By Global Markets | 23 September 2026

Daily Treasury Outlook

Highlights

Global: US equities were mixed on Tuesday, with a sharp rotation out of financials and into technology dominating the session. The S&P 500 Financials Index came under pressure amid concerns over intensifying competition from artificial intelligence and the recent flattening of the yield curve. Oil prices fell further as geopolitical supply risks eased. WTI crude dropped 5.5% to USD90.52/bbl, while Brent fell 1.8% to USD98.53/bbl, after Iran signalled that it could reopen the Strait of Hormuz within seven days if the US eases military pressure. Sentiment was further weighed by Saudi Arabia restarting its East-West pipeline, with crude exports from Yanbu also set to resume.

US President Donald Trump said on Tuesday that he supported a ban on diesel exports, after Republican candidates in several closely contested November races called for such a measure to help contain record-high fuel prices. Diesel prices have surged to record levels in both the US and Europe. Should the Trump administration proceed with a ban on US diesel exports, we would expect Brent to outperform WTI, although the impact on outright crude prices is more ambiguous. With the US currently serving as an important marginal supplier to an exceptionally tight global distillate market, removing US barrels from the international market would further tighten ex-US product balances and could initially lend support to Brent. At the same time, weaker domestic refinery economics and rising US product inventories could weigh on WTI, reinforcing the relative-value divergence.

Boston Fed President Susan Collins said she supported the Federal Reserve's decision last week to raise interest rates, citing an increased risk that inflation could remain above the 2% target. She noted that, with the labour market on firmer footing, monetary policy could place greater emphasis on restoring price stability, adding that a somewhat more restrictive federal funds rate would help ensure inflation returns durably to target.

In Europe, Bundesbank President Joachim Nagel said oil prices were becoming an increasingly important consideration for ECB policymakers, although other factors would continue to play an important role in interest-rate decisions. His comments came as markets raised expectations for further policy tightening amid higher energy prices.

Meanwhile, Germany's five leading economic institutes jointly raised their growth forecasts for Europe's largest economy. GDP is now expected to grow 1.3% in 2026, up from an earlier forecast of 0.6%, while the 2027 growth forecast was revised to 1.1% from 0.9%.

Market Watch: Attention today turns to the flash PMI readings from the Eurozone and the US for further signals on growth momentum and inflationary pressures. In Asia, Bank Indonesia is expected to keep its policy rate unchanged.

Key Market Movements

Equity	Value	% chg
S&P 500	7764.6	0.0%
DJIA	51864	-0.4%
Nikkei 225	65019	0.0%
SH Comp	3952.1	0.1%
STI	5723.8	0.9%
Hang Seng	25088	0.2%
KLCI	1683.5	1.0%
	Value	**% chg**
DXY	100.601	0.2%
USDJPY	157.39	0.0%
EURUSD	1.1449	-0.1%
GBPUSD	1.3346	-0.2%
USDIDR	17872	0.2%
USDSGD	1.2751	-0.1%
SGDMYR	3.1974	0.0%
	Value	**chg (bp)**
2Y UST	4.75	0.73
10Y UST	4.96	1.03
2Y SGS	1.87	0.90
10Y SGS	2.41	-2.54
3M SORA	1.22	0.22
3M SOFR	3.66	0.26
	Value	**% chg**
Brent	99.25	-1.1%
WTI	94.59	-1.2%
Gold	4361	0.4%
Silver	67.08	1.6%
Palladium	1311	0.2%
Copper	14749	0.6%
BCOM	144.41	-0.1%

Source: Bloomberg

Major Markets

CN: China's Commerce Minister Wang Wentao met Hildegard Müller, President of the German Association of the Automotive Industry (VDA), and separately held a video call with Ola Källenius, President of the European Automobile Manufacturers' Association (ACEA), to discuss China-EU economic and trade relations and cooperation in the automotive sector. Wang reiterated that the Chinese government welcomes greater investment by European automakers in China, while supporting Chinese automakers in expanding their investment in Europe.

ID: Energy and Mineral Resources Minister Bahlil Lahadalia said Indonesia has not yet signed the ASEAN Power Grid commitment as discussions over electricity pricing remain ongoing, as reported by Antara. He said talks with Malaysia have yet to reach a pricing arrangement that Indonesia considers mutually beneficial, adding that the agreement would be signed once a fair arrangement is reached. Bahlil nevertheless reiterated Indonesia's support for regional cooperation, provided that collaboration delivers mutual and equitable benefits.

