

Daily Treasury Outlook

Highlights

Global: US equities closed lower overnight, with the S&P 500, Dow and Nasdaq all falling around 0.6%. Materials and technology led declines as inflation concerns and higher Treasury yields weighed on sentiment. Yields moved to session highs after the Treasury's latest buyback accepted USD5.2bn of bids, below the USD6bn maximum. Oil prices added to the pressure, with Brent and WTI rising more than 6% to around USD108 and USD103 per barrel respectively, their highest levels since May. US-Iran tensions escalated after Iran said it attacked vessels near the Strait of Hormuz following US strikes on Iranian tankers, adding to concerns over regional shipping and energy supply. Meanwhile, President Trump also proposed a USD5,000 payment to every adult US citizen if Republicans retain control of Congress in November. On the data front, US producer inflation accelerated to 5.4% YoY in August from 4.8% in July. Energy prices rose 4.2% MoM, while diesel prices surged 24.1%. Initial jobless claims edged down to 206k, while continuing claims fell to 1.774mn, consistent with layoffs remaining low. Markets raised the probability of a 25bp Fed hike next week to around 70%. Meanwhile, the ECB raised its three key policy rates by 25bp, taking the deposit rate to 2.50%, and revised its 2027 and 2028 inflation forecasts higher. Attention now turns to August US CPI tonight, with headline inflation expected at 3.4% YoY and core inflation at 2.4%.

Market Watch: For the day ahead, attention turns to August US CPI tonight. Consensus expects headline inflation at 0.4% MoM and 3.4% YoY, while core CPI is expected at 0.2% MoM and 2.4% YoY. Following yesterday's PPI, the renewed surge in energy prices and relatively firm labour-market data, the CPI release will be particularly important in shaping expectations ahead of the Fed's 15–16 September meeting.

Major Markets

ID: Bank Indonesia's Retail Sales Survey showed retailers expect sales growth to slow to 0.5% YoY in August 2026 from 1.1% in July, supported by Spare Parts and Accessories and Food, Beverages and Tobacco. The improvement in July sales from a 3.0% contraction in June was driven by stronger sales of Food, Beverages and Tobacco and Other Goods. From the same survey, respondents predict milder inflationary pressures in October 2026 and January 2027.

MY: Prime Minister Anwar Ibrahim will attend the 18th BRICS Summit in New Delhi on 12 to 13 September as Malaysia participates as a BRICS Partner Country, with confirmed bilateral meetings with Indian Prime Minister Narendra Modi, Russian President Vladimir Putin and several other leaders, as reported by The Edge. PM Anwar will deliver a national statement on inclusive global growth and highlight stronger cooperation among BRICS members and partners on development challenges, economic opportunities and more inclusive access to technological advancement and innovation. He will also meet Indian industry leaders to discuss investments and partnerships in advanced manufacturing,

Key Market Movements

Equity	Value	% chg
S&P 500	7591.7	-0.6%
DJIA	52064	-0.6%
Nikkei 225	65271	0.2%
SH Comp	3934.4	-0.4%
STI	5689.8	-0.7%
Hang Seng	24954	-1.3%
KLCI	1705.5	-0.5%
	Value	% chg
DXY	99.048	0.2%
USDJPY	154.42	0.6%
EURUSD	1.1612	-0.2%
GBPUSD	1.3512	-0.3%
USDIDR	17539	0.1%
USDSGD	1.2681	0.3%
SGDMYR	3.2131	-0.1%
	Value	chg (bp)
2Y UST	4.59	15.61
10Y UST	4.96	12.20
2Y SGS	1.72	1.50
10Y SGS	2.40	3.33
3M SORA	1.20	-0.17
3M SOFR	3.65	0.05
	Value	% chg
Brent	107.63	6.3%
WTI	102.48	6.7%
Gold	4318	-1.8%
Silver	63.60	-5.5%
Palladium	1283	-5.4%
Copper	14234	-3.6%
BCOM	147.13	1.5%

Source: Bloomberg

aerospace, automotive, engineering, information technology and technology solutions.

