

Daily Treasury Outlook

Highlights

Global: US equities surged to fresh record highs on Friday, as a near-10% plunge in crude prices triggered a broad-based risk-on rotation. The Nasdaq rose for a 13th consecutive session, marking its longest winning streak since 1992. The rally was initially driven by Iranian Foreign Minister Seyed Abbas Araghchi's post on X, which stated that the Strait was "completely open" to commercial vessels "for the remaining period of the Israel-Lebanon ceasefire." President Trump reinforced the market's optimism, although he also stressed that the US naval blockade of Iranian ports would remain "in full force" until a deal is reached. Against this backdrop, Treasury yields moved lower, with the 2Y yield falling below 3.7% and the 10Y declining to 4.26%, as weaker oil revived the dovish narrative.

That said, Friday's sharp drop in oil was built on the assumption of an "open strait" — and that assumption did not even last 24 hours. Iran's military subsequently reimposed restrictions, while Iranian gunboats reportedly fired on one tanker and another vessel was said to have been struck by an "unknown projectile." The IRGC later stated that Hormuz would remain closed until the US lifts its blockade of Iranian ports. Adding to the tension, Yemen's Houthis warned they could shut the Bab al-Mandeb Strait if President Trump "continues to obstruct peace." In my view, this leaves Monday's dominant trade as at least a partial unwinding of the peace dividend seen at the end of last week.

On the policy side, the IMF's European Department chief said on Friday that, under its reference scenario, the ECB may need to raise rates by around 50bps in 2026 to maintain a neutral stance, before potentially easing again in 2027.

Market Watch: Looking ahead, this week could prove pivotal. The US-Iran two-week ceasefire is due to expire on Wednesday, and with talks still stalled and no new negotiation date announced, the balance of risks remains skewed toward renewed escalation. Elsewhere, Tesla — the first of the Mag-7 names to report this earnings season — is due on Wednesday, while Thursday's flash PMIs will be closely watched for a timely read on global growth momentum.

Key Market Movements

Equity	Value	% chg
S&P 500	7126.1	1.2%
DJIA	49447	1.8%
Nikkei 225	58476	-1.8%
SH Comp	4051.4	-0.1%
STI	4997.9	-0.2%
Hang Seng	26160	-0.9%
KLCI	1695.2	0.3%
	Value	% chg
DXY	98.098	-0.1%
USDJPY	158.64	-0.3%
EURUSD	1.1765	-0.1%
GBPUSD	1.3516	-0.1%
USDIDR	17190	0.3%
USDSGD	1.2694	-0.3%
SGDMYR	3.1069	-0.1%
	Value	chg (bp)
2Y UST	3.71	-6.55
10Y UST	4.25	-6.32
2Y SGS	1.51	1.30
10Y SGS	2.04	2.35
3M SORA	1.05	-0.37
3M SOFR	3.67	0.02
	Value	% chg
Brent	90.38	-9.1%
WTI	83.85	-11.4%
Gold	4830	0.8%
Silver	80.89	3.2%
Palladium	1563	0.5%
Copper	13347	0.6%
BCOM	131.48	-2.2%

Source: Bloomberg

Major Markets

ID: President Prabowo Subianto has established a dedicated economic growth task force through Presidential Decision No. 4 of 2026, formally titled the "Government Program Acceleration for Supporting Advancement of Economic Growth Task Force." Coordinating Minister for Economic Affairs Airlangga Hartarto has been appointed to lead it. Reporting directly to the president, the task force will coordinate economic packages, stimulus measures, and key ministry and agency programmes aimed at boosting the economy. It will also formulate integrated policy responses, monitor budget execution, and swiftly address implementation bottlenecks. Minister Hartarto will be supported by senior cabinet figures, including State Secretary Minister Prasetyo Hadi as the second head of the task force. Additionally, Finance Minister Purbaya Yudhi Sadewa, Investment Minister Rosan Roeslani, and National Development Planning Minister Rachmat Pambudy have been appointed as additional deputies. The wider task force will include 27 ministers and agency heads. The group is required to meet at least once every two months, report regularly to the president, and work closely with government institutions, local administrations, and other stakeholders.

