

Daily Treasury Outlook

Highlights

Global: US data painted a softer picture of the economy overnight. The Conference Board's consumer confidence index fell 6.7 points to 81.9 in September, its lowest reading in over a decade, with both current conditions and expectations deteriorating. Meanwhile, JOLTS job openings declined to 7.08m in August from 7.34m previously, suggesting labour demand continues to cool. Alongside the poorer data, New York Fed President Williams suggested there was no urgency for further tightening after September's move, helping US Treasury yields retreat from recent highs. Two-year yields fell around 5-6bp, while markets reduced the probability of another Fed hike at the next meeting from around 70% to near 50%. Elsewhere, the RBA raised its cash rate by 25bp to 4.60%, citing stronger-than-expected growth, persistent inflation and the broader pass-through of higher energy costs. Policymakers maintained a tightening bias, underscoring that slowing activity alone may not be sufficient to bring inflation back to target. In the UK, MPC member Taylor highlighted the difficulty of delivering a single rate increase without markets expecting further moves. Risk assets were mixed. US equities ended little changed, with the S&P 500 falling 0.2%, as investors balanced softer economic data against still-elevated long-term yields. The 30-year Treasury yield briefly reached 5.62%, its highest level since 2002. Meanwhile, crude prices fell nearly 4% after the Trump administration authorised the release of up to 40m barrels from the Strategic Petroleum Reserve, pushing oil below USD90/bbl.

Market Watch: Attention today will focus on China's September PMI releases, which will provide fresh insights into economic activity. In the US, investors will receive August personal income, spending and PCE inflation data, as well as the third estimate of second-quarter GDP.

Major Markets

CH: The State Council called for stronger counter-cyclical macro policy adjustments to address emerging economic challenges after rising uneven growth in the third quarter. It also pledged to "make comprehensive use of and adjust monetary policy tools as appropriate", increase relending quotas for technological innovation, equipment upgrades, agriculture and small businesses, and study additional measures to stabilise the property market and support employment and income growth. The speed of the policy response is noteworthy. Relevant measures were rolled out the following day, signalling a return to a more counter-cyclical policy stance. The latest package is concentrated in three areas: housing demand, infrastructure financing and targeted credit support.

ID: The Ministry of Energy and Mineral Resources (ESDM) is accelerating domestic oil and gas exploration and development to shield the economy from geopolitical shocks that recently pushed global crude prices above USD100/bbl. Deputy ESDM Minister Yuliot said the acceleration would cover both state-led and private-sector exploration, supported by a range of facilitation measures to speed up delivery. The government has identified several fields capable of

Key Market Movements

Equity	Value	% chg
S&P 500	7670.8	-0.2%
DJIA	51350	-0.3%
Nikkei 225	65481	-0.6%
SH Comp	3830.5	0.2%
STI	5714.8	-0.2%
Hang Seng	24524	-0.5%
KLCI	1644.0	-1.6%
	Value	% chg
DXY	101.372	0.2%
USDJPY	157.29	-0.1%
EURUSD	1.1342	-0.3%
GBPUSD	1.3232	-0.2%
USDIDR	17975	0.0%
USDSGD	1.278	0.1%
SGDMYR	3.1907	-0.1%
	Value	chg (bp)
2Y UST	4.88	-5.40
10Y UST	5.24	0.01
2Y SGS	2.03	-1.20
10Y SGS	2.58	-3.64
3M SORA	1.23	-0.04
3M SOFR	3.68	0.25
	Value	% chg
Brent	102.59	-2.6%
WTI	89.38	-3.5%
Gold	4182	1.6%
Silver	61.48	1.4%
Palladium	1226	1.2%
Copper	14439	0.2%
BCOM	141.22	-0.9%

Source: Bloomberg

producing around 2,500–3,000 barrels per day (bpd), with development set to ramp up over the next two years in pursuit of the national target 1mn bpd by 2029–2030. The urgency has intensified amid escalating tensions in the Middle East and disruptions to major oil supply routes, including the Strait of Hormuz.

