OCBC Daily Treasury Outlook (1 Sep 2026)

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Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 1 By Global Markets | 1 September 2026 Daily Treasury Outlook Highlights Global: US equities ended lower overnight to start the week, with the S&P 500 falling 0.3%, the Dow Jones declining 0.7%, and the Nasdaq edging 0.1% lower, as a renewed escalation in the Middle East pushed oil prices higher, adding to inflation concerns. On the geopolitical front, US-Iran hostilities reignited after a month-long lull, with US strikes on Iranian missile launches on Larak Island in the Strait of Hormuz, which Washington claimed were preparing to deploy sea mines. This prompted Iran to retaliate with missiles targeting two US air bases in Jordan. Oil prices jumped on the renewed hostilities, with Brent rising 2.7% to USD 90.49/bbl and WTI gaining 2.8% to USD 85.75/bbl, as markets priced in greater risks to supply through the Strait of Hormuz. On the da ta front, India’s economy grew 7.8% YoY for 2Q26, comfortably beating market expectations of 7.1%, and the RBI’s 7.0% forecast, although growth moderated from a revised 8.6% in the previous quarter. The strength was relatively broad based, with private consumption growing by 7.1%, while investment growth accelerated sharply to nearly 12% from 5.8% a year earlier. On the production side, manufacturing expanded 9.2%, while financial, real estate and professional services grew 12.1%. China’s official manufacturing PMI improved to 49.8 in August from 49.2 in July, slightly above market expectations of 49.6, although it remains below the 50 threshold that signifies expansion. Production and new orders improved, with high tech and equipment manufacturing continuing to perform. However, the non-manufacturing PMI held steady at 49.0, highlighting continued weakness in services and domestic demand. Japan’s retail sales rose 4.0% YoY in July, accelerating from a revised 0.6% increase in June and beating market expectations of 3.0%. On a monthly basis, sales rebounded 2.4% in July, reversing much of the 3.9% decline recorded in June. The improvement was led by strong motor vehicle sales, while machinery, general merchandise and food and beverage sales also recovered. Market Watch : Today’s data calendar is relatively busy. In the US, we have the ISM manufacturing PMI and JOLTs job openings reports, while Fed Governor Barr is also scheduled to speak. In Europe, the focus will be on Eurozone inflation and unemployment data. Coming back to ASEAN, Indonesia’s CPI release will be the key data point to watch. Major Markets HK: The growth in retail sales moderated further in July, to 4.5% YoY in value terms, while staying flat at 2.3% YoY in volume terms. During the month, Hong Kong recorded 790.3mm of rainfall, making July one of the wettest months on record and likely dampening foot traffic and discretionary spending activities. On a sequential basis, retail sales declined by 1.5% MoM and 0.9% MoM respectively in value terms and volume terms in July, partly reflecting the seasonality. We expect consumption sentiment to remain lukewarm in months ahead, barring sustained increase in interest rates and increasing slack in the labour market. Equity Value % chg S&P 500 7686.1 -0.3% DJIA 53186 -0.7% Nikkei 225 66312 -0.1% SH Comp 3986.3 0.9% STI 5755.4 1.0% Hang Seng 25567 -0.1% KLCI 1725.9 0.0% Value % chg DXY 99.428 -0.3% USDJPY 159.74 -0.2% EURUSD 1.1618 0.3% GBPUSD 1.3549 0.1% USDIDR 17720 0.2% USDSGD 1.2709 -0.3% SGDMYR 3.1637 -0.1% Value chg (bp) 2Y UST 4.34 -0.19 10Y UST 4.75 3.20 2Y SGS 1.70 2.70 10Y SGS 2.35 1.60 3M SORA 1.18 1.77 3M SOFR 3.64 0.04 Value % chg Brent 90.49 1.3% WTI 85.76 2.8% Gold 4437 -0.4% Silver 66.58 0.3% Palladium 1365 -4.2% Copper 14294 0.0% BCOM 141.37 0.8% Source: Bloomberg Key Market Movements

