OCBC Daily Treasury Outlook (26 Aug 2026)

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Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 1 By Global Markets | 26 August 2026 Daily Treasury Outlook Highlights Global: US equities advanced broadly on Tuesday as falling Treasury yields and a sharp pullback in crude oil prices provided twin tailwinds for risk assets, helping markets look through renewed trade tensions. Semiconductor stocks also staged a decisive rebound from Monday’s rout ahead of NVIDIA’s earnings on Wednesday. In the Middle East, Iran and Oman proposed a temporary joint navigation corridor through the Strait of Hormuz, alongside cooperation to clear mines from the waterway. However, an attack that disabled an oil tanker off Oman on the same day underscored that shipping and energy-supply risks remain material. Trade tensions also intensified after Canada announced retaliatory tariffs covering around USD20bn of annual US imports, broadly matching Washington’s latest measures dollar-for-dollar. Canada imposed 50% tariffs on steel, aluminium, furniture and clothing, 25% tariffs on cheese, appliances and selected seafood, and 15% tariffs on electronics and tools. On data, US new-home sales fell 10.5% MoM in July to an annualised 607,000 units, the weakest pace since the start of the year. Inventories rose 1.9% MoM to 488,000 units, lifting months of supply to 9.6 months, while the median sales price declined 2.3% MoM to USD393,800. The combination of weaker sales, rising inventories and softer prices points to continued pressure from elevated financing costs and affordability constraints. Meanwhile, consumer confidence edged down to 89.4 in August from 90.2 in July, as the expectations index fell 5.8 points to 68.2, partly offset by a 6.8-point rise in the present-situation index to 121.2. Encouragingly, the Conference Board’s jobs differential— the gap between respondents saying jobs is plentiful and those saying jobs are hard to find — improved to 7.5 from 2.7 in July, marking its first increase in three months. This suggests that, while households remain cautious about the broader outlook, perceptions of current labour-market conditions may be stabilising. Market Watch: For today, attention will shift back to the inflation and growth outlook. Key releases include Australia’s July CPI and the US July PCE inflation report, alongside US durable goods orders and the second estimate of 2Q26 GDP. Bank of Thailand also meets today and is expected to keep its policy rate unchanged at 1.00%. Equity Value % chg S&P 500 7677.3 0.3% DJIA 53577 0.3% Nikkei 225 65856 0.5% SH Comp 3889.4 0.2% STI 5735.7 1.0% Hang Seng 25511 0.0% KLCI 1736.3 0.0% Value % chg DXY 98.915 -0.1% USDJPY 159.19 0.1% EURUSD 1.1675 0.1% GBPUSD 1.3649 0.1% USDIDR 17712 0.0% USDSGD 1.2694 -0.1% SGDMYR 3.1829 0.0% Value chg (bp) 2Y UST 4.17 -5.75 10Y UST 4.63 -6.73 2Y SGS 1.66 -1.20 10Y SGS 2.30 -1.70 3M SORA 1.15 0.41 3M SOFR 3.64 0.02 Value % chg Brent 88.58 -3.9% WTI 82.36 -3.1% Gold 4657 0.1% Silver 68.66 -0.4% Palladium 1338 -1.5% Copper 14350 0.5% BCOM 138.46 -0.7% Source: Bloomberg Key Market Movements

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 2 By Global Markets | 26 August 2026 Major Markets CN: In January –July 2026, China’s outward direct investment (ODI) across all industries reached RMB684.51 billion, up 2.8% YoY. However, non-financial ODI fell 12.9% YoY to RMB528.43 billion, suggesting that the headline increase was mainly driven by investment in the financial sector. During the period, Chinese investors made non-financial direct investments in 7,742 overseas enterprises across 148 countries and regions. HK: Merchandise exports and imports continued to see strong growth, by 50.7% YoY and 41.0% YoY in July respectively (53.4% YoY and 45.4% YoY in June). The trade deficit fell sharply to recent low at HKD4.9 billion in July, from HKD 52.0

billion in June. Lookin g ahead, we expect Hong Kong's trade performance to remain well supported by the ongoing global AI investment cycle. Strong demand for AI-related products, particularly semiconductors, integrated circuits, servers and data-processing equipment, should continue to drive regional supply-chain activity and re-export flows through Hong Kong. We revise up our 2026 merchandise export growth forecast to 35%, reflecting both sustained external demand and Hong Kong's role as a regional trading and logistics hub. ID: President Prabowo Subianto said the government aims to develop 100 GW of solar power capacity within three years to strengthen national energy security, as reported by Antara. The programme seeks to raise installed solar capacity from the current 1.5 GWp, drawing on the country's estimated 3,294 GWp solar energy potential, and the government expects it to save up to IDR73.9trn, or over USD4.0bn, annually in national electricity costs. President Prabowo said the programme will run across three stages through 2029 and reiterated the government's commitment to gradually reduce reliance on imported energy products. MY: The Malaysia Marine Department, Indonesia's Directorate General of Sea Transportation and the Maritime and Port Authority of Singapore reaffirmed their commitment to keep the Straits of Malacca and Singapore free, open and safe for international shipping. The three authorities underscored navigational rights and freedoms under the 1982 UNCLOS and customary international law, while Singapore Transport Minister Jeffrey Siow said more than 100,000 vessels pass through the waterways each year, carrying almost a quarter of global seaborne trade and almost a third of the world's oil and gas supplies. Minister Siow said the Cooperative Mechanism, formalised in 2007, supports cooperation on navigational safety and pollution prevention through early risk identification, infrastructure upgrades and collective incident response, as reported by Bernama. AU: RBA Meeting Minutes for the July Monetary Policy Board meeting showed that policymakers judged the three rate hikes delivered had pushed financial conditions into "somewhat restrictive" territory. While inflation remained too high, incoming data suggested the economy was continuing to move gradually towards the RBA's inflation and full -employment objectives. The Board also discussed the case for a further rate hike, reflecting persistent upside risks to inflation and whether a more pre-emptive policy response was warranted. Ultimately, policymakers opted to wait for further information, while remaining

