OCBC Daily Treasury Outlook (2 Sep 2026)

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Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 1 By Global Markets | 2 September 2026 Daily Treasury Outlook Highlights Global: US equities sold off broadly at the start of September as a deepening global bond rout and renewed escalation in the US-Iran conflict drove oil prices sharply higher and pushed Treasury yields highs. The US launched fresh strikes against Islamic Revolutionary Guard Corps (IRGC) targets in Iran, while Tehran warned that it could prevent oil exports from the Gulf. US Treasury Secretary Scott Bessent also signaled that additional sanctions targeting Iranian banks could be announced this week. Against this backdrop, WTI crude surged 5.2% to US$90.22/bbl, while Brent jumped 4.6% to US$94.65/bbl. The selloff in global bonds was equally striking: Japan’s 10 -year government bond yield reached 3.0% for the first time since 1996, the UK 30-year yield climbed to its highest level since 1998, and Germany’s 10 -year yield rose to a 15-year high. Meanwhile, Eurozone headline inflation accelerated to 3.3% YoY in August from 2.9% in July, largely reflecting higher energy costs. Encouragingly, core inflation eased to 2.4% YoY from 2.5%, while services inflation — the largest component of the consumer basket — slowed to 3.0% from 3.3%. The divergence suggests that the latest increase in headline inflation is still primarily an energy-driven shock rather than a broadening of underlying price pressures. Nevertheless, with headline inflation back above 3%, a sustained rise in energy prices would increase pressure on the ECB to respond. Markets have already largely priced in a September rate hike, shifting the key question from whether the ECB hikes in September to what comes next. Activity data were also relatively resilient. S&P Global’s Eurozone Manufacturing PMI rose to 52.7 in August from 51.9 in July, its strongest reading since May 2022, although slightly below the preliminary estimate of 52.8. The improvement was supported by a rebound in European new orders, while continued strength in global demand for AI-related hardware remained an important tailwind for manufacturing activity. In the US, Federal Reserve Governor Michael Barr reinforced the increasingly hawkish policy tone, saying that if inflation fails to cool sufficiently, the Fed may need to raise interest rates. At the same time, he left the door open to patience if incoming data provide greater confidence that inflation is returning toward the 2% target. His comments reinforce the Fed’s data -dependent bias, but also underline that renewed tightening is increasingly part of the policy discussion rather than a remote tail risk. Market Watch : The convergence of an oil-price shock, rapidly rising global bond yields and increasingly hawkish central-bank rhetoric creates a challenging backdrop for risk assets. Attention today will turn to the RBNZ and BoC policy decisions, US ADP employment report and Fed Beige Book. Collectively, these releases will help determine whether markets need to price a broader shift toward synchronized monetary tightening across major economies. Equity Value % chg S&P 500 7631.5 -0.7% DJIA 52767 -0.8% Nikkei 225 66215 -0.1% SH Comp 3979.9 -0.2% STI 5710.4 -0.8% Hang Seng 25330 -0.9% KLCI 1700.5 -1.5% Value % chg DXY 99.677 0.3% USDJPY 160.18 0.3% EURUSD 1.1593 -0.2% GBPUSD 1.3516 -0.2% USDIDR 17726 0.0% USDSGD 1.2732 0.2% SGDMYR 3.1720 0.3% Value chg (bp) 2Y UST 4.40 5.83 10Y UST 4.80 4.81 2Y SGS 1.72 2.50 10Y SGS 2.41 5.96 3M SORA 1.19 0.58 3M SOFR 3.64 0.06 Value % chg Brent 94.65 4.6% WTI 90.22 5.2% Gold 4329 -2.4% Silver 64.08 -3.7% Palladium 1314 -3.7% Copper 14275 -0.1% BCOM 143.26 1.3% Source: Bloomberg Key Market Movements

