

## Daily Treasury Outlook

### Highlights

**Global:** US equities closed mixed overnight, with the S&P500 and Nasdaq declining while the Dow managed a modest gain (S&P500: -0.4%; NASDAQ: -0.7%; Dow: +0.1%). Broader market sentiment remains fragile due to the highly fluid situation in the Middle East, which has entered its fifth week. In a social media post, US President Donald Trump shared that the United States is in "serious discussions with a new, and more reasonable, regime to end our military operations in Iran," adding that "great progress has been made." This renewed hopes that diplomacy with Iran may still be alive. Despite this diplomatic optimism, Trump simultaneously warned that if a peace deal is not reached "shortly" and the Strait of Hormuz is not "immediately" reopened, the US would destroy all of Iran's energy infrastructure and Kharg Island. The Middle East conflict has also broadened, with Yemen's Houthis now entering the war. Brent crude remained elevated, trading above USD112/bbl, marking the largest monthly surge — a 55.6% rise during the period. The IMF warned that the conflict is "dimming the outlook for many economies that had only just shown signs of a sustained recovery from previous crises." On the data front, the US Dallas Fed's general business activity index for Texas manufacturing slipped back into negative territory, falling to -0.2 in March, down from +0.2 the previous month. The production index and new orders index were also lower at 6.8 and 6.1, respectively, compared to 12.5 and 11.1 the previous month. The company outlook index slipped into negative territory, while the outlook uncertainty index rose to its highest reading since April 2025. Regarding central banks, Fed Chair Jerome Powell shared that the Fed's current policy stance is "in a good place for us to wait and see" how the oil price shock plays out. He also added that inflation expectations remain "well anchored beyond the short term."

**Market Watch:** For the day ahead, the calendar is fairly busy. In Asia, China will release its official March PMIs. Meanwhile, the eurozone will publish its preliminary March CPI estimates. In the US, attention will turn to March consumer confidence from the Conference Board, and February Jolts Job Openings.

### Key Market Movements

Equity	Value	% chg
S&P 500	6343.7	-0.4%
DJIA	45216	0.1%
Nikkei 225	51886	-2.8%
SH Comp	3923.3	0.2%
STI	4897.3	0.0%
Hang Seng	24751	-0.8%
KLCI	1687.9	-1.4%
	Value	% chg
DXY	100.509	0.4%
USDJPY	159.71	-0.4%
EURUSD	1.1465	-0.4%
GBPUSD	1.3186	-0.6%
USDIDR	16992	0.2%
USDSGD	1.291	0.2%
SGDMYR	3.1258	0.3%
	Value	chg (bp)
2Y UST	3.83	-8.40
10Y UST	4.35	-7.96
2Y SGS	1.67	-2.30
10Y SGS	2.38	-2.97
3M SORA	1.07	-0.18
3M SOFR	3.68	-0.45
	Value	% chg
Brent	107.39	2.0%
WTI	102.88	3.3%
Gold	4511	0.4%
Silver	70.08	0.5%
Palladium	1409	1.9%
Copper	12224	0.2%
BCOM	135.01	0.6%

Source: Bloomberg

## Major Markets

**ID:** Tourism Minister Widiyanti Putri Wardhana and Japan's Minister of Land, Infrastructure, Transport and Tourism Yasushi Kaneko signed a Memorandum of Cooperation during President Prabowo Subianto's visit to Tokyo, establishing a formal framework for bilateral tourism collaboration. Minister Widiyanti said Japan remains a key strategic partner, with more than 380k Japanese tourists visiting Indonesia in 2025, up 12% from the previous year, with an average stay of nearly eight days. The agreement covers joint promotion, development of wellness, gastronomy and marine tourism, as well as community-based tourism, alongside efforts to enhance private sector collaboration, air connectivity, investment, and human resource development. Both countries will establish a Joint Working Group to formulate action plans and monitor implementation.

