting the continued realignment of global supply chains in response to extensive tariff measures.

Market Watch: For the day ahead, data releases include Indonesia's 4Q25 current account, Malaysia's January trade performance, and Hong Kong labour data. Later in the US, releases include personal income, personal spending, and PCE prices for December, as well as the advance 4Q25 GDP print. The US Supreme Court will convene for a public non-argument session, and markets will be watching closely for any potential ruling related to Trump's tariffs.

Key Market Movements

Equity	Value	% chg
S&P 500	6861.9	-0.3%
DJIA	49395	-0.5%
Nikkei 225	57468	0.6%
SH Comp	4082.1	0.0%
STI	5001.6	1.3%
Hang Seng	26706	0.0%
KLCI	1752.1	0.6%
	Value	**% chg**
DXY	97.925	0.2%
USDJPY	155.01	0.1%
EURUSD	1.1773	-0.1%
GBPUSD	1.3465	-0.2%
USDIDR	16880	0.0%
USDSGD	1.2683	0.1%
SGDMYR	3.0850	-0.1%
	Value	**chg (bp)**
2Y UST	3.46	-0.22
10Y UST	4.07	-1.54
2Y SGS	1.34	2.40
10Y SGS	1.95	3.32
3M SORA	1.14	-0.21
3M SOFR	3.76	-0.20
	Value	**% chg**
Brent	71.66	1.9%
WTI	66.43	1.9%
Gold	4996	0.4%
Silver	78.51	1.7%
Palladium	1694	-1.2%
Copper	12809	-0.8%
BCOM	118.53	0.6%

Source: Bloomberg

Major Markets

ID: Bank Indonesia held its BI-Rate at 4.75% for a fifth consecutive month, maintaining a cautious stance as it prioritises rupiah stability amid ongoing global volatility. Governor Perry Warjiyo said policy will stay data-dependent, added that that rate cuts remain possible but global uncertainty is still high. Loan growth rose to 9.96% in January from 9.69% in December 2025, though the central bank again urged stronger pass-through of earlier easing to lending rates. BI kept its 2026 GDP forecast at 4.9%–5.7% and expects inflation to remain within target despite near-term base effects. In the Q&A session, deputy governor Thomas Djiwandono noted that "[We] are currently preparing further coordination, including with the Coordinating Ministry for Economic Affairs, the Ministry of Finance, Danantara, and even the OJK moving forward, to build a unified narrative on economic growth [...] that can be tailored for future investors and credit rating agencies."

MY: Headline inflation remained steady at 1.6% YoY in January, unchanged from December 2025. Four groups recorded higher increases in January than in December, including Personal Care, Social Protection & Miscellaneous Goods & Services (6.6% in January 2026 from 5.7% in December 2025), Education (3.2% from 2.8%), Housing, Water, Electricity, Gas and Other Fuels (1.2% from 0.9%), and Recreation, Sport & Culture (0.9% from 0.8%). Meanwhile, the Transport group registered -0.7% in January 2026 compared with 0.1% in December 2025. Excluding food and energy, the core print was unchanged at 2.3% YoY, the same as in December 2025.

PH: Bangko Sentral ng Pilipinas (BSP) cut its benchmark rate by 25 basis points to 4.25%, marking its sixth consecutive policy rate cut. Governor Eli Remolona stressed that the path of further easing will depend on the pace of recovery in economic confidence and growth. While the inflation outlook remains broadly manageable, forecasts for 2026 have edged higher due to temporary supply-side pressures, although expectations remain anchored and inflation is projected to return close to the 3% target by 2027. Economic growth has undershot expectations amid weaker domestic demand, and although indicators point to a recovery in the second half of the year, the BSP reiterated it will remain vigilant and guided by incoming inflation data to ensure policy settings continue to support price stability and sustainable growth.

ESG

ID: Indonesia and Malaysia have agreed to strengthen bilateral cooperation in research and higher education, in the areas of food security, green economy, renewable energy and AI. The ministers of Higher Education from both countries have agreed to establish working groups comprising experts from both countries to advance the areas of cooperation, including researchers affiliated with the Malaysia-Indonesia Academic Consortium. Closer cooperation in these sectors can help deliver long-term environmental and social benefits, through addressing shared challenges such as food security issues for emerging economies.

Credit Market Updates

Market Commentary:
The SGD SORA OIS curve traded flat to higher yesterday with shorter tenors trading 1bps higher while belly tenors traded 1-2bps higher and 10Y traded flat. Global Investment Grade spreads widened by 1bps to 77bps and Global High Yield spreads widened by 3bps to 274bps respectively. Bloomberg Global Contingent Capital Index traded flat at 222bps. Bloomberg Asia USD Investment Grade spreads traded flat at 60bps and Asia USD High Yield spreads tightened by 1bps to 345bps respectively. (Bloomberg, OCBC)

New Issues:
The total issuance volumes for APAC and DM IG market yesterday were zero and USD3.8bn respectively.

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

- Equinix Asia Financing Corp Pte Ltd (guarantor: Equinix Inc) priced USD1.5bn of debt in two tranches.
- Leidos Inc (guarantor: Leidos Holdings Inc) priced USD1.4bn of debt in two tranches.

There were no notable issuers in the APAC USD and Singdollar markets yesterday.

Mandates:
There were no notable mandates yesterday.

