Daily Treasury Outlook

Highlights

Global: Monday saw sharp reversal in risk appetite and rapid repositioning amid another "TACO" trade signal. Before US markets opened, President Trump suggested his team has had constructive discussions with Iranian officials and announced a five-day postponement of military strikes on Iran's energy infrastructure. Iranian sources, however, pushed back and indicated little progress in talks. Notwithstanding, Brent and WTI futures fell sharply by more than 10%, but retraced slightly to settle at USD102.88/barrel and USD91.2/barrel, respectively. There was also a repricing across rates markets, reducing expectations for central bank tightening in the US, Europe and the UK. UST curve bullish steepened and dollar weakened during the US session on Monday. Major US equity indices staged a sharp rebound and ended the session higher by more than 1%.

On data front, US' construction spending fell 0.3% MoM in January, reversing the gain of 0.8% in December. Meanwhile, Euro area's consumer confidence fell by -4.0pp to -16.3, marking the lowest level since October 2023. Japan's inflation eased for the fourth straight month in February, with CPI reading coming at 1.3% (vs. consensus of 1.5%), its lowest level since March 2022.

Market Watch: Asian markets are likely to remain vulnerable to headline risk. Today's economic calendar comprises of Australia's March PMIs (manufacturing and services PMIs at 50.1 and 46.6 respectively), Japan's March PMIs manufacturing and services PMIs at 51.4 and 52.8 respectively) and February nationwide department sales, as well as Taiwan's February industrial production. Later today, the market will watch out for PMI readings from US, UK and Euro area.

Singapore: Singapore's February headline CPI printed at 1.2% YoY, easing from January's 1.4% YoY. However, core CPI rose faster than expected from 1.0% YoY in January to 1.4% YoY (0.5% MoM) in February, also the highest since December 2024, and is more likely attributable to the seasonal timing of the Chinese New Year festive season rather than the escalation of energy prices due to the onset of the Iran war. Singapore as a small open economy is usually the canary in the coalmine when it comes to facing the potential economic chills from global headwinds like an energy shock. Pre-Iran war, our house view was that MAS would tighten monetary policy in 2H26 by modestly steepening the S$NEER slope. This was predicated on the core inflation staying within the 1-2% YoY band forecast by MAS. MAS statement suggests that Singapore's import cost pressures are likely to pick up in the near term, while domestic unit labour cost growth is also likely to edge higher this year, albeit the extent of the latter pickup will be dampened by sustained productivity growth.

Key Market Movements

Equity	Value	% chg
S&P 500	6581.0	1.1%
DJIA	46208	1.4%
Nikkei 225	51515	-3.5%
SH Comp	3813.3	-3.6%
STI	4841.3	-2.2%
Hang Seng	24382	-3.5%
KLCI	1720.7	0.0%
	Value	**% chg**
DXY	98.950	-0.7%
USDJPY	158.44	-0.5%
EURUSD	1.1613	0.4%
GBPUSD	1.3431	0.7%
USDIDR	16985	0.0%
USDSGD	1.2748	-0.6%
SGDMYR	3.0632	-0.4%
	Value	**chg (bp)**
2Y UST	3.85	-4.82
10Y UST	4.34	-3.76
2Y SGS	1.61	11.00
10Y SGS	2.28	16.33
3M SORA	1.08	-0.28
3M SOFR	3.69	-0.16
	Value	**% chg**
Brent	99.94	-10.9%
WTI	88.13	-10.3%
Gold	4407	-1.9%
Silver	69.13	1.8%
Palladium	1433	1.3%
Copper	12167	2.0%
BCOM	128.78	-4.0%

Source: Bloomberg

Major Markets

CH: Liu Liehong, head of the National Data Administration, noted that the agency will coordinate with relevant authorities to accelerate the integrated development of computing power and energy infrastructure. In particular, newly built computing facilities at national hub nodes are targeted to source more than 80% of their electricity consumption from green energy, underscoring a policy push to align digital infrastructure expansion with decarbonization objectives.

ID: The Ministry of Transportation urged travellers to use the work from anywhere policy to stagger return travel to Greater Jakarta, with Jasa Marga projects around 285k vehicles returning via toll roads on March 24. The ministry encouraged returns on March 25 to 27, with the policy applying to government and state-owned enterprise employees and recommended for the private sector to ease congestion. As of 22 March, at 2 p.m., 39.9% of the projected 3.4mn vehicles had entered Jakarta through four main toll gates, as reported by Antara news.

