

Daily Treasury Outlook

Highlights

Global: US equities rebounded Wednesday after a wobbly start to the week. The post market move was clearer in US equity futures holding onto modest gains and Asia equity futures on stronger footing. Nvidia's fiscal fourth quarter results were in focus and although it beat analyst estimates and provides relatively resilient sales forecasts for the first quarter, the company's shares were lower following the results announcement. The DXY index was lower on the day while UST yields closed higher than the intra-day lows. Geopolitical tensions remain in the spotlight as US and Iran are expected to hold additional talks in Geneva on Thursday. President Trump mentioned Iran in his State of the Union address on Wednesday. He noted that "they want to make a deal, but we haven't heard those secret words, we will never have a nuclear weapon." President Trump also spoke of cost-of-living issues. Specifically, he noted "the cost of chicken, butter, fruit, hotels, automobiles, rent, is lower today than when I took office, by a lot." The rest of the speech meandered through some mention on trade, the government shutdown and posturing ahead of the mid-term elections later this year. The data from the US was light overnight while the final print of Eurozone headline and core CPI came in unchanged at 1.7% YoY and 2.2% YoY. Bank of Thailand cut its policy rate by 25bp in a surprise move on 25 February. We have added another 25bp rate cut this year from BoT. The divergence between regional central banks is becoming more evident at the start of 2026, with BI, BSP and BoT looking to ease further while BNM and SBV likely on a prolonged pause.

Market Watch: The economic releases for the day ahead include Singapore's MAS survey of professional forecasters, Singapore January industrial production, the final print of Japan's December leading and coincident index, Eurozone's February economic, industrial and services confidence indices and the weekly US labour market data. Bank of Korea meets today and is expected to keep its policy rate unchanged.

Key Market Movements

Equity	Value	% chg
S&P 500	6946.1	0.8%
DJIA	49482	0.6%
Nikkei 225	58583	2.2%
SH Comp	4147.2	0.7%
STI	5007.7	-0.3%
Hang Seng	26766	0.7%
KLCI	1747.8	-0.4%
	Value	% chg
DXY	97.700	-0.1%
USDJPY	156.37	0.3%
EURUSD	1.1810	0.3%
GBPUSD	1.3559	0.5%
USDIDR	16785	-0.2%
USDSGD	1.2637	-0.3%
SGDMYR	3.0759	0.0%
	Value	chg (bp)
2Y UST	3.47	0.99
10Y UST	4.05	2.29
2Y SGS	1.41	7.40
10Y SGS	1.99	4.71
3M SORA	1.12	-0.25
3M SOFR	3.74	-0.43
	Value	% chg
Brent	70.85	0.1%
WTI	65.42	-0.3%
Gold	5165	0.4%
Silver	89.23	2.4%
Palladium	1799	0.5%
Copper	13323	1.2%
BCOM	120.77	0.8%

Source: Bloomberg

Major Markets

CH: The Shanghai Municipal Government, in coordination with five departments, has rolled out a new round of property easing measures, marking a further shift toward demand-side support. For non-Shanghai hukou residents, the minimum social security contribution requirement to buy a home within the Outer Ring has been reduced from three years to one year. Notably, those with three years of social security contributions are now permitted to purchase an additional property. In addition, individuals holding a Shanghai residence permit for five years may acquire one property without any social security requirement, further broadening the eligible buyer base. On the financing front, policy support has also strengthened. The maximum provident fund loan quota for eligible households has been raised to RMB 3.24 million, which should improve affordability at the margin. Moreover, Shanghai hukou households purchasing a new home as their sole property will enjoy a temporary exemption from property tax, effectively reducing holding costs and improving transaction incentives.

HK: The FY2026-27 budget announced yesterday clearly focuses on investing into the future, while sharing the fruits of economic recovery with residents. The government has ended the longest streak of budget deficits in the current fiscal year, with fiscal surplus estimated at HK\$2.9 billion (0.1% of GDP), instead of the previously estimated deficit of HK\$67 billion. In FY2026-27, the government revenue is estimated to reach HK\$765.2 billion, assuming modest growth in profit tax, stamp duties and land premium. After factoring in the transfer from Bond Fund and Exchange Fund, as well as proceeds from the Government Bond Programme (HK\$160 billion in FY2026-27), fiscal surplus will rise to HK\$22.1 billion (0.6% of GDP) in FY2026-27. To finance the development of Northern Metropolis and other public work projects, government bonds totalling HK\$160-220 billion will be issued annually in next five years. Improved fiscal outlook this year provides room for offering more relief measures and raising civil servants' pay. For the next fiscal year, ceilings for salaries/profit tax reduction will be doubled, while a wide range of allowances will be raised by 8% or more. On the other hand, there are limited revenue enhancement measures, taking a pause from repeated adjustment in government fees/charges and piecemeal tax hikes in the last couple of years. Also, stamp duty for residential property transactions valued at HK\$100 million or above is raised from 4.25% to 6.5%, affecting around 0.3% of total transactions. The government's GDP forecast for 2026 is pitched at 2.5%-3.5%, in line with market's expectation and our in-house forecast at 2.6%. Meanwhile, the headline inflation is tipped at a moderate pace of 1.8% (vs. our estimate at 1.6%).