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 2 By Global Markets | 2 September 2026 Major Markets MO: Despite the conclusion of FIFA World Cup which had previously been viewed as a temporary diversion of gaming and tourism spending away from Macau, gross gaming revenue (GGR) still registered year-on-year decline of 1.2% in August, falling short of the market estimates. The data miss may be attributed to Mainland authority's tighter capital control s and still fragile consumer confidence among Mainland visitors. In the first eight months this year, GGR amounted to MOP169.05 billion, 3.7% higher than in the prior-year period. Earlier on, we have revised down our full-year growth forecast for Macau, given the weak-than- expected outturn, as well as the more challenging external environment. ID: The trade balance returned to a marginal USD0.1bn surplus in July from a deficit of USD0.5bn in June, as import growth (27% YoY in July from 34.3% in June) slowed more sharply than export growth (6.1% from 8.8% in June). Headline CPI inflation rose to 3.2% YoY in August from 2.9% in July, moving closer to the upper bound of BI's 1.5 – 3.5% target range. With the year-to-date average for headline CPI at 3.3%, we see upside risks to our full-year headline CPI forecast of 3.0% in 2026. The data mix of continued external pressures amid rising inflation remains consistent with our forecast for additional monetary policy tightening. Our baseline is for another cumulative 75bp in rate hikes for 2026. However, the risk is that our baseline may prove too aggressive should IDR stability be sustained for the next few months MY: The Agriculture and Food Security Ministry recorded 14 MOUs worth MYR1.5bn at the opening of MAHA Trade Days 2026 on 1 September, against its MYR8.0bn target for the three day programme from 1 to 3 September. The agreements cover agricultural inputs, processing, livestock, halal food, pineapple, technology and capacity development, including a MYR1.0bn pineapple processing plant in Tukau, Miri. Agriculture and Food Security Minister Mohamad Sabu said the ministry aims to expand Malaysian agri food products in international markets, including through stronger cooperation with Africa, as reported by Bernama. Separately, the S&P Global Malaysia Manufacturing PMI eased to 50.2 in August from 50.7 in July, remaining above 50 for a third consecutive month as new order growth slowed and manufacturing output declined. TH: The Cabinet has approved three southern double-track railway projects worth a combined THB106.8bn. The approved projects cover the Chumphon – Surat Thani (THB36.9bn), Surat Thani – Hat Yai Junction (THB61.5bn), and Hat Yai Junction – Padang Besar (THB8.4bn) sections. These projects will be fully funded by the government through annual budget allocations, while the Finance Ministry will arrange domestic borrowing and guarantees as appropriate, with construction scheduled to continue until FY2031 – FY2033. The project costs were revised higher to reflect factors including rising material and diesel prices, and higher land-acquisition costs. The Cabinet also granted in-principle approval to three additional double-track routes (Pak Nam Pho – Den Chai, Den Chai – Chiang Mai, and Thanon Chira Junction – Ubon Ratchathani) pending updated feasibility and business reviews. The government expects the rail programme to strengthen regional connectivity, reduce transport costs, and support economic and tourism activity in southern Thailand. AU: Australia's current account deficit widened to AUD27.2bn in 2Q26 from AUD25.4bn in 1Q26. The deterioration was driven primarily by a weaker goods and

