

## Daily Treasury Outlook

### Highlights

**Global:** US equities edged lower overnight, taking a breather after recent gains that saw the S&P 500 and Nasdaq close at record highs in the prior session. On the geopolitical front, tensions in the Middle East remain elevated. US President Donald Trump ordered the military to “shoot and kill” Iranian boats laying mines in the Strait of Hormuz, following a series of escalatory moves including Iran’s seizure of commercial vessels and ongoing US maritime enforcement actions. At the same time, President Trump announced a three-week extension to the Israel–Lebanon ceasefire, providing some temporary relief on one front, although broader negotiations involving Iran remain complex. Despite the extension, energy markets continue to reflect ongoing stress, with Brent crude holding above USD105/bbl and WTI near USD96/bbl, as disruptions in the Strait of Hormuz and continued US restrictions on Iran-linked shipping weigh on supply conditions.

On the data front, the Chicago Fed National Activity Index (CFNAI) declined to -0.20 in March from +0.03 in February, marking its lowest level since November 2025 and pointing to a moderation in economic activity toward the end of the first quarter. Meanwhile, flash PMI readings for April indicate a modest rebound in activity, albeit with an uneven growth profile. The S&P Global US Composite PMI rose to 52.0 from 50.3, signalling a pickup from near-stagnation levels in March. However, the recovery was mixed, with services activity remaining relatively subdued amid softer demand, while manufacturing strengthened more noticeably, with the PMI rising to 54.0 from 52.3, supported in part by inventory build-up and frontloading of orders. Notably, the survey also suggests geopolitical developments are beginning to weigh on activity, with firms citing “uncertainty and disruption caused by the war in the Middle East” as a factor affecting demand, particularly in services. At the same time, supply-side pressures intensified, with longer delivery times and higher input costs reported across both sectors. Price pressures also picked up, with input cost inflation rising to an 11-month high and selling price inflation accelerating. Meanwhile, labour market conditions remain relatively stable, though showing tentative signs of easing. Initial jobless claims rose by 6k to 214k in the week ending 18 April, slightly above expectations of 210k. The four-week moving average edged up to 210.8k from 210.0k, while continuing claims increased to 1.82mn in the week ending 11 April, from 1.81mn.

### Key Market Movements

Equity	Value	% chg
S&P 500	7108.4	-0.4%
DJIA	49310	-0.4%
Nikkei 225	59140	-0.7%
SH Comp	4093.3	-0.3%
STI	4944.1	-1.2%
Hang Seng	25915	-0.9%
KLCI	1721.7	0.7%
	Value	% chg
DXY	98.770	0.2%
USDJPY	159.71	0.1%
EURUSD	1.1683	-0.2%
GBPUSD	1.3467	-0.3%
USDIDR	17295	0.7%
USDSGD	1.2784	0.2%
SGDMYR	3.1058	0.0%
	Value	chg (bp)
2Y UST	3.83	3.58
10Y UST	4.32	2.19
2Y SGS	1.53	0.80
10Y SGS	2.10	2.69
3M SORA	1.04	-0.28
3M SOFR	3.67	0.00
	Value	% chg
Brent	105.07	3.1%
WTI	95.85	3.1%
Gold	4694	-1.0%
Silver	75.44	-2.9%
Palladium	1475	-4.8%
Copper	13356	-0.6%
BCOM	136.41	0.7%

Source: Bloomberg

**Market Watch:** Looking ahead, markets are likely to remain cautious despite the extension of the Israel–Lebanon ceasefire, as broader geopolitical tensions in the Middle East remain elevated. In Asia, this morning, Japan's March CPI was released, with both headline and core CPI rising more-than-expected to 1.5% YoY and 1.8% YoY, respectively, up from 1.3% and 1.6% in February. Other upcoming releases on the Asian calendar include Thailand's March customs trade data and China's foreign direct investment (FDI) growth. Later in the day, focus will shift to the US, where the University of Michigan will release its consumer sentiment index, including current conditions and 1-year and 5-year inflation expectations, which will be closely watched for signals on inflation dynamics and household confidence.

