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OCBC Group Research

By Global Markets | 27 March 2026

# Daily Treasury Outlook

## Highlights

**Global**: US equities closed lower overnight, with the Nasdaq declining around 2.4%, the S&P 500 falling 1.7%, and the Dow Jones Industrial Average down 1.0%. The selloff was driven by a renewed rise in oil prices and deteriorating sentiment around Middle East developments, raising concerns over supply disruptions, higher inflation, and a more cautious Federal Reserve policy path. On geopolitics, US President Donald Trump extended the deadline for Iran to reopen the Strait of Hormuz by 10 days, marking a second reprieve. While negotiations were described as progressing, this coincides with continued signs of escalation, including plans to deploy an additional 2,000 troops and potential reallocation of military resources. To that end, the mixed signals have kept energy markets volatile and uncertainty elevated. Meanwhile, the OECD highlighted increasing downside risks to the global outlook, noting that disruptions to Gulf energy shipments could lead to slower growth and higher inflation, with US inflation potentially exceeding 4% this year. Despite this, it predicts the Federal Reserve to remain on hold. On the data front, initial jobless claims rose modestly by 5k to 210k in the week ended 21 March, in line with expectations, while the four-week average remained stable at 210.5k.

**Market Watch:** For the day ahead, key data releases include Philippine February trade data, China's industrial profits, and the 4Q25 balance of payments current account balance. From the US, markets will be watching the University of Michigan's March consumer sentiment reading. In addition, both the Philadelphia Fed and Richmond Fed Presidents are scheduled to speak today.

**SG:** February Industrial production surprised to the downside, declining by 0.1% (consensus: +14.1%), down from a downwardly revised +12.9% in January. According to the EDB, "excluding the electronics cluster, all clusters recorded output decline on a year-on-year basis in February 2026. The decline was largely due to plant shutdowns during the Lunar New Year period."

**Key Market Movements**

| Equity | Value | % chg |
|---|---|---|
| S&P 500 | 6477.2 | -1.7% |
| DJIA | 45960 | -1.0% |
| Nikkei 225 | 53604 | -0.3% |
| SH Comp | 3889.1 | -1.1% |
| STI | 4887.8 | -0.3% |
| Hang Seng | 24856 | -1.9% |
| KLCI | 1710.9 | -0.3% |
| | **Value** | **% chg** |
| DXY | 99.900 | 0.3% |
| USDJPY | 159.81 | 0.2% |
| EURUSD | 1.1527 | -0.3% |
| GBPUSD | 1.3330 | -0.3% |
| USDIDR | 16904 | 0.0% |
| USDSGD | 1.2853 | 0.3% |
| SGDMYR | 3.1119 | 0.4% |
| | **Value** | **chg (bp)** |
| 2Y UST | 3.99 | 10.06 |
| 10Y UST | 4.41 | 7.95 |
| 2Y SGS | 1.63 | 8.00 |
| 10Y SGS | 2.29 | 9.57 |
| 3M SORA | 1.07 | -0.06 |
| 3M SOFR | 3.69 | -0.02 |
| | **Value** | **% chg** |
| Brent | 108.01 | 5.7% |
| WTI | 94.48 | 4.6% |
| Gold | 4376 | -2.9% |
| Silver | 68.06 | -4.4% |
| Palladium | 1364 | -3.7% |
| Copper | 12147 | -1.4% |
| BCOM | 131.98 | 1.2% |

Source: Bloomberg

## Major Markets

**ID:** Finance Minister Purbaya Yudhi Sadewa said the government is considering efficiency measures that could save up to IDR120.0trn, including IDR80.0trn from ministry spending cuts and a potential IDR40.0trn from reducing the distribution frequency of the free meals programme. He stated that discussions are ongoing, with no final decision made, while programme officials may propose the adjustment to President Prabowo Subianto. Separately, the government has shifted IDR100.0trn in reserves into state-owned banks to support government bond purchases, as reported by Bloomberg.

**MY:** Prime Minister Anwar Ibrahim announced that Malaysia will cut the standard monthly subsidised fuel quota under the Budi95 scheme to 200 litres from 300 litres effective 1 April, as the subsidy bill surged to MYR4.0bn per month amid higher global oil prices. He said the 800-litre quota for e-hailing and gig workers will remain unchanged, while nearly 90% of users consume below 200 litres monthly, and affirmed the revision will not affect most Malaysians. The move follows Brent crude rising above USD100.0 per barrel versus the USD65.0 assumption in Budget 2026, with unsubsidised fuel prices increasing sharply, pushing subsidy costs up from MYR700.0mn previously.