MY: The advance estimate of 1Q26 GDP growth at 5.3% YoY versus 6.3% in 4Q25 was lower than expected (Consensus: 5.5%; OCBC: 5.9%). The slowdown was evident across all key sectors including manufacturing, services and construction. According to the Department of Statistics Malaysia, growth was supported by sustained consumer spending, rising data centre and AI demand as well as resilient services sector growth. Meanwhile, headline CPI picked up to 1.7% YoY in March versus 1.4% in February (Consensus: 1.7%; OCBC: 1.8%) driven by increases in the transportation component (1.6% YoY versus -0.7% in February). Similarly, core CPI was higher at 2.1% YoY in March versus 2.0% in February. On monetary policy, we expect BNM to remain on hold through 2026. The data mix is unlikely to be a major surprise to the central bank, which has already pencilled in slower GDP growth of 4-5% in 2026 compared to 5.2% in 2025. Similarly, BNM expects slightly higher headline CPI at 1.5-2.5% compared to 1.4% in 2025, with core CPI at 1.8-2.3% compared to 2.0% in 2025.

PH: According to the Department of Trade and Industry (DTI), prices of basic necessities and prime commodities will remain unchanged until 10 May, extending previous deferral deadlines in an effort to shield consumers from inflationary pass-through. Trade Secretary Cristina Roque revealed that one company had earlier proposed a price adjustment but later withdrew it. She added that the DTI expects no supply shortages in the coming weeks and urged consumers not to engage in panic buying. The DTI will closely monitor markets daily and continue meeting manufacturers weekly to keep essential goods available and affordable. However, a particular concern is the emerging supply crunch in canned sardines, with the sardines industry warning that local supply is running low and may only last until the end of April, largely due to surging global fuel costs and the recent closed fishing season. To prevent shortages in the domestic market, producers said they will halt sardine exports and prioritise local consumers instead.

TH: During an official visit by Deputy Prime Minister and Foreign Minister Sihasak Phuanketkeow to Oman, both countries agreed to strengthen bilateral ties across defence and energy sectors. On defence, Oman expressed interest in expanding collaboration with Thailand, including plans to procure four Thai-manufactured landing craft vessels. Both sides are exploring a formal memorandum of understanding between their defence ministries to further deepen military cooperation. On energy, both sides reaffirmed their long-standing partnership and discussed ways to bolster Thailand's energy security, particularly given its heavy reliance on imports transiting the Strait of Hormuz. Oman indicated a willingness to supply crude oil from potential production surpluses around June, subject to advance procurement agreements of one to two months. Both sides also discussed natural gas exports, potential cooperation in fertiliser supply and green hydrogen development — an area where Oman has advanced capabilities — as well as the potential development of oil and gas storage facilities in Thailand under long-term procurement arrangements.

ESG

CH: China's National Energy Administration (NEA) has pledged to accelerate the development of its hydrogen industry as a lever to strengthen national energy resilience, signalling a shift from 'pilot demos' to 'scale-up development'. A recent meeting, which was convened to review the progress of hydrogen pilots and outline future tasks, emphasised that hydrogen development must be tailored to local conditions, while urging a push for institutional reforms and specifically calling for innovations in hydrogen-trading mechanisms and green certifications. In December 2025, the NEA designated 41 projects and nine regions as hydrogen-industry pilots, covering the value chain from production and transport to storage and application. Global low-carbon hydrogen advancement has stalled, with many recent project delays and cancellations due to high costs and sluggish demand. With China's expansive scale and lower costs of renewable energy, particularly in solar and wind, China is expected to hold a competitive advantage in hydrogen production. Nonetheless, infrastructure for hydrogen transport must be further developed to address the challenge of geographical imbalances, as current renewable-to-hydrogen projects concentrated in the northern and northwestern regions need to supply industrial hubs in the east and south.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded mixed last Friday with shorter tenors trading 1bps lower to 1bps higher while belly and 10Y tenors traded 1bps higher. US Investment Grade spreads traded flat at 79bps and US High Yield spreads tightened by 5bps to 268bps respectively. Bloomberg Global Contingent Capital Index traded flat at 234bps. Bloomberg Asia USD Investment Grade spreads widened by 2bps to 61bps and Asia USD High Yield spreads widened by 9bps to 407bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market last Friday were zero for both.

There were no notable issuers in the DM IG, APAC USD and Singdollar markets last Friday.

Mandates:

There were no notable mandates last Friday.

