

## Daily Treasury Outlook

### Highlights

**Global:** Investor anxiety was heightened especially towards the end of last week, with US equities closing lower on Friday (S&P: -0.52%; Dow: -1.23%; NASDAQ: -0.21%). The AI capex buildout, financing and the neo cloud business model are becoming sources of vulnerability. Although this dynamic supported USTs last Thursday, UST yields cheapened 3-5bp on Friday, led by the long end. The ~6% increase in oil prices last week was the focus, with rhetoric over the weekend striking a familiar tone of escalation. President Trump told Fox News that “getting to be decision time” on a deal with Iran, or whether he will “finish it off.” Resumption of US attacks are not expected until after the 3 November mid-term elections. Iran, for its part, continued to retaliate underscored by shipping disruptions in the Strait of Hormuz, while the Houthi offensive in Saudi Arabia continued over the weekend. Brent prices were last seen at USD115.81 coming of a recent high of above USD117/barrel. Meanwhile, for France, the news from Friday and through the weekend was mildly positive. While 10-yr OAT yields rose above 5%, last week, Moody's refrained from downgrading France on Friday 23 October and the union-only protests over the weekend were largely peaceful. But the fundamental fiscal stresses remain.

**Market Watch:** This is a busy week for central bank meetings and data. Key events include South Korea's 3Q GDP (27 Oct), Australia's CPI (28 Oct), the RBNZ, BoT and BoC decisions (28 Oct), the FOMC decision, US 3Q26 GDP and September PCE inflation (29 Oct), the ECB decision (29 Oct), the BoJ meeting (30 Oct) and China's October PMIs (31 Oct). For FOMC, a hold at 3.75%-4.00% is fully priced, while incoming data releases will hold equal relevance with September PCE inflation expected to show headline inflation accelerating to 3.6% YoY from 3.4%, while core PCE is projected to edge up to 3.1% YoY from 3.0%. Consensus pegs the advance estimates of US 3Q26 GDP growth at 3.0% annualised from 2.2% in 2Q26.

### Major Markets

**MY:** Prime Minister Anwar Ibrahim launched the National Cost of Living Action Plan 2030 on 24 Oct, outlining 429 measures across 35 strategies to ease household cost pressures. Domestic Trade and Cost of Living Minister Armizan Mohd Ali said the five-year plan prioritises raising incomes and stabilising prices of essential goods and services, covering eight areas including food, healthcare, education, transport, housing and utilities. The plan combines existing initiatives with new measures, while the National Cost of Living Action Council will take on a broader role in monitoring implementation across ministries and agencies.

**ID:** The government launched the Indonesia–India Creative-Tech Corridor on 24 Oct to strengthen cooperation in artificial intelligence (AI), creative industries and digital technology. The Ministry of Creative Economy said the launch included an MoU between Lokanima at Singhasari Special Economic Zone (KEK) and industry partners from both countries, covering creative technology, AI, intellectual

### Key Market Movements

| Equity     | Value  | % chg |
|------------|--------|-------|
| S&P 500    | 7623.7 | -0.5% |
| DJIA       | 52215  | -1.2% |
| Nikkei 225 | 62693  | -0.3% |
| SH Comp    | 3690.5 | 0.9%  |
| STI        | 5422.2 | 0.1%  |
| Hang Seng  | 23093  | 0.7%  |
| KLCI       | 1611.6 | 0.2%  |

|        | Value   | % chg |
|--------|---------|-------|
| DXY    | 101.810 | 0.2%  |
| USDJPY | 156.87  | 0.1%  |
| EURUSD | 1.1202  | -0.1% |
| GBPUSD | 1.3374  | -0.2% |
| USDIDR | 18057   | 0.0%  |
| USDSGD | 1.2781  | 0.0%  |
| SGDMYR | 3.1967  | 0.0%  |

|         | Value | chg (bp) |
|---------|-------|----------|
| 2Y UST  | 4.68  | 4.22     |
| 10Y UST | 4.99  | 4.15     |
| 2Y SGS  | 1.87  | -0.10    |
| 10Y SGS | 2.31  | -3.45    |
| 3M SORA | 1.26  | 0.15     |
| 3M SOFR | 3.75  | 0.29     |

|           | Value  | % chg |
|-----------|--------|-------|
| Brent     | 116.72 | 3.1%  |
| WTI       | 103.27 | 3.8%  |
| Gold      | 3996   | -0.7% |
| Silver    | 53.89  | -1.2% |
| Palladium | 1047   | -0.7% |
| Copper    | 14323  | 1.7%  |
| BCOM      | 143.69 | 0.7%  |

Source: Bloomberg

property development and international audiovisual distribution. A Creative Tech Sandbox was also established at KEK Singhasari to test AI and emerging technologies, with the partners targeting their first joint showcase at the World Audio Visual and Entertainment Summit in Mumbai in 2027. At the launch, Coordinating Minister for Economic Affairs Airlangga Hartarto also highlighted government efforts to develop data centres in KEKs, including Nongsa in Riau Islands, and sites in Tangerang Selatan and Karawang.