**TH:** The caretaker cabinet approved several measures to mitigate the impact of rising fuel prices on households and businesses, including welfare card top-ups and soft loans for small and medium-sized enterprises. The Ministry of Finance will review options for excise tax cuts on fuel, as subsidies from the Oil Fuel Fund have been reduced. However, the proposal must first receive approval from the Election Commission since the government is still in caretaker mode. Low-income earners will receive an additional THB100 on their welfare cards for one month, with spending restricted only to consumer goods. Meanwhile, farmers will benefit from the "Green Flag" scheme, which lower fertiliser costs and promote organic alternatives. Transport operators, such as freight trucks and public buses, will receive fuel subsidies based on actual fuel usage tracked via GPS, and the government will encourage commercial fishers to switch to cheaper B20 biodiesel. Additionally, government agencies will allow more flexibility for contractors on state projects, by extending inspection periods and considering case-by-case compensation for cost increases.

## ESG

**SG**: Singapore has postponed the green jet fuel levy by 6 months on outbound flights from Singapore, as a pragmatic response to the impact of the ongoing Middle East conflict on airlines and passengers. The levy will now apply to passengers departing Singapore from 1 Jan 2027, holding flight tickets sold from 1 Oct 2026. The sustainable aviation fuel (SAF) levy was originally meant to apply to passengers leaving Singapore from October, holding tickets sold from 1 Apr. Singapore remains committed to aviation sector decarbonisation despite the deferment of the sustainable aviation fuel (SAF) levy, that will go towards the purchase of SAF as part of aviation decarbonisation efforts.

## Credit Market Updates

**Market Commentary:**
The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 6-9bps higher while belly tenors traded 10-11bps higher and 10Y tenors traded 11bps higher. Global Investment Grade spreads widened by 1bps to 86ps and Global High Yield spreads widened by 3bps to 311bps respectively. Bloomberg Global Contingent Capital Index traded flat at 258bps. Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 62bps and Asia USD High Yield spreads tightened by 15bps to 414bps respectively. (Bloomberg, OCBC)

**New Issues:**
The total issuance volumes for APAC and DM IG market yesterday were USD1.25bn and zero respectively.

There were no notable issuers in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

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

- Macquarie Bank Ltd priced USD1.25bn of debt in two tranches.

There were no notable issuances in the Singdollar market yesterday.

**Mandates:**

- Korea Mine Rehabilitation and Mineral Resources Corporation may issue USD-denominated 5Y fixed rate or floating rate notes.

## Equity Market Updates

**US:** US stocks tumbled Thursday as scepticism mounted over prospects for a ceasefire between the US and Iran, with the S&P 500 falling 1.7%, the Nasdaq plunging 2.4%, and the Dow dropping 1.0%. The decline marked the worst session since the Iran war began in January, with the Nasdaq closing in correction territory at least 10% below its record. Communication services and technology sectors led losses, with Meta Platforms and Alphabet each tumbling 7.1% following verdicts in a social media addiction trial. Nvidia fell 4.2% despite earlier optimism. Oil prices surged around 5%, stoking inflation concerns and keeping Treasury yields elevated. The 10-year Treasury yield climbed 8.8 basis points to 4.415%, its highest since July 2025, whilst the 30-year yield rose 3.8 basis points to 4.935%. Weak demand at Thursday's USD44b seven-year note auction compounded pressure on bonds after similarly poor two- and five-year auctions earlier in the week. President Trump announced a 10-day pause on attacks against Iran's energy infrastructure after the close, though uncertainty remained high.

**Foreign Exchange**

| | Day Close | % Change | | Day Close |
|---|---|---|---|---|
| **DXY** | 99.900 | 0.30% | **USD-SGD** | 1.2853 |
| **USD-JPY** | 159.81 | 0.21% | **EUR-SGD** | 1.4818 |
| **EUR-USD** | 1.153 | -0.28% | **JPY-SGD** | 0.8043 |
| **AUD-USD** | 0.689 | -0.88% | **GBP-SGD** | 1.7133 |
| **GBP-USD** | 1.333 | -0.26% | **AUD-SGD** | 0.8851 |
| **USD-MYR** | 3.994 | 0.75% | **NZD-SGD** | 0.7405 |
| **USD-CNY** | 6.914 | 0.17% | **CHF-SGD** | 1.6164 |
| **USD-IDR** | 16904 | -0.04% | **SGD-MYR** | 3.1119 |
| **USD-VND** | 26344 | -0.01% | **SGD-CNY** | 5.3767 |

**Equity and Commodity**

| Index | Value | Net change |
|---|---|---|
| **DJIA** | 45,960.11 | -469.38 |
| **S&P** | 6,477.16 | -114.74 |
| **Nasdaq** | 21,408.08 | -521.75 |
| **Nikkei 225** | 53,603.65 | -145.97 |
| **STI** | 4,887.76 | -16.78 |
| **KLCI** | 1,710.89 | -5.79 |
| **JCI** | 7,164.09 | -138.03 |
| **Baltic Dry** | 2,001.00 | 12.00 |
| **VIX** | 27.44 | 2.11 |