MY: Bank Negara Malaysia (BNM) is looking at giving financial institutions more flexibility to take on higher risks responsibly in support of the country's energy transition. Speaking at the JC3 Journey to Zero Conference 2026, BNM Governor Abdul Rasheed Ghaffour said such risks would still need to be properly understood, priced and managed within acceptable limits. He noted that while funding is available, a key challenge lies in directing capital toward viable and scalable green projects, as many technically feasible early-stage initiatives are seen as commercially unattractive. On the broader energy transition, he highlighted that Malaysia's renewable energy share of installed capacity rose to 31% in 2025 from 25% in 2023 but cautioned that rising electricity demand from artificial intelligence and data centres could pose additional challenges. He also urged a shift from post-disaster recovery financing towards investing proactively in climate resilience.

AU: Australia's monthly household spending remained flat in August, following a 1.1% MoM increase in July, while annual growth eased slightly to 6.8% YoY from 7.0%. The flat monthly reading masked some divergence across categories, with transport spending rising 2.3%, largely reflecting higher fuel spending and new vehicle sales, while recreation and culture fell 1.4% after several months of stronger spending associated with major sporting events. Discretionary spending fell 0.3% MoM, while non-discretionary spending rose 0.6%. Notably, fuel spending rose 8.1% MoM due to the full restoration of the fuel excise from 3 August, with overall household spending falling 0.3% MoM when fuel is excluded.

Sustainability

SG: Singapore and Japan will deepen cooperation in the areas of contaminant management, climate science and coastal protection under two new agreements signed between the two countries. The agreements, namely the upgraded Memorandum of Cooperation on Environmental Matters and the renewed Memorandum of Cooperation on Climate Science and Climate Adaptation, build on existing areas of collaboration including decarbonisation, air quality, waste, noise pollution and water quality management. Deliverables could include information sharing, exchanges and training, as well as environmental events and seminars. These efforts could also pave the way for trials of new technologies in both countries, supporting their low-carbon transitions.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday; shorter tenors traded 1-2bps lower, belly tenors traded 2-3bps lower, and 10Y tenor traded 3bps lower.
- US Investment Grade traded flat at 82bps, and US High Yield spreads widened by 6bps to 309bps respectively. Bloomberg Global Contingent Capital spreads widened by 3bps to 218bps.

- Bloomberg Asia USD Investment Grade spread widened by 1bps to 57bps, and the Asia USD High Yield spreads widened by 11bps to 341bps. (Bloomberg, OCBC)

New Issues:

- Housing & Development board issued SGD1.2bn of 4Y green fixed notes at 2.586%.
- There were USD750mn and zero issuances in the APAC and DM IG markets respectively (prior day: USD500mn and USD1.5bn). Issuances in APAC markets were led by Development Bank of Japan Inc (guarantor: Japan) pricing a USD500mn 10Y bond at SOFR MS + 69bps).

Credit Headlines:

- **Mapletree Industrial Trust (MINTSP):** MINTSP has entered into an agreement to sell 3255 Neil Armstrong Boulevard, Eagan, Minnesota, to the current tenant for USD9.8mn, a small transaction relative to MINTSP's total assets of SGD7.9bn.
- **Keppel Ltd (KEPSP):** KEPSP priced its debut CNH credit issuance, a CNH1.0bn (~SGD191mn) 5Y bond, at 1.95%, tightening from the 2.35% area.
- **BP p.l.c. (BPLN):** According to Bloomberg, BPLN is considering options, including a sale, for its wholly owned Brazilian biofuels business, following its June 2024 acquisition of the remaining 50% stake at an enterprise value of USD1.4bn, as it reshapes its portfolio and concentrates on its core businesses.

Equity Market Updates

US: US stocks edged lower on Tuesday as a relentless bond market selloff overshadowed a modest decline in oil prices, with the 30-year Treasury yield surging to 5.61%, its highest level since 2002, and the 10-year yield approaching 5.29%, near levels last seen in 2007, as persistent inflation concerns tied to the ongoing US-Iran conflict and heavy corporate debt issuance kept pressure on fixed income. The S&P 500 slipped 0.2%, the Dow fell 0.3%, and the Nasdaq edged down 0.1%, with most S&P 500 constituents declining even as technology stocks offered some resilience. Consumer confidence fell to a 12-year low per Conference Board data, whilst job openings dropped to a five-month low, adding to a cautious macro backdrop. New York Fed President Williams signalled that one further rate hike late in 2026 may be appropriate, though his remarks, suggesting less tightening than markets had priced, prompted a brief rally in front-end Treasuries, steepening the yield curve. Nvidia reversed Monday's gains, falling 0.7%, a day after announcing a USD150b share buyback expansion. Notably, China's State Council signalled greater urgency to counter its economic slowdown, pledging a package of additional support measures and steps to stabilise the property market, a development likely to be closely watched across Asian markets at Wednesday's open.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	101.372	0.17%	USD-SGD	1.2780
USD-JPY	157.29	-0.06%	EUR-SGD	1.4492
EUR-USD	1.134	-0.26%	JPY-SGD	0.8124
AUD-USD	0.699	-0.46%	GBP-SGD	1.6907
GBP-USD	1.323	-0.17%	AUD-SGD	0.8927
USD-MYR	4.083	0.02%	NZD-SGD	0.7208
USD-CNY	6.707	-0.07%	CHF-SGD	1.5323
USD-IDR	17975	0.00%	SGD-MYR	3.1907
USD-VND	25971	0.00%	SGD-CNY	5.2514

