Daily Treasury Outlook

Highlights

Global: Awaiting the upcoming Trump-Xi meeting on Thursday: US Treasury Secretary Bessent and Chinese Vice Premier He Lifeng met yesterday to reportedly discuss a framework to cut tariffs on ~$30bn of goods, with potential relief on Chinese LNG and agricultural goods. looking beyond the optics, an extension of the trade truce and progress on rare-earth supply chains could matter than niceties. In a somewhat uneasy equilibrium, Wall Street recovered on Friday, with the S&P 500 up 0.17%, but closed down 0.1% for the week. Meanwhile, the 10-year Treasury yield hovered around 5% as markets priced in another two hikes by year-end despite the Fed's 25bp hike on Wednesday. US President Trump also signed legislation giving him substantially broader powers to impose tariffs on countries buying Russian oil and gas, potentially raising the cost of energy and trade for China and India in particular. Separately China also left the one- and five-year LPRs unchanged at 3.00% and 3.50% respectively.

Market Watch: Asian markets are likely to range trade today, given a very light economic data calendar. Fed's Goolsbee, ECB's Pametta and BOC's Macklem are also speaking today. For the week ahead, besides the Trump-Xi developments, keep an eye on US flash manufacturing/services PMIs on Wednesday, jobless claims and new-home sales Thursday, and durable goods plus final Michigan sentiment Friday. more importantly, a heavy schedule of Fed speakers could reinforce the hawkish message. Fed's Schmid had earlier opined that "a broad range of goods and services" are showing price growth inconsistent with the 2% target. On earnings, Costco and Accenture are due to report on Thursday. On the central bank front, BI is anticipated to keep its policy rate steady at 5.75% on Wednesday while SNB and Riksbank are also expected to stay on hold on Thursday.

SG: August CPI due on Wednesday will be key to monitor ahead of the upcoming October monetary policy decision — headline CPI may hold at 2.2% YoY but core CPI is likely to accelerate from July's 2.0% to 2.2% YoY, warranting continued policy vigilance.

Major Markets

CN: President Xi Jinping will skip this week's UN General Assembly in New York and instead travel to Washington for talks with President Trump on 24 September. The immediate objective is likely to be preserving the relative stability established under the current US-China trade truce, which is due to expire on 10 November. A potential US$30bn reciprocal tariff-reduction package is among the issues under discussion. Negotiations include possible reductions in Chinese tariffs on US energy products, alongside increased purchases of US agricultural products, while Washington could reduce tariffs on a corresponding basket of Chinese goods. US LNG has emerged as one concrete area under negotiation. Such measures could provide one of the more tangible economic deliverables from the summit, although negotiations remain ongoing. The RMB has also strengthened noticeably ahead of the summit. USD/CNY moved below

Key Market Movements

Equity	Value	% chg
S&P 500	7650.5	0.2%
DJIA	51683	-0.2%
Nikkei 225	65019	1.4%
SH Comp	3911.9	0.9%
STI	5656.1	-0.1%
Hang Seng	24751	0.6%
KLCI	1665.6	-0.5%
	Value	**% chg**
DXY	100.222	0.0%
USDJPY	156.88	0.6%
EURUSD	1.1486	0.1%
GBPUSD	1.3395	0.3%
USDIDR	17742	0.0%
USDSGD	1.2761	0.1%
SGDMYR	3.1952	-0.5%
	Value	**chg (bp)**
2Y UST	4.74	7.92
10Y UST	5.00	6.57
2Y SGS	1.84	-3.40
10Y SGS	2.44	-6.14
3M SORA	1.21	0.45
3M SOFR	3.65	0.26
	Value	**% chg**
Brent	103.87	-0.9%
WTI	100.30	-1.6%
Gold	4379	0.9%
Silver	66.26	1.6%
Palladium	1304	1.7%
Copper	14522	0.2%
BCOM	145.44	-0.4%

Source: Bloomberg

6.70 last week, while the PBOC strengthened its daily fixing to 6.7521 on 18 September, the firmest fixing in several years. The RMB is now trading around a four-year high against the dollar.

