OCBC Daily Treasury Outlook (4 Aug 2026)

OCBC Research · 2026-08-04 · English original

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 1 By Global Markets | 4 August 2026 Daily Treasury Outlook Highlights Global : US equities rallied strongly overnight, with the S&P 500 rising 1.5%, the Dow Jones gaining 1.3% to a record close, and the Nasdaq surging 2.1%, as easing geopolitical tensions and lower oil prices lifted investor sentiment. Brent crude fell around 5% to US$83-84 per barrel following reports that President Trump had called off planned strikes on Iran and renewed diplomatic efforts. However, Iran subsequently denied that any talks with the US had been arranged, stating that it remains engaged only in negotiations with Oman. On the data front, US manufacturing activity strengthened markedly in July, with the ISM Manufacturing PMI rising to 55.6 from 53.3, well above expectations and its highest reading in more than four years. The improvement was broad-based, with gains in new orders, production and employment. Notably, the employment index returned to expansion territory for the first time in 33 months, signalling improving labour demand within the sector. In Europe, the Eurozone Manufacturing PMI rose to 51.9 in July from 51.4 in June, marking its highest level since April and pointing to continued expansion. However, the recovery remained uneven, with output growth supported largely by firms working through existing backlogs, while new orders and export demand stayed subdued, particularly in Spain and Italy. ASEAN manufacturing activity rebounded strongly in July, with the PMI rising to 52.8 from 50.5 in June, supported by stronger output and new order growth. Business confidence also improved, reflecting a more positive outlook among manufacturers. However, export demand remained subdued, while ongoing supply chain disruptions and elevated cost pressures continued to weigh on the sector. Market Watch: Looking ahead, the data calendar is relatively light today. Key releases include US JOLTS job openings, trade balance and factory orders data, while in Australia, focus will be on the household spending report. Turning to corporate earnings, AMD is set to report its second quarter financial results after US market close today, and SpaceX is also due to report its first earnings since going public, making it one of the week’s most closely watched earnings releases . Major Markets ID: Trade performance improved in June, with exports rising 8.8% YoY from a 5.7% decline in May and imports accelerating to 34.3% from 22.2%, both exceeding expectations. The trade deficit narrowed to USD0.5bn from USD1.6bn, while stronger manufacturing and mining and other products exports lifted 2Q26 export growth to 7.6% YoY from 0.3% in 1Q26, and import growth increased to 26.2% from 10.0%. Separately, headline inflation eased to 2.9% YoY in July from 3.3%, broadly in line with our forecast, as slower food, beverage and tobacco inflation offset higher transportation inflation, while core inflation remained unchanged at 2.8%. We maintain our 2026 CPI forecast at 3.0%, although intensifying El Niño conditions pose upside risks. Equity Value % chg S&P 500 7600.5 1.5% DJIA 53178 1.3% Nikkei 225 63755 -0.9% SH Comp 3809.7 -0.6% STI 5612.3 -0.3% Hang Seng 26009 0.5% KLCI 1725.7 0.0% Value % chg DXY 99.897 0.0% USDJPY 157.18 -0.1% EURUSD 1.1509 -0.2% GBPUSD 1.3433 -0.4% USDIDR 17990 -0.1% USDSGD 1.2822 0.0% SGDMYR 3.1927 0.3% Value chg (bp) 2Y UST 4.24 -5.39 10Y UST 4.68 -5.92 2Y SGS 1.71 0.00 10Y SGS 2.35 -0.22 3M SORA 1.14 -1.74 3M SOFR 3.63 0.08 Value % chg Brent 83.77 -7.0% WTI 80.34 -5.1% Gold 4054 0.2% Silver 58.17 1.0% Palladium 1266 -1.4% Copper 13870 0.6% BCOM 130.60 -1.1% Source: Bloomberg Key Market Movements

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 2 By Global Markets | 4 August 2026 MY: The S&P Global Malaysia Manufacturing PMI held at 50.7 in July, unchanged from

