By Global Markets | 28 August 2026

Daily Treasury Outlook

Highlights

Global: US equities closed higher overnight, led by a strong rally in technology shares. Sentiment was partly lifted by strong results and guidance from Nvidia, which reinforced confidence in continued AI-related demand. On geopolitics, oil prices moved higher after the Wall Street Journal reported that President Trump was not interested in returning to the terms of a June agreement with Iran. Brent was up over 2% at around USD89.4 per barrel. Qatar's prime minister was in Tehran for talks aimed at reviving diplomatic efforts, but uncertainty around the Strait of Hormuz remains elevated. On the US data front, initial jobless claims fell by 4k to 203k in the week ended 22 August, below consensus of 208k and marking a second consecutive weekly decline. Continuing claims also fell by 18k to 1.78mn. Separately, the advance goods trade deficit widened sharply to USD118.8bn in July from USD101.4bn in June, as exports fell 2.9% while imports rose 3.7%, led by a surge in capital-goods imports.

At Jackson Hole, several Fed officials maintained a cautious tone on inflation. Kansas City Fed President Jeffrey Schmid said current policy did not appear sufficiently restrictive, while Cleveland Fed President Beth Hammack reiterated that she remains willing to act against persistent inflation. Chicago Fed President Austan Goolsbee also warned that inflation remains the main near-term risk, although Boston Fed President Susan Collins continued to see gradual disinflation as the most likely path.

Market Watch: This morning, Tokyo CPI rose 1.9% YoY in August from 1.8% in July, in line with consensus. For the day ahead, the Philippines will release July trade data and later in the US, the main focus will be Fed Chair Kevin Warsh's Jackson Hole address, particularly for any guidance on the inflation and policy outlook. The BLS will also release its preliminary annual benchmark revision to nonfarm payrolls, which could materially alter the picture of US employment growth over the past year.

Major Markets

HK: The residential property market lost momentum in July, with the official residential price index declining by 0.5% MoM (0.2% MoM in June), bringing an end to a 13-month winning streak. Meanwhile, rental index rose further in July, albeit at a moderated pace of 0.8% MoM (1.0% MoM in June). In the first seven months of 2026, housing prices and rents still recorded cumulative gains of 7.3% and 3.4% respectively. Market activity weakened markedly, with total residential transactions falling 41.7% MoM to 4,462 cases, highlighting a sharp deterioration in buyer participation.

ID: Commission XI of the House of Representatives approved Destry Damayanti as Bank Indonesia governor for the 2026 to 2031 term, succeeding Perry Warjiyo, who resigned on 25 July. The commission also approved Aida S. Budiman as senior deputy governor and selected Solikin M. Juhro as deputy governor following two days of fit and proper tests. Commission XI Chairman Mukhamad

Key Market Movements

Equity	Value	% chg
S&P 500	7731.0	0.7%
DJIA	53569	0.2%
Nikkei 225	66132	-0.2%
SH Comp	3956.6	1.1%
STI	5684.1	-0.7%
Hang Seng	25566	-0.3%
KLCI	1741.7	-0.4%
	Value	**% chg**
DXY	99.159	0.0%
USDJPY	159.39	0.1%
EURUSD	1.1653	0.0%
GBPUSD	1.3593	0.0%
USDIDR	17726	0.1%
USDSGD	1.2713	0.0%
SGDMYR	3.1707	0.0%
	Value	**chg (bp)**
2Y UST	4.23	2.27
10Y UST	4.68	2.97
2Y SGS	1.65	0.80
10Y SGS	2.31	2.38
3M SORA	1.16	0.41
3M SOFR	3.64	0.02
	Value	**% chg**
Brent	89.70	2.1%
WTI	83.53	1.6%
Gold	4599	0.2%
Silver	69.25	1.6%
Palladium	1354	2.1%
Copper	14283	0.2%
BCOM	140.09	0.8%

Source: Bloomberg

Misbakhun said their appointments will proceed to a parliamentary plenary session on 1 September 2026.

MY: The overall business confidence indicator rose to 5.9% in 3Q26 from negative 1.8% in 2Q26, with improvements across industry, construction and wholesale and retail trade, while services remained optimistic at 5.2%, according to DOSM. Businesses also remained optimistic about conditions in July to December 2026, with the overall net balance rising to 12.9% from 7.9% for April to September 2026, led by construction at 23.3%, industry at 14.3% and services at 13.1%. For 3Q26, 31.9% of respondents expect gross revenue to rise, while 78.3% expect to retain their current workforce.

