

Daily Treasury Outlook

Highlights

Global: US stocks closed higher on Monday, as investors braced for an eventful week featuring FOMC decision and a wave of corporate earnings, while geopolitical risks remained on the radar. US major stock indexes posted modest gains at 0.43%-0.64%, though Russell 2000 fell further by 0.36%. President Trump threatened to raise tariffs on South Korean imports (covering autos, lumber, pharma and other reciprocal tariff) from 15% to 25%, citing failure to live up to trade deal. Japan's PM Taikaichi said she will resign if ruling coalition fails to win lower house majority, following poll result showing the cabinet approval rate dropped. Dollar index extended Friday's decline, to the lowest level since September last year. USTs yields were lower across tenors, as the two-year auction was met with robust demand. Gold prices surged to record highs above USD5,100/oz, as investors continued to pile into the safe-haven asset. On the other hand, crude prices edged slightly lower, though remained in consolidation pattern.

On data front, US' durable goods and capital goods orders in November last year both exceeded expectations, growing by 5.3% MoM and 0.7% MoM respectively. Separately, Germany's IFO business climate index was flat at 87.6 (vs consensus of 88.2), while expectation index edged down to 89.5 (vs consensus of 90.3).

Market Watch: Market is showing signs of fatigue in responding to yet another tariff threat, yet investors are likely to trade with a cautious tone today. Economic calendar of Asian market consists of Japan's December machine tool orders, Australia's December NAB business confidence, Philippines' December trade, China's December industrial profits and Hong Kong's December trade. Later today, market will watch US' weekly ADP employment change and January Conference Board consumer confidence.

SG: December IP eased to 8.3% YoY (-13.3% MoMsa), down from the upwardly revised November print of 18.2% YoY (-7.8% MoMsa), but still exceeded both the market consensus of 7.4% YoY and our forecast of 7.2% YoY. For full-year 2025, manufacturing grew 8.7% YoY, again the biggest improvement since 2021 (13.3% YoY). By cluster, the outperformers were transport engineering and electronics, which expanded 18.7% and 12.7% YoY, respectively, in 2025. In contrast, the biomedical manufacturing cluster shrank 38.8% YoY in December, dragged down by the volatile pharmaceuticals (-69.7% YoY) due to a different mix of active pharmaceutical ingredients. As such, 4Q25 GDP growth is likely to be revised higher from the advance estimate of 5.7% YoY to around 6.5% YoY. External headwinds such as geopolitical uncertainties and potential product-specific US tariffs on key sectors like pharmaceuticals and semiconductors remain pertinent. However, AI-related demand momentum still appears resilient, and this should lift the manufacturing and export tide for Asian exporting nations, including Singapore.

Key Market Movements

Equity	Value	% chg
S&P 500	6950.2	0.5%
DJIA	49412	0.6%
Nikkei 225	52885	-1.8%
SH Comp	4132.6	-0.1%
STI	4860.9	-0.6%
Hang Seng	26766	0.1%
KLCI	1744.1	1.4%
	Value	% chg
DXY	97.040	-0.6%
USDJPY	154.18	-1.0%
EURUSD	1.1880	0.4%
GBPUSD	1.3680	0.3%
USDIDR	16780	-0.2%
USDSGD	1.2696	-0.2%
SGDMYR	3.1260	-0.2%
	Value	chg (bp)
2Y UST	3.59	-0.40
10Y UST	4.21	-1.39
2Y SGS	1.40	-2.00
10Y SGS	2.07	-6.66
3M SORA	1.14	0.52
3M SOFR	3.86	-2.02
	Value	% chg
Brent	65.59	-0.4%
WTI	60.63	-0.7%
Gold	5009	0.4%
Silver	103.78	0.6%
Palladium	1961	-2.8%
Copper	13199	0.6%
BCOM	121.51	1.6%

Source: Bloomberg

Major Markets

CH: According to the Ministry of Culture and Tourism, domestic travel demand remained robust in 2025. Based on sample surveys of Chinese residents, total domestic trips reached 6.522 billion, representing a 16.2% YoY increase. Correspondingly, total domestic tourism expenditure rose to RMB 6.3 trillion, up 9.5% YoY, underscoring a solid recovery in travel activity, albeit with spending growth lagging the rebound in volumes.

ID: The Nusantara Capital Authority (OIKN) signed a land allocation agreement with UAE-based Ayedh Dejem Group in Dubai for a mixed-use development in the future capital, Nusantara. The project covers 9.7 hectares in the Core Government Area and will include offices, commercial space, a shopping mall, and a mosque, with an estimated investment value of IDR4.0trn (~USD238.4mn). OIKN said the project will proceed with detailed design, licensing, and contractor bidding over the next one and a half years, with construction expected to begin in mid-2027 and continue in stages over five years. Separately, the house of representatives has approved former deputy finance minister Thomas Djiwandono as deputy governor of Bank Indonesia.

