By Global Markets | 24 September 2026

Daily Treasury Outlook

Highlights

Global: The slide in global bonds worsened overnight following some stabilisation on Tuesday. Higher yields were not limited to the US market, where the 10-year yield was last seen at 5.1142% and the 30-year yield shy of 5.4%, with also in European markets across Bunds, OATS and Gilts. The rut in the bond market knocked down US equities, with S&P & NASDAQ closing 0.75% and 1.1% lower, respectively. US economic data overnight continued to paint a robust picture of growth, with the S&P Global US Manufacturing PMI at 57 for September (preliminary) from 53.9 in August and Services PMI at 58.7 from 56.5 in August. A lack of resolution to the Middle East conflict was also a key trigger, with US Secretary of State Marco Rubio describing the meeting between US and Iranian officials as "positive, but not a breakthrough" and Iranian officials stating that differences remained between the two sides and the Strait of Hormuz would not be reopened until Iran's conditions are met. Global oil prices reversed the declines of the last few trading sessions to push Brent prices back to USD103.08/barrel and WTI at USD92.16/barrel. Meanwhile, President Xi Jinping arrived in Washington on Wednesday for a three-day state visit — his first US visit in over a decade. The formal bilateral summit takes place on Thursday, 24 September at the White House, followed by a state dinner with tech executives including Bezos, Altman, Cook, Musk, and Huang. The trade truce was extended to 10 January from the previous expiry date of 10 November, allowing both sides more time to continue to resolve pending issues.

Market Watch: The data docket today includes Australia's August employment data, Germany's September IFO survey, Hong Kong's August trade data, and US weekly labour market. The focus will be on the formal bilateral summit between President's Xi Jinping and Donald Trump at the White House.

Major Markets

ID: Bank Indonesia (BI) kept its policy rate unchanged at 5.75% at its 22 to 23 September meeting, marking a third consecutive hold. BI said the decision remains consistent with efforts to stabilise the IDR amid strong external pressures and maintain inflation within the 2.5±1% target range in 2026 and 2027. BI also raised premium reductions for hedging transactions, from 12.5% for all swap tenors to 15%, 20% and 25% for three-, six-and 12-month tenors, respectively, and from 15% to 25% and 30% for six-and 12-month DNDF tenors, covering underlying foreign funding from portfolio inflows, foreign loans by banks and foreign direct investment. These measures do not preclude rate hikes from BI and we maintain our view that BI will hike again this year, but the magnitude of the hikes will likely be lower than our current base case of 75bp.

HK: Headline and underlying CPI (netting out the effect of all government's one-off relief measures) rose at a steady pace of 1.7% YoY and 1.9% YoY respectively in August, the same as in July, suggesting limited pass-through from higher oil prices. At the component level, "electricity, gas and water" recorded a sharp

Key Market Movements

Equity	Value	% chg
S&P 500	7706.0	-0.8%
DJIA	51512	-0.7%
Nikkei 225	65019	0.0%
SH Comp	3936.5	-0.4%
STI	5709.9	-0.2%
Hang Seng	24834	-1.0%
KLCI	1676.4	-0.4%
	Value	**% chg**
DXY	101.096	0.5%
USDJPY	158.32	0.6%
EURUSD	1.1382	-0.6%
GBPUSD	1.3239	-0.8%
USDIDR	17800	-0.4%
USDSGD	1.2801	0.4%
SGDMYR	3.1928	-0.1%
	Value	**chg (bp)**
2Y UST	4.90	14.38
10Y UST	5.11	15.29
2Y SGS	1.87	-0.10
10Y SGS	2.40	-1.38
3M SORA	1.22	0.09
3M SOFR	3.66	0.28
	Value	**% chg**
Brent	103.08	3.9%
WTI	92.16	-2.6%
Gold	4288	-1.7%
Silver	64.43	-3.9%
Palladium	1268	-3.3%
Copper	14618	-0.9%
BCOM	144.81	0.3%

Source: Bloomberg

increase of 11.5% YoY, while the “housing” and “food” (together accounting for over 60% of the CPI basket) rose by only 0.2% YoY and 0.1% YoY respectively, thereby limiting the rise in overall inflation. We expect the overall inflationary pressure to remain contained for the rest of the year.

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 Ministry of Transport said Malaysia and China signed an MOU establishing a formal framework for strategic cooperation across land, rail, maritime and air transport, as well as logistics. The cooperation will focus on technical expertise, capacity building, artificial intelligence, green transport and low carbon infrastructure, while both sides also discussed improving transport connectivity, efficiency and sustainability. Transport Minister Anthony Loke also witnessed a separate MOU between CAAM and CAAC covering civil aviation safety cooperation, including certification, oversight and flight operations, while the agreement aims to reduce duplication in technical processes and facilitate the movement of aeronautical products and services.