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 3 By Global Markets | 2 September 2026 services balance, which recorded a AUD5.1bn deficit, widening from AUD2.9bn in the previous quarter and reversing the AUD2.2bn surplus recorded a year earlier. Goods imports were the main drag, rising 6.9% QoQ in current price terms, while import volumes increased 2.4%. The increase was led by fuel and lubricant imports, which surged 42.5%, alongside a strong pickup in non-industrial transport equipment imports. Services imports provided a partial offset, falling 4.1% as fewer Australians travelled overseas. In chain volume terms, net exports are expected to contribute 0.1ppt to 2Q26 GDP growth. Australia's general government net operating balance deteriorated to a AUD2.8bn deficit in 2Q26 from a AUD0.8bn surplus in 1Q26. While total revenue increased 8.7% QoQ to AUD288.7bn, driven by a 9.3% rise in taxation revenue, expenditure growth outpaced receipts, with total expenses climbing 10.2% to AUD291.5bn. Public investment also lost momentum, as total public GFCF fell 1.3% QoQ. This reflected a 7.3% decline in national government GFCF, while investment by state and local governments was broadly unchanged. Government financing needs also increased during the quarter, with net borrowing rising to AUD23.6bn from AUD11.4bn in 1Q26. Sustainability MY: Malaysia is making progress on grid advancements, with TNB committing to build future-ready energy infrastructure with the commencement of a new 500 kV National Grid Backbone transmission line. Upon the completion of this project in Pahang by 2030, it will become the longest 500kV transmission system ever to be developed in Malaysia, spanning around 500km. This project can enable the integration of existing and future generation sources while enhancing overall grid reliability and supporting the implementation of the NETR. Alongside expanding renewable energy capacity, continued investment in transmission infrastructure and energy storage will be critical to support long-term energy security, improve grid reliability and minimise renewable energy curtailment. Credit Market Updates Market Commentary: • The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 2-5bps higher, belly tenors trading 5-7bps higher, and the 10Y tenor trading 7bps higher. • US Investment Grade traded widened by 1bps to 79bps, and US High Yield spreads widened by 4bps to 265bps respectively. Bloomberg Global Contingent Capital spreads widened by 2bps to 203bps. • Bloomberg Asia USD Investment Grade spread widened by 1bps to 56bps, and the Asia USD High Yield spreads tightened by 3bps to 318bps. (Bloomberg, OCBC) New Issues: • There was one SGD400mn issue in the Singdollar market yesterday, where CMT MTN Pte Ltd (guarantor CapitaLand Integrated Commercial Trust) priced a SGD400mn 5Y bond at 2.646%. • The total issuances in the APAC and DM IG markets were both zero yesterday (prior day: USD600mn and zero respectively). Credit Developments:

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 4 By Global Markets | 2 September 2026 • Mapletree Industrial Trust (MINTSP): MINTSP continues to evaluate selective North American divestments under its SGD500mn to SGD600mn portfolio-rejuvenation plan, with proceeds intended for redeployment across data centres, industrial assets and new geographies, although there is no certainty that any transaction will materialise as a result of this strategy. • Fosun International (FOSUNI): The proposed ClubMed Lifestyle Hong Kong IPO is credit supportive, as external funding for resort expansion could improve liquidity, reduce reliance on Fosun’s balance sheet and advance its asset-monetisation strategy. • ESR-REIT (EREIT): Long- serving CEO Adrian Chui’s planned departure creates near-term leadership and strategic uncertainty, but an orderly transition and successor search are underway, and the announcement does not change OCBC’s fundamental credit view. Equity Market Updates US: US stocks fell Tuesday as surging oil prices and a sharp global bond selloff, triggered by escalating US-Iran military exchanges over the Strait of Hormuz, weighed