**PH:** The Philippine Economic Zone Authority (PEZA) approved PHP310bn in investments in January–October 2026, up 77% YoY and already exceeded PEZA's PHP300bn full-year target. The approvals cover 240 new and expansion projects across export manufacturing, IT-BPM, ecozone development, logistics and other sectors, and are expected to generate USD9.1bn in exports and 38,815 direct jobs. Taiwan was the largest source of foreign investment, followed by the Netherlands, South Korea, Singapore and Indonesia. PEZA Director General Tereso Panga noted that “surpassing our P300-billion investment target ahead of year-end reflects the confidence investors continue to place in the Philippines.” Nonetheless, he acknowledged that “businesses continue to face cost pressures and economic uncertainties.” He added that “PEZA remains committed to working closely with our locators and prospective investors to address operational concerns, streamline processes and help them sustain and expand their presence in the country.”

**TH:** Prime Minister Anutin Charnvirakul expressed confidence that Thailand's economy would grow by more than 2.1% in 2026. He has asked the National Economic and Social Development Council (NESDC) to re-examine its projection. According to PM Anutin, the agency is assessing by how much to raise its forecast, with business groups to be consulted before a revised figure is announced. PM Anutin cited stronger investments, exports, tax receipts, as well as spending generated by stimulus measures, as reasons that the country's growth projections may be understated. He added that he wants Thailand to compete for investment through workforce capabilities, transport infrastructure, regional supply chains and expanded trade agreements, rather than relying on cheap labour or low-value assembly operations. He also said the government aims to advance trade agreements with the US, Europe, the UAE and Central Asia, and wants households to generate clean electricity and sell the surplus to the grid, providing additional income and strengthening energy security by reducing reliance on oil.

**VN:** Lawmakers discussed proposed amendments to the Investment Law on 24 Oct, with National Assembly President Tran Thanh Man calling for investment incentives to be tied more closely to measurable outcomes, including technology transfer, localisation and domestic supplier development. He said special incentives should have clear eligibility criteria, stronger post-investment monitoring and mechanisms to withdraw support when investors fail to meet commitments. He also sought streamlined procedures for strategic projects in semiconductors, AI and data centres, alongside greater use of a national one-stop investment portal.

**TW:** Taiwanese industrial production rose 19.2% YoY in September, exceeding the 17% market consensus but moderating from 23.5% YoY in August. This extended Taiwan's industrial expansion to 31 consecutive months. On a quarterly basis, industrial production rose by 22% YoY in 3Q2026, while manufacturing

output increased by 23.1% YoY. Growth continued to be driven by the AI boom, with strength heavily concentrated in AI-related industries. Production of computers, electronic and optical products led the increase, rising by 45.9% YoY, while electronic component production grew by 23.6% YoY. Machinery production also increased by 26% YoY as semiconductor suppliers installed additional equipment to expand capacity. In contrast, chemical and fertiliser production fell by 4.3% YoY, reflecting weaker demand and temporary production cuts during annual maintenance.

## Sustainability

**SG:** Singapore will launch a S\$143mn initiative called the Industry Decarbonisation Funding Initiative to support the development and deployment of technologies that address decarbonisation challenges in the manufacturing sector. With manufacturing accounting for around 65% of Singapore's emissions, reducing manufacturing sector emissions is essential for Singapore to achieve its net-zero target by 2050. Up to S\$100mn of the new initiative will be set aside for a programme called Decarbonisation Research for Industry, Ventures, and Enterprise (DRIVE), giving companies a role in shaping research. This complements other initiatives such as the Low-Carbon Technology Translational Testbed on Jurong Island, which will provide facilities for testing technologies under industry-relevant conditions.

## Credit Market Updates

### Market Commentary:

- The SGD SORA OIS curve lower last Friday; shorter tenors traded 4-6bps lower, belly tenors traded 5-6bps lower, and 10Y tenor traded 4bps lower.
- US Investment Grade spreads traded 2bps wider to 89bps, and US High Yield spreads tightened by 1bps to 337bps. Bloomberg Global Contingent Capital spreads widened 1bps to 258bps.
- Bloomberg Asia USD Investment Grade spread traded flat at 70bps, and the Asia USD High Yield spreads tightened by 1bps to 403bps. (Bloomberg, OCBC)

### New Issues:

- There were no issuances in the Singdollar market last Friday.
- There were zero and USD75mn of issuances in the APAC USD and DM IG markets respectively last Friday (prior business day: USD450mn and zero respectively).

