

## Daily Treasury Outlook

### Highlights

**Global:** US equities staged a solid rebound in Monday's session, with the rally driven by a sharp recovery in large-cap technology and semiconductor stocks, reversing the previous week's AI-driven selloff. The Supreme Court's 5–4 ruling blocked President Trump's attempt to remove Governor Lisa Cook from her seat on the Federal Reserve Board, reinforcing the Fed's independence, although bond markets reacted only modestly to the decision. US Treasuries ended the session mixed, with the yield curve flattening. The US Dollar Index remained in consolidation mode, softening slightly on Monday. Brent crude rose around 1.6% to settle near US\$73/bbl following a fresh escalation in tensions between the US and Iran over the weekend, despite reports that both sides had agreed to halt attacks ahead of peace talks in Doha. On the geopolitical front, China added 20 Japanese entities to its export control list, citing links to Japan's military.

Economic indicators painted a mixed near-term picture but pointed to a constructive medium-term outlook. The US Dallas Fed Manufacturing Index showed a slight slowdown, coming in at 0.0 in June (below the consensus estimate of 1.0). However, the six-month business outlook index jumped 12 points to 25.9, highlighting persistent optimism among businesses. Spain's headline CPI unexpectedly remained unchanged at 3.6% in June (above the consensus forecast of 3.4%), driven by elevated electricity and natural gas costs, although core CPI came in lower than expected at 2.9%. The final reading of euro area consumer confidence for June was unchanged at -17.7. Meanwhile, economic confidence rose from an upwardly revised 93.7 in May to 95.0 in June.

**Market Watch:** Asia markets are likely to open with a modestly positive tone. Today's economic calendar in Asia session is packed, comprising of South Korea's May industrial production, Japan's May jobless rate and industrial production, New Zealand's June ANZ business confidence, Philippines' and Thailand's May trade data, China's June official PMIs, Australia's May private credit and RBA minutes, Singapore and Hong Kong's May monetary data. Later today, the market will also watch out for France and Germany's June CPI, Canada's April GDP, US' June Conference Board consumer confidence, May JOLTS jobs opening and April FHFA housing price index.

### Key Market Movements

Equity	Value	% chg
S&P 500	7440.4	1.2%
DJIA	52183	0.6%
Nikkei 225	69468	0.2%
SH Comp	4073.9	1.2%
STI	5208.8	0.3%
Hang Seng	23027	1.6%
KLCI	1665.9	-0.1%

  

	Value	% chg
DXY	101.105	-0.2%
USDJPY	161.94	0.1%
EURUSD	1.1422	0.3%
GBPUSD	1.3258	0.4%
USDIDR	17848	-0.4%
USDSGD	1.2928	-0.1%
SGDMYR	3.1467	-0.4%

  

	Value	chg (bp)
2Y UST	4.10	1.24
10Y UST	4.37	0.58
2Y SGS	1.60	1.50
10Y SGS	2.04	2.59
3M SORA	1.08	0.81
3M SOFR	3.64	-0.03

  

	Value	% chg
Brent	73.15	1.6%
WTI	70.75	2.2%
Gold	4016	-1.8%
Silver	58.26	-1.5%
Palladium	1226	1.1%
Copper	13279	-0.6%
BCOM	122.57	-0.3%

Source: Bloomberg

## Major Markets

**CN:** The PBOC injected RMB1.575 trillion through 7-day reverse repos and a further RMB300 billion via overnight reverse repos on 29 June, resulting in a modest net liquidity withdrawal of RMB19 billion for the day. This marked the first operational use of the newly introduced overnight reverse repo facility. Notably, the PBOC disclosed only the operation size of the overnight reverse repo, while withholding the operation rate. In our view, this reflects a deliberate effort to manage market expectations during the initial rollout of the new facility and prevent excessive interpretation of its policy signalling.

**HK:** The Hong Kong Trade Development Council upgraded its 2026 export growth forecast to above 20%, which is also in line with our in-house forecast. The revision reflects solid regional hardware demand fuelled by AI-driven technology upgrade cycles and firmer macroeconomic outlooks across mainland China and the ASEAN.

**ID:** Coordinating Minister for Economic Affairs Airlangga Hartarto assured that the BI Rate increase will not affect the government's Smallholder Business Credit (KUR) interest rate, which remains at 6% per year under a subsidy scheme for MSMEs. The government will continue providing KUR interest subsidies to maintain affordable financing access for MSMEs and has raised the KUR lending ceiling for the housing sector to IDR50.0trn, as reported by Antara news. Separately, Home Affairs Minister Tito Karnavian urged regional governments to prepare for the projected El Nino period from July through October 2026, citing heightened risks of drought, water shortages, and forest and land fires. The central government has prepared mitigation measures, including irrigation improvements, water pumping programmes and weather modification operations.