MY: Minister of Finance II Amir Hamzah Azizan said the government is looking to strengthen Malaysia's R&D ecosystem through more market driven funding and closer industry collaboration, as the country shifts from a "Made in Malaysia" to a "Made by Malaysia" approach. Malaysia's R&D spending has reached about 1% of GDP, or nearly MYR20.0bn, but Amir said the main challenge is converting research into commercial outcomes, including domestic intellectual property ownership and the ability of local firms to compete globally. He said funding is available through initiatives including GEAR-uP, under which government linked investment companies have committed MYR120.0bn over five years, alongside about MYR10.0bn channelled into venture and growth funds, while universities should strengthen applied research and industry partnerships.

TW: Taiwan's August export orders surged 71.4% YoY to a record USD102.7bn, accelerating from 61.9% in July and marking the 19th consecutive month of growth. The strong increase was largely driven by AI-related demand, with electronic product orders jumping 83.9% YoY to USD45.8bn, supported by demand for IC manufacturing, chip design and memory products. ICT orders rose an even stronger 100.5% YoY to USD34.2bn, reflecting continued demand for AI servers and related equipment. Together, electronics and ICT accounted for roughly 78% of total export orders in August. One area of weakness was optical equipment, where orders fell 5.0% YoY amid softer demand for flat-panel displays.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with the shorter tenors trading 1-2bps lower, belly tenors trading 2bps lower, and 10Y tenor trading 3bps lower.
- US Investment Grade tightened by traded flat at 75bps, and US High Yield spreads widened by 2bps to 266bps respectively. Bloomberg Global Contingent Capital spreads widened by 2bps to 206bps.

- Bloomberg Asia USD Investment Grade spread traded flat at 54bps, and the Asia USD High Yield spreads tightened by 1bps to 326bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- APAC and DM IG markets were USD1.25bn and USD16.9bn respectively yesterday (prior day: USD3.5bn and USD8.9bn). Issuances in APAC were led by the New Zealand Local Government Funding Agency Ltd (priced USD500mn at T + 40bps), and issuances in DM IG markets were led by Sysco Corp (priced USD10.75bn across seven tranches).

Credit Headlines:

- **Mapletree Logistics Trust (MLTSP):** MLT's trustee, through a wholly owned China subsidiary, entered into an agreement to divest Mapletree Northwest Logistics Park (Phases 1 and 2) in Shanghai to an unrelated third party for RMB323mn (c.SGD61.3mn). The transaction is small relative to MLTSP's SGD13.7bn total assets as at 31 March 2026 and is in line with the REIT Manager's selective divestment strategy.

- **Société Générale SA (SocGen):** At its Capital Markets Day, SocGen targeted ROTE of 13-14% in 2029 and above 15% from 2030, supported by 3% annual revenue growth over 2027-2029 and costs below EUR16.3bn by 2029, implying a cost-to-income ratio below 55%. It also expects CET1 above 13% and cost of risk of 25-30bps over 2026-2029, with cost savings from workforce attrition, asset disposals, and lower IT and procurement spending.

Equity Market Updates

US: US equities ended mixed on Tuesday as a chipmaker-led rally drove the Nasdaq 100 to its first record since June, whilst the broader S&P 500 was flat and the Dow slipped. The Nasdaq gained 0.5%, the S&P 500 was essentially unchanged, and the Dow fell 0.4%. Sentiment was lifted by continued enthusiasm around artificial intelligence, with semiconductor stocks climbing for a sixth consecutive session following Meta's Muse AI agent product launch, though the AI rally showed signs of cooling as the session progressed. Oil fell for a fifth straight day, settling around USD99 per barrel, after Saudi Arabia moved to resume flows on its East-West pipeline and diplomatic signals emerged around the Strait of Hormuz, boosting energy-sensitive sectors such as cruise lines whilst weighing on energy stocks. Treasury yields rose across the curve, with the 2-year yield climbing approximately 1 basis point to 4.76%, the 10-year adding around 1 basis point to 4.97%, and the 30-year rising roughly 2 basis points to 5.30%, the latter now above 5% for the first time in recent months. A USD69b 2-year note auction drew middling demand, clearing at 4.787%, the highest yield since May 2024, with the primary dealer award at its highest since March, signalling demand fell slightly short of expectations. On the geopolitical front, markets are closely watching the anticipated summit between Presidents Trump and Xi Jinping, with Wall Street tempering expectations for major breakthroughs, whilst Trump's UN address flagged both confrontational and diplomatic signals toward Iran.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.601	0.17%	USD-SGD	1.2751
USD-JPY	157.39	0.02%	EUR-SGD	1.4597
EUR-USD	1.145	-0.14%	JPY-SGD	0.8101
AUD-USD	0.712	-0.04%	GBP-SGD	1.7015
GBP-USD	1.335	-0.16%	AUD-SGD	0.9072
USD-MYR	4.072	-0.16%	NZD-SGD	0.7303
USD-CNY	6.700	0.08%	CHF-SGD	1.5539
USD-IDR	17872	0.19%	SGD-MYR	3.1974
USD-VND	26015	-0.02%	SGD-CNY	5.2523