**SG:** Headline and core inflation accelerated to 1.8% YoY (0.5% MoM) and 1.7% YoY (0.1% MoM) in March, faster than February's readings of 1.2% YoY and 1.4% YoY respectively. These marked the highest headline and core inflation prints since September and November 2024 respectively. Consequently, this brought the 1Q26 headline and core inflation prints to 1.5% and 1.4% YoY accordingly, which is a significant step up from the same period a year ago at 1.0% and 0.6% YoY respectively. This reaffirmed that the recent MAS policy decision to embark on tightening the S\$NEER policy slope in anticipation of inflationary pressures. The key drivers of March inflation were private transport, retail & other goods and services inflation. Looking ahead, we see the prolonged US-Iran war and the continued closure of the Strait of Hormuz to trigger energy and petrochemical-related costs for businesses which could add to the inflationary pass-through into 2Q26 and potentially beyond. We see 2Q26 headline and core inflation accelerating further to the 2% handle, with private transport costs, utilities, air travel and likely also food costs amongst others to feel the spillover effects from the Middle East conflict and the ensuing supply chain disruptions. For the full year 2026, we expect headline and core inflation to average 2-3%, slightly higher than MAS' forecast of 1.5-2.5%.

## Major Markets

**HK:** Hong Kong's seasonally adjusted unemployment rate fell to 3.7% in the first quarter of 2026, marking a decline of 0.1 percentage point from the previous three-month period. The labour force participation rate continued to trend downward, reaching a new record low of 56.4%, on the back of aging population and lower participation among youth. Separately, headline and underlying CPI (netting out the effect of all government's one-off relief measures) rose by faster pace of 1.7% YoY and 1.6% YoY respectively in March, compared with 1.5% YoY and 1.3% YoY in the first two months of 2026. Reflecting the implications of higher oil prices on imported inflation and domestic cost structures, we have raised our full year 2026 inflation projection for Hong Kong to 1.9%.

**ID:** Bank Indonesia reported that broad money (M2) growth accelerated to 9.7% YoY in March 2026 from 8.7% YoY in February, reaching IDR10,355.1trn, driven by narrow money growth of 14.4% YoY and quasi-money growth of 5.2% YoY. Separately, Coordinating Economic Minister Airlangga Hartarto said the government forecasts 1Q26 GDP growth above 5.5%, supported by consumption, holiday bonus disbursement, government spending, and economic stimulus measures. He added that policy focus will shift to civil servant bonuses, social safety nets, and investment to support 2Q growth as reported by Bloomberg, with official 1Q26 GDP data scheduled for release on 5 May.

**MY:** Minister Armizan Mohd Ali said the Ministry of Domestic Trade and Cost of Living will fast-track legal action under the Control of Supplies Act 1961, prioritising cartel and syndicate cases involving diesel, petrol, LPG, and other controlled goods, as reported by The Edge. He stated the expedited process will cover investigations through to case disposal, supported by proposed fast-track channels, designated judges, and coordinated case management, while Ops Tiris 4.0 recorded 20,020 inspections, 362 cases, and 105 detentions nationwide. Separately, S&P Global Ratings said Malaysia's sovereign rating remains at A- with a stable outlook and is unlikely to be upgraded in the next 1 to 2 years unless external financial indicators strengthen alongside sustained growth and fiscal discipline.

**PH:** BSP raised its policy rate by 25bps to 4.50% at its 23 April meeting. Concurrently, the overnight deposit and lending rates were adjusted to 4.00% and 5.00%, respectively. BSP turned decisively more hawkish citing shifts in its assessment to inflation. Specifically, BSP Governor Eli Remolona noted that CPI inflation had risen, raising the risk of de-anchoring inflation. In addition, the decision was characterised as “timely and pre-emptive policy action to safeguard price stability” and “intended to anchor inflation expectations and contain the buildup of second-round effects.” BSP revised higher its headline CPI projection to 6.3% and 4.3% in 2026 and 2027, respectively, compared to the previous forecast of 5.1% and 3.8%. This shows that inflation is unlikely to return to the 2-4% target range even in 2027. BSP expects GDP growth to remain soft at 4.3% YoY in 2026 compared to 4.4% in 2025, before accelerating to “closer to 6%” in 2027. BSP also noted that the measured increase in its policy rate “will still accommodate economic recovery over the medium term.” BSP Governor Remolona indicated that this is unlikely a one and done hike. This has led us to revise our call to add two 25bps in rate hike for 2026, taking the policy rate to 5.00% by year-end.