TH: According to Finance Minister Ekniti Nitithanprapas, the Cabinet has approved a THB43bn extension of the Thai Chuay Thai Plus co-payment scheme for an additional two months (October-November 2026), alongside a THB700 top-up for state welfare cardholders in October. Under the extended scheme, eligible participants can receive up to THB1,000 on qualifying purchases at participating retailers through end-November, with the government covering 60% of the purchase, subject to a daily cap of THB200 per person. Under the welfare top-up programme, eligible cardholders will receive THB1,000 in October, with the additional THB700 redeemable at Thong Fah (Blue Flag) low-cost shops and other outlets designated by the Commerce Ministry. The measures are intended to cushion households from the impact of elevated oil prices, support purchasing power, and sustain private consumption. Finance Minister Ekniti reiterated his confidence that the economy will grow by 2.5% this year, in line with the Finance Ministry's July forecast.

TW: The headline unemployment rate edged up to 3.41% in August from 3.39% in July. On a seasonally adjusted basis, however, the unemployment rate eased to 3.32% from 3.33%, with the headline increase largely reflecting the usual seasonal entry of new graduates into the labour market. The number of unemployed persons rose 0.63% MoM, driven largely by new labour force entrants rather than layoffs. Employment also increased 0.03% Mom, while the labour force participation rate also rose 0.03ppt to 59.69%, indicating that underlying labour market conditions remained broadly stable.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 1-2bps higher, belly tenors trading 2-3bps higher, and 10Y tenor trading 3bps higher.
- US Investment Grade widened by 1bps to 76bps, and US High Yield spreads widened by 8bps to 274bps respectively. Bloomberg Global Contingent Capital spreads tightened by 5bps to 201bps.
- Bloomberg Asia USD Investment Grade spread traded tightened by 2bps to 52bps, and the Asia USD High Yield spreads tightened by 15bps to 311bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- APAC and DM IG markets were USD1.4bn and USD5.2bn respectively yesterday (prior day: USD1.25bn and USD16.9bn). Issuances in APAC were led by National Bank for Financing Infrastructure and Development/The (priced USD750mn at T+105bps), and issuances in DM IG markets were led by Aercap Funding DAC (guarantor: multiple) (priced USD1.5bn across two tranches).

Credit Headlines:

- **Zurich Insurance Group AG (ZURNVX):** Zurich's GBP8.1bn all-cash acquisition of Beazley received UK High Court approval and is expected to complete on 1 October 2026, valuing Beazley at GBP13.10/share plus a permitted dividend, a 59.8% premium to its 16 January 2026 closing price; separately, Alex Wells was appointed CEO U.S. and a Group Executive Committee member.
- **Commonwealth Bank of Australia (CBA):** CBA joined ASB Bank, Bank of America, Capital One, ING Group and NatWest Group to launch the Agentic Commerce Principles Paper, covering transparency, safety, privacy and data, choice and interoperability in payments involving AI agents.
- **Medco Energi Internasional Tbk PT (MEDCIJ):** MEDCIJ's 1H2026 revenue rose 23.3% y/y to USD1.41bn and net income increased to USD287.5mn from USD36mn, supported by higher prices and 170mboepd production, additional South Natuna Sea Block B interest, new Senoro Phase 2A and Oman Block 60 production, and a USD104.1mn contribution from PT Amman Mineral; oil and gas cash cost was USD8.4/boe, while debt, cash, EBITDA, free cash flow and restricted-group net debt/EBITDA were USD4.12bn, USD1.4bn, USD805mn, c.USD334mn and 1.4x, respectively. Management retained FY2026 production, electricity sales and cash-cost guidance but raised oil and gas capex guidance to USD450mn-475mn and power capex to up to USD50mn.