June, signalling a continued modest improvement in operating conditions. New orders rose at the fastest pace in eight months, supporting a slight increase in production and a marginal expansion in purchasing activity, while input costs and output charges increased at their slowest rates in five months despite material shortages and higher fuel, transport and freight costs. However, business confidence eased to a three-month low and employment declined, as subdued market conditions and tensions in the Middle East weighed on the outlook. Sustainability SG: Two-thirds of Singapore's buildings are now certified green, keeping the building sector on track to meet its 2030 target to green 80% of Singapore's buildings (by gross floor area) by 2030, as well as 80% of new buildings to be Super Low Energy (SLE) buildings from 2030. SLE buildings must use at least 60% less energy than they did in 2005. Minister Fu highlighted at the Singapore Green Building Council's awards gala dinner that developers of SLE commercial buildings typically recover their upfront investments within five to six years. Green buildings therefore make strong business sense as throughout the buildings' lifespan, they continue to save on energy bills. Credit Market Updates Market Commentary: • The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher, belly tenors trading 3bps higher, and the 10Y tenor trading 4bps higher. • US Investment Grade spreads traded tightened by 1bps to 77bps, and US High Yield spreads tightened by 8bps to 271bps. Bloomberg Global Contingent Capital Index tightened by 1 bps to 208bps. • Bloomberg Asia USD Investment Grade traded flat at 57bps, and the Asia USD High Yield spreads widened by 1bps to 343bps. (Bloomberg, OCBC) New Issues: • There were SGD750mn of issuances in the Singdollar market yesterday led by Temasek Financial I LTD, who priced a USD750mn 10Y bond at 2.65% (guarantor: Temasek Holdings Pte Ltd). • The total issuances in the APAC and DM IG markets were USD600mn and USD8.05bn respectively yesterday were (last Friday: USD50mn and USD1bn respectively). The largest issuance from DM IG markets came from BMW US Capital LLC (Guarantor: Bayerische Motoren Wereke AG) (priced USD2.45bn across five tranches). (Bloomberg, OCBC) Credit Developments: • SCISP : Acquired a 20% stake in Aster Power and became its sole gas supplier. • SHANG : Issued a positive profit alert, expecting 1H2026 operating PATMI to rise at least 70% y/y. • SWIPRO : Retail properties remained resilient with strong occupancy and sales growth, while office leasing conditions, especially in HKSAR, stayed weak.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 3 By Global Markets | 4 August 2026 • HPLSP : Guided for a 1H2026 net loss due to weaker hotel performance amid Middle East tensions and elevated borrowing costs. • XOM : Reported strong 2Q2026 earnings, improved leverage metrics, and benefited from robust upstream and refining market conditions. • OUESP : Expects a 1H2026 net loss mainly from non-cash losses and impairments related to its associate Gemdale, though support from core holdings remains solid. • CMZB / UniCredit : CMZB Chief Executive Officer Bettina Orlopp is preparing for discussions with UniCredit Chief Executive Officer Andrea Orcel and other UniCredit executives following the release of CMZB’s 2Q2026 results that are expected to be announced on 6 August. • ICBPIJ : Delivered resilient 1H2026 operating growth and stronger cash flow, with healthy credit metrics despite FX losses and higher raw material cost pressures. Equity Market Updates US: US stocks rallied strongly on Monday, as easing Middle East tensions and robust corporate earnings lifted all major indices. The S&P 500 rose 1.5%, the Nasdaq Composite surged 2.1%, and the Dow Jones Industrial Average gained 1.3%, with the S&P 500 closing at its highest level in two months. The primary catalyst was President Trump signalling a return to diplomacy with Iran, which drove crude oil prices sharply lower