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.4840	0.98%	1M	3.9115
3M	2.5940	-0.50%	2M	3.9715
6M	3.0660	-0.13%	3M	4.0630
12M	3.3560	-0.68%	6M	4.2423
			1Y	4.5682

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
10/28/2026	0.482	48.200	0.120	4.000
12/09/2026	1.337	85.500	0.334	4.214
01/27/2027	1.872	53.500	0.468	4.347
03/17/2027	2.624	75.300	0.656	4.536

Equity and Commodity

Index	Value	Net change
DJIA	51,349.92	-131.59
S&P	7,670.84	-12.85
Nasdaq	26,797.54	-22.84
Nikkei 225	65,481.27	-396.35
STI	5,714.84	-14.18
KLCI	1,643.96	-26.06
JCI	6,121.70	-26.16
Baltic Dry	3,268.00	-158.00
VIX	16.04	-0.03

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.03 (-0.01)	4.88(--)
5Y	2.31 (-0.03)	5.05 (-0.02)
10Y	2.58 (-0.04)	5.24(--)
15Y	2.62 (-0.03)	--
20Y	2.56 (-0.04)	--
30Y	2.59 (-0.04)	5.57 (+0.02)

Secured Overnight Fin. Rate

SOFR	3.90
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	89.38	-3.5%	Corn (per bushel)	5.220	-0.2%
Brent (per barrel)	102.59	-2.6%	Soybean (per bushel)	12.978	0.7%
Heating Oil (per gallon)	489.79	3.0%	Wheat (per bushel)	6.928	0.6%
Gasoline (per gallon)	327.82	-1.8%	Crude Palm Oil (MYR/MT)	44.330	-0.7%
Natural Gas (per MMBtu)	3.01	0.4%	Rubber (JPY/KG)	4.389	-1.1%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14439	0.2%	Gold (per oz)	4182	1.6%
Nickel (per mt)	15958	-1.4%	Silver (per oz)	61.48	1.4%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/30/2026 7:00	SK	Industrial Production YoY	Aug	4.30%	-2.20%	3.60%	4.00%
9/30/2026 7:50	JN	Industrial Production MoM	Aug P	1.30%	-1.70%	-0.20%	--
9/30/2026 8:00	NZ	ANZ Business Confidence	Sep	--	51.9	53.7	--
9/30/2026 9:00	PH	Exports YoY	Aug	13.80%	--	10.80%	--
9/30/2026 9:30	AU	CPI YoY	Aug	4.10%	--	3.50%	--
9/30/2026 9:30	CH	Manufacturing PMI	Sep	50.1	--	49.8	--
9/30/2026 9:30	AU	Building Approvals MoM	Aug	-1.00%	--	-3.60%	--
9/30/2026 9:45	CH	RatingDog China PMI Mfg	Sep	51.7	--	51.5	--
9/30/2026 14:00	UK	GDP QoQ	2Q F	0.40%	--	0.40%	--
9/30/2026 14:00	UK	GDP YoY	2Q F	1.20%	--	1.20%	--
9/30/2026 15:00	TH	BoP Current Account Balance	Aug	-\$150m	--	-\$1559m	--
9/30/2026 19:00	US	MBA Mortgage Applications	25-Sep	--	--	-1.50%	--
9/30/2026 20:15	US	ADP Employment Change	Sep	75k	--	38k	--
9/30/2026 20:30	US	Personal Income	Aug	0.50%	--	0.40%	--

Source: Bloomberg

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