Daily Treasury Outlook

Highlights

Global: Positive headlines on US-China summit, together with further pullback in energy prices and easing longer-end treasury yields, buoyed the overall risk sentiment. US equities were firmly higher, with the excitement around Meta AI agent Muse driving the AI trade. The S&P500 and Nasdaq ended the day higher by 1.5% and 2.3% respectively. US treasury curve flattened, and dollar was modestly firmer on Monday. Brent crude prices fell for the fourth consecutive session, the longest losing streak since June, amid reports of increased shipments through the Strait of Hormuz and hopes for diplomatic efforts to end the war in Iran.

US delegates described talks with China over the past weekend as "very successful", while the US has reportedly proposed extending the trade truce by six months. Prior to the meeting between Bessent and He Lifeng, China's state-owned firms reportedly purchased at least four cargoes of soybean (260k tonnes) as a friendly gesture, laying groundwork for a successful Trump-Xi summit this week. On the other hand, the overnight Fed commentary was fairly mixed, with St Louis's Musalem said to eye further policy restraint while Chicago's Goolsbee stayed optimistic on getting inflation back to the 2% target.

Data calendar was light on Monday. Chicago Fed National Activity Index fell to -0.04 in August, from the upwardly revised reading of 0.08 in July, with negative contribution from production and employment- related indicators. UK Rightmove house prices rebounded by 0.7% MoM to the national average asking price of GBP367k in September, the first MoM gain in three months.

Market Watch: Asian markets are likely to trade with a constructive tone this morning, while Japan market remains closed for holiday. Today's key releases include Taiwan's August unemployment rate and export orders, the Euro area's September consumer confidence, the UK's public sector net borrowing, and the US September Richmond Fed manufacturing index.

Major Markets

ID: Energy and Mineral Resources Minister Bahlil Lahadalia said Indonesia can eliminate finished gasoline imports once the country implements an E50 bioethanol mandate, after President Prabowo Subianto instructed the National Energy Council to prepare a roadmap toward the 50 per cent ethanol blend. The roadmap starts with E10 in 2027, advances to E20 in 2028 and eventually scales up to E50, with the government identifying sugarcane, cassava and corn as domestic feedstocks, as reported by Antara news. Minister Bahlil said the programme must rely on domestic agricultural supply rather than imported bioethanol, while the government also plans to accelerate exploration of domestic oil basins and blocks and optimise aging wells to raise crude production.

MY: The number of monthly salaries and wages recipients rose to 12.01 million persons in 2025 from 11.96 million in 2024, while Malaysian citizens accounted

Key Market Movements

Equity	Value	% chg
S&P 500	7764.7	1.5%
DJIA	52049	0.7%
Nikkei 225	65019	0.0%
SH Comp	3949.9	1.0%
STI	5675.2	0.3%
Hang Seng	25043	1.2%
KLCI	1666.9	0.1%

	Value	% chg
DXY	100.429	0.2%
USDJPY	157.36	0.3%
EURUSD	1.1465	-0.2%
GBPUSD	1.3367	-0.2%
USDIDR	17838	0.5%
USDSGD	1.2759	0.0%
SGDMYR	3.1968	0.1%

	Value	chg (bp)
2Y UST	4.75	0.29
10Y UST	4.95	-4.51
2Y SGS	1.86	1.80
10Y SGS	2.44	-0.34
3M SORA	1.22	1.17
3M SOFR	3.66	0.78

	Value	% chg
Brent	100.34	-3.4%
WTI	95.78	-4.5%
Gold	4343	-0.8%
Silver	66.03	-0.3%
Palladium	1309	0.4%
Copper	14661	1.0%
BCOM	144.49	-0.6%

Source: Bloomberg

for 10.38 million persons or 86.4 per cent of all full time paid employees. Mean monthly salaries and wages for citizens rose 4.1 per cent to MYR3,803.0, while the median increased 5.3 per cent to MYR2,940.0. Services accounted for 71.5 per cent of wage recipients and increased 1.8 per cent to 7.42 million persons, while skilled employees represented 36.6 per cent of recipients and recorded the highest mean monthly salaries and wages at MYR5,799.0.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded flat to lower yesterday with the shorter tenors trading flat, belly tenors trading 0-1bps lower, and 10Y tenor trading 1bps lower.
- US Investment Grade tightened by traded flat at 75bps, and US High Yield spreads tightened by 3bps to 264bps respectively. Bloomberg Global Contingent Capital spreads widened by 3bps to 204bps.
- Bloomberg Asia USD Investment Grade spread widened by 1bps to 54bps, and the Asia USD High Yield spreads widened by 4bps to 327bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- APAC and DM IG markets were USD3.5bn and USD8.9bn respectively yesterday (prior day: USD216mn and USD250mn). Issuances in APAC were led by Australia and New Zealand Banking Group Ltd (priced USD1.6bn across two tranches), and issuances in DM IG markets were led by Toronto-Dominion bank (priced USD3.75bn across four tranches).

Credit Headlines:

- **Suntec REIT (SUNSP):** Following its sponsor change, SUNSP is reviewing its portfolio to improve returns and balance-sheet strength, exploring further Singapore investments while launching the sale of three fully occupied Australian properties valued at AUD1.2bn, which could reduce aggregate leverage below 40% and support acquisitions, unit buy-backs or capital distributions.
- **Macquarie Group Ltd (MQGAU):** Macquarie Capital is reducing staff in its infrastructure principal investment unit following a prolonged deal slowdown and restructuring, with the smaller team shifting towards larger digital infrastructure and energy investments of at least AUD100mn each.
- **AIMS APAC REIT (AAREIT):** AAREIT increased the maximum bonds and perpetuals issuable under its multicurrency debt issuance programme from SGD750mn to SGD2bn.