and alleviated fuel-cost pressures across consumer and airline stocks. Communication services and technology led sectoral gains: Meta Platforms jumped 6% as AI-infrastructure spending concerns that had weighed on the stock last week abated, whilst Microsoft added 4.9%, completing its best three-day performance in 26 years. Amazon surged 4.6% to close above a USD3t market cap for the first time, a milestone previously reached only by Apple, Microsoft, Nvidia, and Alphabet, though shares slipped roughly 1.9% in after-hours trade after Chair Jeff Bezos filed to sell approximately USD4.07b in stock. Industrials were buoyed by the ISM manufacturing PMI rising to 55.6 in July, a four-year high. Treasury yields fell, with the 10-year yield declining around 4.8 basis points to 4.69%, as oil-driven inflation fears receded, though the US Treasury raised its Q3 borrowing estimate to USD739b, USD68b above its May projection, and bill auctions drew only lukewarm demand amid ongoing uncertainty over the Fed's policy path.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 4 Equity and Commodity Day Close % Change Day Close Index Value Net change DXY 99.897 -0.02% USD-SGD 1.2822 DJIA 53,178.41 693.38 USD-JPY 157.18 -0.14% EUR-SGD 1.4753 S&P 7,600.50 110.78 EUR-USD 1.151 -0.16% JPY-SGD 0.8159 Nasdaq 25,913.90 540.05 AUD-USD 0.700 -0.27% GBP-SGD 1.7220 Nikkei 225 63,754.90 -607.12 GBP-USD 1.343 -0.37% AUD-SGD 0.8977 STI 5,612.28 -16.22 USD-MYR 4.096 0.23% NZD-SGD 0.7527 KLCI 1,725.73 0.83 USD-CNY 6.756 0.04% CHF-SGD 1.5825 JCI 6,234.50 -1.63 USD-IDR 17990 -0.06% SGD-MYR 3.1927 Baltic Dry 2,732.00 59.00 USD-VND 26282 -0.05% SGD-CNY 5.2668 VIX 15.86 -0.13 Tenor EURIBOR Change Tenor USD SOFR Tenor SGS (chg) UST (chg) 1M 2.2090 0.14% 1M 3.6491 2Y 1.71 (--) 4.25(--) 3M 2.4840 0.49% 2M 3.7089 5Y 1.89 (--) 4.39 (-0.06) 6M 2.7060 0.93% 3M 3.7603 10Y 2.35 (--) 4.68 (-0.06) 12M 2.9640 0.20% 6M 3.8998 15Y 2.39 (--) -- 1Y 4.0678 20Y 2.41 (--) -- 30Y 2.45 (--) 5.23 (-0.04) Meeting # of Hikes/Cuts % of Hikes/Cuts Implied Rate Change Expected Effective Fed Funds Rate Value Change 07/29/2026 0.305 30.500 0.076 3.703 TED 35.36 -- 09/16/2026 0.640 64.000 0.160 3.794 10/28/2026 0.935 29.500 0.234 3.868 12/09/2026 1.380 44.500 0.345 3.979 SOFR 3.66 Secured Overnight Fin. Rate Foreign Exchange SOFR Government Bond Yields (%) Fed Rate Hike Probability Financial Spread (bps) Energy Futures % chg Soft Commodities Futures % chg WTI (per barrel) 80.34 -5.1% Corn (per bushel) 4.493 1.9% Brent (per barrel) 83.77 -7.0% Soybean (per bushel) 11.688 -0.3% Heating Oil (per gallon) 387.72 -5.9% Wheat (per bushel) 6.510 1.8% Gasoline (per gallon) 296.67 -7.9% Crude Palm Oil (MYR/MT) 44.880 -0.9% Natural Gas (per MMBtu) 2.78 1.2% Rubber (JPY/KG) 4.260 -0.1% Base Metals Futures % chg Precious Metals Futures % chg Copper (per mt) 13870 0.6% Gold (per oz) 4054 0.2% Nickel (per mt) 17060 -1.1% Silver (per oz) 58.17 1.0% Source: Bloomberg, Reuters Commodities Futures Economic Calendar Date Time Country Code Event Period Survey Actual Prior Revised 8/04/2026 5:16 US Omdia Total Vehicle Sales Jul 16.32m 16.33m 16.52m -- 8/04/2026 7:00 SK CPI MoM Jul -0.10% -0.20% 0.10% -- 8/04/2026 7:00 SK CPI YoY Jul 3.00% 2.80% 3.20% -- 8/04/2026 9:30 AU ANZ-Indeed Job Advertisements MoM Jul -- -- -0.20% -- 8/04/2026 16:30 HK Retail Sales Value YoY Jun 8.50% -- 7.90% -- 8/04/2026 16:30 HK Retail Sales Volume YoY Jun 5.80% -- 4.80% -- 8/04/2026 20:30 US Trade Balance Jun -$73.0b -- -$77.6b -- 8/04/2026 22:00 US Factory Orders Jun 0.20% -- -1.30% -- 8/04/2026 22:00 US JOLTS Job Openings Jun 7454k -- 7594k -- 8/04/2026 22:00 US Durable Goods Orders Jun F 0.30% -- 0.30% -- 8/04/2026 22:00 US Durables Ex Transportation Jun F 0.60% -- 0.60% -- 8/04/2026 22:00 US Cap Goods Orders Nondef Ex Air Jun F 0.90% -- 0.90% -- 8/04/2026 22:00 US Cap Goods Ship Nondef Ex Air Jun F 1.90% -- 1.90% -- Source: Bloomberg

---

Source: https://www.ocbc.com/iwov-resources/sg/ocbc/gbc/pdf/Daily%20Treasury%20Outlook/2026/DTO%20040826.pdf