MY: The Ministry of Health (MOH) confirmed that medicine supply remains stable and under control, with minimal short-term impact from the West Asia conflict. Stock levels at MOH facilities are maintained at one to three months, supported by up to two months of buffer stock at concession companies, while monitoring through existing systems has not detected any increase in supply disruptions as of March 22, 2026. The MOH added that local manufacturers hold raw materials sufficient for up to three months and finished products for about two months, while a task force has been established to ensure continued supply security, as reported by The Edge.

TH: Electricity tariffs are likely to rise in the upcoming May-August 2026 billing cycle, driven primarily by surging LNG costs linked to the conflict in the Middle East, as well as European stockpiling ahead of winter. The Energy Regulatory Commission (ERC) has prepared three scenarios for the fuel tariff adjustment, with potential rates ranging from THB3.95-4.59 per unit, depending on whether EGAT's outstanding 36 billion baht debt is factored in and whether callback funds are deployed to cushion the impact. The outlook for the September–December 2026 period is even more concerning. Worawit Srianunraksa, a commissioner at the ERC warned that tariffs during this period could potentially rise above THB4.00 per unit if conflict in the Middle East persists and seasonal winter demand lifts LNG prices further.

ESG

ID: The Indonesian Data Centre Provider Organisation plans to introduce a new rating system this year that measures energy efficiency and environmental performance. The rating system could eventually be linked to tax incentives for the data centre (DC) industry, but would need national implementation and government support. Indonesia's DC industry is expanding rapidly, driven by its booming digital economy and rising demand for AI and cloud services. The expansion of the DC industry is also expected to create more jobs as DC investment accelerates. Microsoft is building a new 48-megawatt data centre at the 1,400ha Karawang International Industrial City in West Java. The facility is expected to begin operations later this year and is part of the company's US$1.7bn investment in Indonesia, with plans for further expansion to house five DCs and form a cluster.

Credit Market Updates

Market Commentary:
The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 12-17bps higher while belly tenors traded 17-18bps higher and 10Y tenors traded 18bps higher. Global Investment Grade spreads tightened by 1bps to 86ps and Global High Yield spreads tightened by 6bps to 309bps respectively. Bloomberg Global Contingent Capital Index widened by 13ps to 267bps. Bloomberg Asia USD Investment Grade spreads widened by 6bps to 66bps and Asia USD High Yield spreads widened by 43bps to 446bps respectively. (Bloomberg, OCBC)

New Issues:
The total issuance volumes for APAC and DM IG market yesterday were USD120mn and USD10.39bn respectively.

There were three notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- Nexstar Media Inc. priced USD3.39bn of debt in one tranche.
- PacifiCorp priced USD2.5bn of debt in four tranches.
- Progressive Corp/The priced USD1.5bn of debt in two tranches.

There were no notable issuers in the APAC USD and Singdollar markets.

Mandates:
There were no notable mandates yesterday.

Equity Market Updates

US: US stocks rallied Monday after President Donald Trump announced a five-day postponement of military strikes on Iranian energy infrastructure, citing productive talks toward ending hostilities. The S&P 500 rose 1.1%, the Nasdaq gained 1.4%, and the Dow added 1.4%, marking the best day since early February. Markets had opened sharply lower on escalating Middle East tensions before Trump's early-morning social media post reversed sentiment. Oil prices tumbled over 10%, with Brent crude falling below USD100 after surging above USD113 earlier in the session, easing inflation concerns that had pushed Treasury yields to multi-month highs. The 10-year Treasury yield declined 5.6 basis points to 4.33%, whilst the 2-year yield fell 6.3 basis points to 3.83%, snapping three consecutive days of increases. Consumer discretionary stocks led the advance as cruise operators and automakers rebounded, whilst all eleven S&P 500 sectors closed higher. Iran denied negotiations were taking place, though markets remained buoyant on hopes of de-escalation. The rally came despite broader uncertainty, with traders having previously priced in potential Federal Reserve rate hikes amid war-driven inflation fears. Separately, Singapore-based Grab Holdings agreed to acquire Delivery Hero's Foodpanda operations in Taiwan for USD600m, marking its first expansion outside Southeast Asia.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	98.950	-0.70%	**USD-SGD**	1.2748
USD-JPY	158.44	-0.50%	**EUR-SGD**	1.4804
EUR-USD	1.161	0.35%	**JPY-SGD**	0.8046
AUD-USD	0.701	-0.17%	**GBP-SGD**	1.7116
GBP-USD	1.343	0.67%	**AUD-SGD**	0.8938
USD-MYR	3.936	0.51%	**NZD-SGD**	0.7468
USD-CNY	6.884	-0.29%	**CHF-SGD**	1.6211
			SGD-MYR	3.0632
USD-VND	26331	0.12%	**SGD-CNY**	5.4033

