

Daily Treasury Outlook

Highlights

Global: Today is the US deadline for Tehran to reopen the Strait of Hormuz or face strikes on its power plants. Meanwhile, Iran has counter threatened to target all energy, information technology and desalination infrastructure belonging to the US and Israel if its energy infrastructure is attacked. This ultimatum, which came before US president Trump's comments of "winding down" military operations, is likely to keep financial markets on its toes today. On Friday, the S&P500 had slumped 1.51%, marking its fourth consecutive weekly decline, with several consumer staples now looking oversold, even as the 10-year UST bond yield jumped 13bps to 4.38% amid stagflationary fears and market paring back expectations for the timing and depth of potential Fed rate cuts. Gold and bitcoin also continued their retreat. Elsewhere, South Korea named BIS veteran Shin Hyun Song as the next BoK governor after incumbent Rhee Chang Yong's term ends on April 20.

Market Watch: Looking ahead to the coming week, Asian markets are likely off to a shaky start this morning. ECB's Escriva and Cipollone are speaking today. On tap later this week are manufacturing, services and composite PMIs from Eurozone, UK, and US; Taiwan's industrial production, US' ADP weekly employment change and final March University of Michigan sentiment index; Japan and Australia's CPI; and UK's RPI/PPI/CPI and retail sales, Germany's IFO business expectations, China's industrial profits, as well as a slew of ECB and Fed speakers including Barr, Miran, Jefferson, Daly and Paulson. After the watchful but somewhat hawkish tilt for many central bank meetings last week amid the current US-Iran conflict, investor attention remains fixated on the war news flow and how incoming economic data prints are likely to reflect the damage from the surge in energy prices and spillover into shipping and production losses.

Singapore: February headline and core inflation likely rose to 1.2% and 1.3% YoY respectively, versus the January readings of 1.4% and 1.0%. While the February CPI prints may not have fully captured the energy price spike from the start of the Iran war, there is clearly further upside risk from March onwards which will mean the April MPS is likely "live" as the probability of a more prolonged conflict with longer-lasting damage to key energy and other infrastructure in the wider Middle East region at stake.

Key Market Movements

Equity	Value	% chg
S&P 500	6506.5	-1.5%
DJIA	45577	-1.0%
Nikkei 225	53373	0.0%
SH Comp	3957.1	-1.2%
STI	4948.9	-0.4%
Hang Seng	25277	-0.9%
KLCI	1720.7	0.0%
	Value	% chg
DXY	99.647	0.4%
USDJPY	159.23	1.0%
EURUSD	1.1572	-0.1%
GBPUSD	1.3341	-0.7%
USDIDR	16985	0.0%
USDSGD	1.2821	0.4%
SGDMYR	3.0756	0.1%
	Value	chg (bp)
2Y UST	3.90	10.77
10Y UST	4.38	13.03
2Y SGS	1.50	0.30
10Y SGS	2.12	-2.58
3M SORA	1.08	-0.22
3M SOFR	3.69	-0.04
	Value	% chg
Brent	112.19	3.3%
WTI	98.23	2.8%
Gold	4492	-3.4%
Silver	67.95	-6.7%
Palladium	1415	-2.6%
Copper	11930	-1.8%
BCOM	134.11	0.3%

Source: Bloomberg

Major Markets

ID: President Prabowo Subianto instructed ministers to implement energy efficiency measures across sectors to ensure effective execution of energy-saving policies amid risks to global energy supply from Middle East conflict. Cabinet Secretary Teddy Indra Wijaya said the measures aim to sustain national energy supply and safeguard economic stability, supported by cross-ministerial coordination to ensure targeted implementation without disrupting economic activity. Coordinating Minister for Economic Affairs Airlangga Hartarto added that the plan includes a one-day work-from-home scheme within a five-day work week to reduce fuel consumption, with technical details still under preparation.

MY: Deputy Prime Minister Fadillah Yusof noted that the country's energy supply remains stable despite global uncertainties linked to conflict in West Asia, with PETRONAS having prepared alternative plans to maintain oil and gas supply if key routes such as the Strait of Hormuz are disrupted. He said early planning, diversified supply sources, and continued fuel subsidies have helped keep domestic prices stable despite higher global market prices. DPM Fadillah added that fuel price differences with neighbouring countries have contributed to smuggling and that monitoring will be tightened. Separately, Prime Minister Anwar Ibrahim noted that government subsidies have risen by MYR3.2bn from MYR700mn following the surge in global oil prices, as reported by Bernama.

TH: According to the Royal Gazette announcement, His Majesty King Maha Vajiralongkorn has appointed Anutin Charnvirakul as Prime Minister. PM Anutin, who also serves as Interior Minister, shared that the cabinet vetting process should take about one week, with the government formation expected to be completed before the Songkran festival. He added that work on the policy statement for parliament is already underway and will broadly follow the coalition's election campaign priorities.

ESG

Rest of the world: Energy shocks from the Middle East conflict is spurring policymakers to rethink ways to reduce long-term dependence on oil and gas imports, with proposals to expand nuclear energy and renewables, grow strategic stockpiles and domestic production, as well as diversify foreign sources of supply. Europe unveiled new financial guarantees for atomic power after decades of closing nuclear plants. Other major importers are planning to source fuel from a broader array of suppliers to hedge their risk. Asian utilities are boosting coal-fired power generation to cut costs and safeguard energy supply. For example, South Korea plans to remove ceilings on coal-fired output and increase nuclear generation, while Japan's JERA said it will keep coal-fired power generation at high utilisation rates. In Southeast Asia, the Philippines is ramping up coal-fired power and reducing LNG-fired output due to LNG supply volatility in order to ensure energy security.

