

Daily Treasury Outlook

Highlights

Global: The FOMC held the federal funds target at 3.75–4.00% by a 10–2 vote, with Governor Lisa Cook and Cleveland Fed President Beth Hammack seeking a 25bp hike. In a firmer assessment, the Committee described activity as expanding at a strong pace, citing resilient domestic spending, robust capital investment and strong productivity. Job gains were keeping pace with labour-force growth, leaving unemployment broadly unchanged, but inflation remained elevated. The statement reiterated the 2% target and said incoming information would determine the appropriate stance, leaving another hike in play rather than signalling that rates have peaked. Chair Kevin Warsh avoided committing to December, even as futures priced an 85% probability of a 25bp increase, up from 78.3% previously. Warsh also confirmed eight FOMC meetings annually, although one in 2027 and two in 2028 will be strategy-only, without rate votes. Overall, even though market pricing for December moved higher, we think that the FOMC statement is net dovish, with 2y yields collapsing 10 bps from 4.78% to 4.68% after the meeting. The S&P 500 and Nasdaq advanced roughly 0.3%, while the dollar softened and Brent settled at USD115.32/bbl.

One central bank which did hike was Bank of Canada, which raised rates 25bp to 2.50%, warning that sustained energy costs could spill into broader prices; its 2027 inflation forecast rose to 3.1% from 2%. Meanwhile, the UK Budget left £15bn of fiscal headroom for 2029–30, as expected. The Chancellor changed policy at the margins, including a small sum of energy relief for households and a temporary increase in bank taxes, and sterling assets responded in a benign way.

Market Watch: The ECB announces its policy decision today. The US releases September PCE inflation alongside its advance 3Q GDP estimate. The Bank of Japan begins its two-day policy meeting.

Major Markets

CH: China has completed the disbursement of RMB800bn under its new policy-based financial instruments for 2026, providing additional funding support for infrastructure investment and other priority projects. Of the total, China Development Bank (CDB) disbursed RMB365bn, supporting projects with a combined investment value of RMB5.5tn. The Agricultural Development Bank of China (ADBC) disbursed RMB315bn, covering projects worth approximately RMB4.39tn, while the Export-Import Bank of China (China Eximbank) disbursed RMB120bn, supporting projects with a total investment value exceeding RMB1.7tn.

MY: The producer price index (PPI) rose 12.0% YoY in Sep, accelerating from 10.7% in Aug. Mining PPI climbed 54.1% YoY, compared with 41.2% previously, driven mainly by a 74.2% increase in crude petroleum extraction prices. Manufacturing producer prices increased 9.4% YoY, up from 8.8% in Aug, supported by coke and refined petroleum products (35.0%) and computer, electronic and optical products (12.9%). Meanwhile, agriculture, forestry and

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Key Market Movements

Equity	Value	% chg
S&P 500	7744.0	0.3%
DJIA	52475	0.2%
Nikkei 225	63954	1.1%
SH Comp	3681.5	0.9%
STI	5397.9	0.0%
Hang Seng	23095	0.2%
KLCI	1613.9	0.1%

	Value	% chg
DXY	102.194	-0.1%
USDJPY	157.84	-0.1%
EURUSD	1.1154	0.3%
GBPUSD	1.3327	0.2%
USDIDR	18183	0.2%
USDSGD	1.2816	0.0%
SGDMYR	3.1794	-0.3%

	Value	chg (bp)
2Y UST	4.70	-3.94
10Y UST	5.02	2.08
2Y SGS	1.89	1.60
10Y SGS	2.30	0.35
3M SORA	1.27	0.00
3M SOFR	3.77	0.34

	Value	% chg
Brent	115.32	1.3%
WTI	102.78	2.9%
Gold	4067	0.2%
Silver	53.98	-0.8%
Palladium	1018	-1.7%
Copper	14478	0.0%
BCOM	142.38	0.3%

Source: Bloomberg

fishing prices grew 2.9% YoY, easing from 4.6% in Aug, while both utility sectors also recorded increases. On a monthly basis, overall PPI increased 1.6%, compared with 1.0% in Aug, while 3Q26 producer prices rose 10.8% YoY, accelerating from 7.4% in 2Q26, led by mining and manufacturing.