### Credit Headlines:

- **Kasikornbank PCL (KBANK):** 3Q2026 net profit fell 4.0% q/q and 2.2% y/y to THB12.7bn, while 9M2026 net profit rose 3.4% y/y to THB40.6bn; NIM declined to 2.89%, credit cost reached 1.60%, the NPL ratio remained at 3.18%, NPL coverage increased to 177.9%, and the consolidated CET1 ratio declined to 16.6%.
- **Alibaba Group (BABA):** China's State Administration for Market Regulation met nine e-commerce platforms, including Taobao and Tmall, and called for stronger product-quality controls, after-sales service, complaint handling and oversight of livestream selling and instant retail; no new penalties or enforcement deadlines were announced.

- **Barclays PLC (BARC):** 3Q2026 profit after tax rose 11% y/y to GBP1.9bn and 9M2026 profit increased 15% y/y to GBP6.6bn; the 9M2026 cost-to-income ratio improved to 57%, credit impairment charges rose 9% y/y to GBP1.9bn, the motor-finance provision stood at GBP430mn, and the CET1 ratio was 14.2%, or 14.0% pro forma for the GBP500mn buyback.
- **CapitaLand China Trust (CRCTSP):** 3Q2026 gross revenue and NPI fell 4.1% and 5.1% y/y to RMB399.7mn and RMB259.6mn, respectively; aggregate leverage increased to 41.1%, interest coverage improved to 3.0x, average debt cost declined to 3.04%, and the RMB600mn FTZ bond was refinanced with credit facilities at an effective cost of approximately 2.3%.

## Equity Market Updates

**US:** US stocks fell Friday as rising oil prices, persistent AI spending concerns, and a rotation out of technology weighed on sentiment. The S&P 500 declined 0.5%, the Nasdaq slipped 0.2%, and the Dow shed 1.2%, capping a volatile week in which the AI trade came under sustained pressure for a second consecutive week. Energy was the standout sector, with WTI crude surging above USD100 per barrel, a five-week high, on fears of renewed US strikes on Iran, lifting energy stocks to fresh records whilst dragging on broader risk appetite. Industrials were among the worst performers, with data centre suppliers Bloom Energy and Comfort Systems each falling around 13% on earnings disappointments. Telecom stocks extended losses after SpaceX was reportedly in talks to access 80,000 or more US cell sites, intensifying competitive concerns for AT&T, Verizon, and T-Mobile. Treasury yields rose approximately 4 basis points across the curve, with the 10-year climbing to 5.00% and the 30-year reaching 5.33%, as oil-driven inflation concerns offset earlier AI-related safe-haven demand. Notably, Apollo's chief economist cautioned over the weekend that AI has delivered "zero payoff" to corporate America outside of technology, a view that may sustain pressure on AI-linked valuations heading into a pivotal earnings week, with Microsoft, Alphabet, and Amazon all due to report.

## Foreign Exchange

|         | Day Close | % Change |         | Day Close |
|---------|-----------|----------|---------|-----------|
| DX      | 101.810   | 0.20%    | USD-SGD | 1.2781    |
| USD-JPY | 156.87    | 0.06%    | EUR-SGD | 1.4318    |
| EUR-USD | 1.120     | -0.12%   | JPY-SGD | 0.8148    |
| AUD-USD | 0.704     | 0.23%    | GBP-SGD | 1.7097    |
| GBP-USD | 1.337     | -0.20%   | AUD-SGD | 0.8993    |
| USD-MYR | 4.086     | 0.06%    | NZD-SGD | 0.7286    |
| USD-CNY | 6.670     | -0.07%   | CHF-SGD | 1.5492    |
| USD-IDR | 18057     | 0.04%    | SGD-MYR | 3.1967    |
| USD-VND | 25841     | -0.03%   | SGD-CNY | 5.2186    |

## SOFR

| Tenor | EURIBOR | Change | Tenor | USD SOFR |
|-------|---------|--------|-------|----------|
| 1M    | 2.4540  | 0.53%  | 1M    | 3.9306   |
| 3M    | 2.6660  | -0.41% | 2M    | 3.9949   |
| 6M    | 3.0120  | -0.23% | 3M    | 4.0522   |
| 12M   | 3.2670  | 0.15%  | 6M    | 4.1934   |
|       |         |        | 1Y    | 4.4377   |

