

Daily Treasury Outlook

Highlights

Global: US equities rose overnight, with the S&P500, Dow, and Nasdaq advancing between 0.5% and 0.8% on Wednesday (S&P500: +0.5%; Dow: +0.7%; NASDAQ: +0.8%). Sentiment was buoyed by hopes of a de-escalation in the Middle East conflict following reports that the Trump Administration has sent Iran a 15-point ceasefire proposal to end the ongoing war, with the plan transmitted via Pakistan. Oil also pulled back, with Brent edging lower to around USD102/bbl. Nevertheless, the situation in the Middle East remains fluid. The optimism was tempered by Iran's swift and emphatic rejection stating that the US was "negotiating with itself." Iran has laid out its own set of conditions, including a complete halt to "aggression and assassinations" by the enemy, war reparations and sovereignty over the Strait of Hormuz. On the data front, the US February Import Price Index surprised firmly to the upside. Import prices rose 1.3% MoM, up from 0.6% in January, marking the largest monthly increase since March 2022. On a year-on-year basis, import price also picked up to 1.3% YoY. Under the hood, fuel import prices rebounded 3.8% MoM, while nonfuel prices also strengthened. Over in the UK, February CPI came in at 3.0% YoY, unchanged from January. On a monthly basis, CPI rose 0.4%. The largest upward contribution came from clothing and footwear which was offset by lower transport inflation. Importantly, the ONS noted that February petrol prices were collected before the outbreak of war in the Middle East.

Market Watch: For the day ahead, the calendar is relatively light, but there are still several releases worth watching, including Singapore's February industrial production. Accompanying this, the OECD will release its Interim Economic Outlook, while the US will release its usual weekly initial jobless claims report. On the central bank front, BoE's Sarah Breeden, as well as ECB's Guindos and Muller will speak.

Key Market Movements

Equity	Value	% chg
S&P 500	6591.9	0.5%
DJIA	46429	0.7%
Nikkei 225	53750	2.9%
SH Comp	3931.8	1.3%
STI	4904.5	0.9%
Hang Seng	25336	1.1%
KLCI	1716.7	0.5%
	Value	% chg
DXY	99.599	0.2%
USDJPY	159.47	0.5%
EURUSD	1.1559	-0.4%
GBPUSD	1.3365	-0.3%
USDIDR	16910	-0.4%
USDSGD	1.2815	0.3%
SGDMYR	3.0984	0.2%
	Value	chg (bp)
2Y UST	3.89	-0.35
10Y UST	4.33	-2.77
2Y SGS	1.55	-2.60
10Y SGS	2.20	-3.03
3M SORA	1.07	-0.09
3M SOFR	3.69	-0.03
	Value	% chg
Brent	102.22	-2.2%
WTI	90.32	-2.2%
Gold	4506	0.7%
Silver	71.21	0.0%
Palladium	1416	-1.8%
Copper	12322	1.8%
BCOM	130.40	-0.3%

Source: Bloomberg

Major Markets

CH: China's COSCO Shipping Lines has resumed accepting new dry container bookings to the UAE, Saudi Arabia, Bahrain, Qatar, Kuwait, and Iraq after Iran's permanent mission to the United Nations stated that vessels from non-belligerent countries may safely transit the Strait of Hormuz following prior coordination. That said, COSCO's vessels will, for now, continue to avoid transiting the Strait directly. Instead, cargo will be shipped to ports outside the Persian Gulf and then moved overland to final destinations.

ID: OJK has approved the Indonesia Stock Exchange's phased three-year implementation of free float requirements, and its chief capital market supervisor, Hasan Fawzi, said the legally binding implementing rule will be issued by the end of March. The 15% free float requirement is part of broader capital market reforms aimed at addressing MSCI's transparency concerns. Separately, the Energy and Mineral Resources Minister revealed that the government plans to add 13 downstream industrial projects worth IDR239trn, expanding an existing pipeline of 20 downstream industrialization projects in energy, mining, and agriculture.

MY: Prime Minister Anwar Ibrahim said the government will immediately implement proactive early intervention measures to maintain economic resilience amid the West Asia conflict, following discussions at the National Economic Action Council meeting. He said efforts are being mobilised to secure energy supply, including diversifying sources and exploring alternative routes to reduce reliance on high-risk channels such as the Strait of Hormuz. Separately, the finance ministry said that the government plans to introduce controls on diesel purchases in Sabah, Sarawak and Labuan to address leakage risks, while maintaining RON95 subsidies at MYR2.0 per litre for the March 26 to April period, while adjusting other fuel prices in line with international prices.

ESG

CH: China is launching a pilot programme to expand the industrial use of hydrogen energy, at a time when the Middle East conflict continues to highlight the risks of global reliance on fossil fuels. The programmes plan to construct renewable hydrogen projects to gradually replace existing hydrogen production using coal, natural gas and other fossil energy. Disrupted oil and gas supplies amid the conflict have prompted some countries to re-examine their energy mix, with renewables emerging as a potential hedge against volatility. The programme will be applied across urban clusters in sectors such as transport and heavy industry, aiming to double fuel-cell vehicle ownership from 2025 levels to 100,000 units in five years. The guidelines also called for expanding hydrogen-powered public transport and urban logistics, as well as exploring the use of the renewable fuel in ride-hailing fleets. There are also plans to blend hydrogen into natural gas pipelines and industrial boilers to promote its use as a heat source.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors and belly tenors trading 2-3bps lower while 10Y tenors traded 3bps lower. Global Investment Grade spreads widened by 1bps to 85ps and Global High Yield spreads tightened by 1bps to 308bps respectively. Bloomberg Global Contingent Capital Index tightened by 3ps to 258bps. Bloomberg Asia USD Investment Grade spreads traded flat at 63bps and Asia USD High Yield spreads tightened by 13bps to 429bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD3.95bn and USD4.24bn respectively.