ID: Energy and Mineral Resources Minister Bahlil Lahadalia announced plans to establish a special business entity to streamline licensing procedures and accelerate investment in Indonesia's upstream oil and gas sector. The proposed entity would have broad authority over permitting, allowing companies to obtain approvals through a single channel rather than dealing with multiple ministries. The establishment of the entity forms part of proposed revisions to the 2001 Oil and Gas Law, which will be deliberated by the government and parliament. Minister Bahlil noted that the government has completed around 90% of its review of the proposed amendments, which also include potential tax relief for companies during the exploration stage, as reported by Reuters. The proposed reforms aim to improve regulatory certainty, encourage investment and support the government's energy self-sufficiency objectives.

TH: Bank of Thailand (BoT) kept its policy rate unchanged at 1.00%, in line with expectations. The tone of the statement was broadly neutral, similar to our assessment of the BoT's tone at its 26 August meeting. We assess that the balance of risks shifted slightly more towards assessing upside risks to inflation and growth. Looking ahead, we remain comfortable with our view that the BoT will normalise its policy rate, by hiking a cumulative 50bp in 1H27, after likely remaining on hold at its 23 December meeting.

AU: Australia's headline CPI came in hotter than expected in September, rising 4.3% YoY, up from 4.0% in August and above market expectations of 4.2%. Trimmed mean inflation edged higher by 0.3% MoM and 3.6% YoY from a downwardly revised 3.5% in August, indicating that underlying pressures remained firm. Headline CPI rose 0.8% month on month in original terms and 0.6% on a seasonally adjusted basis. The monthly increase was driven partly by transport, which rose 3.0% as automotive fuel prices surged 9.4% amid higher world oil prices. Recreation and culture prices increased 3.8%, led by an 8.0% rise in domestic holiday travel and accommodation due to strong demand during the school holidays and major sporting events.

Sustainability

SG/ID: Singapore and Indonesia will set up a joint task force to address transboundary haze from Indonesia's wildfires. The task force will facilitate information sharing, financial intelligence, cross-border evidence gathering, with potential asset recovery from companies linked to the forest fires. Singapore is prepared to use legal, regulatory and economic measures against companies responsible for the haze to deter future violations.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday; shorter tenors 1bps higher, belly tenors traded 1-2bps higher, and the 10Y tenor traded 2bps higher.
- US Investment Grade spreads traded 1bps wider to 86bps, and US High Yield spreads tightened by 1bps to 312bps. Bloomberg Global Contingent Capital spreads tightened 4bps to 250bps.
- Bloomberg Asia USD Investment Grade spread widened by 1bps to 71bps, and the Asia USD High Yield spreads widened by 2bps to 416bps. (Bloomberg, OCBC)

New Issues:

- There were no issuances in the Singdollar, APAC USD, and DM IG market yesterday.

Credit Headlines:

- **ANZ:** ANZ will revise its divisional reporting from FY2026 to align with its ANZ 2030 strategy, including transferring B&PB customer home loans from Australia Retail to B&PB, reallocating certain Institutional revenues, pushing more Group Centre costs and capital into operating divisions, and separately disclosing net fee and commission income; prior periods will be restated, with no impact on statutory profit, cash profit, net assets or capital.
- **BABA:** A US court blocked restrictions on companies lobbying for Alibaba, allowing it to continue seeking removal from the Pentagon's 1260H list, although US defence-business and geopolitical restrictions remain; separately, reported discussions with Samsung and SK Hynix could support DRAM supply for Alibaba's AI and cloud expansion.
- **SCISP:** Sembcorp Utilities signed non-binding MoUs with AtkinsRéalis and ST Engineering to build nuclear-energy capabilities through knowledge sharing, regulatory and safety expertise, supply-chain development and workforce training, although the agreements do not represent committed projects or capital expenditure.
- **DB / CMZB:** Deutsche Bank's Pillar 2 requirement was reduced by 25bps to 2.60% of total capital, while Commerzbank's requirement was reduced by 5bps to 2.10%, resulting in a 30 June 2026 pro forma CET1 requirement of 10.26% for Commerzbank.
- **AMZN:** The FCC approved Amazon Leo's USD11.57bn acquisition of Globalstar, adding satellites and spectrum ahead of targeted commercial services by end-2026 and making the acquisition-related cash outflow more likely alongside elevated AI and infrastructure capital expenditure.
- **HAOHUA:** Syngenta is considering a Hong Kong IPO at a USD66bn to USD88bn valuation, potentially selling a 10% to 20% stake and raising USD5bn to USD10bn for debt reduction and investment, although timing and execution remain subject to regulatory approvals.
- **KO:** Coca-Cola reported 7% organic revenue growth and 5% average-daily unit case volume growth in Q3 2026, with comparable operating margin rising to 32.93%, full-year non-GAAP free-cash-flow guidance increased to at least USD13.0bn, and company-reported net debt leverage improving 0.1x q/q to 1.3x.
- **FRIDPT:** Freeport-McMoRan reported higher Q3 2026 revenue, adjusted EBITDA and net income on stronger copper and gold prices, while the Grasberg Block Cave recovery remained on schedule; management raised its 2026 and 2027 capex forecasts to approximately USD4.4bn and

USD5.2bn respectively and lowered copper-sales forecasts by approximately 2% for 2026 and 2.5% for 2027.

- **FIRTSP:** First REIT's rental and other income declined 9.5% y/y to SGD68.4mn and 9M2026 DPU fell 12.7% to 1.44 cents, mainly due to currency depreciation and Indonesian property divestments, while the completion of approximately SGD471.5mn of asset sales reduced gearing to 27.5% from 42.1% at end-2025 and lowered its all-in cost of debt to 3.9%.
- **DB:** Deutsche Bank reported record 9M2026 profit before tax of EUR8.35bn and net profit of EUR5.93bn, supported by 5% revenue growth and a lower cost/income ratio of 61.4%, while provisions increased to EUR501mn in Q3, the non-performing loan ratio remained at 2.0%, and the CET1 ratio improved to 14.0%.

Equity Market Updates

US: US stocks advanced Wednesday for a third consecutive session as the Federal Reserve held its overnight funds rate steady at 3.75% to 4.00%, though two FOMC members dissented in favour of a 25-basis-point hike, and Chair Kevin Warsh reiterated the central bank's commitment to bringing inflation down without signalling a clear path for December. The S&P 500 rose 0.3%, the Nasdaq gained 0.3%, and the Dow edged up 0.2%. Technology and energy led sector gains, whilst real estate lagged. Oracle surged 11% after issuing a long-term free cash flow outlook that exceeded analyst estimates, providing a lift to broader sentiment around AI capital expenditure payoffs. Alphabet fell in after-hours trade on disappointing results, whilst Microsoft jumped on solid cloud sales, leaving the post-market picture mixed. The 10-year Treasury yield rose approximately 2 basis points to 5.02%, and the 30-year climbed around 3 basis points to 5.35%, whilst the 2-year yield fell roughly 4 basis points to 4.70%, steepening the curve. Separately, President Trump delayed tariffs on robotics and industrial machinery imports, directing the USTR to pursue negotiations with trading partners instead, a development that may carry implications for Asian manufacturing exporters ahead of the US midterm elections next week.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	102.194	-0.12%	USD-SGD	1.2816
USD-JPY	157.84	-0.07%	EUR-SGD	1.4293
EUR-USD	1.115	0.26%	JPY-SGD	0.8119
AUD-USD	0.705	0.41%	GBP-SGD	1.7077
GBP-USD	1.333	0.16%	AUD-SGD	0.9040
USD-MYR	4.076	-0.33%	NZD-SGD	0.7208
USD-CNY	6.666	-0.01%	CHF-SGD	1.5475
USD-IDR	18183	0.17%	SGD-MYR	3.1794
USD-VND	25851	0.07%	SGD-CNY	5.2008