## Fed Rate Hike Probability

| Meeting    | # of Hikes/Cuts | % of Hikes/Cuts | Implied Rate Change | Expected Effective Fed Funds Rate |
|------------|-----------------|-----------------|---------------------|-----------------------------------|
| 10/28/2026 | 0.094           | 9.400           | 0.024               | 3.902                             |
| 12/09/2026 | 0.876           | 78.200          | 0.219               | 4.098                             |
| 01/27/2027 | 1.214           | 33.800          | 0.304               | 4.182                             |
| 03/17/2027 | 1.833           | 61.900          | 0.458               | 4.337                             |

## Equity and Commodity

| Index      | Value     | Net change |
|------------|-----------|------------|
| DJIA       | 52,215.16 | -652.82    |
| S&P        | 7,623.68  | -39.75     |
| Nasdaq     | 25,955.34 | -53.52     |
| Nikkei 225 | 62,693.16 | -214.68    |
| STI        | 5,422.16  | 7.02       |
| KLCI       | 1,611.56  | 3.42       |
| JCI        | 5,439.26  | 51.35      |
| Baltic Dry | 2,660.00  | -33.00     |
| VIX        | 19.45     | 0.42       |

## Government Bond Yields (%)

| Tenor | SGS (chg)    | UST (chg)    |
|-------|--------------|--------------|
| 2Y    | 1.87 (--)    | 4.69(--)     |
| 5Y    | 2.1 (-0.04)  | 4.81 (+0.04) |
| 10Y   | 2.31 (-0.03) | 4.99 (+0.04) |
| 15Y   | 2.35 (-0.04) | --           |
| 20Y   | 2.31 (-0.03) | --           |
| 30Y   | 2.32 (-0.03) | 5.31 (+0.04) |

## Secured Overnight Fin. Rate

|      |      |
|------|------|
| SOFR | 3.90 |
|------|------|

## Commodities Futures

| Energy                   | Futures | % chg | Soft Commodities        | Futures | % chg |
|--------------------------|---------|-------|-------------------------|---------|-------|
| WTI (per barrel)         | 103.27  | 3.8%  | Corn (per bushel)       | 4.560   | -1.0% |
| Brent (per barrel)       | 116.72  | 3.1%  | Soybean (per bushel)    | 12.565  | 0.3%  |
| Heating Oil (per gallon) | 498.42  | 1.1%  | Wheat (per bushel)      | 6.250   | 0.0%  |
| Gasoline (per gallon)    | 321.16  | 1.1%  | Crude Palm Oil (MYR/MT) | 45.870  | 0.8%  |
| Natural Gas (per MMBtu)  | 2.64    | -5.6% | Rubber (JPY/KG)         | 4.635   | 6.0%  |
| Base Metals              | Futures | % chg | Precious Metals         | Futures | % chg |
| Copper (per mt)          | 14323   | 1.7%  | Gold (per oz)           | 3996    | -0.7% |
| Nickel (per mt)          | 15848   | -1.7% | Silver (per oz)         | 53.89   | -1.2% |

Source: Bloomberg, Reuters

## Economic Calendar

| Date Time        | Country Code | Event                          | Period | Survey   | Actual | Prior    | Revised |
|------------------|--------------|--------------------------------|--------|----------|--------|----------|---------|
| 10/26/2026 11:30 | TH           | Customs Exports YoY            | Sep    | 18.00%   | --     | 24.30%   |         |
| 10/26/2026 11:30 | TH           | Customs Imports YoY            | Sep    | 30.10%   | --     | 25.10%   |         |
| 10/26/2026 11:30 | TH           | Customs Trade Balance          | Sep    | -\$1800m | --     | -\$2483m |         |
| 10/26/2026 13:00 | SI           | Industrial Production YoY      | Sep    | 7.10%    | --     | 15.40%   |         |
| 10/26/2026 13:00 | SI           | Industrial Production SA MoM   | Sep    | 0.60%    | --     | -0.50%   |         |
| 10/26/2026 13:00 | JN           | Leading Index CI               | Aug F  | --       | --     | 118      |         |
| 10/26/2026 13:00 | JN           | Coincident Index               | Aug F  | --       | --     | 118.7    |         |
| 10/26/2026 19:00 | UK           | CBI Total Dist. Reported Sales | Oct    | --       | --     | -36      |         |
| 10/26/2026 19:00 | UK           | CBI Retailing Reported Sales   | Oct    | -48      | --     | -55      |         |
| 10/26/2026 20:30 | US           | Chicago Fed Nat Activity Index | Sep    | -0.09    | --     | -0.04    |         |
| 10/26/2026 22:30 | US           | Dallas Fed Manf. Activity      | Oct    | 8.5      | --     | 9.8      |         |

Source: Bloomberg

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