

Daily Treasury Outlook

Highlights

Global: There were no first-tier releases overnight, but second-tier indicators painted a less reassuring picture of underlying demand. US September housing starts fell 5.2% MoM, with single-family starts declining 4.6%, while Germany's October ZEW expectations index dropped 6.6 points to 28.1 despite improved current conditions. Given the index's negative correlation with oil prices, sustained energy-price pressures could see it revisit April's low of -17.2. UK unemployment fell to 4.7% in the three months to August, down 0.1 percentage point from the previous quarter, while the employment rate rose to 75.3%. However, quarterly payroll employment fell by 37k and vacancies recorded their largest decline since the start of the year, tempering signs of labour-market improvement. Despite these subdued economic signals, risk sentiment improved: the Russell 2000 rose 1.65%, the S&P 500 gained 0.28% and the Nasdaq 100 slipped 0.13%. More than 400 S&P 500 constituents advanced, pointing to broader market participation. The Treasury curve flattened modestly as the two-year yield edged up around 1bp to 4.78% and the ten-year yield fell roughly 3bps to 5.11%. Meanwhile, reports of a possible resumption of US-Iran negotiations weighed on oil, with WTI settling 1.8% lower at USD101.79/bbl.

Market Watch: Today's releases include UK September CPI and public finance figures and Japan's September trade data. South Korea's first 20 days October export growth was 105.4% YoY while imports grew 42.8%. Bank Indonesia meets this afternoon, and we expect a 25bp hike from BI, with consensus evenly split between a hold and a hike.

Major Markets

MY: Prime Minister Anwar Ibrahim said the government aims to table and pass the State-Owned Enterprises Bill by year-end to tighten oversight of government-owned companies, statutory bodies and agencies entrusted with public funds. Speaking in Parliament on 20 Oct, PM Anwar said the legislation would impose stricter rules on entities, including Bumiputera agencies, to prevent financial irregularities and strengthen accountability, as reported by The Star. He cited breaches of existing rules that had resulted in losses amounting to billions of ringgit, while emphasising the need for stronger governance of public assets. Separately, Malaysia is considering a temporary waiver of the export tax on crude palm oil to support shipments and reduce record-high inventories, as reported by Bloomberg.

ID: The Financial Services Authority (OJK) reiterated its commitment to capital-market reforms as authorities responded to MSCI's consultation on a possible downgrade to Standalone Market status. OJK Chair Friderica Widyasari Dewi said the regulator had strengthened disclosures of shareholdings above 1%, introduced high shareholding concentration (HSC) monitoring, expanded investor classifications to 39 categories and raised the minimum free-float requirement to 15%, with a transition period for listed companies. Following talks

Key Market Movements

Equity	Value	% chg
S&P 500	7712.6	0.3%
DJIA	52496	1.0%
Nikkei 225	64075	-1.3%
SH Comp	3735.4	0.1%
STI	5404.0	-0.1%
Hang Seng	23868	-1.3%
KLCI	1599.6	0.2%

	Value	% chg
DXY	101.701	-0.3%
USDJPY	158.17	-0.2%
EURUSD	1.1237	0.2%
GBPUSD	1.3380	0.6%
USDIDR	17987	-0.3%
USDSGD	1.2775	-0.2%
SGDMYR	3.1931	0.1%

	Value	chg (bp)
2Y UST	4.78	0.42
10Y UST	5.11	-3.12
2Y SGS	1.89	1.50
10Y SGS	2.40	4.18
3M SORA	1.25	0.13
3M SOFR	3.74	0.29

	Value	% chg
Brent	108.79	-0.7%
WTI	101.79	-1.8%
Gold	4125	-0.4%
Silver	57.94	1.5%
Palladium	1105	-1.3%
Copper	14421	0.6%
BCOM	143.33	-0.5%

Source: Bloomberg

with MSCI on 19 Oct, the Indonesia Stock Exchange said it plans to exclude 80 HSC stocks, representing around 18% of the Jakarta Composite Index (JCI), from index calculations without delisting them. The exchange will also add affiliation details to disclosures of shareholders holding at least 1%. The JCI rebounded 5.7% on 20 Oct after sharp declines in the previous two sessions. Elsewhere, we expect Bank Indonesia to raise its policy rate by 25bp to 6.00% today (3pm SGT).

TH: Deputy Prime Minister and Finance Minister Ekniti Nitithanprapas attended the 33rd APEC Finance Ministers' Meeting in Hong Kong on 20 October 2026, with digital infrastructure financing and Thailand's OECD accession among his priorities. Minister Ekniti took part in a working lunch with the APEC Business Advisory Council and finance ministers from the 21 member economies, where discussions focused on mobilising funding for digital infrastructure to strengthen productivity and economic development. On the sidelines, Minister Ekniti met OECD Secretary-General Mathias Cormann to reaffirm Thailand's readiness and commitment to membership. Thailand began its accession process in 2024 and is undergoing technical reviews of its laws, policies and practices, with Secretary-General Mathias noting in Bangkok earlier this month that 25 OECD committees are working with the country.