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4420	-0.04%	1M	3.9040
3M	2.6180	-0.76%	2M	4.0069
6M	2.9900	0.40%	3M	4.0588
12M	3.2620	1.15%	6M	4.2102
			1Y	4.4661

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.072	7.200	0.018	3.898
12/09/2026	0.872	87.200	0.218	4.100
01/27/2027	1.260	38.800	0.315	4.198
03/17/2027	1.878	61.800	0.470	4.352

Equity and Commodity

Index	Value	Net change
DJIA	52,475.10	97.53
S&P	7,743.98	21.38
Nasdaq	26,549.85	72.04
Nikkei 225	63,954.19	685.82
STI	5,397.91	0.88
KLCI	1,613.87	2.02
JCI	5,282.31	16.18
Baltic Dry	2,603.00	-25.00
VIX	16.91	-0.61

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.89 (+0.02)	4.72(--)
5Y	2.09 (+0.01)	4.84 (-0.01)
10Y	2.3 (--)	5.03 (+0.02)
15Y	2.34 (--)	--
20Y	2.3 (+0.01)	--
30Y	2.32 (+0.01)	5.35 (+0.03)

Secured Overnight Fin. Rate

SOFR	3.95
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	102.78	2.9%	Corn (per bushel)	4.518	0.7%
Brent (per barrel)	115.32	1.3%	Soybean (per bushel)	12.245	-0.4%
Heating Oil (per gallon)	481.52	0.8%	Wheat (per bushel)	5.990	-1.8%
Gasoline (per gallon)	317.34	1.1%	Crude Palm Oil (MYR/MT)	44.540	-0.2%
Natural Gas (per MMBtu)	2.82	4.4%	Rubber (JPY/KG)	4.443	0.5%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14478	0.0%	Gold (per oz)	4067	0.2%
Nickel (per mt)	15605	-0.2%	Silver (per oz)	53.98	-0.8%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
10/29/2026 2:00	US	FOMC Rate Decision (Upper Bound)	28-Oct	4.00%	4.00%	4.00%	--
10/29/2026 8:00	NZ	ANZ Business Confidence	Oct	--	52.5	51.9	--
10/29/2026 15:00	SW	Economic Tendency Survey	Oct	--	--	107.1	--
10/29/2026 15:00	SW	Retail Sales MoM	Sep	--	--	0.80%	--
10/29/2026 15:00	SW	Retail Sales WDA YoY	Sep	--	--	6.90%	--
10/29/2026 17:30	UK	Mortgage Approvals	Sep	54.0k	--	54.9k	--
10/29/2026 20:30	US	Personal Income	Sep	0.30%	--	0.20%	--
10/29/2026 20:30	US	Personal Spending	Sep	0.60%	--	0.90%	--
10/29/2026 20:30	US	Initial Jobless Claims	24-Oct	198k	--	194k	--
10/29/2026 20:30	US	GDP Annualized QoQ	3Q A	3.20%	--	2.20%	--
10/29/2026 20:30	US	GDP Price Index	3Q A	3.20%	--	6.10%	--
10/29/2026 21:15	EC	ECB Deposit Facility Rate	29-Oct	2.50%	--	2.50%	--
10/29/2026 21:15	EC	ECB Main Refinancing Rate	29-Oct	2.65%	--	2.65%	--
10/29/2026 21:15	EC	ECB Marginal Lending Facility	29-Oct	2.90%	--	2.90%	--

Source: Bloomberg

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