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September 2026 ID: The Industry Ministry has set eight priority programmes for 2027 aimed at strengthening manufacturing productivity, competitiveness and industrial transformation. The priorities cover workforce development, strengthening small and medium industries within supply chains, downstream processing, innovation and technology, greater use of domestically made products, halal and green industries, industrial services exports and industrial-estate development. The ministry's 2027 budget is set at IDR2.01trn, down 19.5% from its initial 2026 allocation, while the ministry has proposed an additional IDR1.72trn to support priority industrial programmes, as reported by Antara. MY: Prime Minister Anwar Ibrahim announced six measures to address cost-of- living pressures and support households and small businesses. The monthly subsidised RON95 quota under Budi95 will be restored to 300 litres from 200 litres for more than 16mn users, while eligible owners of diesel-powered pickup trucks and four-wheel-drive vehicles will receive up to 400 litres per month. The government will also raise school maintenance funding by 50% to MYR1.5bn in 2027 and provide MYR1bn to strengthen digital systems and connectivity across public hospitals and clinics. Separately, the annual e-invoice exemption threshold will rise to MYR3mn from MYR1mn, while microfinancing funding for 2026 will increase by MYR1bn to MYR6bn. A further MYR200mn grant will support hawkers, small traders and home-based businesses, as reported by Bernama. PH: According to Bangko Sentral ng Pilipinas (BSP), headline inflation for August is expected to settle "within the range of 5.5 - 6.5%". BSP highlighted that upside price pressures could stem from elevated domestic petroleum pump prices and higher prices in key food commodities, including rice, vegetables, fruits and fish. These pressures are expected to be mitigated by lower prices of meat, lower utility prices, and the appreciation of the Philippine peso. The BSP also stated that it will "remain vigilant and g uided by incoming data, particularly on inflation and growth prospects. It will continue to assess the impact of latest developments in the Middle East and recent weather disturbances on the country's inflation and economic outlook." Sustainability Rest of the world: Japan plans to support the construction of pipelines that bypass the Strait of Hormuz, as part of a new energy strategy to strengthen energy supply security. Other measures include diversifying oil procurement sources and providing support with shipping costs. The Middle East conflict and disruptions through the Strait of Hormuz exposed vulnerabilities in oil and gas supply chains, highlighting Japan's high reliance on the Middle East for its fuel imports. The measures reflect efforts to diversify energy supply routes and strengthen resilience against geopolitical disruptions. Credit Market Updates Market Commentary: • The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading flat to 3-4bps higher, belly tenors trading 2-3bps higher, and the 10Y tenor trading 2bps higher.

Follow our podcasts by searching ' OCBC Research Insights ' on Telegram! 3 By Global Markets | 1 September 2026 • US Investment Grade traded flat at 78bps, and US High Yield spreads widened by 1bps to 261bps respectively. Bloomberg Global Contingent Capital spreads traded flat at 201bps. • Bloomberg Asia USD Investment Grade spreads traded flat at 55bps, and the Asia USD High Yield spreads widened by 5bps to 321bps. (Bloomberg, OCBC) New Issues: • There were SGD600mn of issuances in the Singdollar market yesterday, where Royal Bank of Canada issued a SGD600mn 3Y bond at 2.172%. • The total issuances in the APAC and DM IG markets were USD500mn and zero yesterday (prior day: both zero). APAC issuance was led by ICICI Bank Ltd., who priced a USD500mn 3Y bond at 5.308%. Credit Developments: • China's four largest banks (AGRBK, BCHINA, CCB, ICBCAS) reported resilient 1H2026 results, with 4.5% – 5.8% earnings growth, improved cost efficiency and stable asset quality despite higher impairments; CET1 ratios declined on strong risk-weighted asset growth but remained above regulatory requirements, while policy-directed lending and domestic credit risks remain key considerations. Equity Market Updates US: US stocks fell Monday, as escalating US-Iran tensions drove oil prices sharply higher, reviving inflation fears and reinforcing bets on a Federal Reserve rate hike. The S&P 500 declined 0.3%, the Dow shed 0.7%, and the Nasdaq edged down 0.1%.

Renewed military exchanges around the Strait of Hormuz pushed crude near USD86 a barrel, lifting energy stocks whilst weighing on rate- sensitive sectors, with utilities and real estate bearing the brunt of the selling and nearly 75% of S&P 500 members closing in the red. Among megacaps, Alphabet fell 2.4%, Amazon dropped 2.1%, and Apple lost 1.7%, whilst Tesla surged 5.2% ahead of its scheduled Cybercab robotaxi launch event in Austin. The 10-year Treasury yield topped 4.75% intraday, its highest since January 2025, before closing at 4.75%, as the long end of the curve bear-steepened, partially reversing Friday's aggressive flattening, with the 2-year holding near 4.34% and the 30-year rising to 5.24%. Fed Chair Warsh, speaking at the G20 in Asheville, reiterated that US growth "appears to have strengthened," keeping rate-hike bets above 60% for September. Dallas Fed manufacturing surged to 11.6 in August, well above the 1.6 consensus estimate. On the regional front, Singapore's MAS committed SGD220m over three years to a new fintech innovation programme, and China's August manufacturing PMI came in at 49.8, beating the 49.5 estimate but remaining in contraction for a second consecutive month.

