

Daily Treasury Outlook

Highlights

Global: US equities continued to face downward pressure on Thursday, with the three major indices of S&P500, Dow, and Nasdaq edging lower by between 0.3% and 0.4% (S&P500: -0.3%; Dow: -0.4%; NASDAQ: -0.3%). Intraday trading was volatile as elevated energy prices reignited inflation fears, weighing on sentiment. On the energy front, the latest updates suggest that disruptions are spreading across both oil and gas markets. The Strait of Hormuz remains severely impaired. In Qatar, the damage appears increasingly serious, with QatarEnergy revealing that the damages to Ras Laffan have wiped out 17% of Qatar’s LNG capacity for up to five years. Meanwhile, President Donald Trump warned Iran that the US will “blow up” Iran’s South Pars gas field if strikes against Qatar’s energy facilities continue. So far, Iranian strikes against its Gulf neighbours have been tolerated by the Gulf states, but patience may be wearing thin following a warning by Saudi Foreign Minister Prince Faisal bin Farhan Al Saud. On the central bank front, both the Bank of England (BOE) and European Central Bank (ECB) kept their policy rates unchanged at their 19 March meetings. Both sounded noticeably more cautious due to the impact of the ongoing conflict in the Middle East. The BOE voted unanimously to hold the Bank Rate at 3.75%. The near-term inflation outlook has been revised higher, with the BOE expecting inflation to be close to 3.5% in March and around 3.0% in 2Q26. Regarding the ECB, its message was “the war in the Middle East has made the outlook significantly more uncertain, creating upside risks for inflation and downside risks for economic growth. It will have a material impact on near-term inflation through higher energy prices. Its medium-term implications will depend both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy.” The new ECB staff projections reveal that the baseline headline inflation has been revised higher to 2.6%, while the baseline growth has been revised lower to 0.9%.

Market Watch: For the day ahead, the calendar is relatively light, with Hong Kong’s February CPI and 4Q25 Balance of Payments releases in the afternoon. Accompanying this, the Eurozone will release its January Trade Balance.

Key Market Movements

Equity	Value	% chg
S&P 500	6606.5	-0.3%
DJIA	46021	-0.4%
Nikkei 225	53373	-3.4%
SH Comp	4006.6	-1.4%
STI	4967.6	-0.7%
Hang Seng	25501	-2.0%
KLCI	1720.7	-0.5%
	Value	% chg
DXY	99.232	-0.9%
USDJPY	157.73	-1.3%
EURUSD	1.1589	1.2%
GBPUSD	1.3431	1.3%
USDIDR	16985	0.0%
USDSGD	1.2775	-0.5%
SGDMYR	3.0713	0.1%
	Value	chg (bp)
2Y UST	3.79	1.95
10Y UST	4.25	-1.57
2Y SGS	1.49	3.70
10Y SGS	2.15	4.39
3M SORA	1.08	-0.35
3M SOFR	3.69	-0.04
	Value	% chg
Brent	108.65	1.2%
WTI	95.55	0.1%
Gold	4650	-3.5%
Silver	72.83	-3.4%
Palladium	1452	-2.2%
Copper	12147	-2.0%
BCOM	133.69	-0.6%

Source: Bloomberg

Major Markets

ID: Coordinating Economic Affairs Minister Airlangga Hartarto said President Prabowo Subianto convened top economic ministers to discuss budget conditions and planned efficiency measures across ministries, as reported by Antara News. The government will report on previously reviewed efficiency steps and is assessing initiatives such as a work-from-anywhere scheme as part of the broader effort. Finance Minister Purbaya Yudhi Sadewa said discussions will also cover subsidy allocations and overall fiscal conditions, alongside planned spending cuts targeting expenditures with limited or delayed impact on economic growth. Separately, the government plans to raise coal production targets to cushion energy price pressures, while also reviewing coal export taxes to boost revenue.

MY: Headline inflation eased to 1.4% YoY in February 2026 from 1.6% in January, while core inflation moderated to 2.0% from 2.3%. The slower pace was driven by softer price increases across most categories, including food & beverages (1.3% in February from 1.5% in January), housing & utilities (1.1% from 1.2%), information & communication (0.5% from 0.7%), education (2.8% from 3.2%), health (1.2% from 1.4%), recreation, sports & culture (0.8% from 0.9%), and restaurants & accommodation (2.5% from 3.0%), while transport CPI remained negative (-0.7%, unchanged from January). These more than offset higher CPI readings in personal care, social protection and miscellaneous goods & services (6.9% from 6.6%), as well as alcoholic beverages & tobacco (2.6% from 2.5%). Separately, Bursa Malaysia is closed today and on Monday (23 March) in conjunction with Hari Raya Aidilfitri.

TH: Bhumjaithai Party leader Anutin Charnvirakul has been re-elected as Thailand's prime minister, securing 293 votes out of the 499 seats in parliament. The ruling coalition appears broadly cohesive, with cabinet nominations already submitted. Pheu Thai leader Julapun Amornvivat confirmed that the party has submitted its list of eight ministerial nominees to PM Anutin but declined to provide further information. Both major parties are signalling confidence in completing a full four-year term. Policy priorities are expected to focus on cost-of-living relief amid a challenging macroeconomic environment.

ESG

SG: Singapore and Japan announced the upgrade of Singapore-Japan relations to a Strategic Partnership on 18 March, expanding cooperation in five key pillars including the green transition and energy cooperation. Both countries plan to enhance cooperation on projects that contribute to green energy and the energy transition while maintaining energy security, including in the areas of low-carbon hydrogen and ammonia production, offshore wind, biofuels, sustainable aviation fuels, carbon capture and storage (CCS), nuclear energy, LNG and cross-border electricity imports. There are also plans to expand opportunities for participation in sustainable and transition financing solutions, such as the Financing Asia's Transition Partnership and for the development of the ASEAN Power Grid.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded higher yesterday with shorter and belly tenors trading 5-6bps higher while 10Y tenors traded 4bps higher. Global Investment Grade spreads tightened by 1bps to 88ps and Global High Yield spreads widened by 5bps to 314bps respectively. Bloomberg Global Contingent Capital Index widened by 8ps to 255bps. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 63bps and Asia USD High Yield spreads widened by 14bps to 411bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD300mn respectively.