TW: September export orders surged 62.4% YoY to a record USD114.2bn, beating market expectations for a 58.7% increase. Growth moderated from 71.4% in August but marked the 20th consecutive month of expansion. The strong increase was largely driven by AI-related demand, with electronic product orders jumping 71.0% YoY to USD47.4bn, supported by demand for IC manufacturing, chip design and memory products. ICT orders rose an even stronger 87.3% YoY to USD43.9bn, reflecting continued demand for AI servers, high-performance computing and cloud applications. Together, electronics and ICT accounted for roughly 80% of total export orders in September. The strength was also broad-based across major markets, including the US (79.4% YoY), Europe (68.0% YoY), China (48.5% YoY) and Japan (35.5% YoY). One area of weakness was optical equipment, where orders fell 5.6% YoY to USD2.0bn amid softer demand for flat-panel displays.

Sustainability

SG: Singapore and Qatar renewed an energy cooperation agreement covering liquefied natural gas (LNG) and low-carbon technologies, aimed at strengthening energy security and facilitating stable LNG procurement supply chains amid recent market disruptions. Qatar accounts for around 25% of Singapore's LNG imports, while imported natural gas supplies around 95% of Singapore's electricity generation. Given Singapore's high dependence on imported natural gas for power generation, stronger partnerships with key suppliers such as Qatar can help mitigate supply risks amid geopolitical and market volatility, while cooperation on low-carbon technologies supports Singapore's long-term decarbonisation efforts.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday; shorter tenors traded 3-4bps higher, belly tenors traded 4bps higher, and 10Y tenor traded 5bps higher.
- US Investment Grade spreads widened by 1bps to 86bps, and US High Yield spreads widened by 3bps to 332bps. Bloomberg Global Contingent Capital spreads traded widened by 6bps to 243bps.
- Bloomberg Asia USD Investment Grade spread widened by 2bps to 65bps, and the Asia USD High Yield spreads widened by 5bps to 378bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- There were USD1.25bn and USD3.5bn issuances in the APAC and DM IG markets respectively (prior business day: zero and USD10.4bn respectively).
- Issuance in APAC markets were led by PLS Group Ltd, which priced a USD700mn 6NC2.5 bond at 8%, while DM IG markets were led by Bank of America Corp, which issued a USD2bn PerpNC5 priced at 7.2%.

Credit Headlines:

- **Barclays Plc (BARC):** The PRA is reviewing whether Barclays classified certain total return swaps referencing illiquid private-credit loans in the trading book instead of the banking book; reclassification could increase RWAs and reduce its CET1 ratio, but the affected portion of its GBP15bn private-credit exposure is undisclosed.
- **Keppel Ltd / Keppel REIT (KEPSP / KREITS):** Keppel will sell its 51% stake in the entity holding Keppel South Central to KREIT for ~SGD611mn, with a total acquisition cost of ~SGD627.1mn; completion is expected in 2Q2027, subject to unitholder approval, and pro forma aggregate leverage is expected at 39.2%.
- **Woodside Energy Group Ltd (WDSAU):** Commissioning at the 98%-complete Scarborough LNG project has resumed following a protest-related pause, with the project remaining on budget and targeting first LNG cargo in 4Q2026.
- **National Australia Bank Ltd (NAB):** NAB plans to cut up to 2,500 roles, or approximately 6% of its workforce, and expects an AUD300mn pre-tax restructuring charge in FY2027.
- **BHP Group Limited (BHP):** In 1QFY2027, copper production declined 18.8% y/y, while iron ore, steelmaking coal and energy coal production increased 3.7%, ~1% and 25.7%, respectively; FY2027 production guidance remained unchanged.

Equity Market Updates

US: US stocks closed mixed on Tuesday as strong corporate earnings broadly supported sentiment, though weakness in communication services and technology capped gains. The Dow jumped 1.0%, its best single-day

performance in over a month, whilst the S&P 500 edged up 0.3% and the Nasdaq was essentially flat, slipping less than 0.1%. Health care and real estate led sectoral gains, each rising more than 2%, whilst financials added 1.1%, buoyed by MSCI Inc. beating third-quarter adjusted earnings estimates. Weaker-than-expected housing data provided some offset to equity optimism, with US pending home sales falling 7.3% in September to a record low since records began in 2001, and housing starts declining 5.2% to a four-month low, both missing Bloomberg consensus estimates. Treasury yields twist flattened, with the 2-year yield rising approximately 2.6 basis points to 4.79% whilst the 10-year yield fell to around 5.12% and the 30-year declined to 5.43%, as lower oil prices eased inflation expectations and weak housing data supported the long end. In after-hours trade, Super Micro Computer's strong preliminary sales figures lifted AI-adjacent stocks, with Dell and Hewlett Packard Enterprise each rising more than 5%. Notably, Chinese firms including Tencent, Alibaba, and ByteDance reportedly ordered more than USD35b in Nvidia chips, though Nvidia indicated it cannot guarantee fulfilment of all orders. China's 10-year sovereign bond yield hit a record low at auction on 20 Oct 2026.

