

## Daily Treasury Outlook

### Highlights

**Global:** Renewed US-Iran tensions threatened the ceasefire last week, but US-Iran have agreed to resume peace talks. A hawkish repricing of the US interest rate outlook continued to weigh on market sentiments last week, with the S&P 500 retreating marginally by 0.05% on Friday, capping a five-day slump amid concerns about AI and private credit as well. Meanwhile the 10-year UST bond yield closed down 2bps to 4.37%. One key macro catalyst last week was the May core PCE inflation report which rose 0.3% MoM (3.4% YoY), led by portfolio-management fees, air transport and healthcare, suggesting that inflation remains too elevated for the Fed's comfort despite easing energy prices. US' personal income also surprised at 0.7% while the personal savings rate was steady at 3.0%. Elsewhere, UK may see the issue of war bonds if Andy Burnham gets his way.

**Market Watch:** Asian markets are likely to range trade with a tinge of caution amid signs of escalating Middle East tensions again. Today's economic data calendar comprises of Eurozone 's economic confidence and India's industrial production. BOE's Pill and ECB's Lagarde are also speaking today. For the week ahead, market attention will shift to China's manufacturing and non-manufacturing PMIs, Germany's CPI, Japan's 2Q Tankan survey, and US' Conference Board consumer confidence, JOLTS data and June nonfarm payrolls and unemployment rate (with consensus forecast eyeing 115k and 4.3% versus May readings of 172k and 4.3%). On the central bank front, watch for RBA minutes due tomorrow, in addition to the ECB forum in central banking in Sintra this week which will see Fed chair Kevin Warsh and numerous ECb speakers weighing in on the inflation and interest rate trajectory for 2H26. ECB's Schnabel had already warned of upside risks to food, goods and services despite the US-Iran peace deal.

**SG:** May industrial production moderated to 13.0% YoY (-0.7% MoM SA), missing market expectations and slower than April's revised 16.5% YoY (6.2% MoM SA). While electronics and precision engineering clusters fared well, biomedical, chemicals and transport engineering clusters underperformed. Given that April and May industrial output were still robust at 16.5% and 13.0% YoY, 2Q26 GDP growth should still be fairly buoyant and close to 1Q26 growth print of 6.0% YoY. We retain our full-year GDP growth forecast of 3.5% YoY for the Singapore, since it is still early days for the US-Iran negotiations.

### Key Market Movements

Equity	Value	% chg
S&P 500	7354.0	0.0%
DJIA	51876	-0.1%
Nikkei 225	69361	-4.2%
SH Comp	4027.3	-2.3%
STI	5191.7	-0.5%
Hang Seng	22672	-1.8%
KLCI	1667.7	0.2%
	Value	% chg
DXY	101.357	-0.1%
USDJPY	161.74	0.0%
EURUSD	1.1384	0.1%
GBPUSD	1.3200	0.1%
USDIDR	17918	0.0%
USDSGD	1.294	-0.2%
SGDMYR	3.1605	-0.5%
	Value	chg (bp)
2Y UST	4.09	-3.08
10Y UST	4.37	-2.36
2Y SGS	1.59	-0.20
10Y SGS	2.01	-1.85
3M SORA	1.07	-0.02
3M SOFR	3.64	0.01
	Value	% chg
Brent	71.99	-4.3%
WTI	69.23	-3.7%
Gold	4089	1.5%
Silver	59.15	2.2%
Palladium	1212	2.0%
Copper	13358	0.7%
BCOM	122.99	-0.9%

Source: Bloomberg

## Major Markets

**CN:** China's cumulative industrial revenue growth accelerated to 5.5% YoY in the first five months (from 5.2% previously), while cumulative industrial profit growth edged up to 18.8% YoY (from 18.2%). The continued improvement in revenue growth suggests that corporate earnings remain on a gradual recovery path, with the energy sector and AI-related industries continuing to provide the primary support for overall profit growth. The computer, communications and electronic equipment manufacturing sector remained the standout performer, with profits surging 103.9% YoY in January-May and contributing more than 8 percentage points to overall industrial profit growth. Non-ferrous metal smelting and chemical products manufacturing also ranked among the three largest contributors to profit growth this year, likely reflecting sustained demand from the AI supply chain. In contrast, downstream manufacturers more closely linked to domestic demand continued to underperform. Automobile manufacturing was the largest drag on aggregate industrial profits, while furniture manufacturing recorded the steepest decline across all industries, with profits plunging 58% YoY.