TH: Thailand and India are elevating their bilateral relationship to a "Trusted Strategic Partnership," marking a shift from traditional commodity trade towards joint investment, co-creation and deeper integration into global supply chains. The initiative was announced following high-level discussions in New Delhi between Thai Commerce Minister Suphatee Suthumpun and Indian Commerce Minister Piyush Goyal. Under a proposed "Co-Creation, Co-Investment" model, Thailand intends to combine its manufacturing capabilities and ASEAN connectivity with India's large domestic market, skilled workforce and technological strengths. Initial cooperation will focus on five sectors: processed food, health and wellness, green industries, gems and jewellery, and hospitality. To support commercial flows, both ministers agreed to fast-track cross-border integration of India's UPI and Thailand's PromptPay instant retail payment systems, with the aim of facilitating transactions for MSMEs and simplifying spending for tourists. Institutional cooperation will be further advanced in October when Thailand hosts the Joint Trade Committee meeting in Bangkok.

Sustainability

CH: China and Brazil plan to advance talks on a bilateral carbon market agreement that authorities hope to announce by the COP31 climate summit in Turkey. Discussions between both countries will take place from 14 – 18 Sep, which will include assessing if China could become a buyer of carbon credits from Brazil aligned with Article 6 of the Paris Agreement. Alongside bilateral talks, a Brazil-China-EU coalition of carbon market jurisdictions covering roughly 42% of global emissions is set to approve a work plan aimed at gradually increasing compatibility among markets. The coalition already has 11 members and is seeking additional participation from developing countries.

Credit Market Updates

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 2-4bps higher, belly tenors trading 4bps higher, and 10Y tenor trading 5bps higher.
- US Investment Grade tightened by 1bps to 78bps, and US High Yield spreads widened by 1bps to 272bps respectively. Bloomberg Global Contingent Capital spreads tightened by 3bps to 199bps.
- Bloomberg Asia USD Investment Grade spread tightened by 2bps to 54bps, and the Asia USD High Yield spreads tightened by 12bps to 308bps. (Bloomberg, OCBC)

New Issues:

- Yesterday, there were no issuances in the Singdollar market. APAC and DM IG markets were zero and USD6.25bn respectively yesterday (prior day: USD1.05bn and USD3.6bn). Stellantis Finance US Inc. led issuances in DM IG markets, pricing USD2.5bn across two tranches.

Credit Headlines:

- **Sembcorp Industries Ltd. (SCISP):** Mutually cancelled the SGD105mn proposed acquisition of Puente Al Sol Inc. due to prevailing market conditions and evolving strategic priorities; remains on track to achieve 25GW of installed renewable capacity by 2028.
- **Woodside Energy Group (WDSAU):** EVP and COO International Daniel Kalms intends to leave; Paa-Joe Akoto-Ampaw has been appointed Acting EVP and COO International while recruitment for a permanent replacement is underway.
- **Canadian Banks (RY, TD, BNS):** Maintained positive credit outlooks despite Canada-US trade tensions; RY reported ROE above 18% and CET1 of 13.5%, BNS reached its 14% ROE target two years early, and TD reported ROE of 16% and CET1 of 14.3%, with AML remediation on schedule.

Equity Market Updates

US: US equities closed lower as rising Treasury yields, higher oil prices and stronger-than-expected inflation data intensified concerns that interest rates could remain elevated for longer. The S&P 500 fell 0.6%, the Nasdaq lost 0.7%, and the Dow slipped 0.6%, while the two-year Treasury yield recorded its largest daily jump since April 2025. Brent crude climbed above USD104 per barrel amid escalating Middle East tensions, and August PPI data came in stronger than expected, reinforcing expectations of further policy tightening. Despite solid demand for a USD22 billion 30-year Treasury auction and a USD6 billion Treasury buyback programme, bond yields continued to move higher. Meanwhile, weekly jobless claims remained stable at 206,000, highlighting ongoing resilience in the US labour market. Investors also closely monitored Oracle's earnings as a key indicator of market appetite for continued AI-related spending. Outside the US, Hong Kong regulators suspended trading in Cloudbreak Pharma over suspected IPO irregularities, while Chinese President Xi Jinping is set to visit India for the BRICS Summit on 12-13 September, marking his first trip there since 2019.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.048	0.23%	USD-SGD	1.2681
USD-JPY	154.42	0.56%	EUR-SGD	1.4725
EUR-USD	1.161	-0.18%	JPY-SGD	0.8212
AUD-USD	0.716	-0.83%	GBP-SGD	1.7134
GBP-USD	1.351	-0.26%	AUD-SGD	0.9076
USD-MYR	4.065	-0.12%	NZD-SGD	0.7352
USD-CNY	6.712	0.06%	CHF-SGD	1.5603
USD-IDR	17539	0.15%	SGD-MYR	3.2131
USD-VND	25922	0.02%	SGD-CNY	5.2916