ID: The Government Communications Agency expressed confidence that Indonesia will maintain zero percent tariffs on several key products in the United States market following recent shifts in US trade policy. It added that the zero percent tariff provision is stipulated under an executive order, and Coordinating Minister for Economic Affairs Airlangga Hartarto confirmed that Indonesia has signed the agreement and requested that products already granted zero percent tariffs remain unchanged, while other products be set at 10%. Coordinating Minister Airlangga added that certain agricultural commodities, including coffee and cocoa, retain zero percent tariff facilities under a separate executive order, and the country has also sought similar treatment for electronics supply chain products, crude palm oil, textiles, and footwear, with confirmation expected within 60 days of the agreement's signing.

MY: The Leading Index, which signals the direction of economic activity in the near term, growth eased by 0.1% YoY to 114.0 points in December 2025 from 0.4% at 113.4 points in November. Growth was supported by gains in real money supply M1 (7.3%) and real imports of semiconductors (4.8%), which reflect "stable domestic financial liquidity as well as sustained demand for electronic components," according to the Department of Statistics Malaysia (DOSM). Meanwhile, growth in the Coincident Index, which measures current economic conditions, was unchanged at 2.1% YoY (129.3), similar to the previous month, driven by consistent increases across all components, with the real contribution of the Employees Provident Fund rising 9.6% as the largest contributor.

TH: Bank of Thailand (BoT) cut its policy rate by 25bps to 1.00%, surprising consensus and our expectations. The Monetary Policy Committee (MPC) voted 4-2 in favour of the decision. On the fundamentals, BoT cautioned that growth is projected to "remain below its potential due to structural impediments and intensified competition." On inflation, BoT sees further downside risk in 2026 and 2027. The low growth and inflation environment, against a backdrop of still tight financial conditions, will keep the discussion of further rate cuts alive for this year. Although we continue to see many of the issues weighing on growth as structural and beyond the purview of monetary policy, there is still some room to support the cyclical growth cycle. We add 25bp to our rate cut profile for 2026, taking the policy rate to 0.75%.

ESG

Rest of the world: The EU will limit its corporate sustainability due diligence directive (CSDDD) to only the largest EU corporations i.e. those with more than 5,000 employees and €1.5bn annual turnover. This follows criticism from some industries that EU red tape and strict regulation hindered competitiveness with foreign rivals. The EU also delayed the deadline to comply with CSDDD to mid-2029 (versus mid-2027 previously for larger companies) and dropped a requirement for companies to adopt climate change transition plans. The changes also cover the EU's corporate sustainability reporting directive, which requires companies to disclose their environmental and social impact to enable greater transparency to investors and consumers. The simplification of rules and extension of timelines aim to reduce disproportionate burden on businesses and enhance business competitiveness.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded higher yesterday with shorter and belly tenors trading 1-2bps higher while 10Y traded 3bps higher. Global Investment Grade spreads tightened by 1bps to 78bps and Global High Yield spreads tightened by 3bps to 279bps respectively. Bloomberg Global Contingent Capital Index tightened by 2bps to 222bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 60bps and Asia USD High Yield spreads tightened by 3bps to 342bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.5bn and USD6.76bn respectively.

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

- Astrazeneca Finance LLC (guarantor: AstraZeneca PLC) priced USD2bn of debt in three tranches.
- Omnicom Group Inc priced USD1.7bn of debt in three tranches.
- Targa Resources Corp priced USD1.5bn of debt in two tranches.

There were three notable issuers in the APAC USD market yesterday where issuers priced deals of at least USD500mn.

- NTT Finance Corp priced USD500mn of debt in one tranche.
- Oversea-Chinese Banking Corp Ltd/New York priced USD500mn of debt in one tranche.
- Tohoku Electric Power Co Inc priced USD500mn of debt in one tranche.

There was one notable issuance in the Singdollar market yesterday.

- Mapletree Industrial Trust priced a SGD300mn PerpNC5 fixed subordinated perpetual at 3.25%.

Mandates:

- ITOCHU Corporation may issue USD-denominated 3Y and/or 5Y senior-unsecured fixed rate notes.