Equity Market Updates

US: Stocks gave back part of the previous session's advance, with the S&P 500 and Nasdaq each down 0.3% and the Dow fell 0.5%, as broad but generally modest weakness affected eight of the eleven sectors. Financials (-0.9%) were the weakest, pressured by declines in asset managers after reports that Blue Owl Capital will be halting redemptions in a private debt fund. Information technology (-0.5%) also eased following prior day's outperformance, with EPAM Systems (-17.0%) dropping sharply after earnings and Apple (-1.4%) among the larger-cap laggards. Consumer discretionary (-0.5%) saw mixed earnings reactions, including gains in eBay (+3.1%) but notable falls in Pool (-14.5%), Carvana (-8.0%) and Booking Holdings (-6.2%). Energy (+0.6%) advanced as Brent rose 1.9% to USD71.66 per barrel as of the time of writing amid ongoing tensions between the US and Iran, which also supported defence-related shares such as Huntington Ingalls (+4.3%) and Lockheed Martin (+2.6%). Strength in defence helped lift industrials (+0.8%), alongside a strong post-earnings rally in Deere (+11.6%). Utilities (+1.1%) led the market as investors rotated towards steadier areas, while healthcare (-0.3%) and consumer staples (-0.4%) declined, with Walmart (-1.4%) lower following cautious guidance. Small caps edged higher, with the Russell 2000 gaining 0.2%, while mid caps were flat by the close. Treasury yields were little changed, as markets looked ahead to the upcoming PCE inflation data for further direction on interest rate expectations.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.925	0.23%	**USD-SGD**	1.2683
USD-JPY	155.01	0.13%	**EUR-SGD**	1.4931
EUR-USD	1.177	-0.08%	**JPY-SGD**	0.8182
AUD-USD	0.706	0.20%	**GBP-SGD**	1.7079
GBP-USD	1.347	-0.22%	**AUD-SGD**	0.8951
USD-MYR	3.909	0.23%	**NZD-SGD**	0.7576
			CHF-SGD	1.6364
USD-IDR	16880	-0.02%	**SGD-MYR**	3.0850
USD-VND	25965	-0.02%	**SGD-CNY**	5.4410

Equity and Commodity

Index	Value	Net change
DJIA	49,395.16	-267.50
S&P	6,861.89	-19.42
Nasdaq	22,682.73	-70.90
Nikkei 225	57,467.83	323.99
STI	5,001.56	62.98
KLCI	1,752.11	10.85
JCI	8,274.08	-36.15
Baltic Dry	2,063.00	-32.00
VIX	20.23	0.61

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9210	-0.57%	**1M**	3.6700
3M	2.0060	-0.25%	**2M**	3.6718
6M	2.1410	-0.83%	**3M**	3.6640
12M	2.1980	-0.81%	**6M**	3.6106
			1Y	3.4467

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.34 (+0.02)	3.46(--)
5Y	1.55 (+0.03)	3.64 (-0.01)
10Y	1.95 (+0.03)	4.07 (-0.02)
15Y	2.05 (+0.03)	--
20Y	2.11 (+0.03)	--
30Y	2.16 (+0.03)	4.69 (-0.01)

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	-0.060	-6.000	-0.015	3.624
04/29/2026	-0.225	-16.500	-0.056	3.582
06/17/2026	-0.689	-46.400	-0.172	3.467
07/29/2026	-1.065	-37.600	-0.266	3.372
09/16/2026	-1.606	-54.100	-0.401	3.237

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.73

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	66.43	1.9%	Corn (per bushel)	4.258	-0.3%
Brent (per barrel)	71.66	1.9%	Soybean (per bushel)	11.410	0.7%
Heating Oil (per gallon)	261.47	3.8%	Wheat (per bushel)	5.595	2.3%
Gasoline (per gallon)	200.66	2.0%			
Natural Gas (per MMBtu)	3.00	-0.5%	Rubber (JPY/KG)	3.500	1.4%

Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	12809	-0.8%	Gold (per oz)	4996	0.4%
Nickel (per mt)	17287	0.1%	Silver (per oz)	78.51	1.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
2/20/2026 11:00	SK	South Korea Household Credit	4Q	--	--	KR1968.3t	--
2/20/2026 11:00	ID	BoP Current Account Balance	4Q	-$2587m	--	$4047m	--
2/20/2026 17:00	EC	HCOB Eurozone Services PMI	Feb P	51.9	--	51.6	--
2/20/2026 17:00	EC	HCOB Eurozone Composite PMI	Feb P	51.5	--	51.3	--
2/20/2026 21:30	US	Personal Income	Dec	0.30%	--	0.30%	--
2/20/2026 21:30	US	Personal Spending	Dec	0.30%	--	0.50%	--
2/20/2026 21:30	US	Real Personal Spending	Dec	0.10%	--	0.30%	--
2/20/2026 21:30	US	PCE Price Index MoM	Dec	0.30%	--	0.20%	--
2/20/2026 21:30	US	PCE Price Index YoY	Dec	2.80%	--	2.80%	--
2/20/2026 21:30	US	Core PCE Price Index MoM	Dec	0.30%	--	0.20%	--
2/20/2026 21:30	US	Core PCE Price Index YoY	Dec	2.90%	--	2.80%	--
2/20/2026 21:30	US	GDP Annualized QoQ	4Q A	2.80%	--	4.40%	--
2/20/2026 21:30	US	Personal Consumption	4Q A	2.40%	--	3.50%	--
2/20/2026 21:30	US	GDP Price Index	4Q A	2.80%	--	3.80%	--
2/20/2026 21:30	US	Core PCE Price Index QoQ	4Q A	2.60%	--	2.90%	--
2/20/2026 22:45	US	S&P Global US Manufacturing PMI	Feb P	52.4	--	52.4	--

Source: Bloomberg

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