Follow our podcasts by searching ' OCBC Research Insights ' on Telegram! 3 By Global Markets | 26 August 2026 alert to upside inflation risks and prepared to tighten policy again should those risks materialise. Sustainability CH: China's exports of electric trucks (e-trucks) to other Asian countries have surged as higher fuel costs resulting from the Middle East conflict are accelerating regional electrification efforts. China was partially shielded from disruptions to global fuel markets due to its high adoption of e-trucks, prompting other countries to accelerate fleet electrification. In the four months following the onset of the conflict, China's exports of heavy e-trucks more than doubled from the same period last year to 16,823 vehicles. Around half of the exports went to South and Southeast Asia, with shipments to South Asia rising more than fivefold and exports to Southeast Asia nearly tripling, highlighting growing demand for electrified transport amid elevated fuel prices. By not burning diesel, China's e- truck fleet is expected save the equivalent of 141 mn barrels of oil this year, more than 3% of China's total, according to the Centre for Research on Energy and Clean Air. Credit Market Updates Market Commentary: • The SGD SORA OIS curve traded lower yesterday with the shorter tenors trading flat to 1-2bps lower, belly tenors trading 2bps lower, and the 10Y tenor trading 2bps lower. • US Investment Grade and US High Yield spreads traded flat at 80bps and 268bps respectively. Bloomberg Global Contingent Capital spreads widened by 4bps to 209bps. • Bloomberg Asia USD Investment Grade spreads traded widened by 1 to 57bps, and the Asia USD High Yield spreads widened by 6bps to 333bps. (Bloomberg, OCBC) New Issues: • There were two issuances in the Singdollar market yesterday, led by BNP Paribas SA (priced SGD400mn PerpNC5 at 4.25%). • The total issuances in the APAC and DM IG markets were USD1bn and USD4.55bn respectively yesterday (prior day: USD5.37bn and USD177mn respectively). Issuances in APAC were led by NEC Corp and Kyushu Electric Power Co. Inc, who both priced USD500mn at T+75bps and T+115bps respectively. DM IG issuances was led by Banco Bilbao Vizcaya Argentaria SA priced USD2.3bn across three tranches. Credit Developments: • Woodside Energy Group (WDSAU): Reported resilient 1H2026 results with 27% higher NPAT despite a 13% drop in production, supported by stronger commodity prices, while major projects (Scarborough, Trion and Louisiana LNG) remain on track and liquidity remains solid.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 4 By Global Markets | 26 August 2026 • Exxon Mobil Corporation (XOM): Reportedly among the interested bidders for Shell’s US chemicals manufacturing business, with the assets potentially valued at up to USD8bn. Equity Market Updates US: US stocks advanced Tuesday as a decline in oil prices, triggered by optimism over Iran-Oman diplomatic talks on managing the Strait of Hormuz, eased inflation concerns and lifted both equities and bonds. The S&P 500 rose 0.3%, the Nasdaq gained 0.5%, and the Dow edged up 0.3%. Technology led sector gains, with chipmakers rebounding ahead of Nvidia's closely watched earnings report after the close. Treasury yields fell five to seven basis points across the curve, supported by the oil-driven inflation relief and a solid USD69b two-year note auction that drew a high yield of 4.204%, below the prior month's 4.315%, with a bid-to-cover of 2.60; the 10-year yield settled near 4.63%. Treasury Secretary Scott Bessent's expanded bond buyback programme, announced 19 Aug 2026, continued to support the long end, though Stanley Druckenmiller publicly called the strategy a mistake. On the corporate front, Intuit tumbled roughly 10% after hours after issuing fiscal 2027 revenue growth guidance of 9% to 10%, well below the Street's approximately 14% expectation, with analysts flagging AI disruption risk to its TurboTax and QuickBooks franchises. Dick's Sporting Goods fell as much as 24% intraday, its steepest single-day drop on record, after cutting its full-year sales outlook, citing persistent weakness at its Foot Locker acquisition. Geopolitically, the US Treasury's "Operation Economic Outcast" sanctions campaign against Iran drew sharp retaliation warnings from China, raising concerns over US-China relations ahead of a scheduled Trump-Xi summit.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 5 Equity and Commodity Day Close % Change Day Close Index Value Net change DXY 98.915 -0.09% USD-SGD 1.2694 DJIA 53,577.40 160.24 USD-JPY 159.19 0.05% EUR-SGD 1.4819 S&P 7,677.28 24.42 EUR-USD 1.168 0.09% JPY-SGD 0.7971 Nasdaq 26,151.30 171.11 AUD-USD 0.716 0.18% GBP-SGD 1.7322 Nikkei 225 65,856.43 328.34 GBP-USD 1.365 0.12% AUD-SGD 0.9091 STI 5,735.68 55.22 USD-MYR 4.043 0.10% NZD-SGD 0.7585 KLCI 1,736.33 -0.15 USD-CNY 6.720 -0.02% CHF-SGD 1.5835 JCI 6,501.67 -24.02 USD-IDR 17712 0.11% SGD-MYR 3.1829 Baltic Dry 2,882.00 41.00 USD-VND 26115 -0.20% SGD-CNY 5.2955 VIX 15.45 -0.40 Tenor EURIBOR Change Tenor USD SOFR Tenor SGS (chg) UST (chg) 1M 2.2220 0.27% 1M 3.6815 2Y 1.66 (-0.01) 4.19(--) 3M 2.5370 0.52% 2M 3.7209 5Y 1.94 (-0.01) 4.34 (-0.07) 6M 2.7720 0.25% 3M 3.7603 10Y 2.3 (-0.02) 4.63 (-0.07) 12M 2.9930 -0.33% 6M 3.8593 15Y 2.37 (-0.03) -- 1Y 4.0002 20Y 2.38 (-0.03) -- 30Y 2.43 (-0.02) 5.17 (-0.06) Meeting # of Hikes/Cuts % of Hikes/Cuts Implied Rate Change Expected Effective Fed Funds Rate SOFR 3.65 09/16/2026 0.399 39.900 0.100 3.731 10/28/2026 0.645 24.600 0.161 3.793 12/09/2026 1.039 39.400 0.260 3.891 Secured Overnight Fin. Rate Foreign Exchange SOFR Government Bond Yields (%) Fed Rate Hike Probability Energy Futures % chg Soft Commodities Futures % chg WTI (per barrel) 82.36 -3.1% Corn (per bushel) 5.005 1.8% Brent (per barrel) 88.58 -3.9% Soybean (per bushel) 12.280 1.0% Heating Oil (per gallon) 424.38 -0.6% Wheat (per bushel) 6.855 0.6% Gasoline (per gallon) 325.29 -0.5% Crude Palm Oil (MYR/MT) 47.200 -1.5% Natural Gas (per MMBtu) 2.77 -0.4% Rubber (JPY/KG) 4.800 0.2% Base Metals Futures % chg Precious Metals Futures % chg Copper (per mt) 14350 0.5% Gold (per oz) 4657 0.1% Nickel (per mt) 17042 0.1% Silver (per oz) 68.66 -0.4% Source: Bloomberg, Reuters Commodities Futures Economic Calenda Date Time Country Code Event Period Survey Actual Prior