Credit Market Updates

Market Commentary:

The SGD SORA OIS curve traded mixed last Friday with shorter tenors trading 1bps lower to 1bps higher while belly tenors traded 1-3bps lower and 10Y tenors traded 4bps lower. Global Investment Grade spreads tightened by 1bps to 87ps and Global High Yield spreads widened by 1bps to 315bps respectively. Bloomberg Global Contingent Capital Index tightened by 1ps to 254bps. Bloomberg Asia USD Investment Grade spreads tightened by 3bps to 60bps and Asia USD High Yield spreads tightened by 8bps to 403bps respectively. (Bloomberg, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG market last Friday were USD200mn and USD400mn respectively.

There were no notable issuers in the DM IG market last Friday where issuers priced deals of at least USD1.0bn. Among issuers under our official coverage, there were two notable issuers in the DM IG market.

- Barclays Bank PLC priced a USD100mn 5NC3 fixed bond at 4.55%.
- BNP Paribas SA priced a USD100mn 4Y senior preferred FRN at SOFR+60bps.

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

Mandates:

There were no notable mandates last Friday.

Equity Market Updates

US: US stocks declined on Friday as escalating tensions with Iran heightened concerns over a prolonged conflict and sustained oil price pressures. The S&P 500 fell 1.5%, the Nasdaq Composite dropped 2.0%, and the Dow Jones declined 0.96%. The losses marked the fourth consecutive weekly decline, with the Dow posting a 2.1% weekly drop, its longest losing streak since 2023. Investor hopes for a quick resolution faded after the Pentagon deployed three additional warships and marines to the region, intensifying fears of extended disruption to oil supplies. Brent crude climbed for a fifth straight week, ending Friday at USD112.19 per barrel. Over the weekend, tensions escalated further as Iranian missiles struck two communities in southern Israel late Saturday, leaving dozens injured. In corporate developments, activist investor Elliott Investment Management built a multibillion-dollar stake in chip-design software maker Synopsys. Savvy Games Group agreed to buy ByteDance's Moonton studio for USD6b. Super Micro Computer faced turmoil as co-founder Yih-Shyan Liaw resigned following a federal indictment alleging he smuggled Nvidia chip-loaded equipment to China in a USD2.5b scheme. In Asia, Chinese Premier Li Qiang pledged to address trade partners' concerns about China's large surplus at the China Development Forum in Beijing on Sunday.

Foreign Exchange

	Day Close	% Change		Day Close
DXY	99.647	0.42%	USD-SGD	1.2821
USD-JPY	159.23	0.95%	EUR-SGD	1.4836
EUR-USD	1.157	-0.15%	JPY-SGD	0.8054
AUD-USD	0.702	-0.90%	GBP-SGD	1.7107
GBP-USD	1.334	-0.67%	AUD-SGD	0.9005
USD-MYR	3.936	0.51%	NZD-SGD	0.7477
USD-CNY	6.904	0.18%	CHF-SGD	1.6273
			SGD-MYR	3.0756
USD-VND	26300	0.04%	SGD-CNY	5.3821

SOFR

Tenor	EURIBOR	Change	Tenor	USD SOFR
1M	1.9190	-0.05%	1M	3.6864
3M	2.1110	0.14%	2M	3.7053
6M	2.4060	3.84%	3M	3.7190
12M	2.6580	5.31%	6M	3.7609
			1Y	3.8342

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	0.124	12.400	0.031	3.683
06/17/2026	0.232	10.800	0.058	3.709
07/29/2026	0.224	-0.800	0.056	3.708
09/16/2026	0.314	9.000	0.079	3.730

Equity and Commodity

Index	Value	Net change
DJIA	45,577.47	-443.96
S&P	6,506.48	-100.01
Nasdaq	21,647.61	-443.08
Nikkei 225	53,372.53	-1866.87
STI	4,948.87	-18.74
KLCI	1,720.71	-9.10
JCI	7,106.84	7106.84
Baltic Dry	2,056.00	-1.00
VIX	26.78	2.72

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.5 (--)	3.91(--)
5Y	1.72 (--)	4.01 (+0.13)
10Y	2.12 (-0.03)	4.4 (+0.13)
15Y	2.19 (-0.02)	--
20Y	2.21 (-0.02)	--
30Y	2.3 (-0.02)	4.96 (+0.1)

Financial Spread (bps)

Value	Change	
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	3.62
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	98.32	2.3%	Corn (per bushel)	4.655	-0.9%
Brent (per barrel)	112.19	3.3%	Soybean (per bushel)	11.613	-0.6%
Heating Oil (per gallon)	460.84	6.1%	Wheat (per bushel)	5.953	-2.1%
Gasoline (per gallon)	328.62	5.1%			
Natural Gas (per MMBtu)	3.10	-2.2%			

Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	11930	-1.8%	Gold (per oz)	4492	-3.4%
Nickel (per mt)	17019	0.2%	Silver (per oz)	67.95	-6.7%

Source: Bloomberg, Reuters

Economic Calendar

Date Time	Country Code	Event	Period	Survey	Actual	Prior	Revised
3/23/2026 8:00	SK	Imports 20 Days YoY	Mar	--	19.70%	11.70%	--
3/23/2026 8:00	SK	Exports 20 Days YoY	Mar	--	50.40%	23.50%	--
3/23/2026 20:30	US	Chicago Fed Nat Activity Index	Feb	0.04	--	0.18	--
3/23/2026 22:00	US	Construction Spending MoM	Jan	0.10%	--	0.30%	--
3/23/2026 23:00	EC	Consumer Confidence	Mar P	-14.2	--	-12.2	--

Source: Bloomberg

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