Equity Market Updates

US: US stocks advanced Monday as a confluence of AI optimism, easing geopolitical tensions, and falling oil prices drove broad-based gains, with technology leading the charge. The S&P 500 jumped 1.5%, erasing its month-to-date loss and returning to positive territory for September, the Nasdaq Composite surged 2.3% to a record closing high, its best close on record, whilst the Dow added 0.7%. Meta soared 11%, its best single-day performance since April 2025, after its Muse AI agent reached the top of the US iPhone download chart, lifting chipmakers broadly. AMD crossed USD1t in market capitalisation for the first time, becoming the 14th US company to reach that milestone, whilst Intel surged approximately 14% and Arm Holdings rose 17%. Sentiment was further buoyed by Treasury Secretary Scott Bessent's positive trade talks with Chinese Vice Premier He Lifeng, with the pair agreeing to an AI dialogue ahead of President Trump's meeting with President Xi Jinping. Energy was the sole laggard, with refinery stocks falling sharply, as Valero, Marathon Petroleum, and Phillips 66 each dropped over 4%, after a Politico report indicated Republican allies are pressing the White House to restrict diesel exports. Treasury yields fell, with the 10-year dipping below 5% to 4.95%, as easing oil prices reduced near-term inflation concerns.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.429	0.21%	**USD-SGD**	1.2759
USD-JPY	157.36	0.31%	**EUR-SGD**	1.4630
EUR-USD	1.147	-0.18%	**JPY-SGD**	0.8109
AUD-USD	0.712	-0.04%	**GBP-SGD**	1.7060
GBP-USD	1.337	-0.21%	**AUD-SGD**	0.9085
USD-MYR	4.078	-0.12%	**NZD-SGD**	0.7293
USD-CNY	6.695	-0.04%	**CHF-SGD**	1.5545
USD-IDR	17838	0.54%	**SGD-MYR**	3.1968
USD-VND	26021	0.01%	**SGD-CNY**	5.2445

Equity and Commodity		
Index	Value	Net change
DJIA	52,048.83	366.19
S&P	7,764.70	114.20
Nasdaq	27,122.09	599.55
Nikkei 225	65,018.95	882.70
STI	5,675.23	19.12
KLCI	1,666.94	1.38
JCI	6,384.73	-56.43
Baltic Dry	3,370.00	34.00
VIX	14.87	0.06

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4730	-0.08%	**1M**	3.8978
3M	2.6200	-0.49%	**2M**	3.9663
6M	2.9780	0.54%	**3M**	4.0320
12M	3.3430	-0.06%	**6M**	4.2070
			1Y	4.4940

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.86 (+0.02)	4.75(--)
5Y	2.13 (--)	4.83 (-0.03)
10Y	2.44 (--)	4.95 (-0.05)
15Y	2.46 (--)	--
20Y	2.42 (--)	--
30Y	2.48 (+0.01)	5.28 (-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	1.331	77.800	0.333	4.217

Secured Overnight Fin. Rate	
SOFR	3.85

Commodities Futures					
Energy	**Futures**	**% chg**	**Soft Commodities**	**Futures**	**% chg**
WTI (per barrel)	95.78	-4.5%	Corn (per bushel)	5.430	2.9%
Brent (per barrel)	100.34	-3.4%	Soybean (per bushel)	13.280	1.9%
Heating Oil (per gallon)	488.95	-3.3%	Wheat (per bushel)	7.268	1.8%
Gasoline (per gallon)	346.99	-1.6%	Crude Palm Oil (MYR/MT)	46.880	-0.2%
Natural Gas (per MMBtu)	2.84	-2.6%	Rubber (JPY/KG)	4.550	-1.6%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14661	1.0%	Gold (per oz)	4343	-0.8%
Nickel (per mt)	16318	0.8%	Silver (per oz)	66.03	-0.3%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/22/2026 14:00	UK	Public Finances (PSNCR)	Aug	--	--	-29.0b	--
9/22/2026 14:00	UK	Central Government NCR	Aug	--	--	2.8b	--
9/22/2026 14:00	UK	Public Sector Net Borrowing	Aug	15.5b	--	1.8b	--
9/22/2026 14:00	UK	PSNB ex Banking Groups	Aug	--	--	1.8b	--
9/22/2026 16:00	TA	Export Orders YoY	Aug	63.00%	--	61.90%	--
9/22/2026 16:00	TA	Unemployment Rate	Aug	3.30%	--	3.33%	--
9/22/2026 18:00	UK	CBI Trends Total Orders	Sep	-35	--	-25	--
9/22/2026 18:00	UK	CBI Trends Selling Prices	Sep	--	--	22	--
9/22/2026 20:15	US	ADP Weekly Employment Change	5-Sep	--	--	16.250k	--
9/22/2026 20:30	US	Philadelphia Fed Non-Manufacturing Activity	Sep	-8.7	--	-10.6	--
9/22/2026 22:00	EC	Consumer Confidence	Sep P	-16	--	-15.5	--
9/22/2026 22:00	US	Richmond Fed Manufact. Index	Sep	2	--	4	--
9/22/2026 22:00	US	Richmond Fed Business Conditions	Sep	-12	--	-12	--

Source: Bloomberg

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