

OCBC Daily Treasury Outlook (25 Aug 2026)

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Follow our podcasts by searching ' OCBC Research Insights ' on Telegram! 1 By Global Markets | 25 August 2026 Daily Treasury Outlook Highlights Global: Treasury Secretary Bessent launched the "Operation Economic Outcast," a campaign to isolate Iran from the global financial system. The first wave of sanctions targets nearly 60 Iran-linked entities, individuals and vessels that facilitate oil smuggling, sanctions evasion, or technology procurement globally. Bessent warned trading partners and foreign financial institutions that continuing to do business with Iran would risk being permanently cut off from the US dollar and financial system. Crude prices pared back gains in the past two trading days on the sanction news, and Brent settled near the support level at USD92/bbl level. Separately, the US implemented a new 50% tariff on hundreds of Canadian imports, risking Canada ' s retaliatory response. Meanwhile, the administration is set to impose a 7.5% tariff on Chinese goods over allegations of excess manufacturing capacity before the planned Xi-Trump September summit. Global equities faced broad-based selling pressure on Monday, with the technology sector at the epicentre of the downturn. In the US, the Nasdaq and the S&P 500 ended the day lower by 0.76% and 0.28% respectively. The dollar index rose by around 0.2% — its best day in two weeks, driven by haven demand, while US treasury curve bullish flattened. Spot gold continued its rally, and is now trading at above USD4,680/oz level. Economic calendar was fairly light on Monday. New Zealand's 2Q real retail sales declined by 0.5% QoQ (3.2% YoY), marking the weakest quarterly growth for two years, amid crowding effect due to weak discretionary spending. Chicago Fed national activity index fell to -0.08 in July, from the upwardly revised 0.06 in June, with drags from employment and personal consumption and housing- related indicators. Market Watch: Asian markets may trade with a softer tone today, while markets are closed in Indonesia and Malaysia. Today's key releases include RBA's August policy meeting minutes, Japan's June leading Index and July nationwide department store sales, Taiwan's July industrial production, and Hong Kong's July trade, Germany's August IFO business climate and second reading of 2Q GDP, France's August consumer confidence, US' August Conference Board consumer confidence, Richmond Fed manufacturing index and July new home sales. Major Markets CN: The People's Bank of China (PBOC) announced that it will conduct RMB500 billion of one-year Medium-term Lending Facility (MLF) operations on August 25. With RMB600 billion of MLF maturing in August, the operation implies a net RMB100 billion liquidity withdrawal via the MLF this month. The PBOC also announced overnight reverse repo operations from August 27 to September 1, conducted through fixed-rate, quantity-based tenders, with daily operations capped at RMB600 billion. Taken together, the operations suggest that the PBOC is continuing to fine-tune liquidity management across different maturities rather than pursuing broad-based monetary easing. ID: The Ministry of Transportation issued 35 special permits covering 36 foreign registered helicopters to support forest and land fire mitigation across several Equity Value % chg S&P 500 7652.9 -0.3% DJIA 53417 0.3% Nikkei 225 65528 -0.7% SH Comp 3882.0 -0.6% STI 5680.5 -0.1% Hang Seng 25517 -1.9% KLCI 1736.3 0.0% Value % chg DXY 99.002 0.2% USDJPY 159.11 0.1% EURUSD 1.1664 -0.1% GBPUSD 1.3632 -0.1% USDIDR 17712 0.1% USDSGD 1.2705 0.1% SGDMYR 3.1821 0.0% Value chg (bp) 2Y UST 4.23 -0.86 10Y UST 4.70 -3.78 2Y SGS 1.67 -1.00 10Y SGS 2.32 -4.32 3M SORA 1.15 1.03 3M SOFR 3.64 0.34 Value % chg Brent 92.17 -2.4% WTI 85.01 -2.4% Gold 4652 1.1% Silver 68.94 -0.1% Palladium 1357 0.4% Copper 14273 0.4% BCOM 139.37 -0.8% Source: Bloomberg Key Market Movements