There was one notable issuer in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- Coöperatieve Rabobank U.A., New York Branch priced USD1.35bn of debt in two tranches.

Among issuers under our official coverage, there was one notable issuer in the DM IG market.

- NatWest Markets PLC priced USD450mn of debt in one tranche.

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

- Japan Finance Organization for Municipalities priced USD500mn of debt in one tranche.
- LG Energy Solution Ltd priced USD1.6bn of debt in four tranches.
- Nippon Life Insurance Co priced USD1.85bn of debt in two tranches.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

There were no notable mandates yesterday.

Equity Market Updates

US: US stocks advanced Wednesday as hopes for a possible end to the war with Iran lifted major indices, though markets remained volatile throughout the session. The S&P 500 rose 0.5%, the Nasdaq gained 0.8%, and the Dow added 0.7%. Markets opened sharply higher after the United States delivered a plan to pause the war to Iran, with the S&P 500 initially jumping 1.2% before paring gains as Iran rejected the ceasefire offer and issued its own list of conditions for ending the conflict. All sectors except energy and real estate posted gains, with materials, consumer discretionary, and health care leading the advance. Technology stocks drove much of the rally, with Arm Holdings surging 16% after unveiling aggressive sales targets for its first in-house server chip, which its CEO expects to generate USD15b in annual revenue. Treasury yields fell 2bp to 7bp across the curve, with the 10-year yield declining around 3.5bp. Oil prices retreated, with WTI crude falling USD1.38 to settle at USD90.97 per barrel and Brent down USD1.74 to USD102.74, as diplomatic efforts tempered earlier supply concerns. The session underscored the fragile nature of sentiment around Middle East developments, with intraday swings reflecting uncertainty over whether ceasefire talks can progress.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.599	0.17%	USD-SGD	1.2815
USD-JPY	159.47	0.49%	EUR-SGD	1.4813
EUR-USD	1.156	-0.42%	JPY-SGD	0.8036
AUD-USD	0.695	-0.70%	GBP-SGD	1.7126
GBP-USD	1.337	-0.34%	AUD-SGD	0.8903
USD-MYR	3.964	0.19%	NZD-SGD	0.7440
USD-CNY	6.903	0.13%	CHF-SGD	1.6189
			SGD-MYR	3.0984
USD-VND	26346	-0.01%	SGD-CNY	5.3884

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9600	1.03%	1M	3.6733
3M	2.1780	2.30%	2M	3.6898
6M	2.5890	4.90%	3M	3.7039
12M	2.9290	6.90%	6M	3.7405
			1Y	3.8046

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	0.115	5.300	0.029	3.676
07/29/2026	0.122	0.700	0.031	3.678
09/16/2026	0.224	10.200	0.056	3.703

Equity and Commodity

Index	Value	Net change
DJIA	46,429.49	305.43
S&P	6,591.90	35.53
Nasdaq	21,929.83	167.94
Nikkei 225	53,749.62	1497.34
STI	4,904.54	42.11
KLCI	1,716.68	7.92
JCI	7,302.12	7302.12
Baltic Dry	1,989.00	-48.00
VIX	25.33	-1.62

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.55 (-0.03)	3.91(--)
5Y	1.81 (-0.04)	3.98 (-0.01)
10Y	2.2 (-0.03)	4.35 (-0.03)
15Y	2.27 (-0.03)	--
20Y	2.3 (-0.02)	--
30Y	2.4 (-0.01)	4.92 (-0.03)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.63
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	90.32	-2.2%	Corn (per bushel)	4.673	1.0%
Brent (per barrel)	102.22	-2.2%	Soybean (per bushel)	11.718	1.5%
Heating Oil (per gallon)	400.63	-6.6%	Wheat (per bushel)	5.978	1.3%
Gasoline (per gallon)	301.24	-4.3%	Crude Palm Oil (MYR/MT)	44.450	-1.3%
Natural Gas (per MMBtu)	2.95	0.3%	Rubber (JPY/KG)	3.648	-1.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12322	1.8%	Gold (per oz)	4506	0.7%
Nickel (per mt)	17344	2.3%	Silver (per oz)	71.21	0.0%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/26/2026 10:00	CH	Bloomberg March China Economic Survey					
3/26/2026 17:00	EC	M3 Money Supply YoY	Feb	3.20%	--	3.30%	--
3/26/2026 20:30	US	Initial Jobless Claims	21-Mar	210k	--	205k	--
3/26/2026 20:30	US	Initial Claims 4-Wk Moving Avg	21-Mar	215.00k	--	210.75k	--
3/26/2026 20:30	US	Continuing Claims	14-Mar	1849k	--	1857k	--
3/26/2026 23:00	US	Kansas City Fed Manf. Activity	Mar	3	--	5	--

Source: Bloomberg

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