MY: Plantation and Commodities Minister Noraini Ahmad launched the country's first commercial-scale sustainable aviation fuel plant in Tanjung Langsat, in line with the Malaysia Aviation Decarbonisation Blueprint (MADB) and the National Energy Transition Roadmap (NETR), including an initial SAF blending target of 1%. The EcoCeres Renewable Fuel Sdn Bhd facility has a licensed capacity of 350k tonnes per year and will produce sustainable aviation fuel, renewable diesel, and other bio-based products for domestic use and export using certified waste-based biomass, as reported by The Edge. Minister Noraini noted that the project supports local supply chains and small and medium enterprises, while supporting Malaysia's position as a leading sustainable aviation fuel producer in ASEAN. Separately, speaking at the 44th World Customs Day Celebration, Prime Minister Datuk Seri Anwar Ibrahim noted that the public fund losses from leakages, fraud, and theft are likely to be higher than the MYR15.5mn recovered over the past two years.

TH: According to the Board of Investment (BoI), the value of investment applications surged by 67% YoY to USD60.2bn in 2025, driven by the digital and advanced industries. Similarly, the number of investment applications increased by 11% from 2024, which the BoI attributed to improved investor confidence and a strategic pivot towards high-value industries. BoI Secretary-General Narit Therdsteerasukdi highlighted particularly strong interest in digital infrastructure and advanced electronics. He added that this momentum reflects Thailand's policy focus on strategic sectors aligned with global industry trends.

VN: General Secretary To Lam held a phone conversation with China's President Xi Jinping on Monday (26 January), during which President Xi congratulated To Lam on his reappointment. Both leaders agreed to deepen political trust, expand economic and technological cooperation, enhance people-to-people ties, and maintain coordination in multilateral forums, while extending Lunar New Year greetings to their parties, governments, and citizens. Separately, the government news website noted that the government is expected to begin operating a gold trading platform an online property trading center, and a pilot crypto-asset exchange market in February.

ESG

SG: Singapore has strengthened its carbon data infrastructure with the addition of 94 new emission factors to the Singapore Emission Factors Registry (SEFR), designed to support businesses in tracking and reporting their carbon footprint with greater accuracy ahead of upcoming mandatory requirements. The expansion targets cleaning, security, professional services and information and communications technology (ICT) sectors. For ICT, five new emission factors were added to help firms track emissions from cloud services more accurately. This brings the total number of emission factors in the registry to 319, which are scientific multipliers that convert business activity data into carbon emissions data. The registry now covers 100% of emissions reporting for Scope 1 and Scope 2, as well as four out of 15 categories for Scope 3 emissions. This can better support STI constituent listed companies in mandatory Scope 3 reporting starting FY2026. While reporting remains voluntary for non-STI constituent listed companies, many are increasingly adopting these disclosures to meet investor and stakeholder expectations.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading 3-4bps lower while belly tenors traded 5-6bps lower and 10Y traded 7bps lower. Global Investment Grade spreads traded flat at 72bps and Global High Yield spreads widened by 1bps to 255bps respectively. Bloomberg Global Contingent Capital Index traded flat at 220bps. Bloomberg Asia USD Investment Grade spreads widened by 1bps to 58bps and Asia USD High Yield spreads widened by 1bps to 331bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD700mn and USD6.31bn respectively.

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

- Goldman Sachs Group Inc/The priced a USD2.5bn 15NC10 subordinated fixed bond at T+118bps.
- Fifth Third Bancorp priced USD2bn of debt in two tranches.
- New York Life Global Funding priced USD1bn of debt in two tranches.

Among issuers under our official coverage, Goldman Sachs Finance Corp International Ltd (guarantor: Goldman Sachs Group Inc/The) priced a USD100mn 2Y fixed bond at 3.15%.

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

- Link Finance Cayman 2009 Ltd/The (guarantor: The Link Holdings Ltd, Link Properties Ltd, HSBC Institutional Trust services (Asia) Ltd) priced a USD600mn 10Y Fixed bond at 4.905%.

There were no notable issuances in the Singdollar market yesterday.

Mandates:

- Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara may issue USD-denominated senior unsecured bond offering with expected tenor(s) of 5- and/or 10-year FXD.

Equity Market Updates

US: U.S. equities opened the week on a firmer footing, with the S&P500 rising 0.5%, the Nasdaq adding 0.4% and the Dow gaining 0.6%, supported by relatively broad sector gains and renewed leadership from several mega-cap stocks. Eight of the eleven S&P 500 sectors finished higher, led by communication services (+1.3%) as Meta (+2.1%) and Alphabet (+1.6%) advanced, while strength in Apple (+3.0%) and Microsoft (+0.9%) helped lift the information technology sector (+0.8%) despite continued weakness in semiconductor shares, including further declines in Intel (-5.8%) and NVIDIA (-0.6%). In contrast, consumer discretionary (-0.7%) slipped as Tesla (-3.1%) fell below its 50-day moving average, although overall mega-cap performance remained strong, with large-cap growth again outperforming smaller companies. Cyclical sectors such as financials (+0.7%) and materials (+0.3%) posted modest gains, with insurers providing support and mining stocks benefiting from record highs in gold and silver prices. Smaller-cap indices lagged once more, with the Russell 2000 (-0.4%) and S&P MidCap 400 (-0.1%) ending lower, underscoring the continued divergence between mega-caps and the broader market. With major indices sitting close to record highs and several large technology firms due to report earnings this week, investor focus is likely to centre on guidance and evidence that elevated investment, particularly in AI-related areas, can deliver sustainable returns.