Follow our podcasts by searching ' OCBC Research Insights ' on Telegram! 2 By Global Markets | 25 August 2026 regions, as reported by Antara. The permits allow 11 domestic Air Operator Certificate holders to deploy helicopters from Australia, Russia, the United States, Ukraine, New Zealand, Laos, Vietnam and Canada for firefighting and disaster management. Separately, President Prabowo Subianto instructed the national armed forces (TNI) to prepare a special team to reach fire locations in South Sumatra that are inaccessible to ground personnel and requested additional water bombing helicopters, as reported by The Edge. The government is also preparing 20 excavators and 500 pump units and hoses to accelerate firefighting efforts across 1,900 hectares currently on fire. MY: The Leading Index rose 1.3% YoY to 114.8 points in June 2026, from 1.1% YoY (114.7 points) in May, driven mainly by Real Imports of Other Basic Precious & Other Non-ferrous Metals and Real Imports of Semi-Conductors, as reported by the Department of Statistics Malaysia (DOSM). The long-term smoothed LI trend remained below 100.0 points, although DOSM expects the economy to continue growing, supported by resilient domestic demand, continued investment expansion and recovering international trade. The Coincident Index increased 2.6% YoY to 131.6 points, underpinned by growth across all components, particularly Real Contributions, Employees Provident Fund and the Volume Index of Retail Trade. Sustainability SG: Singapore has plans to transform its outer islands by merging several islands into one larger island through land reclamation efforts, announced at the 2026 National Day Rally. The formation of a new western island can support a new generation of industries, including advanced manufacturing facilities and accommodate new power generation infrastructure to meet Singapore's future needs. However, there are concerns that the plan could impact coral reef and seagrass habitats that support native biodiversity, with environmental groups advocating a balance between development objectives and conservation efforts. Credit Market Updates Market Commentary: • The SGD SORA OIS curve traded lower to higher yesterday with the shorter tenors trading flat to 1bps higher, belly tenors trading flat to 1bps lower, and the 10Y tenor trading 1bps lower. • US Investment Grade spreads traded flat at 80bps, and US High Yield spreads tightened by 1bps to 268bps. Bloomberg Global Contingent Capital spreads widened by 1bps to 205bps. • Bloomberg Asia USD Investment Grade spreads traded flat at 56bps, and the Asia USD High Yield spreads widened by 1bps to 327bps. (Bloomberg, OCBC) New Issues: • There were three issuances in the Singdollar market yesterday, led by Centurion Corp Ltd (priced SGD200mn 5Y bond at 4%). • The total issuances in the APAC and DM IG markets were USD5.37bn and USD177mn respectively yesterday (prior day: USD1.15bn and zero

Follow our podcasts by searching ' OCBC Research Insights ' on Telegram! 3 By Global Markets | 25 August 2026 respectively). Issuances in APAC were led by Sumitomo Mitsui Trust Bank Ltd. (priced USD2.25bn across three tranches). Credit Developments: • Keppel Ltd (KEPSP): Provisionally awarded 50MW of new Singapore data-centre capacity for Keppel Data Centre Singapore 1, a project requiring over SGD1bn of investment that will be funded by Keppel Data Centre Fund III and co-investors. • Mapletree Industrial Trust (MINTSP): Anand Chandran will become CEO of the REIT Manager from 1 October 2026, subject to approval, potentially signalling a greater strategic tilt toward data centres given his sector experience. • Alibaba Group Holding Ltd. (BABA): Raised HKD80bn through a new share placement to support significant AI infrastructure spending, strengthening funding flexibility despite negative free cash flow and continued pressure from elevated capex. • OUE Limited (OUESP): Proposed to privatise OUE Healthcare at SGD0.050 per share, offering minorities an above-market cash exit while providing greater strategic flexibility and eliminating listing-related costs. • CapitaLand Investment Ltd. (CLIVSG): Reportedly considering a 50:50 joint acquisition of One Raffles Place with IOI Properties for approximately SGD2.4bn, including a possible redevelopment of Tower 2 and the retail podium. • OUE REIT (OUECT): The potential SGD2.4bn sale of One Raffles Place could crystallise value from OUECT's effective 67.95% interest, although negotiations and transaction terms remain unconfirmed. • United Overseas Bank Ltd. (UOBSP): UOB holds a minority interest in OUB Centre Ltd,

the owner of One Raffles Place, and could indirectly benefit if the reported SGD2.4bn sale proceeds on favourable terms. • Genting Overseas Holding Ltd. (GENTMK): Stronger gaming and plantation performance supported modest EBITDA growth, but heavy investment spending, negative free cash flow and higher net leverage of 3.4x weakened its credit metrics. Equity Market Updates US: US stocks closed mixed on Monday, as a tech-led selloff weighed on the broader market ahead of Nvidia's earnings later this week. The S&P 500 fell 0.3% and the Nasdaq declined 0.8%, dragged lower by semiconductor names, with Nvidia extending its losing streak to a seventh consecutive session, whilst the Dow edged up 0.3%, supported by gains in financials and defensives. Traders rotated out of AI-related positions into defensive sectors, with utilities rising over 1% and communication services also gaining as investors favoured cell- phone carriers such as Verizon and AT&T. Visa and Mastercard hit fresh record closes, their first in over a year, reflecting resilient consumer spending. Alibaba's Hong Kong-listed shares tumbled nearly 9% after the company announced plans to invest approximately USD10b in AI infrastructure, raising concerns over capital allocation. Treasury Secretary Scott Bessent's announcement of plans to sever Iran's economic lifelines contributed to a decline in crude oil prices. US Treasury yields were little changed, with the 2-year at 4.24%, the 10-year at