**MY:** Deputy Agriculture and Food Security Minister Datuk Chan Foong Hin said Prime Minister Datuk Seri Anwar Ibrahim will chair the National Economic Action Council meeting on 31 March to discuss strategies addressing the impact of the Middle East conflict on the country's food security. He said the discussions aim to support agricultural industry players, particularly in fisheries and crop cultivation, which face significant challenges amid current developments, while noting the conflict has triggered an energy crisis and rising oil prices affecting fuel stability and food supply chains. Separately, Economy Minister Akmal Nasrullah Mohd Nasir said an engagement session with SMEs will be held ahead of the National Economic Council (NAEC) meeting to assess the impact of the Iran conflict and global fuel crisis, with findings to be raised at the council.

## ESG

**Rest of the world:** Vietnam temporarily waived an environmental tax on fuel to reduce soaring petrol prices, amid the Middle East conflict disrupting global energy supplies. The environmental protection tax rate on gasoline, diesel and aviation fuel will be zero from 27 Mar to 15 Apr. This was a move to stabilise the petroleum market and ensure national energy security amid the escalating conflict. The move is expected to reduce petrol prices by around 26% and diesel prices by just over 15%.

## Credit Market Updates

### Market Commentary:

The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-5bps lower while belly tenors traded 5-6bps lower and 10Y tenors traded 5bps lower. Global Investment Grade spreads widened by 2bps to 91ps and Global High Yield spreads widened by 4bps to 338bps respectively. Bloomberg Global Contingent Capital Index widened by 10bps to 279bps. Bloomberg Asia USD Investment Grade spreads widened by 3bps to 67bps and Asia USD High Yield spreads widened by 18bps to 448bps respectively. (Bloomberg, OCBC)

### New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD3.6bn respectively.

There was one notable issuer in the DM IG market yesterday where issuers priced deals of at least USD1.0bn.

- JBS NV/JBS USA Foods Group Holdings Inc/JBS USA Food Co priced USD2bn of debt in two tranches.

Among issuers under our official coverage, there was one notable issuer in the DM IG market.

- Goldman Sachs Finance Corp International Ltd (guarantor: Goldman Sachs Group Inc/The) priced a USD100mn 2Y fixed bond at 3.2%.

There were no notable issuers in the APAC USD and Singdollar markets yesterday.

### Mandates:

There were no notable mandates yesterday.

## Equity Market Updates

**US:** US stocks declined on Monday as concerns over escalating tensions with Iran and a rout in technology shares weighed on sentiment. The S&P 500 fell 0.4%, the Nasdaq dropped 0.7%, and the Dow edged up 0.1%. Chipmakers led declines, with Nvidia falling 1.4%, whilst data centre-linked stocks sold off amid ongoing worries about the Middle East conflict. West Texas Intermediate crude surged 4.9% to USD104.52 per barrel as the Iran war entered its fifth week, with energy stocks posting their best quarterly outperformance against the S&P 500 on record. Treasury yields fell sharply, with the 10-year yield dropping 9.7 basis points to 4.34% as Federal Reserve Chair Jerome Powell eased fears about imminent rate hikes, saying longer-term inflation expectations appear in check. Traders erased wagers on rate increases and resumed bets on a 2026 cut following Powell's remarks at Harvard University. Corporate news included Sysco's USD29.1b acquisition of Jetro Restaurant Depot, which sent its shares down 15.3%, whilst Fannie Mae and Freddie Mac soared after Bill Ackman called them "stupidly cheap".

Foreign Exchange				
	Day Close	% Change		Day Close
DXY	100.509	0.36%	USD-SGD	1.2910
USD-JPY	159.71	-0.37%	EUR-SGD	1.4803
EUR-USD	1.147	-0.38%	JPY-SGD	0.8082
AUD-USD	0.685	-0.31%	GBP-SGD	1.7020
GBP-USD	1.319	-0.55%	AUD-SGD	0.8846
USD-MYR	4.031	0.50%	NZD-SGD	0.7386
USD-CNY	6.913	0.02%	CHF-SGD	1.6147
USD-IDR	16992	0.16%	SGD-MYR	3.1258
USD-VND	26339	0.01%	SGD-CNY	5.3531