Equity and Commodity

Index	Value	Net change
DJIA	46,208.47	631.00
S&P	6,581.00	74.52
Nasdaq	21,946.76	299.15
Nikkei 225	51,515.49	-1857.04
STI	4,841.30	-107.57
KLCI	1,720.71	-9.10
Baltic Dry	2,056.00	-1.00
VIX	26.15	-0.63

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9190	-0.05%	**1M**	3.6796
3M	2.1110	0.14%	**2M**	3.6966
6M	2.4060	3.84%	**3M**	3.7109
12M	2.6580	5.31%	**6M**	3.7516
			1Y	3.8170

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.61 (+0.11)	3.9(--)
5Y	1.88 (+0.16)	3.97 (-0.04)
10Y	2.28 (+0.16)	4.37 (-0.04)
15Y	2.34 (+0.15)	--
20Y	2.35 (+0.14)	--
30Y	2.44 (+0.14)	4.94 (-0.02)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	0.010	1.000	0.002	3.643
04/29/2026	0.062	6.200	0.016	3.662
06/17/2026	0.106	4.400	0.026	3.673
07/29/2026	0.082	-2.400	0.021	3.668
09/16/2026	0.133	5.100	0.033	3.680

Financial Spread (bps)

	Value	Change
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.62

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	88.13	-10.4%	Corn (per bushel)	4.595	-1.3%
Brent (per barrel)	99.94	-10.9%	Soybean (per bushel)	11.635	0.2%
Heating Oil (per gallon)	405.60	-12.0%	Wheat (per bushel)	5.878	-1.3%
Gasoline (per gallon)	297.49	-9.5%			
Natural Gas (per MMBtu)	2.89	-6.6%			
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	12167	2.0%	Gold (per oz)	4407	-1.9%
Nickel (per mt)	17082	0.4%	Silver (per oz)	69.13	1.8%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/24/2026 6:00	AU	S&P Global Australia PMI Composite	Mar P	--	47	52.4	--
3/24/2026 6:00	AU	S&P Global Australia PMI Mfg	Mar P	--	50.1	51	--
3/24/2026 6:00	AU	S&P Global Australia PMI Services	Mar P	--	46.6	52.8	--
3/24/2026 10:30	TH	Customs Exports YoY	Feb	17.00%	--	24.40%	--
3/24/2026 10:30	TH	Customs Imports YoY	Feb	25.00%	--	29.40%	--
3/24/2026 13:00	EC	EU27 New Car Registrations	Feb	--	--	-3.90%	--
3/24/2026 17:00	EC	S&P Global Eurozone Manufacturing PMI	Mar P	49.6	--	50.8	--
3/24/2026 17:00	EC	S&P Global Eurozone Services PMI	Mar P	51.1	--	51.9	--
3/24/2026 17:00	EC	S&P Global Eurozone Composite PMI	Mar P	51	--	51.9	--
3/24/2026 20:15	US	ADP Weekly Employment Change	7-Mar	--	--	9.000k	--
3/24/2026 20:30	US	Philadelphia Fed Non-Manufacturing Activity	Mar	-15.7	--	-17.3	--
3/24/2026 20:30	US	Nonfarm Productivity	4Q F	1.80%	--	2.80%	--
3/24/2026 20:30	US	Unit Labor Costs	4Q F	3.60%	--	2.80%	--
3/24/2026 21:45	US	S&P Global US Manufacturing PMI	Mar P	51.5	--	51.6	--
3/24/2026 21:45	US	S&P Global US Services PMI	Mar P	52	--	51.7	--
3/24/2026 21:45	US	S&P Global US Composite PMI	Mar P	51.9	--	51.9	--

Source: Bloomberg

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