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	2.3690	-0.17%	1M	3.8123
3M	2.6260	-0.34%	2M	3.8570
6M	2.8000	0.14%	3M	3.8988
12M	3.1380	0.67%	6M	4.0595
			1Y	4.3210

Fed Rate Hike Probability

Meeting	# of Hikes/Cuts	% of Hikes/Cuts	Implied Rate Change	Expected Effective Fed Funds Rate
09/16/2026	0.708	70.800	0.177	3.803
10/28/2026	1.095	38.800	0.274	3.900
12/09/2026	1.803	70.800	0.451	4.077

Equity and Commodity

Index	Value	Net change
DJIA	52,064.10	-316.56
S&P	7,591.70	-44.66
Nasdaq	26,081.72	-171.62
Nikkei 225	65,270.95	128.17
STI	5,689.75	-39.88
KLCI	1,705.52	-8.82
JCI	6,589.34	-88.86
Baltic Dry	3,620.00	36.00
VIX	17.84	1.38

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.72 (+0.01)	4.58(--)
5Y	2.04 (+0.03)	4.76 (+0.15)
10Y	2.4 (+0.03)	4.96 (+0.12)
15Y	2.44 (+0.03)	--
20Y	2.38 (+0.02)	--
30Y	2.44 (+0.02)	5.37 (+0.08)

Secured Overnight Fin. Rate

SOFR	3.64
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	102.48	6.7%	Corn (per bushel)	5.140	1.2%
Brent (per barrel)	107.63	6.3%	Soybean (per bushel)	13.160	1.6%
Heating Oil (per gallon)	505.75	5.3%	Wheat (per bushel)	7.233	1.7%
Gasoline (per gallon)	339.32	5.7%	Crude Palm Oil (MYR/MT)	45.980	-1.5%
Natural Gas (per MMBtu)	2.83	0.4%	Rubber (JPY/KG)	4.831	3.2%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	14234	-3.6%	Gold (per oz)	4318	-1.8%
Nickel (per mt)	16666	-1.4%	Silver (per oz)	63.60	-5.5%

Source: Bloomberg, Reuters

Economic Calenda

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
9/11/2026 7:50	JN	PPI MoM	Aug	0.00%	-0.20%	0.10%	0.40%
9/11/2026 7:50	JN	PPI YoY	Aug	7.40%	7.60%	7.20%	7.70%
9/11/2026 14:00	UK	Industrial Production MoM	Jul	-0.20%	--	-0.20%	--
9/11/2026 14:00	UK	Industrial Production YoY	Jul	0.20%	--	-0.20%	--
9/11/2026 14:00	UK	Manufacturing Production MoM	Jul	0.20%	--	-0.50%	--
9/11/2026 14:00	UK	Manufacturing Production YoY	Jul	2.10%	--	0.50%	--
9/11/2026 14:00	UK	Visible Trade Balance GBP/Mn	Jul	-£22400m	--	-£23007m	--
9/11/2026 14:00	UK	Trade Balance GBP/Mn	Jul	-£4995m	--	-£5537m	--
9/11/2026 15:00	TU	Current Account Balance	Jul	0.70b	--	-4.19b	--
9/11/2026 20:30	US	CPI MoM	Aug	0.40%	--	0.10%	--
9/11/2026 20:30	US	Core CPI MoM	Aug	0.20%	--	0.20%	--
9/11/2026 20:30	US	CPI YoY	Aug	3.40%	--	3.40%	--
9/11/2026 20:30	US	Core CPI YoY	Aug	2.40%	--	2.50%	--
9/11/2026 22:00	US	U. of Mich. Sentiment	Sep P	51	--	51.7	--

Source: Bloomberg

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