**HK:** Housing price extended the longest winning streak since 2018, rising by the 12th consecutive month in May. On a sequential basis, the pace of increase in residential property price index picked up again to 1.4% MoM in May, from that of 1.1% MoM in April, while the pace of increase in rental index slowed to 0.3% MoM. Transaction activity remained robust, with total volumes reaching 7,138 cases in May—well above the 1Q26 monthly average of 6,218. However, more recently, a hawkish repricing of the Fed policy path, a notable correction in the local equity market, and tighter scrutiny of mainland clients' bank accounts have begun to weigh on market sentiment.

**ID:** The Tourism Ministry hosted the International Islamic Expo (IIE) 2026 in Jakarta from 26-28 June to position the country as a leading Muslim-friendly destination and to foster collaboration in building a competitive, sustainable global halal tourism ecosystem. The event brought together tourism professionals, travel agents, investors, buyers, associations, and foreign government representatives to explore new partnerships and business opportunities. Masrurroh, expert staff member to the minister for digital transformation and tourism innovation, framed the event as a strategic opportunity to capitalize on the rapidly expanding global Muslim travel market. Indonesia's competitive positioning has been validated by its second-place ranking in the Global Muslim Travel Index 2026. The expo is expected to generate wider economic benefits by expanding business networks and supporting sectors such as hospitality, transport, creative industries, and MSMEs. The ministry anticipates that IIE 2026 will exceed the previous edition's performance, which drew 120 exhibitors from 15 countries, 3,877 buyers, and 22,802 visitors, and generated ~USD6mn in transactions.

**MY:** The Ministry of Finance (MOF) has introduced several measures to facilitate the implementation of the Budi Diesel subsidy programme ahead of its nationwide launch on 1 July. Under the subsidy programme, eligible Malaysians can buy subsidised diesel at RM2.10 per litre subject to a 200-litre monthly cap, while early access has begun on 27 June in Peninsular Malaysia at RM2.15 per litre. To support a smoother implementation, the government will waive up to RM100 in diesel vehicle ownership transfer fees, allow subsidy eligibility to be transferred to immediate family members, and extend eligibility to company-owned private pickup trucks and SUVs. Road Transport Department (JPJ) counters will open on

weekends from 4 to 26 July to help facilitate ownership transfers, while further details on family transfers and company vehicle applications will be announced via the Budi Madani portal. MOF said that these adjustments were made in response to feedback and appeals from stakeholders and that it will continue monitoring the rollout to ensure subsidies reach the intended recipients.

**PH:** According to the Bangko Sentral ng Pilipinas (BSP) latest 2Q26 Consumer Expectations Survey report, consumer confidence weakened sharply in 2Q26 across all reference periods (current quarter, next quarter, and next 12 months). Households cited concerns over rising food and fuel prices, higher unemployment expectations, peso weakness, and governance-related issues. These factors have prompted a more cautious financial stance, characterised by reduced appetite for big-ticket purchases, borrowing, and saving. Meanwhile, household year-ahead inflation expectations edged slightly above the BSP's 3% target but remained below the 4% tolerance ceiling, mainly due to concerns over elevated food and utility prices.

**TH:** The government plans to finance its THB200bn buyback of Greater Bangkok electric train concessions through the Mass Rapid Transit Authority of Thailand and an infrastructure fund. Tibordee Wattanakul, Director-general of the State Enterprise Policy Office, stated that the government plans to raise funds gradually via the infrastructure fund, raising THB80bn per issuance until the targeted amount is met. He added that infrastructure funds, which typically offer attractive yields of 6–7%, would not be counted as public debt and should draw strong investor demand given their low risk profile. The concession buyback is intended to support affordable public transportation, and the final cost could be less than THB200 billion if some remaining concession periods are shorter by the time the deal takes place. Separately, the cabinet has also approved a common ticketing scheme for Bangkok's electric rail system, with fares set between THB17-THB45 per trip depending on distance. The government aims to launch the scheme by 1 January 2027, supported by a central clearing house that would allow seamless payments under a single-entry model.