Foreign Exchange

	Day Close	% Change		Day Close
DX	97.040	-0.57%	USD-SGD	1.2696
USD-JPY	154.18	-0.98%	EUR-SGD	1.5077
EUR-USD	1.188	0.44%	JPY-SGD	0.8234
AUD-USD	0.692	0.33%	GBP-SGD	1.7369
GBP-USD	1.368	0.27%	AUD-SGD	0.8783
USD-MYR	3.965	-1.04%	NZD-SGD	0.7585
USD-CNY	6.954	-0.13%	CHF-SGD	1.6343
USD-IDR	16780	-0.25%	SGD-MYR	3.1260
USD-VND	26194	-0.19%	SGD-CNY	5.4789

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9590	-0.41%	1M	3.6745
3M	2.0380	0.39%	2M	3.6750
6M	2.1570	0.37%	3M	3.6711
12M	2.2430	1.22%	6M	3.6359
			1Y	3.5207

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
01/28/2026	-0.028	-2.800	-0.007	3.632
03/18/2026	-0.167	-13.900	-0.042	3.598
04/29/2026	-0.308	-14.100	-0.077	3.563
06/17/2026	-0.759	-45.100	-0.190	3.450
07/29/2026	-1.048	-28.900	-0.262	3.378
09/16/2026	-1.441	-39.300	-0.360	3.279

Equity and Commodity

Index	Value	Net change
DJIA	49,412.40	313.69
S&P	6,950.23	34.62
Nasdaq	23,601.36	100.12
Nikkei 225	52,885.25	-961.62
STI	4,860.93	-30.52
KLCI	1,744.07	24.08
JCI	8,975.33	24.32
Baltic Dry	1,762.00	1.00
VIX	16.15	0.06

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.4 (-0.02)	3.59(--)
5Y	1.7 (-0.05)	3.82 (-0.01)
10Y	2.07 (-0.07)	4.22 (-0.01)
15Y	2.07 (-0.07)	--
20Y	2.08 (-0.06)	--
30Y	2.19 (-0.04)	4.81 (-0.02)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.65
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	60.63	-0.7%	Corn (per bushel)	4.283	-0.5%
Brent (per barrel)	65.59	-0.4%	Soybean (per bushel)	10.618	-0.6%
Heating Oil (per gallon)	256.80	5.7%	Wheat (per bushel)	5.225	-1.3%
Gasoline (per gallon)	182.01	-1.7%	Crude Palm Oil (MYR/MT)	41.720	1.1%
Natural Gas (per MMBtu)	6.80	28.9%	Rubber (JPY/KG)	3.505	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13199	0.6%	Gold (per oz)	5009	0.4%
Nickel (per mt)	18522	-1.2%	Silver (per oz)	103.78	0.6%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
1/27/2026 5:00	SK	Composite Business Survey Manufacturing	Jan	--	97.5	94.4	94.7
1/27/2026 5:00	SK	Composite Business Survey Non-Manu	Jan	--	91.7	93.2	93.8
1/27/2026 9:00	PH	Exports YoY	Dec	19.20%	--	21.30%	--
1/27/2026 9:00	PH	Exports	Dec	--	--	\$6910m	--
1/27/2026 9:00	PH	Imports YoY	Dec	2.00%	--	-2.00%	--
1/27/2026 9:00	PH	Imports	Dec	--	--	\$10420m	--
1/27/2026 9:00	PH	Trade Balance	Dec	-\$3375m	--	-\$3510m	--
1/27/2026 9:30	CH	Industrial Profits YTD YoY	Dec	--	--	0.10%	--
1/27/2026 9:30	CH	Industrial Profits YoY	Dec	--	--	-13.10%	--
1/27/2026 21:15	US	ADP Weekly Employment Change	3-Jan	--	--	8.000k	--
1/27/2026 22:00	US	FHFA House Price Index MoM	Nov	0.30%	--	0.40%	--
1/27/2026 22:00	US	S&P Cotality CS 20-City MoM SA	Nov	0.22%	--	0.32%	--
1/27/2026 22:00	US	S&P Cotality CS 20-City YoY NSA	Nov	1.20%	--	1.31%	--
1/27/2026 22:00	US	S&P Cotality CS US HPI YoY NSA	Nov	1.30%	--	1.36%	--
1/27/2026 23:00	US	Richmond Fed Manufact. Index	Jan	-5	--	-7	--
1/27/2026 23:00	US	Richmond Fed Business Conditions	Jan	-7	--	-11	--

Source: Bloomberg

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