PH: Bangko Sentral ng Pilipinas (BSP) raised its policy rate by 25bp to 5.00% in line with consensus and our expectations. In our view, BSP's stance remains hawkish, given the upside risks to inflation. BSP noted that growth fundamentals remain intact despite the recent weakness in the growth outlook. We are less optimistic about the growth outlook, forecasting 2026 GDP growth at 3.2%. Nevertheless, we expect BSP to remain focused on keeping price pressures contained. Our baseline remains for a further cumulative 50bp of rate hikes by BSP for the remainder of 2026.

AU: Household spending rose 1.1% MoM in July, marking a third consecutive monthly increase following a revised 1.0% gain in June. On an annual basis, spending accelerated to 7.0% YoY sa, the strongest pace since June 2023. The increase was broad-based, with all nine spending categories recording gains, led by clothing and footwear (+1.6%) and recreation and culture (+1.5%). Services spending rose 1.5% MoM, while goods spending increased 0.7%, with strength particularly evident across recreation, catering, and other services. The ongoing strength in household spending suggests consumer demand remains resilient despite higher borrowing costs.

Sustainability

SG: The Singapore Economic Development Board (EDB) and the Infocomm Media Development Authority (IMDA) have provisionally allocated 200 MW of new capacity to four data centre (DC) operators, namely Digital Realty, Equinix, Keppel Data Centres and ST Telemedia Global Data Centres. These DCs have committed to exceed the minimum sustainability requirements and will power more than 50% of their DC capacity from green energy sources, while also being best-in-class in energy efficiency by adopting advanced technologies such as liquid cooling and using energy-efficient IT equipment. To enable more sustainable DC operations, JTC is developing a low-carbon DC park on Jurong Island, where shared infrastructure and low-carbon technology synergies could enhance operational efficiency.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading flat to 4bps higher, belly tenors trading 4bps higher, and the 10Y tenor trading 3bps higher.

- US Investment Grade and US High Yield spreads tightened by 1bps and 2bps to 78bps and 263bps respectively. Bloomberg Global Contingent Capital spreads tightened by 2bps to 205bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 57bps, and the Asia USD High Yield spreads tightened by 1bps to 328bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar market yesterday.
- The total issuances in the APAC and DM IG markets were both zero yesterday.

Credit Developments:

- **CNOOC Ltd:** Strong 1H2026 profitability, cost control and liquidity, with higher revenue and production, low all-in costs, net cash, manageable shareholder distributions and modest bond repurchase, though oil-price volatility, investment spending and distribution policy remain key credit sensitivities.
- **UBS Group AG:** The SNB reiterated support for requiring UBS to fully capitalise its foreign subsidiaries with high-quality CET1, reinforcing its existing stance ahead of the legislative vote due to UBS's increased systemic importance following the Credit Suisse acquisition.
- **Qantas Airways Ltd:** FY2026 revenue increased, but higher fuel and operating costs weakened earnings and interest coverage; leverage remains healthy, although elevated fleet-renewal capex is expected to increase debt, without changing OCBC's fundamental credit view.
- **FWD Group Holdings Ltd:** FWD delivered solid 1H2026 growth in sales, margins and operating profit while maintaining stable leverage and strong investment quality, although its solvency ratio declined mainly due to Japan's new ESR regime and adverse market movements.
- **Prudential PLC**: Prudential reported higher 1H2026 new business profit and margins, improved investment performance and robust capitalisation, supporting increased share buybacks and continued growth across its core Asian markets.
- **Sembcorp Industries Ltd:** Sembcorp Green filed for a potential India IPO of up to INR37.5bn, comprising new shares with no divestment by Sembcorp Industries, and proceeds expected mainly to repay subsidiary debt, subject to market conditions and approvals.

Equity Market Updates

US: US stocks advanced Thursday, led by technology, after Nvidia's chief financial officer forecast approximately 70% revenue growth in the fiscal year ending January 2028, allaying concerns about the durability of the AI spending cycle. The S&P 500 rose 0.7%, the Nasdaq gained 1.6%, its largest single-day advance in three weeks, and the Dow edged up 0.2%, though notably 70% of S&P 500 members declined, underscoring the narrowness of the rally. Nvidia surged nearly 9%, lifting chipmakers broadly, whilst Salesforce also posted robust second-quarter earnings growth. Conversely, defensive sectors including utilities and communication services sold off on rotation into technology. Workday fell around 6% in after-hours trade as its results and guidance disappointed, whilst Marvell slid approximately 7% post-market despite beating estimates, having already surged over 180% year-to-date. Treasury yields rose two to three basis points across maturities, with the 10-year climbing to 4.67%, as investors positioned ahead of Fed Chair Kevin Warsh's debut Jackson Hole speech on 28 Aug 2026, a closely watched event given hawkish signals from Fed officials Hammack and Schmid, who both argued current rates are insufficiently restrictive. The USD44b 7-year note auction cleared at 4.512%, the highest yield since December 2024, though demand was broadly in line with expectations. In Hong Kong, Shein priced its IPO at HKD48.56 per share, raising approximately HKD13.6b, equivalent to USD1.7b, valuing the fast-fashion retailer at around USD26b, a sharp discount to the roughly USD100b valuation it commanded four years ago.