There were no notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn. Among issuers under our official coverage, there was one notable issuer in the DM IG market.

- Commerzbank AG priced a USD300mn 3Y senior preferred FRN at SOFR+75bps.

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

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: US equities declined on Thursday as escalating conflict in the Middle East triggered a sharp rise in oil prices, heightening stagflation fears and leading to a more hawkish reassessment of Federal Reserve policy. The S&P 500, Nasdaq, and Dow all fell by around 0.3-0.4%, notably breaking below their 200-day moving averages for the first time in over a year. This downturn was driven in part by Iranian strikes on Gulf energy infrastructure, which caused Brent crude oil to surge intraday by as much as 11% before easing, while WTI crude remained near \$100 per barrel.

The energy-driven market volatility weighed heavily on materials stocks, which led the declines, as gold prices fell for a seventh consecutive session amid diminishing expectations for rate cuts. Tesla shares also dropped 3% following UBS's downward revision of its first-quarter delivery forecast. Meanwhile, Treasury yields rose, with the 10-year note climbing 2.5 basis points to 4.28%, reflecting investors' interpretation of Wednesday's Federal Reserve meeting as hawkish. Chair Jerome Powell emphasized that clear inflation progress is necessary before any rate cuts can be considered. Short-term yields saw even sharper moves, with the two-year yield spiking by up to 18 basis points to 3.95% before easing, as markets fully priced out the possibility of rate cuts in 2026.

The ripple effects extended to Asia, where Hong Kong's Hang Seng Index dropped 2.0% to close at 25,500.58, influenced by similar inflation concerns and geopolitical tensions. Overall, the combination of Middle East unrest, surging oil prices, and a firm Fed stance created a challenging environment for equities and safe-haven assets alike, signalling increased market uncertainty going forward.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.232	-0.85%	USD-SGD	1.2775
USD-JPY	157.73	-1.33%	EUR-SGD	1.4803
EUR-USD	1.159	1.20%	JPY-SGD	0.8099
AUD-USD	0.709	0.90%	GBP-SGD	1.7156
GBP-USD	1.343	1.31%	AUD-SGD	0.9054
USD-MYR	3.936	0.51%	NZD-SGD	0.7503
USD-CNY	6.891	0.05%	CHF-SGD	1.6205
USD-IDR	16985	-0.03%	SGD-MYR	3.0713
USD-VND	26290	-0.04%	SGD-CNY	5.3928

Equity and Commodity

Index	Value	Net change
DJIA	46,021.43	-203.72
S&P	6,606.49	-18.21
Nasdaq	22,090.69	-61.73
Nikkei 225	53,372.53	-1866.87
STI	4,967.61	-34.56
KLCI	1,720.71	-9.10
JCI	7,106.84	84.55
Baltic Dry	2,064.00	40.00
VIX	24.06	-1.03

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9400	-0.10%	1M	3.6763
3M	2.1210	-1.26%	2M	3.6930
6M	2.3090	-1.03%	3M	3.7013
12M	2.5280	-0.75%	6M	3.7190
			1Y	3.7357

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.49 (+0.04)	3.79(--)
5Y	1.72 (+0.04)	3.88(--)
10Y	2.15 (+0.04)	4.25 (-0.02)
15Y	2.21 (+0.03)	--
20Y	2.23 (+0.03)	--
30Y	2.32 (+0.04)	4.84 (-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	0.062	6.200	0.016	3.658
06/17/2026	0.039	-2.300	0.010	3.652
07/29/2026	-0.038	-7.700	-0.009	3.632
09/16/2026	-0.078	-4.000	-0.019	3.623

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.62
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	96.14	-0.2%	Corn (per bushel)	4.698	1.4%
Brent (per barrel)	108.65	1.2%	Soybean (per bushel)	11.685	0.6%
Heating Oil (per gallon)	434.20	3.4%	Wheat (per bushel)	6.080	0.6%
Gasoline (per gallon)	312.71	0.9%	Crude Palm Oil (MYR/MT)	45.800	1.7%
Natural Gas (per MMBtu)	3.17	3.3%	Rubber (JPY/KG)	3.750	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12147	-2.0%	Gold (per oz)	4650	-3.5%
Nickel (per mt)	16984	-1.0%	Silver (per oz)	72.83	-3.4%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/20/2026 0:00	US	Household Change in Net Worth	4Q	--	\$2173b	\$6064b	\$6235b
3/20/2026 9:00	CH	5-Year Loan Prime Rate	20-Mar	3.50%	3.50%	3.50%	--
3/20/2026 9:00	CH	1-Year Loan Prime Rate	20-Mar	3.00%	3.00%	3.00%	--
3/20/2026 12:00	SK	Bloomberg March South Korea Economic Survey					
3/20/2026 15:30	TH	Gross International Reserves	13-Mar	--	--	\$288.3b	--
3/20/2026 15:30	TH	Forward Contracts	13-Mar	--	--	\$22.7b	--
3/20/2026 17:00	EC	ECB Current Account SA	Jan	--	--	14.6b	--
3/20/2026 18:00	EC	Trade Balance SA	Jan	--	--	11.6b	--
3/20/2026 18:00	EC	Trade Balance NSA	Jan	--	--	12.6b	--

Source: Bloomberg

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