Revised 8/26/2026 8:30 AU Westpac Leading Index MoM Jul -- -- 0.04% -- 8/26/2026 9:30 AU CPI YoY Jul 3.30% -- 3.80% -- 8/26/2026 13:00 SI Industrial Production YoY Jul 6.80% -- 7.20% -- 8/26/2026 13:00 SI Industrial Production SA MoM Jul 4.80% -- -7.20% -- 8/26/2026 15:00 TH BoT Benchmark Interest Rate 26-Aug 1.00% -- 1.00% -- 8/26/2026 19:00 US MBA Mortgage Applications 21-Aug -- -- -0.40% -- 8/26/2026 20:30 US Personal Income Jul 0.20% -- 0.20% -- 8/26/2026 20:30 US Personal Spending Jul 0.10% -- 0.30% -- 8/26/2026 20:30 US PCE Price Index YoY Jul 3.60% -- 3.70% -- 8/26/2026 20:30 US Core PCE Price Index MoM Jul 0.20% -- 0.10% -- 8/26/2026 20:30 US Core PCE Price Index YoY Jul 3.30% -- 3.30% -- 8/26/2026 20:30 US Durable Goods Orders Jul P 0.50% -- 0.50% -- 8/26/2026 20:30 US Durables Ex Transportation Jul P 0.60% -- 0.70% -- 8/26/2026 20:30 US GDP Annualized QoQ 2Q S 1.50% -- 1.50% -- 8/26/2026 20:30 US Personal Consumption 2Q S 3.20% -- 3.20% -- 8/26/2026 20:30 US GDP Price Index 2Q S 6.20% -- 6.20% -- 8/26/2026 20:30 US Core PCE Price Index QoQ 2Q S 3.40% -- 3.40% -- Source: Bloomberg

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