Foreign Exchange

	Day Close	% Change		Day Close
DX	101.701	-0.27%	USD-SGD	1.2775
USD-JPY	158.17	-0.21%	EUR-SGD	1.4356
EUR-USD	1.124	0.21%	JPY-SGD	0.8078
AUD-USD	0.700	0.33%	GBP-SGD	1.7095
GBP-USD	1.338	0.56%	AUD-SGD	0.8947
USD-MYR	4.082	-0.02%	NZD-SGD	0.7263
USD-CNY	6.678	-0.05%	CHF-SGD	1.5494
USD-IDR	17987	-0.31%	SGD-MYR	3.1931
USD-VND	25876	-0.08%	SGD-CNY	5.2267

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4150	-0.70%	1M	3.9348
3M	2.6430	0.04%	2M	3.9920
6M	2.9940	0.81%	3M	4.0670
12M	3.2330	0.56%	6M	4.2313
			1Y	4.5148

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.149	14.900	0.037	3.918
12/09/2026	1.021	87.100	0.255	4.135
01/27/2027	1.489	46.900	0.372	4.253
03/17/2027	2.201	71.100	0.550	4.430

Equity and Commodity

Index	Value	Net change
DJIA	52,495.88	529.85
S&P	7,712.57	21.84
Nasdaq	26,424.82	-6.07
Nikkei 225	64,075.42	-841.28
STI	5,404.02	-7.98
KLCI	1,599.58	3.83
JCI	5,278.89	282.28
Baltic Dry	2,546.00	35.00
VIX	17.31	-1.13

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.89 (+0.01)	4.79(--)
5Y	2.18 (+0.04)	4.93 (-0.01)
10Y	2.4 (+0.04)	5.13 (-0.03)
15Y	2.45 (+0.03)	--
20Y	2.4 (+0.03)	--
30Y	2.42 (+0.02)	5.44 (-0.05)

Secured Overnight Fin. Rate

SOFR 3.87

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	101.79	-1.8%	Corn (per bushel)	4.620	-1.1%
Brent (per barrel)	108.79	-0.7%	Soybean (per bushel)	12.483	-0.4%
Heating Oil (per gallon)	492.50	0.1%	Wheat (per bushel)	6.433	-1.8%
Gasoline (per gallon)	311.72	-2.3%	Crude Palm Oil (MYR/MT)	45.950	1.8%
Natural Gas (per MMBtu)	2.96	-3.1%	Rubber (JPY/KG)	4.712	0.3%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14421	0.6%	Gold (per oz)	4125	-0.4%
Nickel (per mt)	15662	0.9%	Silver (per oz)	57.94	1.5%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/21/2026 5:00	SK	PPI YoY	Sep	--	7.70%	7.90%	--
10/21/2026 7:50	JN	Trade Balance	Sep	-¥210.4b	-¥536.6b	-¥1105.6b	-¥1111.9b
10/21/2026 7:50	JN	Exports YoY	Sep	21.30%	16.70%	19.30%	--
10/21/2026 8:00	SK	Exports 20 Days YoY	Oct	--	105.40%	78.30%	--
10/21/2026 14:00	UK	CPI MoM	Sep	0.30%	--	0.50%	--
10/21/2026 14:00	UK	CPI YoY	Sep	3.40%	--	3.10%	--
10/21/2026 14:00	UK	CPI Core YoY	Sep	2.80%	--	2.60%	--
10/21/2026 14:00	UK	Retail Price Index	Sep	422	--	421.6	--
10/21/2026 14:00	UK	RPI MoM	Sep	0.10%	--	0.60%	--
10/21/2026 14:00	UK	RPI YoY	Sep	3.90%	--	3.40%	--
10/21/2026 14:00	UK	RPI Ex Mort Int.Payments (YoY)	Sep	--	--	3.30%	--
10/21/2026 14:00	UK	Public Finances (PSNCR)	Sep	--	--	10.0b	--
10/21/2026 14:00	UK	Public Sector Net Borrowing	Sep	24.0b	--	18.3b	--
10/21/2026 14:00	UK	PSNB ex Banking Groups	Sep	--	--	18.3b	--

Source: Bloomberg

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