

Daily Treasury Outlook

Highlights

Global: US equities started the week on a positive note, with the S&P 500 gaining 0.7%, the Dow Jones rising 0.3% and the Nasdaq advancing 0.8%. Technology stocks led the gains after Anthropic filed to go public at the Nasdaq, helping revive sentiment towards the AI trade following two consecutive weeks of losses. Semiconductor stocks were particularly strong, with the Philadelphia Semiconductor index rising 2.8%. On the geopolitical front, diplomatic efforts intensified, with officials from Saudi Arabia, Turkey and Pakistan meeting Iranian officials in Tehran following a visit by Qatari mediators. However, tensions remain elevated after the Houthis claimed fresh attacks on Saudi oil infrastructure and Riyadh airport. Oil prices eased on hopes of de-escalation, with Brent falling 0.8% to USD115.8/bbl. In the UK, the CBI retail sales balance improved significantly to -10 in October from -55 in September (Consensus: -47). This marked the slowest annual decline in retail sales volumes since April 2025, while sales relative to seasonal norms improved to their strongest level in more than two years. Despite the improvement, retailers expect sales volumes to continue contracting in November, reflecting persistent pressure from cautious household spending and higher fuel costs. In the US, the Chicago Fed National Activity Index rose to +0.07 in September from -0.08 in August, suggesting that economic activity recovered to slightly above its historical trend. The improvement was primarily driven by stronger production and orders, although consumption and housing continued to weigh on activity. Separately, the Dallas Fed manufacturing index rose to 13.4 in October from 9.8, indicating an improvement in business sentiment. However, the production and new orders indices moderated to 15.8 and 9.3, respectively, suggesting some easing in underlying manufacturing momentum.

Market Watch: Today's data calendar is relatively busy. In the US, we have September building permits, the ADP weekly employment change, durable goods orders, new home sales, and October consumer confidence. In Europe, we have October consumer confidence from France and the 3Q unemployment rate from Spain, while ECB President Lagarde is also scheduled to speak. South Korea advance estimates for 3Q GDP growth was higher than expected at 1.0% QoQ sa from 0.6% in 2Q26 (Consensus: 0.8%).

SG: September industrial production growth slowed sharply to 3.4% YoY in September from 15.4% in August, marking its weakest reading since August 2025. The slowdown reflected a sharp moderation in electronics output growth to 5.7% from 28.3%, alongside a 32.8% contraction in biomedical manufacturing, led by a 65.9% decline in pharmaceutical output. On a seasonally adjusted basis, industrial production fell 3.9% MoM, pointing to weaker underlying manufacturing momentum.

Major Markets

CH: According to data released by the National Energy Administration (NEA), China's total installed power generation capacity reached 4,130 GW as of end-September, up 11.2% YoY. Renewable energy continued to drive capacity

Key Market Movements

Equity	Value	% chg
S&P 500	7676.8	0.7%
DJIA	52362	0.3%
Nikkei 225	62190	-0.8%
SH Comp	3697.5	0.2%
STI	5415.9	-0.1%
Hang Seng	23212	0.5%
KLCI	1604.4	-0.4%

	Value	% chg
DXY	101.959	0.1%
USDJPY	157.5	0.4%
EURUSD	1.1174	-0.2%
GBPUSD	1.3342	-0.2%
USDIDR	18124	0.4%
USDSGD	1.2808	0.2%
SGDMYR	3.1937	-0.1%

	Value	chg (bp)
2Y UST	4.72	3.41
10Y UST	4.99	-0.61
2Y SGS	1.87	0.10
10Y SGS	2.31	-0.35
3M SORA	1.27	0.92
3M SOFR	3.76	0.94

	Value	% chg
Brent	115.81	-0.8%
WTI	101.76	-1.5%
Gold	4017	0.5%
Silver	53.97	0.1%
Palladium	1046	-0.1%
Copper	14328	0.0%
BCOM	142.94	-0.5%

Source: Bloomberg

expansion, with installed solar power capacity rising by 16.5% YoY to 1,310 GW and wind power capacity increasing by 20.4% YoY to 700 GW. Together, solar and wind accounted for nearly 49% of China's total installed power generation capacity, highlighting the continued shift towards renewable energy in China's power generation mix.

MY: Petronas said on 26 Oct that Singapore's Energy Market Authority (EMA) had granted conditional approval to Sembcorp Utilities for a proposed renewable electricity corridor linking Vietnam, Malaysia and Singapore. The project aims to supply up to 1.3GW of renewable electricity to Singapore, using offshore wind resources in Vietnam alongside solar and battery storage infrastructure in Malaysia, with electricity also supplied to Malaysia along the route. Petronas and Tenaga Nasional are participating through MY Energy Consortium, alongside Vietnam's PetroVietnam Technical Services Corporation and Singapore's Sembcorp Utilities, the designated electricity importer. The approval follows a joint development agreement signed in May 2025 and allows the partners to advance technical and commercial work, subject to further regulatory approvals, power purchase agreements and financing. Petronas said electricity imports are expected to begin in 2035.