Equity and Commodity		
Index	Value	Net change
DJIA	45,216.14	49.50
S&P	6,343.72	-25.13
Nasdaq	20,794.64	-153.72
Nikkei 225	51,885.85	-1487.22
STI	4,897.26	-0.92
KLCI	1,687.90	-24.75
JCI	7,091.67	-5.39
Baltic Dry	2,017.00	-14.00
VIX	30.61	-0.44

SOFR				
Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.8920	-0.79%	1M	3.6639
3M	2.1270	-0.37%	2M	3.6751
6M	2.5040	0.08%	3M	3.6830
12M	2.8600	1.42%	6M	3.6973
			1Y	3.7256

Government Bond Yields (%)		
Tenor	SGS (chg)	UST (chg)
2Y	1.67 (-0.02)	3.82(-)
5Y	1.99 (-0.02)	3.98 (-0.08)
10Y	2.38 (-0.03)	4.33 (-0.08)
15Y	2.43 (-0.04)	--
20Y	2.43 (-0.04)	--
30Y	2.54 (-0.04)	4.9 (-0.05)

Fed Rate Hike Probability				
Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
03/18/2026	0.010	1.000	0.002	3.643
04/29/2026	0.026	2.600	0.006	3.648
06/17/2026	-0.005	-3.100	-0.001	3.640
07/29/2026	-0.034	-2.900	-0.009	3.632
09/16/2026	-0.013	2.100	-0.003	3.638

Financial Spread (bps)		
Value	Change	
TED	35.36	--

  

Secured Overnight Fin. Rate	
SOFR	3.63

Commodities Futures						
Energy	Futures	% chg	Soft Commodities	Futures	% chg	
WTI (per barrel)	102.88	3.3%	Corn (per bushel)	4.558	-1.4%	
Brent (per barrel)	112.78	0.2%	Soybean (per bushel)	11.598	0.0%	
Heating Oil (per gallon)	436.43	-2.9%	Wheat (per bushel)	6.070	0.3%	
Gasoline (per gallon)	335.15	3.1%	Crude Palm Oil (MYR/MT)	46.660	2.8%	
Natural Gas (per MMBtu)	2.89	-6.7%	Rubber (JPY/KG)	3.635	-0.4%	

  

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	12224	0.2%	Gold (per oz)	4511	0.4%
Nickel (per mt)	17263	0.4%	Silver (per oz)	70.08	0.5%

Source: Bloomberg, Reuters

## Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/31/2026 7:00	SK	Industrial Production YoY	Feb	0.70%	-2.20%	7.10%	6.80%
3/31/2026 15:00	TH	BoP Current Account Balance	Feb	\$1000m	--	\$700m	--
3/31/2026 15:30	TH	Exports YoY	Feb	--	--	23.60%	--
3/31/2026 15:30	TH	Imports YoY	Feb	--	--	30.10%	--
3/31/2026 15:30	TH	Trade Balance	Feb	--	--	-\$741m	--
3/31/2026 15:30	TH	BoP Overall Balance	Feb	--	--	\$2193m	--
3/31/2026 21:00	US	FHFA House Price Index MoM	Jan	0.10%	--	0.10%	--
3/31/2026 22:00	US	Conf. Board Consumer Confidence	Mar	87.9	--	91.2	--
3/31/2026 22:00	US	Conf. Board Present Situation	Mar	118	--	120	--
3/31/2026 22:00	US	Conf. Board Expectations	Mar	68.4	--	72	--
3/31/2026 22:00	US	JOLTS Job Openings	Feb	6890k	--	6946k	--
3/31/2026 22:00	US	JOLTS Job Openings Rate	Feb	--	--	4.20%	--
3/31/2026 22:00	US	JOLTS Quits Level	Feb	3120k	--	3137k	--
3/31/2026 22:00	US	JOLTS Quits Rate	Feb	2.00%	--	2.00%	--
3/31/2026 22:00	US	JOLTS Layoffs Level	Feb	1668k	--	1631k	--
3/31/2026 22:00	US	JOLTS Layoffs Rate	Feb	1.10%	--	1.00%	--

Source: Bloomberg

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