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Day Close % Change	Day Close Index Value	Net change	DXY	USD-SGD	DJIA
53,417.16	140.15	USD-JPY 159.11	0.10%	EUR-SGD 1.4821	S&P 7,652.86
-21.51	EUR-USD 1.166	-0.13%	JPY-SGD 0.7986	Nasdaq 25,980.19	-200.27
AUD-USD 0.715	-0.29%	GBP-SGD 1.7318	Nikkei 225 65,528.09	-488.27	GBP-USD 1.363
-0.09%	AUD-SGD 0.9084	STI 5,680.46	-8.50	USD-MYR 4.043	0.10%
NZD-SGD 0.7571	KLCI 1,736.33	-0.15	USD-CNY 6.722	0.01%	CHF-SGD 1.5833
JCI 6,501.67	-24.02	USD-IDR 17712	0.11%	SGD-MYR 3.1821	Baltic Dry 2,841.00
50.00	USD-VND 26168	0.20%	SGD-CNY 5.2914	VIX 15.85	0.72
Tenor EURIBOR	Change Tenor	USD SOFR	Tenor	SGS (chg)	UST (chg)
1M 2.2160	0.23%	1M 3.6887	2Y 1.67	(-0.01)	4.25(--)
3M 2.5240	0.68%	2M 3.7311	5Y 1.95	(-0.03)	4.4 (-0.02)
6M 2.7650	1.02%	3M 3.7724	10Y 2.32	(-0.04)	4.71 (-0.04)
12M 3.0030	0.43%	6M 3.8826	15Y 2.39	(-0.04)	-- 1Y 4.0387
20Y 2.4	(-0.04)	-- 30Y 2.45	(-0.04)	5.23	(-0.05)
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)	85.01	-2.4%	Corn (per bushel)	4.915
1.6%	Brent (per barrel)	92.17	-2.4%	Soybean (per bushel)	12.160
-0.7%	Heating Oil (per gallon)	426.77	-5.1%	Wheat (per bushel)	6.818
0.0%	Gasoline (per gallon)	327.08	-2.3%	Crude Palm Oil (MYR/MT)	47.200
-1.5%	Natural Gas (per MMBtu)	2.78	0.3%	Rubber (JPY/KG)	4.789
0.0%	Base Metals Futures % chg	Precious Metals Futures % chg	Copper (per mt)	14273	0.4%
Gold (per oz)	4652	1.1%	Nickel (per mt)	17026	-0.2%
Silver (per oz)	68.94	-0.1%	Source: Bloomberg, Reuters	Commodities Futures	Economic Calenda
Date	Time	Country	Code	Event	Period
Survey	Actual	Prior	Revised	8/25/2026	5:00
SK	Consumer Confidence	Aug --	104.5	106.8	--
8/25/2026	13:00	JN	Leading Index	CI Jun F -- --	116.4 --
8/25/2026	13:30	JN	Nationwide Dept Sales	YoY Jul -- --	2.30% --
8/25/2026	16:00	TA	Industrial Production	YoY Jul 20.65% --	22.95% --
8/25/2026	16:30	HK	Exports	YoY Jul 45.00% --	53.40% --
8/25/2026	16:30	HK	Imports	YoY Jul 42.20% --	45.40% --
8/25/2026	16:30	HK	Trade Balance	HKD Jul -31.0b --	-52.0b --
8/25/2026	21:00	US	FHFA House Price Index	MoM Jun 0.20% --	0.30% --
8/25/2026	21:00	US	FHFA House Price Index	QoQ 2Q -- --	0.50% --
8/25/2026	21:00	US	S&P Cotality CS	20-City YoY NSA Jun 1.80% --	1.63% --
8/25/2026	21:00	US	S&P Cotality CS	US	

HPI YoY NSA Jun 1.30% -- 1.11% -- 8/25/2026 22:00 US Richmond Fed Manufact. Index Aug 7 -- 5 --
8/25/2026 22:00 US New Home Sales Jul 620k -- 628k -- 8/25/2026 22:00 US New Home Sales MoM
Jul -1.40% -- 1.60% -- 8/25/2026 22:00 US Conf. Board Consumer Confidence Aug 90.2 -- 90.8 --
8/25/2026-8/26/2026 US Building Permits Jul F 1443k -- 1443k -- Source: Bloomberg

Source: <https://www.ocbc.com/DTO%20250826.pdf>