Equity Market Updates

US: US stocks extended their rebound, with the S&P 500 up 0.8%, the Nasdaq 1.3% and the Dow 0.6%, as strong technology leadership lifted the indices. The overall move also saw the S&P closing comfortably back above its 50-day moving average. Information technology (+1.8%) led, driven by a 3.1% rise in the iShares Expanded Tech-Software Sector ETF as software names recovered from earlier weakness, with gains in Salesforce (+3.4%) and Snowflake (+5.1%) ahead of earnings, a rebound in AppLovin (+7.3%), and Workday (+2.3%) reversing an early decline despite cautious guidance. NVIDIA (+1.4%) advanced ahead of its closely watched results, supporting a 1.6% gain in the PHLX Semiconductor Index and a 1.4% rise in the Vanguard Mega Cap Growth ETF. The overall narrow leadership was reflected in the equal-weighted S&P 500, which closed flat for the session. Communication services (+1.0%) were broadly steady but benefited from strength in Netflix (+6.0%), while consumer discretionary (+0.5%) was lifted by Tesla (+1.9%) and Amazon (+1.0%) even as homebuilders such as Lennar (-4.9%) fell following cautious commentary from Lowe's (-5.6%). Financials (+1.7%) outperformed as investors returned to banks including Citigroup (+4.4%) and Capital One (+4.7%), and Coinbase Global (+13.5%) surged after outlining plans to expand into US stock trading. An 8% rebound in Bitcoin also supported related shares such as Robinhood (+5.6%). Industrials (-0.8%) and consumer staples (-0.6%) lagged, while small- and mid-cap indices edged higher as gains broadened later in the session, with both the Russell 2000 and S&P MidCap 400 up by 0.4%.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	97.700	-0.15%	USD-SGD	1.2637
USD-JPY	156.37	0.32%	EUR-SGD	1.4925
EUR-USD	1.181	0.32%	JPY-SGD	0.8082
AUD-USD	0.712	0.92%	GBP-SGD	1.7136
GBP-USD	1.356	0.52%	AUD-SGD	0.9002
USD-MYR	3.892	-0.08%	NZD-SGD	0.7583
USD-CNY	6.861	-0.31%	CHF-SGD	1.6356
USD-IDR	16785	-0.23%	SGD-MYR	3.0759
USD-VND	26108	-0.31%	SGD-CNY	5.4298

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9420	-0.92%	1M	3.6688
3M	2.0410	0.34%	2M	3.6710
6M	2.1490	0.19%	3M	3.6663
12M	2.2060	0.05%	6M	3.6205
			1Y	3.4723

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.006	-0.600	-0.001	3.638
03/18/2026	-0.016	-1.600	-0.004	3.635
04/29/2026	-0.165	-14.900	-0.041	3.598
06/17/2026	-0.482	-31.700	-0.120	3.518
07/29/2026	-0.885	-40.300	-0.221	3.418
09/16/2026	-1.375	-49.000	-0.344	3.295

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	65.42	-0.3%	Corn (per bushel)	4.305	0.6%
Brent (per barrel)	70.85	0.1%	Soybean (per bushel)	11.483	0.8%
Heating Oil (per gallon)	267.40	-0.5%	Wheat (per bushel)	5.658	-0.3%
Gasoline (per gallon)	199.14	1.0%	Crude Palm Oil (MYR/MT)	40.180	0.0%
Natural Gas (per MMBtu)	2.97	1.9%	Rubber (JPY/KG)	3.632	1.5%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13323	1.2%	Gold (per oz)	5165	0.4%
Nickel (per mt)	18085	1.0%	Silver (per oz)	89.23	2.4%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	49,482.15	307.65
S&P	6,946.13	56.06
Nasdaq	23,152.08	288.40
Nikkei 225	58,583.12	1262.03
STI	5,007.73	-13.06
KLCI	1,747.81	-6.20
JCI	8,322.23	41.40
Baltic Dry	2,129.00	17.00
VIX	17.93	-1.62

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.41 (+0.07)	3.47(--)
5Y	1.58 (+0.02)	3.62 (+0.03)
10Y	1.99 (+0.05)	4.05 (+0.02)
15Y	2.1 (+0.05)	--
20Y	2.15 (+0.06)	--
30Y	2.21 (+0.06)	4.7 (+0.02)

Financial Spread (bps)

Value	Change
TED	35.36

Secured Overnight Fin. Rate

SOFR	3.67
------	------

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
2/26/2026 8:50	SK	BOK Base Rate	26-Feb	2.50%	2.50%	2.50%	--
2/26/2026 12:00	TH	Mfg Production Index ISIC NSA YoY	Jan	0.90%	--	2.52%	--
2/26/2026 12:00	TH	Capacity Utilization ISIC	Jan	--	--	57.6	--
2/26/2026 14:30	ID	Bloomberg Feb. Indonesia Economic Survey					
2/26/2026 21:30	US	Initial Jobless Claims	21-Feb	216k	--	206k	--
2/26/2026 21:30	US	Initial Claims 4-Wk Moving Avg	21-Feb	--	--	219.00k	--
2/26/2026 21:30	US	Continuing Claims	14-Feb	1858k	--	1869k	--

Source: Bloomberg

Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html for cross-border marketing disclaimers and disclosures.