ID: The Indonesia Stock Exchange (IDX) announced tighter market surveillance on 26 Oct, including earlier investigations into suspected coordinated share trading and possible restrictions on securities accounts. IDX President Director Jeffrey Hendrik said the exchange would announce investigations when it detects signs of manipulation, rather than relying primarily on unusual market activity notices, with implementation planned following consultations with exchange members this week. IDX also expanded its High Shareholding Concentration (HSC) committee to nine members, comprising four representatives from self-regulatory organisations and five independent external members, including market participants, academics and foreign investors. Separately, the Financial Services Authority (OJK) extended permission for listed companies to conduct share buybacks without shareholder meeting approval through Jun 2027, from Dec 2026.

TH: September customs export growth remained robust at 24.0% YoY in September, broadly unchanged from 24.3% in August. Meanwhile, import growth surged to 50.4% YoY from 25.1% in the previous month. Consequently, the customs trade deficit widened to USD5.9bn in September from USD2.5bn in August. On the export front, higher shipments of 'agricultural products' (8.1% YoY from 4.2%) and 'mineral products and fuel' (102.4% from 67.1%) more than offset the decline in shipments of 'agro industrial products' (-2.7% from -1.9%). Meanwhile, exports of 'principal manufacturing products' remained robust at 25.4% YoY, albeit easing slightly from 27.1% in August. By destination, front-loading of exports to the US remained strong, rising by 50.1% YoY from 48.7% in the August, marking the 22nd consecutive month of double-digit growth. In the first nine months of 2026, customs exports grew by 19.5% YoY, compared with 13.1% for full-year 2025, supported by strong global demand for electronics. The Ministry of Commerce revised up its 2026 export growth forecast from 15% to 19% and anticipates exports growth of 2-4% in 2027.

TW: Taiwan's labour market remained broadly stable in September, with the seasonally adjusted unemployment rate holding at 3.3%. Employment stood at 11.6 million, while the labour-force participation rate was 59.6%. In unadjusted

terms, the unemployment rate also stood at 3.4%, its lowest September level in 26 years, as fewer first-time job seekers entered the labour market following the end of the graduation season. The number of unemployed fell by 6,000 over the month to 405,000 and was 2,000 lower than a year earlier. Youth unemployment remained considerably higher, although the rate among people aged 15 to 24 eased to 11.6%, from 11.7% in August. Overall, the figures suggest that Taiwan's labour market remains resilient, although employment growth was relatively subdued compared with the strength of industrial production.

Sustainability

SG/ID: Indonesia began reducing natural gas exports to Singapore on 24 Oct to prioritise its domestic electricity needs. Singapore's Energy Market Authority said the reduction amounts to less than 2% of Singapore's daily gas demand. The cuts are unlikely to materially affect electricity prices in the near term, according to Minister for Energy, Trade and Industry (Energy and Industry) Tan See Leng, who reassured that Singapore has multiple layers of defence in place. Singapore's power generation companies are required to maintain sufficient diesel reserves to guard against a larger disruption of gas supplies, with a standby liquefied natural gas facility also in place. Nonetheless, this highlights Singapore's exposure to imported fuels and reinforces the importance of diversifying its energy sources and strengthening resilience against external supply disruptions.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve flat to lower yesterday; shorter tenors traded flat to 2bps lower, belly tenors traded flat, and the 10Y tenor traded 1bps lower.
- US Investment Grade spreads traded 1bps tighter to 88bps, and US High Yield spreads tightened by 9bps to 328bps. Bloomberg Global Contingent Capital spreads tightened 2bps to 256bps.
- Bloomberg Asia USD Investment Grade spread widened by 1bps to 71bps, and the Asia USD High Yield spreads widened by 3bps to 406bps. (Bloomberg, OCBC)

New Issues:

- There were SGD141mn of issuances in the Singdollar market yesterday, led by Cagamas Global PLC (guarantor: Cagamas Bhd), which priced SGD141mn 1Y bond at 2.38%.
- There were USD1.7bn and USD15.13bn of issuances in the APAC USD and DM IG markets respectively yesterday (prior business day: zero and USD75mn respectively). APAC USD issuance was led by Samsung Life Insurance Co Ltd. (priced USD1.5bn 30NC5 bond at 6.875%), while Proctor & Gamble Co/The led DM IG issuances (priced USD4bn across four tranches).

Credit Headlines:

- OUECT is acquiring an additional 50.0% interest in Salesforce Tower for a total acquisition cost of AUD539mn (SGD483mn), increasing its ownership from 19.9% to 69.9%.

- BPLN reached an agreement with the State of Louisiana to accelerate its remaining Deepwater Horizon settlement payments into a single USD350mn payment, resolving the remaining coastal zone lawsuits brought by Louisiana parishes.
- KEPSP / SCISP: Keppel Energy, Sembcorp Utilities and Tuas Power Generation were appointed to import and supply biomethane under a 15-year regulatory sandbox, while Indonesia began reducing pipeline natural gas exports to Singapore from 25 October 2026 by 31mmscfd.