Equity Market Updates

US: US stocks fell Wednesday as surging oil prices, stronger-than-expected PMI data, and a weak Treasury auction combined to drive a broad risk-off selloff. The S&P 500 dropped 0.8%, the Nasdaq declined 1.1%, and the Dow shed 0.7%. The September flash PMI showed US business activity expanding at its fastest pace since 2021, reinforcing expectations that the Federal Reserve will continue raising rates. Brent crude settled around USD103 per barrel, fanning inflation concerns and weighing on sentiment across equities and bonds. Meta's launch of its AI travel agent Muse disrupted online travel stocks, with Expedia falling 6.8%, Airbnb dropping 6.0%, and Booking Holdings declining 4.6%. Treasury yields surged sharply, with the 10-year yield climbing approximately 15 basis points to 5.11%, an intraday high last seen in July 2007, whilst the 5-year yield rose 15 basis points to 4.99%, its highest since 2006. The selloff deepened after a USD70b 5-year note auction drew weak demand, tailing the when-issued yield by over 3 basis points, its 11th consecutive weak result. Separately, President Xi Jinping arrived in the US ahead of a state dinner with President Trump and US CEOs, a notable geopolitical development to watch.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	101.096	0.49%	USD-SGD	1.2801
USD-JPY	158.32	0.59%	EUR-SGD	1.4570
EUR-USD	1.138	-0.59%	JPY-SGD	0.8084
AUD-USD	0.704	-1.07%	GBP-SGD	1.6948
GBP-USD	1.324	-0.80%	AUD-SGD	0.9010
USD-MYR	4.080	0.21%	NZD-SGD	0.7263
USD-CNY	6.711	0.16%	CHF-SGD	1.5512
USD-IDR	17800	-0.40%	SGD-MYR	3.1928
USD-VND	26000	-0.06%	SGD-CNY	5.2438

Equity and Commodity		
Index	Value	Net change
DJIA	51,511.59	-352.10
S&P	7,706.03	-58.61
Nasdaq	26,936.04	-308.24
Nikkei 225	65,018.95	65018.95
STI	5,709.91	-13.85
KLCI	1,676.43	-7.07
JCI	6,374.91	97.87
Baltic Dry	3,432.00	33.00
VIX	15.18	0.97

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4580	-1.21%	1M	3.8982
3M	2.6080	-0.61%	2M	3.9978
6M	2.9990	0.27%	3M	4.0736
12M	3.3320	-0.66%	6M	4.2647
			1Y	4.5849

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.87 (--)	4.9(--)
5Y	2.13 (-0.01)	5 (+0.17)
10Y	2.4 (-0.01)	5.12 (+0.15)
15Y	2.42 (-0.01)	--
20Y	2.38 (--)	--
30Y	2.44 (--)	5.4 (+0.1)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.686	68.600	0.172	4.052
12/09/2026	1.480	79.400	0.370	4.251
01/27/2027	1.976	49.600	0.494	4.375
03/17/2027	2.694	71.800	0.674	4.554

Secured Overnight Fin. Rate	
SOFR	3.87

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	92.16	-2.6%	Corn (per bushel)	5.290	-1.4%
Brent (per barrel)	103.08	3.9%	Soybean (per bushel)	13.180	-0.6%
Heating Oil (per gallon)	477.64	-3.4%	Wheat (per bushel)	7.085	-1.2%
Gasoline (per gallon)	358.70	2.9%	Crude Palm Oil (MYR/MT)	46.010	-0.8%
Natural Gas (per MMBtu)	3.02	2.0%	Rubber (JPY/KG)	#VALUE!	#VALUE!
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14618	-0.9%	Gold (per oz)	4288	-1.7%
Nickel (per mt)	16481	-0.9%	Silver (per oz)	64.43	-3.9%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/24/2026 8:30	JN	S&P Global Japan PMI Composite	Sep P	--	--	53.5	--
9/24/2026 8:30	JN	S&P Global Japan PMI Mfg	Sep P	--	--	54.9	--
9/24/2026 8:30	JN	S&P Global Japan PMI Services	Sep P	--	--	52.5	--
9/24/2026 9:30	AU	Employment Change	Aug	20.0k	--	-15.8k	--
9/24/2026 9:30	AU	Unemployment Rate	Aug	4.50%	--	4.50%	--
9/24/2026 9:30	AU	Full Time Employment Change	Aug	--	--	16.3k	--
9/24/2026 9:30	AU	Part Time Employment Change	Aug	--	--	-32.2k	--
9/24/2026 9:30	AU	Participation Rate	Aug	66.90%	--	66.90%	--
9/24/2026 12:00	EC	EU27 New Car Registrations	Aug	--	--	--	--
9/24/2026 16:30	HK	Exports YoY	Aug	51.00%	--	50.70%	--
9/24/2026 16:30	HK	Imports YoY	Aug	44.30%	--	41.00%	--
9/24/2026 16:30	HK	Trade Balance HKD	Aug	-9.2b	--	-4.9b	--
9/24/2026 18:00	UK	CBI Retailing Reported Sales	Sep	--	--	-48	--
9/24/2026 20:30	US	Current Account Balance	2Q	-$257.4b	--	-$226.8b	--

Source: Bloomberg

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