## Sustainability

**SG:** Singapore's National Climate Change Secretariat (NCCS) and the Integrity Council for the Voluntary Carbon Market (ICVCM) signed a Cooperation Agreement to strengthen collaboration on the development of credible, interoperable and high-integrity carbon markets that can mobilise finance for climate action. Under the agreement, NCCS and ICVCM will collaborate in advancing the work of the Coalition to Grow Carbon Markets and promote the development of high-integrity carbon markets in Asia. The work includes joint initiatives to support capacity-building activities, knowledge-sharing and collaboration on carbon market developments relevant to governments, businesses and market participants. This reflects advancements in international efforts to develop high-integrity carbon markets despite ongoing macroeconomic uncertainty.

## Credit Market Updates

### Market Commentary:

- The SGD SORA OIS curve traded lower last Friday with shorter tenors trading 1-2bps lower while belly tenors traded 1bps lower and the 10Y tenor also traded 1bps lower.
- US Investment Grade spreads traded flat at 75bps, and US High Yield spreads widened by 3bps to 282bps. Bloomberg Global Contingent Capital Index widened by 2bps to 222bps.
- Bloomberg Asia USD Investment Grade widened by 1bps to 56bps and Asia USD High Yield spreads also widened by 3bps to 363bps. (Bloomberg, OCBC).

### New Issues:

- There were no notable issuances in the Singdollar markets last Friday.
- There were no notable issuances in the APAC and DM IG markets last Friday (prior day: USD6.69bn and USD3.65bn respectively). (Bloomberg, OCBC)

### Recent Coverage Developments:

- Lendlease Group sold 904 UK residences (GBP138m) in line with book value and combined with another disposal, expects ~AUD785m cash proceeds; net debt projected to improve to ~AUD3.4bn.
- CMZB has disclosed the origin of the shares tendered in UniCredit's first takeover offer round with 11.17% tendered by banks and 0.05% by retail investors for a total of 12.51%. CMZB also added that 1.29% of CMZB shares have been tendered by institutional investors.

## Equity Market Updates

**US:** US stocks were little changed on Friday as persistent AI scepticism and a fresh escalation in the US-Iran conflict offset a retreat in oil prices. The S&P 500 slipped 0.05%, the Dow edged down 0.09%, and the Nasdaq fell 0.24%, capping a fifth consecutive daily decline — the first such losing streak for both the S&P 500 and Nasdaq in a single calendar week since April. The week's losses were heavily concentrated in large-cap technology and semiconductors, with the Philadelphia Semiconductor Index shedding 5.3% on Friday alone, while the software sector rose 4.1%, marking the widest-ever single-day gap between the two. Healthcare outperformed on rotation, with Moderna surging nearly 13% after a price target upgrade, and Eli Lilly reaching all-time highs following a positive European regulatory recommendation. Industrials lagged after FedEx Freight's first post-spin-off results disappointed. Treasuries rallied, led by the front end, with the 10-year yield falling approximately 2 basis points to 4.37%, as declining oil prices — WTI settling below USD70 for the first time since 27 Feb — reduced expectations for Fed rate hikes; Minneapolis Fed President Kashkari separately signalled he now pencils in one rate increase by year-end. Post-market, the US confirmed retaliatory strikes on Iran after Tehran attacked a commercial vessel in the Strait of Hormuz, with tit-for-tat exchanges over the weekend raising fresh concerns about the fragility of the ceasefire, though the two sides have since reportedly agreed to halt strikes ahead of talks in Doha on Tuesday.

### Foreign Exchange

	Day Close	% Change		Day Close
<b>DXY</b>	101.357	-0.07%	<b>USD-SGD</b>	1.2940
<b>USD-JPY</b>	161.74	-0.03%	<b>EUR-SGD</b>	1.4729
<b>EUR-USD</b>	1.138	0.12%	<b>JPY-SGD</b>	0.8000
<b>AUD-USD</b>	0.690	-0.20%	<b>GBP-SGD</b>	1.7078
<b>GBP-USD</b>	1.320	0.06%	<b>AUD-SGD</b>	0.8921
<b>USD-MYR</b>	4.089	-0.72%	<b>NZD-SGD</b>	0.7296
<b>USD-CNY</b>	6.800	0.04%	<b>CHF-SGD</b>	1.5981
<b>USD-IDR</b>	17918	-0.04%	<b>SGD-MYR</b>	3.1605
<b>USD-VND</b>	26298	-0.08%	<b>SGD-CNY</b>	5.2538