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	99.159	-0.01%	**USD-SGD**	1.2713
USD-JPY	159.39	0.05%	**EUR-SGD**	1.4814
EUR-USD	1.165	0.02%	**JPY-SGD**	0.7975
AUD-USD	0.719	0.33%	**GBP-SGD**	1.7279
GBP-USD	1.359	-0.01%	**AUD-SGD**	0.9146
USD-MYR	4.033	0.16%	**NZD-SGD**	0.7565
USD-CNY	6.720	-0.03%	**CHF-SGD**	1.5806
USD-IDR	17726	0.08%	**SGD-MYR**	3.1707
USD-VND	26083	-0.06%	**SGD-CNY**	5.2876

Equity and Commodity		
Index	Value	Net change
DJIA	53,569.44	105.56
S&P	7,730.99	55.29
Nasdaq	26,541.35	411.15
Nikkei 225	66,131.98	-130.18
STI	5,684.12	-37.47
KLCI	1,741.72	-6.82
JCI	6,521.75	116.07
Baltic Dry	3,056.00	130.00
VIX	14.51	-0.70

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.2480	0.00%	**1M**	3.6822
3M	2.5540	0.35%	**2M**	3.7225
6M	2.7660	0.14%	**3M**	3.7575
12M	3.0070	0.60%	**6M**	3.8710
			1Y	4.0269

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.65 (+0.01)	4.23(--)
5Y	1.95 (+0.02)	4.4 (+0.04)
10Y	2.31 (+0.02)	4.67 (+0.03)
15Y	2.36 (+0.02)	--
20Y	2.36 (+0.01)	--
30Y	2.42 (+0.01)	5.19 (+0.03)

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.399	39.900	0.100	3.731
10/28/2026	0.645	24.600	0.161	3.793
12/09/2026	1.039	39.400	0.260	3.891

Secured Overnight Fin. Rate

SOFR	3.64

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	83.53	1.6%	Corn (per bushel)	5.103	-0.7%
Brent (per barrel)	89.70	2.1%	Soybean (per bushel)	12.565	0.2%
Heating Oil (per gallon)	427.87	0.4%	Wheat (per bushel)	7.428	1.7%
Gasoline (per gallon)	338.42	1.9%	Crude Palm Oil (MYR/MT)	45.930	-0.8%
Natural Gas (per MMBtu)	2.91	2.3%	Rubber (JPY/KG)	4.600	1.4%
Base Metals	**Futures**	**% chg**	**Precious Metals**	**Futures**	**% chg**
Copper (per mt)	14283	0.2%	Gold (per oz)	4599	0.2%
Nickel (per mt)	16878	-0.1%	Silver (per oz)	69.25	1.6%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
8/28/2026 6:00	NZ	ANZ Consumer Confidence Index	Aug	--	98	99.3	--
8/28/2026 7:30	JN	Tokyo CPI YoY	Aug	1.90%	1.90%	1.80%	--
8/28/2026 7:30	JN	Tokyo CPI Ex-Fresh Food YoY	Aug	1.80%	1.80%	1.70%	--
8/28/2026 7:30	JN	Tokyo CPI Ex-Fresh Food, Energy YoY	Aug	2.00%	2.00%	1.80%	--
8/28/2026 7:30	JN	Jobless Rate	Jul	2.50%	2.40%	2.50%	--
8/28/2026 7:30	JN	Job-To-Applicant Ratio	Jul	1.19	1.18	1.18	--
8/28/2026 9:00	PH	Exports YoY	Jul	18.30%	--	24.10%	--
8/28/2026 9:00	PH	Imports YoY	Jul	17.50%	--	19.60%	--
8/28/2026 9:00	PH	Trade Balance	Jul	-$5153m	--	-$4940m	--
8/28/2026 15:30	TH	Gross International Reserves	21-Aug	--	--	$280.9b	--
8/28/2026 17:00	EC	Economic Confidence	Aug	97.5	--	96.9	--
8/28/2026 17:00	EC	Industrial Confidence	Aug	-5.1	--	-6.1	--
8/28/2026 17:00	EC	Services Confidence	Aug	4.9	--	4.7	--
8/28/2026 17:00	EC	Consumer Confidence	Aug F	-15.5	--	-15.5	--

Source: Bloomberg

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