**MY:** The Producer Price Index (PPI) growth accelerated to 7.8% YoY in May 2026 from 5.4% in April, as most sectors recorded stronger growth. Mining remained the main driver, rising 52.6% after a 53.4% increase in April, supported by a 74.5% surge in the Extraction of crude petroleum index. Agriculture, forestry and fishing rose to 8.9% from 2.7%, Manufacturing increased to 3.5% from 1.1%, and Water supply rose to 11.2% from 10.8%, while Electricity and gas supply eased slightly to 10.0% from 10.6%. The May print brought April-May PPI growth to 6.6% YoY, up from a 1.7% contraction in 1Q26.

**TH:** Finance Minister Ekniti Nitithanprapas presented a THB3.79trn deficit budget for fiscal year 2027 to parliament on Monday, highlighting continued economic stimulus as necessary even as public debt stood at 66.4% of GDP, as of 31 March. The government remains committed to reducing the fiscal deficit to 3% of GDP by 2029 from the projected 4.4% for FY2026. The budget allocates spending across six priorities, including THB960bn for social security, THB676bn for government sector improvements, and THB611bn for human resources development. Finance Minister Ekniti expects GDP growth of 1.7-2.7% and inflation of 0.5-1.5% in 2027. The House of Representatives, which has 500 members, is expected to finish its three-day debate on Wednesday. For the bill to pass its first reading, it must receive majority support from the legislators who are present.

## Sustainability

**ID:** To demonstrate Indonesia's infrastructural readiness for its carbon market, the Ministry of Forestry is scheduled to hold a Ministerial Approval ceremony and issuance of forestry sector carbon credits, reaching over 30 mn tons of CO<sub>2</sub>e, on 6 Jul 2026. This will be followed by the launch of the Carbon Unit Registration System (SRUK) on 9 Jul 2026, as the main infrastructure for the national carbon market. Several forestry carbon projects in Indonesia will also be registered under internationally recognised standards. This aims to strengthen transparency and market confidence for project developers and global investors, sending a strong market signal on the importance of high-integrity carbon credits and encourage their adoption in corporate decarbonisation strategies.

## Credit Market Updates

### Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-3bps higher, belly tenors trading 3-4bps higher and the 10Y tenor trading 4bps higher.
- US Investment Grade spreads tightened by 1bps to 74bps, and US High Yield spreads also tightened by 5bps to 277bps. Bloomberg Global Contingent Capital Index tightened by 2bps to 220bps.
- Bloomberg Asia USD Investment Grade traded flat at 56bps, and Asia USD High Yield spreads also widened by 1bps to 364bps. (Bloomberg, OCBC).

### New Issues:

- There were no notable issuances in the Singdollar markets yesterday.
- The total issuance volume for APAC and DM IG markets yesterday were USD10.65bn and USD7.35bn respectively (prior day: zero for both markets). (Bloomberg, OCBC) The largest issuance in APAC and DM IG came from Mizuho Financial Group (priced USD6.6bn of bonds across six tranches) and Societe Generale SA (priced USD2.25bn of bonds across two tranches).

### Recent Coverage Developments:

- There were no recent credit headlines.

## Equity Market Updates

**US:** US stocks advanced Monday as a pause in US-Iran hostilities and dip-buying in technology shares drove broad gains, capping what is set to be the best quarter for the S&P 500 in six years. The S&P 500 rose 1.2%, snapping a five-day losing streak, the Nasdaq gained 2.1%, and the Dow added 0.6%. The rally was led by mega-cap technology, with the Magnificent Seven gauge climbing 2.6% after last week's AI-driven selloff drew buyers back into the sector. Alphabet surged 4.8% on its first day as a Dow component, replacing Verizon, while Tesla jumped 8.5% and Corning soared roughly 15.7% to a record high, extending its year-to-date gain to approximately 190%. The geopolitical backdrop also supported sentiment: the US and Iran agreed to halt tit-for-tat strikes around the Strait of Hormuz over the weekend, with both sides set to send delegations to Doha on 30 Jun 2026, though Tehran insisted no formal meeting had been scheduled. Treasury yields ended narrowly mixed with the curve flatter, with the 1-year yield rising approximately 3 basis points to 3.97%, whilst the 10-year was little changed at around 4.37%, as rebounding tech shares and firmer oil prices underpinned front-end rates. In Hong Kong, the Hang Seng Tech Index rebounded as much as 4.1% from a technically oversold level, led by Horizon Robotics and Alibaba, whilst AirPods maker Luxshare filed for a Hong Kong listing seeking to raise up to HKD24b.