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	51,876.11	-44.51
<b>S&amp;P</b>	7,354.02	-3.47
<b>Nasdaq</b>	25,297.62	-60.98
<b>Nikkei 225</b>	69,360.88	-3005.46
<b>STI</b>	5,191.73	-27.23
<b>KLCI</b>	1,667.74	3.92
<b>JCI</b>	5,896.13	-102.90
<b>Baltic Dry</b>	2,524.00	-67.00
<b>VIX</b>	18.41	-0.48

### SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
<b>1M</b>	2.1790	-1.36%	<b>1M</b>	3.6470
<b>3M</b>	2.2910	-0.09%	<b>2M</b>	3.6890
<b>6M</b>	2.5960	-0.38%	<b>3M</b>	3.7249
<b>12M</b>	2.7640	-0.75%	<b>6M</b>	3.8411
			<b>1Y</b>	3.9757

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.59 (-)	4.1(-)
<b>5Y</b>	1.68 (-0.03)	4.13 (-0.04)
<b>10Y</b>	2.01 (-0.02)	4.37 (-0.02)
<b>15Y</b>	2.06 (-0.02)	--
<b>20Y</b>	2.08 (-0.01)	--
<b>30Y</b>	2.11 (-0.02)	4.85(-)

### Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.299	29.900	0.075	3.703
09/16/2026	0.734	43.500	0.183	3.811
10/28/2026	0.939	20.500	0.235	3.863
12/09/2026	1.262	32.300	0.316	3.943

### Financial Spread (bps)

Value	Change	
<b>TED</b>	35.36	--
<b>Secured Overnight Fin. Rate</b>		
<b>SOFR</b>	3.64	

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	69.23	-3.7%	Corn (per bushel)	4.128	-0.5%
Brent (per barrel)	71.99	-4.3%	Soybean (per bushel)	11.263	-0.1%
Heating Oil (per gallon)	320.82	-2.7%	Wheat (per bushel)	5.783	-2.2%
Gasoline (per gallon)	295.71	-2.3%	Crude Palm Oil (MYR/MT)	45.040	-0.2%
Natural Gas (per MMBtu)	3.23	-3.4%	Rubber (JPY/KG)	4.023	-2.7%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13358	0.7%	Gold (per oz)	4089	1.5%
Nickel (per mt)	16699	-0.7%	Silver (per oz)	59.15	2.2%

Source: Bloomberg, Reuters

### Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
29/06/2026 11:30	TH	Car Sales	May	--	--	48394	--
29/06/2026 14:00	ID	Bloomberg June Indonesia Economic Survey					
29/06/2026 16:00	EC	M3 Money Supply YoY	May	2.70%	--	2.70%	--
29/06/2026 16:30	UK	Net Consumer Credit	May	1.8b	--	1.9b	--
29/06/2026 16:30	UK	Consumer Credit YoY	May	--	--	8.80%	--
29/06/2026 16:30	UK	Net Lending Sec. on Dwellings	May	4.2b	--	4.4b	--
29/06/2026 16:30	UK	Mortgage Approvals	May	63.0k	--	65.9k	--
29/06/2026 16:30	UK	Money Supply M4 MoM	May	--	--	0.20%	--
29/06/2026 16:30	UK	M4 Money Supply YoY	May	--	--	4.50%	--
29/06/2026 16:30	UK	M4 Ex IOFCs 3M Annualised	May	--	--	6.30%	--
29/06/2026 17:00	EC	Economic Confidence	Jun	94.3	--	93.5	--
29/06/2026 17:00	EC	Industrial Confidence	Jun	-7.2	--	-8	--
29/06/2026 17:00	EC	Services Confidence	Jun	2.8	--	2.2	--
29/06/2026 17:00	EC	Consumer Confidence	Jun F	--	--	-17.7	--
29/06/2026 18:30	IN	Industrial Production YoY	May	4.50%	--	4.90%	--
29/06/2026 22:30	US	Dallas Fed Manf. Activity	Jun	1	--	0.4	--

Source: Bloomberg

## Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

## Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to [https://www.bankofsingapore.com/Disclaimers\\_and\\_Disclosures.html](https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html) for cross-border marketing disclaimers and disclosures.