on risk appetite at the start of a seasonally weak month. The S&P 500 dropped 0.7%, the Nasdaq fell 1.0%, and the Dow declined 0.8%, with the Dow breaking below its 50-day moving average for the first time since 10 Apr 2026. West Texas Intermediate crude topped USD90 a barrel, surging more than 5% on the session, as fighting raised concerns over potential disruptions to Strait of Hormuz flows. Treasury yields rose sharply, with the 10-year climbing approximately 5 basis points to 4.80% and the 2-year rising around 6 basis points to 4.40%, pushing global yields to their highest since 2008 and reinforcing Fed rate-hike expectations. On the corporate front, Dell surged 8.6% in after-hours trade after fiscal second-quarter revenue soared 58% year-on-year to USD46.97b on record AI server demand, whilst Palo Alto Networks rose approximately 5% after hours on strong quarterly results. Notably, US Treasury Secretary Bessent confirmed at the G20 that the US and China agree the Strait of Hormuz must remain open.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 5 Equity and Commodity Day Close % Change Day Close Index Value Net change DXY 99.677 0.25% USD-SGD 1.2732 DJIA 52,766.88 -419.02 USD-JPY 160.18 0.28% EUR-SGD 1.4757 S&P 7,631.47 -54.67 EUR-USD 1.159 -0.22% JPY-SGD 0.7949 Nasdaq 26,099.77 -271.12 AUD-USD 0.715 -0.31% GBP-SGD 1.7209 Nikkei 225 66,215.34 -96.59 GBP-USD 1.352 -0.24% AUD-SGD 0.9096 STI 5,710.37 -44.99 USD-MYR 4.040

0.37% NZD-SGD 0.7501 KLCI 1,700.54 -25.34 USD-CNY 6.721 0.02% CHF-SGD 1.5688 JCI 6,599.94 74.47 USD-IDR 17726 0.03% SGD-MYR 3.1720 Baltic Dry 3,186.00 79.00 USD-VND 26074 0.00% SGD-CNY 5.2788 VIX 16.34 1.42 Tenor EURIBOR Change Tenor USD SOFR Tenor SGS (chg) UST (chg) 1M 2.2570 -1.48% 1M 3.7460 2Y 1.72 (+0.02) 4.4(--) 3M 2.5930 0.78% 2M 3.7988 5Y 2.05 (+0.04) 4.56 (+0.05) 6M 2.7700 0.29% 3M 3.8418 10Y 2.41 (+0.06) 4.8 (+0.05) 12M 3.0030 0.74% 6M 3.9855 15Y 2.46 (+0.06) -- 1Y 4.1878 20Y 2.44 (+0.05) -- 30Y 2.5 (+0.05) 5.28 (+0.03) Meeting # of Hikes/Cuts % of Hikes/Cuts Implied Rate Change Expected Effective Fed Funds Rate SOFR 3.68 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) 90.22 5.2% Corn (per bushel) 5.215 1.3% Brent (per barrel) 94.65 4.6% Soybean (per bushel) 13.068 2.5% Heating Oil (per gallon) 467.73 4.0% Wheat (per bushel) 7.640 1.0% Gasoline (per gallon) 313.51 -8.8% Crude Palm Oil (MYR/MT) 46.490 0.5% Natural Gas (per MMBtu) 2.90 -1.1% Rubber (JPY/KG) 4.607 -0.4% Base Metals Futures % chg Precious Metals Futures % chg Copper (per mt) 14275 -0.1% Gold (per oz) 4329 -2.4% Nickel (per mt) 16665 -1.2% Silver (per oz) 64.08 -3.7% Source: Bloomberg, Reuters Commodities Futures Economic Calenda Date Time Country Code Event Period Survey Actual Prior Revised 9/02/2026 7:00 SK CPI MoM Aug 0.40% 0.20% -0.20% -- 9/02/2026 7:00 SK CPI YoY Aug 3.20% 3.10% 2.80% -- 9/02/2026 7:00 SK CPI Ex Food and Energy YoY Aug 3.40% 3.40% 2.60% -- 9/02/2026 7:50 JN Monetary Base YoY Aug -- -15.70% -13.80% -- 9/02/2026 7:50 JN Monetary Base End of period Aug -- ¥543.8t ¥557.6t -- 9/02/2026 9:30 AU GDP SA QoQ 2Q 0.30% -- 0.30% -- 9/02/2026 9:30 AU GDP YoY 2Q 1.80% -- 2.50% -- 9/02/2026 12:00 SI MAS Survey of Professional Forecasters 9/02/2026 19:00 US MBA Mortgage Applications 28-Aug -- -- -1.00% -- 9/02/2026 20:15 US ADP Employment Change Aug 47k -- 44k -- 9/02/2026 21:00 SI Electronics Sector Index Aug -- -- 52.4 -- 9/02/2026 21:00 SI Purchasing Managers Index Aug -- -- 51.4 -- 9/02/2026 22:00 US Factory Orders Jul 0.70% -- -0.30% -- 9/02/2026 22:00 US Factory Orders Ex Trans Jul 0.40% -- -0.40% -- 9/02/2026 22:00 US Durable Goods Orders Jul F 1.10% -- 1.10% -- 9/02/2026 22:00 US Durables Ex Transportation Jul F 0.40% -- 0.40% -- 9/02/2026 22:00 US Cap Goods Orders Nondef Ex Air Jul F 0.30% -- 0.20% -- Source: Bloomberg

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