Equity and Commodity		
Index	Value	Net change
DJIA	51,863.69	-185.14
S&P	7,764.64	-0.06
Nasdaq	27,244.28	122.19
Nikkei 225	65,018.95	882.70
STI	5,723.76	48.53
KLCI	1,683.50	16.56
JCI	6,277.04	-107.68
Baltic Dry	3,399.00	29.00
VIX	14.21	-0.66

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4880	0.61%	1M	3.9000
3M	2.6240	0.15%	2M	3.9686
6M	2.9910	0.44%	3M	4.0450
12M	3.3540	0.33%	6M	4.2100
			1Y	4.4928

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.87 (+0.01)	4.75(--)
5Y	2.14 (--)	4.84 (+0.01)
10Y	2.41 (-0.03)	4.96 (+0.01)
15Y	2.43 (-0.03)	--
20Y	2.38 (-0.04)	--
30Y	2.44 (-0.03)	5.3 (+0.02)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.531	53.100	0.133	4.017
12/09/2026	1.309	77.800	0.327	4.212
01/27/2027	1.711	40.200	0.428	4.313
03/17/2027	2.374	66.300	0.594	4.478

Secured Overnight Fin. Rate	
SOFR	3.85

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	94.59	-1.2%	Corn (per bushel)	5.368	-1.2%
Brent (per barrel)	99.25	-1.1%	Soybean (per bushel)	13.255	-0.2%
Heating Oil (per gallon)	494.21	1.1%	Wheat (per bushel)	7.173	-1.3%
Gasoline (per gallon)	348.75	0.5%	Crude Palm Oil (MYR/MT)	46.390	-1.0%
Natural Gas (per MMBtu)	2.97	4.5%	Rubber (JPY/KG)	4.550	#DIV/0!
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14749	0.6%	Gold (per oz)	4361	0.4%
Nickel (per mt)	16632	1.9%	Silver (per oz)	67.08	1.6%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/23/2026 13:00	IN	HSBC India PMI Composite	Sep P	--	--	54.3	--
9/23/2026 13:00	IN	HSBC India PMI Mfg	Sep P	--	--	52.8	--
9/23/2026 13:00	IN	HSBC India PMI Services	Sep P	--	--	54.1	--
9/23/2026 13:00	SI	CPI YoY	Aug	2.30%	--	2.20%	--
9/23/2026 13:00	SI	CPI NSA MoM	Aug	0.60%	--	-0.20%	--
9/23/2026 15:20	ID	BI-Rate	23-Sep	5.75%	--	5.75%	--
9/23/2026 16:00	TA	Industrial Production YoY	Aug	26.70%	--	25.61%	--
9/23/2026 16:00	EC	S&P Global Eurozone Manufacturing PMI	Sep P	52.6	--	52.7	--
9/23/2026 16:00	EC	S&P Global Eurozone Services PMI	Sep P	51.4	--	51.6	--
9/23/2026 16:00	EC	S&P Global Eurozone Composite PMI	Sep P	51.7	--	52	--
9/23/2026 16:30	HK	CPI Composite YoY	Aug	1.70%	--	1.70%	--
9/23/2026 16:30	UK	S&P Global UK Manufacturing PMI	Sep P	51.5	--	51.7	--
9/23/2026 16:30	UK	S&P Global UK Services PMI	Sep P	52	--	52.5	--
9/23/2026 16:30	UK	S&P Global UK Composite PMI	Sep P	52	--	52.5	--

Source: Bloomberg

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