**VN:** General Secretary and President To Lam announced that Vietnam and South Korea signed 12 agreements covering security, technology, and nuclear power cooperation following talks with President Lee Jae Myung in Hanoi on Thursday (23 April). The two sides committed to facilitate trade and market access to achieve USD150.0bn in bilateral trade by 2030, while supporting greater participation by Vietnamese firms in South Korea's production networks and expanding cooperation in AI, semiconductors, and biotechnology. Both leaders also agreed to strengthen political trust and strategic cooperation across key sectors including defence, security, and economic connectivity, alongside nuclear power plant development and financing involving Petrovietnam and Korean partners.

## ESG

**Rest of the world:** A consortium, comprising major industrial and energy players, is advancing efforts to scale carbon capture infrastructure, identifying five potential cross-border storage hubs as part of a carbon capture, utilisation and storage development study. The five candidate hubs are in India, Indonesia, Malaysia and Australia, highlighting emerging regional opportunities for integrated CCUS networks spanning capture, aggregation, transport and storage. The initiative targets hard-to-abate sectors such as steel, cement and chemicals, where deep emissions reductions remain challenging, and seeks to establish shared infrastructure for capturing, transporting and storage CO<sub>2</sub> at scale. Phase 1 of the study focused on identifying commercially and technically viable storage hubs, while Phase 2 will assess engineering design, infrastructure requirements and business models needed to enable deployment. Aligned policy frameworks, investment incentives and regulatory clarity will be essential to unlock commercial-scale adoption across the region.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher while belly tenors traded 3-4bps higher and 10Y tenors traded 4bps higher. US Investment Grade spreads widened by 1bps to 78bps and US High Yield spreads widened by 3bps to 275bps respectively. Bloomberg Global Contingent Capital Index traded flat at 226bps. Bloomberg Asia USD Investment Grade spreads traded flat at 59bps and Asia USD High Yield spreads widened by 4bps to 404bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD650mn and USD8.85bn respectively.

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

- AT&T Inc priced USD6bn of debt across five tranches.
- Jefferies Financial Group Inc priced a USD1.1bn 5Y fixed bond at T+135bps.
- John Deere Capital Corp priced USD1bn of debt in two tranches.

There was one notable issuer in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

- Cathaylife Singapore Pte Ltd (guarantor: Cathay Life Insurance Co Ltd) priced a USD500mn 15NC10 subordinated fixed bond at T+128bps.

There were no notable issuances in the Singdollar market yesterday.

### Mandates:

- SK Innovation Co Ltd (guarantor: Shinhan Bank) may issue USD-denominated 3Y fixed rate senior unsecured bonds.

## Equity Market Updates

**US:** On April 23, 2026, major U.S. stock indexes fell, ending their recent gains as software stocks dropped and oil prices rose. The S&P 500 declined 0.41% to 7,108.40, the Nasdaq fell 0.89% to 24,438.50, and the Dow slipped 0.36% to 49,310.32. Shares of IBM and ServiceNow dropped sharply over 8% and nearly 18%, respectively after earnings reports disappointed investors. IBM met expectations but kept its full-year forecast, while ServiceNow's subscription growth was hurt by Middle East conflicts. Other software companies like Microsoft, Palantir, and Oracle also fell, dragging the iShares Expanded Tech-Software ETF down about 6%. Meanwhile, semiconductor stocks performed strongly, with the SOXX ETF hitting a record high and Texas Instruments rising 19% on solid earnings. Oil prices surged past \$105 per barrel amid rising tensions in the Strait of Hormuz, fueled by political shifts in Iran and increased air defense activity in Tehran. After-hours, Intel shares jumped 19% following strong results. Despite market resilience, escalating geopolitical risks have heightened demand for downside protection, signaling cautious investor sentiment.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	98.770	0.18%	USD-SGD	1.2784
USD-JPY	159.71	0.14%	EUR-SGD	1.4935
EUR-USD	1.168	-0.19%	JPY-SGD	0.8004
AUD-USD	0.713	-0.45%	GBP-SGD	1.7215
GBP-USD	1.347	-0.26%	AUD-SGD	0.9113
USD-MYR	3.965	0.31%	NZD-SGD	0.7483
USD-CNY	6.831	0.04%	CHF-SGD	1.6257
USD-IDR	17295	0.70%	SGD-MYR	3.1058
USD-VND	26327	0.00%	SGD-CNY	5.3447

