By Global Markets | 11 November 2026

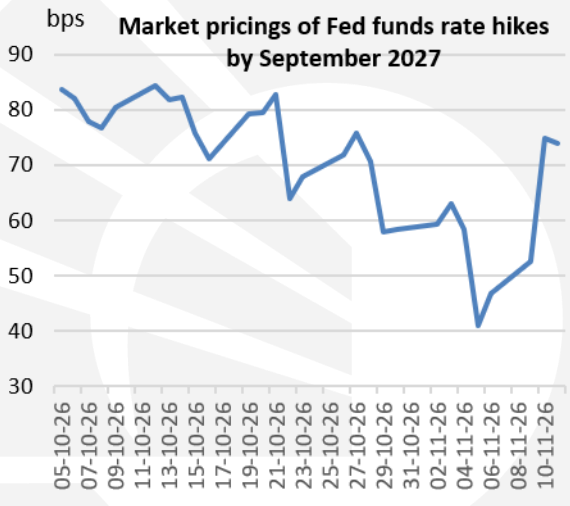
Interest Rates Thoughts

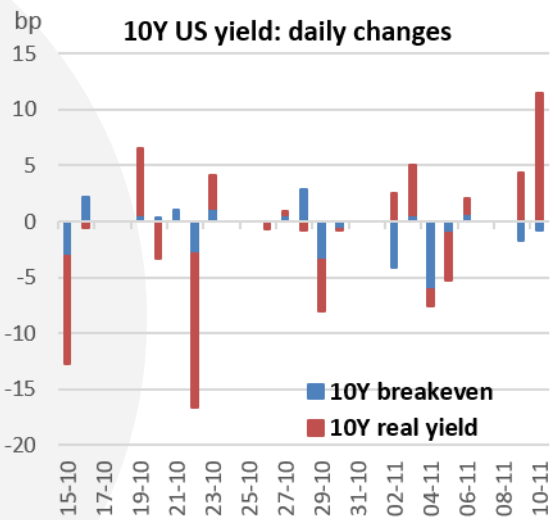
UST curve bearish flattened on CPI

Frances Cheung, CFA
Head of FX and Rates Strategy

- **USD rates**. The UST curve bearish flattened overnight with short end yields rising by more than 15bps upon the CPI prints. Both headline and core CPI came in higher than expected, at 0.4%MoM and 0.3%MoM, respectively. Contribution from energy to MoM CPI inflation fell as expected, but contribution from food rose while that from core services also edged up. Market added back to rate hike expectation, with Fed funds futures fully pricing in a 25bp hike at December meeting and a total of 74bps of hikes by September 2027. Goolsbee opined that the October CPI was "another distressing report, borderline disturbing". Before the CPI report, Waller commented he would support a 50bp hike if inflation continued to accelerate.

- We continue to expect a 25bp hike at the December FOMC meeting. While our base-case for 2027 is less hawkish than market pricings, we have been of the view that market might hold onto relatively hawkish pricings to guard against near-term inflation risks before the base effects for CPI turn a bit more favourable from 2Q2027 onwards. 2Y and 10Y UST yields have moved back to near our year end expectations of 4.75% and 5.05% respectively. Interim risk is further to the upside for the 10Y yield given the flat curve – with 2s10s at 26bps and 5s10s at 18bps, the appetite for duration is unlikely to be great. Overnight's uptick in the 10Y yield was more driven by real yield instead of inflation expectations, which may be seen as the bearish performance of the 10Y TIPS itself.

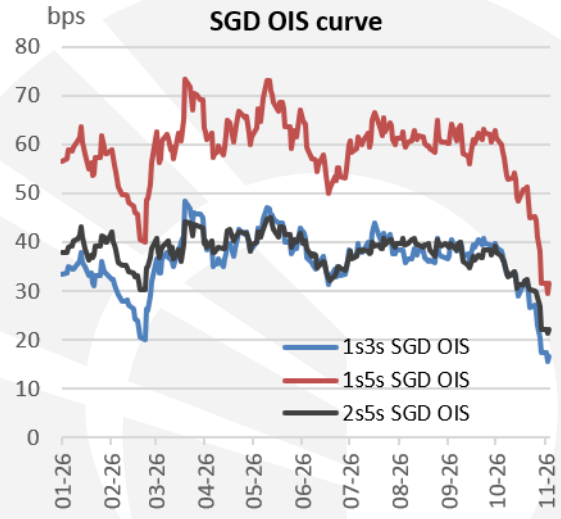


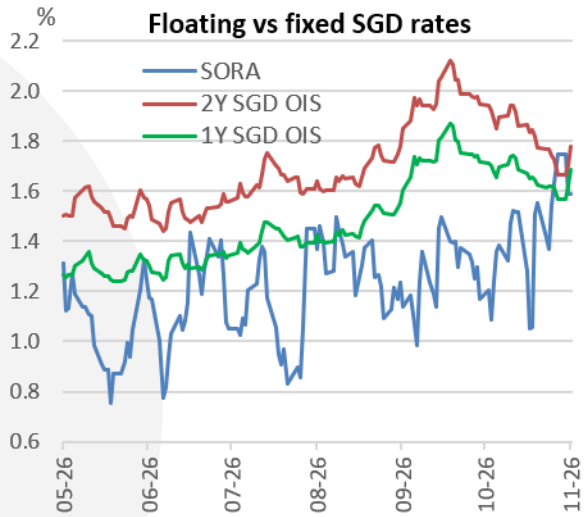


Source: Bloomberg, OCBC Group Research

- **SGD rates**. SGD OIS were paid up by 5-8bps at open in a steepening manner vs a flatter USD OIS curve overnight. This followed notable flattening of the SGD OIS curve across various segments over the past weeks. After this morning's moves, the 1s2s, 1s3s, 1s5s and 2s5s segments were still at more than two and a half standard deviations narrower than 3-month averages. The previous retracement lower in SGD OIS and a relatively flat OIS curve may attract some corporate hedging flows up to the 5Y tenor. SORA eased to 1.5905% on Tuesday, after rising to 1.7446% on Friday ahead of the long weekend. SORA has continued to fluctuate over the days, but it remains on a gradual upward trajectory. 3M compounded SORA was last at 1.34%, on track to reach our long-held expectation for around 1.4% towards year end. More recently, SORA fixings were higher, averaging 1.55% for the first six business days of November.

- On cash side, long-end SGS underperformed, with the 20Y and 30Y yields up by cumulative 10-11bps from Friday's close. On Friday evening, MAS released 2027 SGS issuance calendar. The first auction of 2027 is a new issuance of a 30Y SGS (MD) on 27 January, which might explain the underperformance of long-end SGS. Our preliminary expectation for 2027 gross SGS issuance amount is at SGD27.5-29.5bn. As usual, MAS can calibrate the issuance sizes of each bond depending on prevailing market demand and liquidity conditions (for more details, please read *2027 SGS issuance calendar*, 11 November 2026). Today brings the auctions of 4W, 12W and 36W MAS bills. Cut-off at the 12W MAS bills may come in nearer the 2% level as implied SGD rates have gone up notably over the past week.





Source: Bloomberg, OCBC Group Research

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 for cross-border marketing disclaimers and disclosures.