Follow our podcasts by searching ‘ OCBC Research Insights ’ on Telegram! 4 Equity and Commodity Day Close % Change Day Close Index Value Net change DXY 99.428 -0.27% USD-SGD 1.2709 DJIA 53,185.90 -374.09 USD-JPY 159.74 -0.22% EUR-SGD 1.4758 S&P 7,686.14 -25.62 EUR-USD 1.162 0.28% JPY-SGD 0.7957 Nasdaq 26,370.89 -31.53 AUD-USD 0.717 0.04% GBP-SGD 1.7221 Nikkei 225 66,311.93 -93.63 GBP-USD 1.355 0.08% AUD-SGD 0.9110 STI 5,755.36 55.43 USD-MYR 4.025 -0.21% NZD-SGD 0.7520 KLCI 1,725.88 -15.84 USD-CNY 6.720 -0.15% CHF-SGD 1.5722 JCI 6,525.48 7.36 USD-IDR 17720 0.16% SGD-MYR 3.1637 Baltic Dry 3,186.00 79.00 USD-VND 26075 -0.01% SGD-CNY 5.2868 VIX 14.92 0.49 Tenor EURIBOR Change Tenor USD SOFR Tenor SGS (chg) UST (chg) 1M 2.2910 0.35% 1M 3.7370 2Y 1.7 (+0.03) 4.34(--) 3M 2.5730 0.63% 2M 3.7883 5Y 2 (+0.03) 4.5 (+0.02) 6M 2.7620 0.58% 3M 3.8299 10Y 2.35 (+0.02) 4.76 (+0.03) 12M 2.9810 0.85% 6M 3.9669 15Y 2.4 (+0.02) -- 1Y 4.1531 20Y 2.39 (+0.02) -- 30Y 2.45 (+0.01) 5.26 (+0.04) 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) 85.76 2.8% Corn (per bushel) 5.150 0.6% Brent (per barrel) 90.49 1.3% Soybean (per bushel) 12.753 -0.1% Heating Oil (per gallon) 449.53 3.2% Wheat (per bushel) 7.565 -1.4% Gasoline (per gallon) 343.70 -1.5% Crude Palm Oil (MYR/MT) 46.280 0.8% Natural Gas (per MMBtu) 2.94 1.6% Rubber (JPY/KG) 4.624 1.2% Base Metals Futures % chg Precious Metals Futures % chg Copper (per mt) 14294 0.1% Gold (per oz) 4437 -0.4% Nickel (per mt) 16861 -0.1% Silver (per oz) 66.58 0.3% Source: Bloomberg, Reuters Commodities Futures Economic Calenda Date Time Country Code Event Period Survey Actual Prior Revised 9/01/2026 7:50 JN Capital Spending YoY 2Q -0.30% 1.60% 0.00% -- 9/01/2026 8:00 SK Exports YoY Aug 63.00% 68.70% 62.80% 63.00% 9/01/2026 8:30 ID S&P Global Indonesia PMI Mfg Aug -- -- 50.2 -- 9/01/2026 8:30 JN S&P Global Japan PMI Mfg Aug F -- -- 55.1 -- 9/01/2026 8:30 SK S&P Global South Korea PMI Mfg Aug -- -- 53.1 -- 9/01/2026 8:30 TA S&P Global Taiwan PMI Mfg Aug -- -- 55.1 -- 9/01/2026 9:30 AU Building Approvals MoM Jul -5.00% -- 7.20% -- 9/01/2026 9:45 CH RatingDog China PMI Mfg Aug 51 -- 50.9 -- 9/01/2026 12:00 ID CPI YoY Aug 3.12% -- 2.88% -- 9/01/2026 13:00 IN HSBC India PMI Mfg Aug F -- -- 52.9 -- 9/01/2026 14:00 UK Nationwide House PX MoM Aug 0.10% -- 0.10% -- 9/01/2026 14:00 UK Nationwide House Px NSA YoY Aug 2.10% -- 1.80% -- 9/01/2026 16:00 EC S&P Global Eurozone Manufacturing PMI Aug F 52.8 -- 52.8 -- 9/01/2026 16:30 UK Mortgage Approvals Jul 59.4k -- 58.2k -- 9/01/2026 16:30 UK S&P Global UK Manufacturing PMI Aug F 51.5 -- 51.5 -- 9/01/2026 17:00 EC CPI YoY Aug P 3.30% -- 2.90% -- 9/01/2026 17:00 EC CPI MoM Aug P 0.50% -- 0.20% -- Source: Bloomberg

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