**SOFR**

| Tenor | EURIBOR | Change | Tenor | USD SOFR |
|---|---|---|---|---|
| **1M** | 1.9470 | -0.66% | **1M** | 3.6692 |
| **3M** | 2.1350 | -1.97% | **2M** | 3.6835 |
| **6M** | 2.5180 | -2.74% | **3M** | 3.6998 |
| **12M** | 2.8120 | -3.99% | **6M** | 3.7523 |
| | | | **1Y** | 3.8491 |

**Government Bond Yields (%)**

| Tenor | SGS (chg) | UST (chg) |
|---|---|---|
| **2Y** | 1.63 (+0.08) | 3.97(--) |
| **5Y** | 1.91 (+0.1) | 4.09 (+0.11) |
| **10Y** | 2.29 (+0.1) | 4.4 (+0.08) |
| **15Y** | 2.36 (+0.08) | -- |
| **20Y** | 2.38 (+0.08) | -- |
| **30Y** | 2.49 (+0.09) | 4.93 (+0.03) |

**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 | 0.208 | 14.600 | 0.052 | 3.699 |
| 07/29/2026 | 0.322 | 11.400 | 0.081 | 3.727 |
| 09/16/2026 | 0.498 | 17.600 | 0.124 | 3.771 |

**Financial Spread (bps)**

| | Value | Change |
|---|---|---|
| **TED** | 35.36 | -- |

**Secured Overnight Fin. Rate**

| | |
|---|---|
| **SOFR** | 3.64 |

**Commodities Futures**

| **Energy** | **Futures** | **% chg** | **Soft Commodities** | **Futures** | **% chg** |
|---|---|---|---|---|---|
| WTI (per barrel) | 94.48 | 4.6% | Corn (per bushel) | 4.670 | -0.1% |
| Brent (per barrel) | 108.01 | 5.7% | Soybean (per bushel) | 11.738 | 0.2% |
| Heating Oil (per gallon) | 427.34 | 6.7% | Wheat (per bushel) | 6.050 | 1.2% |
| Gasoline (per gallon) | 313.02 | 3.9% | Crude Palm Oil (MYR/MT) | 45.010 | 1.3% |
| Natural Gas (per MMBtu) | 3.00 | 1.6% | Rubber (JPY/KG) | 3.610 | -1.0% |
| **Base Metals** | **Futures** | **% chg** | **Precious Metals** | **Futures** | **% chg** |
| Copper (per mt) | 12147 | -1.4% | Gold (per oz) | 4376 | -2.9% |
| Nickel (per mt) | 17253 | -0.5% | Silver (per oz) | 68.06 | -4.4% |

Source: Bloomberg, Reuters

## Economic Calendar

| Date Time | Country Code | Event | Period | Survey | Actual | Prior | Revised |
|---|---|---|---|---|---|---|---|
| 3/27/2026 5:00 | SK | Composite Business Survey Manufacturing | Mar | -- | 97.1 | 97.1 | -- |
| 3/27/2026 5:00 | SK | Composite Business Survey Non-Manu | Mar | -- | 92 | 92.2 | -- |
| 3/27/2026 9:30 | CH | Industrial Profits YTD YoY | Feb | -- | -- | 0.60% | -- |
| 3/27/2026 12:00 | TH | Mfg Production Index ISIC NSA YoY | Feb | 2.45% | -- | 1.46% | -- |
| 3/27/2026 12:00 | TH | Capacity Utilization ISIC | Feb | -- | -- | 60.07 | -- |
| 3/27/2026 15:30 | TH | Gross International Reserves | 20-Mar | -- | -- | $284.4b | -- |
| 3/27/2026 15:30 | TH | Forward Contracts | 20-Mar | -- | -- | $22.3b | -- |
| 3/27/2026 17:00 | EC | ECB 1 Year CPI Expectations | Feb | 2.80% | -- | 2.60% | -- |
| 3/27/2026 17:00 | EC | ECB 3 Year CPI Expectations | Feb | 2.70% | -- | 2.60% | -- |
| 3/27/2026 18:00 | US | Bloomberg March United States Economic Survey | | | | | |
| 3/27/2026 22:00 | US | U. of Mich. Sentiment | Mar F | 54 | -- | 55.5 | -- |
| 3/27/2026 22:00 | US | U. of Mich. Current Conditions | Mar F | 56.9 | -- | 57.8 | -- |
| 3/27/2026 22:00 | US | U. of Mich. Expectations | Mar F | 50.9 | -- | 54.1 | -- |
| 3/27/2026 22:00 | US | U. of Mich. 1 Yr Inflation | Mar F | 3.60% | -- | 3.40% | -- |
| 3/27/2026 22:00 | US | U. of Mich. 5-10 Yr Inflation | Mar F | 3.50% | -- | 3.20% | -- |
| 3/27/2026 23:00 | US | Kansas City Fed Services Activity | Mar | 4 | -- | 6 | -- |

*Source: Bloomberg*

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