Equity Market Updates

US: US stocks rallied strongly on Friday, with the S&P 500 climbing 1.2% to 7,126.06, the Nasdaq rising 1.5% to 24,468.48, and the Dow increasing 1.8% to 49,447.92. This marked the third straight record closing for both the S&P 500 and Nasdaq. The Nasdaq extended its winning streak to 13 trading days, the longest since 1992, and recorded its biggest weekly gain of 6.8% since May 2025. The surge was sparked by Iran's announcement that the Strait of Hormuz was fully open to commercial shipping during a ceasefire, which caused oil prices to drop sharply, WTI crude fell 11% to \$84.68, and Brent crude declined 8.8% to \$90.69. Apple was the largest contributor to the S&P 500's gains, rising 2.6%, while technology stocks led sector performance. Treasury yields also dropped significantly, with the 10-year yield falling 6.4 basis points to 4.250% and the 30-year yield down 5.1 basis points to 4.887%, as lower oil prices increased expectations for interest rate cuts. However, uncertainty returned over the weekend when Iran closed the Strait of Hormuz again, and President Trump warned of severe retaliatory actions if no agreement is reached, while also announcing that US negotiators would head to Pakistan for talks.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	98.098	-0.12%	USD-SGD	1.2694
USD-JPY	158.64	-0.33%	EUR-SGD	1.4926
EUR-USD	1.177	-0.14%	JPY-SGD	0.8004
AUD-USD	0.717	0.18%	GBP-SGD	1.7171
GBP-USD	1.352	-0.08%	AUD-SGD	0.9103
USD-MYR	3.951	-0.10%	NZD-SGD	0.7470
USD-CNY	6.818	-0.06%	CHF-SGD	1.6242
USD-IDR	17190	0.32%	SGD-MYR	3.1069
USD-VND	26337	0.01%	SGD-CNY	5.3665

Equity and Commodity		
Index	Value	Net change
DJIA	49,447.43	868.71
S&P	7,126.06	84.78
Nasdaq	24,468.48	365.78
Nikkei 225	58,475.90	-1042.44
STI	4,997.93	-9.90
KLCI	1,695.21	5.50
JCI	7,634.00	12.62
Baltic Dry	2,567.00	44.00
VIX	17.48	-0.46

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9960	-0.40%	1M	3.6516
3M	2.2040	-1.52%	2M	3.6592
6M	2.4150	-1.55%	3M	3.6684
12M	2.6850	-1.40%	6M	3.6732
			1Y	3.6625

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.51 (+0.01)	3.73(-)
5Y	1.68 (+0.02)	3.85 (-0.07)
10Y	2.04 (+0.02)	4.27 (-0.06)
15Y	2.08 (+0.02)	--
20Y	2.08 (+0.02)	--
30Y	2.18 (+0.02)	4.9 (-0.05)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
04/29/2026	0.005	0.500	0.001	3.643
06/17/2026	-0.044	-4.900	-0.011	3.630
07/29/2026	-0.165	-12.100	-0.041	3.600
09/16/2026	-0.330	-16.500	-0.083	3.559

Financial Spread (bps)		
Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.67

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	83.85	-11.4%	Corn (per bushel)	4.488	0.1%
Brent (per barrel)	90.38	-9.1%	Soybean (per bushel)	11.673	0.3%
Heating Oil (per gallon)	339.74	-11.4%	Wheat (per bushel)	5.913	-1.2%
Gasoline (per gallon)	300.48	-5.0%	Crude Palm Oil (MYR/MT)	43.860	-1.3%
Natural Gas (per MMBtu)	2.67	1.0%	Rubber (JPY/KG)	3.750	-1.1%

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13347	0.6%	Gold (per oz)	4830	0.8%
Nickel (per mt)	18117	-0.7%	Silver (per oz)	80.89	3.2%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/20/2026 9:00	CH	1-Year Loan Prime Rate	20-Apr	3.00%	--	3.00%	--
4/20/2026 9:00	CH	5-Year Loan Prime Rate	20-Apr	3.50%	--	3.50%	--
4/20/2026 12:00	MA	Exports YoY	Mar	14.00%	--	10.80%	--
4/20/2026 12:00	MA	Imports YoY	Mar	12.50%	--	8.20%	--
4/20/2026 12:00	MA	Trade Balance MYR	Mar	26.05b	--	16.71b	--
4/20/2026 17:00	EC	Construction Output MoM	Feb	--	--	-0.10%	-0.10%
4/20/2026 17:00	EC	Construction Output YoY	Feb	--	--	-1.90%	--
4/20/2026 19:30	IN	Eight Infrastructure Industries	Mar	--	--	2.30%	--
4/20/2026	PH	BoP Overall	Mar	--	--	-\$2277m	--

Source: Bloomberg

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