Equity and Commodity		
Index	Value	Net change
DJIA	49,310.32	-179.71
S&P	7,108.40	-29.50
Nasdaq	24,438.50	-219.07
Nikkei 225	59,140.23	-445.63
STI	4,944.11	-58.61
KLCI	1,721.70	11.31
JCI	7,378.61	-163.01
Baltic Dry	2,675.00	35.00
VIX	19.31	0.39

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9360	-2.32%	1M	3.6548
3M	2.1610	-0.32%	2M	3.6633
6M	2.3850	0.17%	3M	3.6705
12M	2.6400	-0.56%	6M	3.6833
			1Y	3.7081

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.53 (+0.01)	3.83(-)
5Y	1.71 (+0.02)	3.96 (+0.03)
10Y	2.1 (+0.03)	4.33 (+0.02)
15Y	2.12 (-)	--
20Y	2.12 (-)	--
30Y	2.21 (-)	4.92 (+0.01)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
04/29/2026	0.005	0.500	0.001	3.642
06/17/2026	-0.003	-0.800	-0.001	3.641
07/29/2026	-0.075	-7.200	-0.019	3.622
09/16/2026	-0.125	-5.000	-0.031	3.610

Financial Spread (bps)		
Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate	
SOFR	3.64

Commodities Futures						
Energy			Soft Commodities			
	Futures	% chg		Futures	% chg	
WTI (per barrel)	95.85	3.1%	Corn (per bushel)	4.555	0.3%	
Brent (per barrel)	105.07	3.1%	Soybean (per bushel)	11.598	-0.4%	
Heating Oil (per gallon)	398.82	1.3%	Wheat (per bushel)	6.108	1.9%	
Gasoline (per gallon)	346.21	3.1%	Crude Palm Oil (MYR/MT)	45.050	-1.0%	
Natural Gas (per MMBtu)	2.61	-4.0%	Rubber (JPY/KG)	3.828	0.8%	
Base Metals			Precious Metals			
	Futures	% chg		Futures	% chg	
Copper (per mt)	13356	-0.6%	Gold (per oz)	4694	-1.0%	
Nickel (per mt)	18737	1.5%	Silver (per oz)	75.44	-2.9%	

Source: Bloomberg, Reuters

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
4/24/2026 15:00	TH	28)		Customs Exports Y	Mar	11.50%	--
4/24/2026 15:00	TH	31)		Customs Imports Y	Mar	20.60%	--
4/24/2026 15:00	TH	32)		Customs Trade Bala	Mar	-\$1512m	--
4/24/2026 15:30	TH	39)		Gross International Re	17-Apr	--	--
4/24/2026 15:30	TH	40)		Forward Contract	17-Apr	--	--
4/24/2026 18:00	US	53)	Bloomberg April United States Economic Sur				
4/24/2026 19:30	IN	59)		Foreign Exchange Res	17-Apr	--	--
4/24/2026 22:00	US	70)		U. of Mich. Sentim	Apr F	48.5	--
4/24/2026 22:00	US	71)		U. of Mich. Current Cor	Apr F	51	--
4/24/2026 22:00	US	72)		U. of Mich. Expectat	Apr F	47.7	--
4/24/2026 22:00	US	73)		U. of Mich. 1 Yr Infla	Apr F	4.80%	--
4/24/2026 22:00	US	74)		U. of Mich. 5-10 Yr Inf	Apr F	3.40%	--
4/24/2026 23:00	US	75)		Kansas City Fed Services	Apr	10	--

Source: Bloomberg

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