### Foreign Exchange

	Day Close	% Change		Day Close
<b>DXY</b>	101.105	-0.25%	<b>USD-SGD</b>	1.2928
<b>USD-JPY</b>	161.94	0.12%	<b>EUR-SGD</b>	1.4762
<b>EUR-USD</b>	1.142	0.33%	<b>JPY-SGD</b>	0.7983
<b>AUD-USD</b>	0.689	-0.13%	<b>GBP-SGD</b>	1.7140
<b>GBP-USD</b>	1.326	0.44%	<b>AUD-SGD</b>	0.8906
<b>USD-MYR</b>	4.072	-0.43%	<b>NZD-SGD</b>	0.7305
<b>USD-CNY</b>	6.796	-0.06%	<b>CHF-SGD</b>	1.6009
<b>USD-IDR</b>	17848	-0.39%	<b>SGD-MYR</b>	3.1467
<b>USD-VND</b>	26290	-0.03%	<b>SGD-CNY</b>	5.2576

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	52,182.74	306.63
<b>S&amp;P</b>	7,440.43	86.41
<b>Nasdaq</b>	25,820.14	522.52
<b>Nikkei 225</b>	69,468.11	107.23
<b>STI</b>	5,208.75	17.02
<b>KLCI</b>	1,665.91	-1.83
<b>JCI</b>	5,820.79	-75.34
<b>Baltic Dry</b>	2,524.00	-67.00
<b>VIX</b>	17.65	-0.76

### SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
<b>1M</b>	2.1790	-1.36%	<b>1M</b>	3.6546
<b>3M</b>	2.2910	-0.09%	<b>2M</b>	3.6983
<b>6M</b>	2.5960	-0.38%	<b>3M</b>	3.7349
<b>12M</b>	2.7640	-0.75%	<b>6M</b>	3.8489
			<b>1Y</b>	3.9826

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.6 (+0.01)	4.1(--)
<b>5Y</b>	1.7 (+0.02)	4.14 (+0.01)
<b>10Y</b>	2.04 (+0.03)	4.37 (+0.01)
<b>15Y</b>	2.08 (+0.02)	--
<b>20Y</b>	2.1 (+0.02)	--
<b>30Y</b>	2.13 (+0.02)	4.86(--)

### Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
07/29/2026	0.315	31.500	0.079	3.707
09/16/2026	0.781	46.600	0.195	3.824
10/28/2026	0.975	19.400	0.244	3.872
12/09/2026	1.320	34.500	0.330	3.959

### Financial Spread (bps)

Value	Change	
<b>TED</b>	35.36	--
<b>Secured Overnight Fin. Rate</b>		
<b>SOFR</b>	3.62	

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	70.75	2.2%	Corn (per bushel)	4.020	-2.6%
Brent (per barrel)	73.15	1.6%	Soybean (per bushel)	11.088	-1.6%
Heating Oil (per gallon)	333.17	3.8%	Wheat (per bushel)	5.695	-1.5%
Gasoline (per gallon)	306.14	3.5%	Crude Palm Oil (MYR/MT)	45.230	0.4%
Natural Gas (per MMBtu)	3.18	-1.5%	Rubber (JPY/KG)	4.000	-0.6%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	13279	-0.6%	Gold (per oz)	4016	-1.8%
Nickel (per mt)	16311	-2.3%	Silver (per oz)	58.26	-1.5%

Source: Bloomberg, Reuters

### Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
30/06/2026 09:00	PH	Exports YoY	May	5.40%	--	6.30%	
30/06/2026 09:00	PH	Imports YoY	May	19.50%	--	22.40%	
30/06/2026 09:00	PH	Trade Balance	May	-\$5200m	--	-\$5965m	
30/06/2026 09:30	CH	Manufacturing PMI	Jun	50.1	--	50	
30/06/2026 09:30	CH	Non-manufacturing PMI	Jun	49.9	--	50.1	
30/06/2026 09:30	CH	Composite PMI	Jun	--	--	50.5	
30/06/2026 12:00	TH	Mfg Production Index ISIC NSA YoY	May	-0.05%	--	-0.36%	
30/06/2026 14:00	UK	GDP QoQ	1Q F	0.60%	--	0.60%	
30/06/2026 14:00	UK	GDP YoY	1Q F	1.10%	--	1.10%	
30/06/2026 14:00	UK	Current Account Balance	1Q	-21.3b	--	-18.4b	
30/06/2026 15:00	TH	BoP Current Account Balance	May	-\$3500m	--	-\$7590m	
30/06/2026 15:30	TH	Exports YoY	May	--	--	23.30%	
30/06/2026 15:30	TH	Imports YoY	May	--	--	43.90%	
30/06/2026 15:30	TH	Trade Balance	May	--	--	-\$6769m	
30/06/2026 15:30	TH	BoP Overall Balance	May	--	--	\$2284m	
30/06/2026 22:00	US	JOLTS Job Openings	May	7296k	--	7618k	

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.