AU: RBA Governor Michele Bullock struck a hawkish tone in her opening statement to the House of Representatives Standing Committee on Economics last Friday (18 Sep), warning that “upside risks to inflation were materialising”. She highlighted several sources of inflationary pressure, including the Middle East conflict, the AI investment boom and extreme weather events, and reiterated that the RBA does not want these pressures to become embedded in broader price and wage setting behaviour. On housing, Bullock acknowledged that conditions had softened, but noted that financial stability risks remained contained, with many borrowers having built up considerable saving buffers in recent years.

ID: Secretary of the Coordinating Ministry for Economic Affairs Susiwijono Moegiarso said the government is drawing on Toyota’s experience in technology, human resources and supply chain development to strengthen manufacturing competitiveness and domestic value added, as reported by Antara. Toyota Indonesia has produced 10mn vehicles, including more than 3mn units exported to over 100 countries, while Toyota Group’s cumulative investment has reached around IDR100.0trn, with its ecosystem involving more than 360,000 workers and local content exceeding 80%. Moegiarso said electrified vehicles could expand Indonesia’s value chain across batteries, components, recycling and human resources, while Toyota Motor Manufacturing Indonesia’s IDR1.3trn partnership with CATL covers battery cells and modules, with battery exports targeted to begin in 2H26.

MY: Headline inflation rose to 1.9% YoY in August from 1.8% in July, while core inflation eased to 1.7% from 1.8%. By components, inflation accelerated for food and beverages to 1.9% from 1.8%, housing, water, electricity, gas and other fuels to 2.1% from 1.8%, and transport to 2.0% from 1.4%. Inflation also increased for personal care, social protection and miscellaneous goods and services to 3.2% from 2.9%, while information and communication inflation slowed to 2.6% from 3.4%.

PH: The deficit in the balance of payments (BOP) narrowed to USD596mn, from a deficit of USD1470mn in July 2026. Meanwhile, gross international reserves (GIR) level increased to USD104.8bn (as of end-August 2026) from USD103.3bn (as of end-July 2026). The increase was mainly driven by higher valuations of the Bangko Sentral ng Pilipinas’ (BSP) gold holdings and stronger investment income from abroad. The BSP noted that the GIR level can “cover up to 6.6 months' worth of imports of goods and payments of services and primary income. It can likewise service about 3.3 times the country's short-term external debt based on residual maturity.”

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower last Friday with the shorter tenors trading 1-3bps lower, belly tenors trading 4-5bps lower, and 10Y tenor trading 5bps lower.
- US Investment Grade tightened by 1bps to 75bps, and US High Yield spreads tightened by 2bps to 267bps respectively. Bloomberg Global Contingent Capital spreads tightened by 1bps to 201bps.
- Bloomberg Asia USD Investment Grade spread tightened by 3bps to 53bps, and the Asia USD High Yield spreads tightened by 9bps to 323bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market last Friday.
- APAC and DM IG markets were USD216mn and USD250mn respectively last Friday (prior day: USD500mn and USD19.5bn).

Credit Headlines:

- **Qantas Airways (QANAU):** About 600 ground and freight workers plan to strike this week over better wages and job security. The union is seeking an enterprise agreement for all ground staff, with negotiations ongoing. The dispute comes after Qantas was previously found to have unlawfully dismissed around 1,800 ground workers, resulting in a fine and compensation payments to affected workers.