Equity Market Updates

US: US stocks advanced Monday, snapping a two-session losing streak, as Anthropic's IPO filing rekindled enthusiasm for the artificial intelligence trade ahead of a pivotal week of mega-cap tech earnings, including Alphabet, Amazon, and Microsoft, and the Federal Reserve's rate decision on 28 Oct 2026. The S&P 500 rose 0.7%, the Nasdaq gained 0.8%, and the Dow added 0.3%. Chipmakers led gains, with the Philadelphia Semiconductor Index surging 2.8%, whilst optical connectivity stocks rebounded sharply, with Lumentum climbing 8.2% and Coherent rising 5.8% on read-across from Anthropic's infrastructure demand. Cadence Design lifted its full-year adjusted EPS guidance above consensus. In fixed income, the Treasury curve flattened notably, with front-end yields rising around 3 basis points whilst long-end yields fell roughly 2 basis points, as positioning ahead of this week's coupon supply and the Fed decision was cited as a driver. A USD69b two-year note auction tailed slightly, pricing at 4.708% versus 4.705% when-issued, though direct bidders were awarded a record 41.3% share. In China, state-linked national team ETFs drew CNY128.7b in inflows last week, the most since the April 2025 trade-war rout, as authorities stepped up market support efforts.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	101.959	0.15%	USD-SGD	1.2808
USD-JPY	157.50	0.40%	EUR-SGD	1.4314
EUR-USD	1.117	-0.25%	JPY-SGD	0.8133
AUD-USD	0.702	-0.27%	GBP-SGD	1.7090
GBP-USD	1.334	-0.24%	AUD-SGD	0.8988
USD-MYR	4.088	0.05%	NZD-SGD	0.7278
USD-CNY	6.670	0.00%	CHF-SGD	1.5476
USD-IDR	18124	0.37%	SGD-MYR	3.1937
USD-VND	25846	0.02%	SGD-CNY	5.2082

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4540	0.53%	1M	3.9380
3M	2.6660	-0.41%	2M	4.0057
6M	3.0120	-0.23%	3M	4.0626
12M	3.2670	0.15%	6M	4.2083
			1Y	4.4623

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.105	10.500	0.026	3.908
12/09/2026	0.886	78.100	0.222	4.103
01/27/2027	1.245	35.900	0.311	4.193
03/17/2027	1.905	66.000	0.476	4.358

Equity and Commodity

Index	Value	Net change
DJIA	52,361.58	146.42
S&P	7,676.77	53.09
Nasdaq	26,169.38	214.04
Nikkei 225	62,189.65	-503.51
STI	5,415.91	-6.25
KLCI	1,604.36	-7.20
JCI	5,373.09	-66.16
Baltic Dry	2,660.00	-33.00
VIX	18.39	-1.06

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.87 (--)	4.71 (--)
5Y	2.09 (-0.02)	4.83 (+0.02)
10Y	2.31 (--)	4.99 (-0.01)
15Y	2.34 (-0.01)	--
20Y	2.3 (-0.01)	--
30Y	2.32 (--)	5.31 (-0.02)

Secured Overnight Fin. Rate

SOFR	3.92
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	101.76	-1.5%	Corn (per bushel)	4.550	-0.2%
Brent (per barrel)	115.81	-0.8%	Soybean (per bushel)	12.413	-1.2%
Heating Oil (per gallon)	491.20	-1.4%	Wheat (per bushel)	6.160	-1.4%
Gasoline (per gallon)	321.85	0.2%	Crude Palm Oil (MYR/MT)	45.580	-0.6%
Natural Gas (per MMBtu)	2.60	-1.4%	Rubber (JPY/KG)	4.635	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14328	0.0%	Gold (per oz)	4017	0.5%
Nickel (per mt)	15561	-1.8%	Silver (per oz)	53.97	0.1%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/27/2026 5:00	SK	Consumer Confidence	Oct	--	105.4	10660.00%	--
10/27/2026 7:00	SK	GDP SA QoQ	3Q A	0.80%	0.01	0.60%	--
10/27/2026 7:00	SK	GDP YoY	3Q A	0.031	0.034	0.037	--
10/27/2026 7:50	JN	PPI Services YoY	Sep	3.70%	0.037	3.70%	0.035
10/27/2026 17:00	EC	M3 Money Supply YoY	Sep	3.40%	--	3.50%	--
10/27/2026 20:30	US	Durable Goods Orders	Sep P	0.019	--	-0.001	--
10/27/2026 20:30	US	Durables Ex Transportation	Sep P	0.006	--	0.002	--
10/27/2026 20:30	US	Cap Goods Orders Nondef Ex Air	Sep P	0.007	--	0.016	--
10/27/2026 20:30	US	Cap Goods Ship Nondef Ex Air	Sep P	0.008	--	0.005	--
10/27/2026 21:00	US	FHFA House Price Index MoM	Aug	0.002	--	0.003	--
10/27/2026 22:00	US	Conf. Board Consumer Confidence	Oct	81	--	81.9	--
10/27/2026 22:00	US	Richmond Fed Manufact. Index	Oct	0	--	-2	--
10/27/2026 22:00	US	New Home Sales	Sep	651k	--	684k	--
10/27/2026-10/28/2026	US	Building Permits	Sep F	1400k	--	1400k	--

Source: Bloomberg

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