Equity Market Updates

US: US stocks ended Friday mixed as investors digested the Federal Reserve's first interest rate hike in more than three years, with the Nasdaq edging up 0.4%, the S&P 500 gaining 0.2%, and the Dow slipping 0.2%. The 25-basis point hike was unanimous and fully priced in, but Chair Kevin Warsh's press conference struck a hawkish tone, rattling markets mid-week before a partial recovery. The 10-year Treasury yield closed near 5.00%, rising approximately 6 basis points on the day, as front-end yields surged 7 to 8 basis points in a bear-flattening move, with the two-year yield climbing to nearly 4.75%, its highest since July 2024. Kansas City Fed President Schmid reinforced the hawkish stance, stating inflation remains too high even excluding energy, and that further tightening may be warranted. A slide in oil prices for a third consecutive session provided some cushion to equities, whilst technology and software stocks outperformed, supported by strong earnings and renewed optimism after AI leaders called for a pause in developing their most powerful models. Saudi Arabia's East-West pipeline attack drove North Sea crude premiums to record highs, adding to energy market uncertainty.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	100.222	-0.03%	**USD-SGD**	1.2761
USD-JPY	156.88	0.58%	**EUR-SGD**	1.4657
EUR-USD	1.149	0.09%	**JPY-SGD**	0.8133
AUD-USD	0.712	0.14%	**GBP-SGD**	1.7094
GBP-USD	1.340	0.27%	**AUD-SGD**	0.9093
USD-MYR	4.083	-0.41%	**NZD-SGD**	0.7303
USD-CNY	6.698	-0.13%	**CHF-SGD**	1.5523
USD-IDR	17742	-0.03%	**SGD-MYR**	3.1952
USD-VND	26018	0.06%	**SGD-CNY**	5.2496

Equity and Commodity

Index	Value	Net change
DJIA	51,682.64	-95.40
S&P	7,650.50	12.74
Nasdaq	26,522.54	104.24
Nikkei 225	65,018.95	882.70
STI	5,656.11	-4.41
KLCI	1,665.56	-9.18
JCI	6,441.16	-21.27
Baltic Dry	3,370.00	34.00
VIX	14.81	-0.63

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4730	-0.08%	**1M**	3.8987
3M	2.6200	-0.49%	**2M**	3.9625
6M	2.9780	0.54%	**3M**	4.0257
12M	3.3430	-0.06%	**6M**	4.1995
			1Y	4.4938

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.84 (-0.03)	4.74(--)
5Y	2.13 (-0.05)	4.86 (+0.08)
10Y	2.44 (-0.06)	5 (+0.07)
15Y	2.47 (-0.06)	--
20Y	2.42 (-0.05)	--
30Y	2.47 (-0.04)	5.33 (+0.04)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.927	92.700	0.232	3.857
10/28/2026	0.554	55.400	0.138	4.023
12/09/2026	1.319	76.500	0.330	4.214

Secured Overnight Fin. Rate

SOFR	3.85

Commodities Futures

Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	100.30	-1.6%	Corn (per bushel)	5.275	-0.6%
Brent (per barrel)	103.87	-0.9%	Soybean (per bushel)	13.035	-1.2%
Heating Oil (per gallon)	505.78	-1.1%	Wheat (per bushel)	7.143	-1.8%
Gasoline (per gallon)	352.76	0.6%	Crude Palm Oil (MYR/MT)	46.980	-0.3%
Natural Gas (per MMBtu)	2.91	0.4%	Rubber (JPY/KG)	4.550	-1.6%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14522	0.2%	Gold (per oz)	4379	0.9%
Nickel (per mt)	16182	-0.7%	Silver (per oz)	66.26	1.6%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/21/2026 7:01	UK	Rightmove House Prices MoM	Sep	--	0.70%	-2.00%	--
9/21/2026 7:01	UK	Rightmove House Prices YoY	Sep	--	-0.80%	-1.00%	--
9/21/2026 8:00	SK	Imports 20 Days YoY	Sep	--	26.70%	19.00%	--
9/21/2026 8:00	SK	Exports 20 Days YoY	Sep	--	78.30%	56.00%	--
9/21/2026 16:30	HK	BoP Current Account Balance	2Q	--	--	$36.44b	$38.46b
9/21/2026 16:30	HK	BoP Overall	2Q	--	--	$35.16b	--
9/21/2026 18:30	US	Fed's Goolsbee Speaks at Event					
9/21/2026 19:30	IN	Core Industries Output YoY	Aug	--	--	5.40%	--
9/21/2026 20:30	US	Chicago Fed Nat Activity Index	Aug	-0.04	--	-0.08	--

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.