

5 August 2025

Global Markets Research

Daily Market Highlights

5 Aug: Wall Street rebounded as traders raised rate cut bets

UST yields & DXY continued to tumble as factory orders fell on lower aircraft demand

Swiss Market index fell after the 39% tariff slap; EU to suspend trade countermeasures

Tariff concerns dented investors sentiment in the EU; higher price pressures for Australia

- Dip buying, hopes for bullish earnings and renewed expectations of a September rate cut saw investors clawing back the steep losses seen in the previous session. The Dow surged 1.3% d/d, wiping out Friday's big sell off while the S&P 500 and Nasdaq settled up 1.5% d/d and 2.0% d/d.
- Gains were broad-based led by the communication services, information technology and utilities sectors while economic data was, and will remain sparse for the rest of the week. On the earnings front, Palantir posted stellar results after the bell, while AMD is set to release results later today. On the trade front, the EU will suspend its trade countermeasures against the US for 6 months to facilitate negotiations between the two countries.
- Elsewhere, Stoxx Eur 600 rebounded 0.9% d/d with banks and insurance stocks outperforming while automakers lagged. The Swiss Market Index however tumbled 0.2% d/d following Trump's 39% tariff slap on Switzerland. In Asia, stock indices closed mixed with Hang Seng rallying 0.9% d/d while Nikkei 225 lost 1.3% d/d. Futures suggest that the equity markets will likely track US' gain today.
- In the bond space, Treasuries remained modestly firmer and yields fell 1-3bps across the curve, narrowing from -8 to -28bps the previous session. The benchmark 2Y yield closed the day 1bps lower at 3.68%, while the 10Y slid 2bps to 4.19%. 10Y European bond yields dropped at a wider range of 2-9bps after last Friday's 0 to -4bps.
- In the forex space, the Dollar remained soft and the DXY fell 0.4% d/d to 98.78. JPY (+0.2% d/d to 147.09), CAD (+0.1% d/d) and GBP (+0.1% d/d to 1.3285) outperformed the greenback, while CHF (-0.5% d/d) lagged every G10 currency.
- Most Asian currencies strengthened against the Dollar amid Fed rate cut bets, led by PHP (+1.4% d/d), THB (1.3% d/d to 32.45) and MYR (+1.0% d/d to 4.2372). SGD appreciated at a milder pace of 0.2% d/d to 1.2876. CNH gained 0.1% d/d to 7.1841 even though China announced that it will impose taxes on interests earned from new CNY-denominated bonds issued by the government and financial institutions within China after 8-August.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,173.64	1.34
S&P 500	6,329.94	1.47
NASDAQ	21,053.58	1.95
Stoxx Eur 600	540.60	0.90
FTSE 100	9,128.30	0.66
Nikkei 225	40,290.70	-1.25
CSI 300	4,070.70	0.39
Hang Seng	24,733.45	0.92
Straits Times	4,197.23	1.04
KLCI 30	1,526.98	-0.42
FX		
Dollar Index	98.78	-0.36
EUR/USD	1.1571	-0.14
GBP/USD	1.3285	0.05
USD/JPY	147.09	-0.21
AUD/USD	0.6467	-0.11
USD/CNH	7.1841	-0.13
USD/MYR	4.2372	-0.98
USD/SGD	1.2876	-0.17
USD/KHR	4,008.50	0.03
USD/THB	32.45	-1.25
Commodities		
WTI (\$/bbl)	66.29	-1.54
Brent (\$/bbl)	68.76	-1.31
Gold (\$/oz)	3,374.40	0.80
Copper (\$\$/MT)	9,687.00	0.59
Aluminum(\$/MT)	2,553.00	-0.51
CPO (RM/tonne)	4,200.50	-0.15

Source: Bloomberg, HL Bank

* Closing as of 1 Aug for CPO

- In the commodity space, oil prices slipped after OPEC+ agreed to another large production hike of +547k in September. The WTI slipped 1.5% d/d to \$66.29/barrel, while Brent was down 1.3% d/d to \$68.76/barrel.

US factory orders fell sharply as aircraft demand tumbles

- Matching expectations, factory orders fell sharply by -4.8% m/m in June after an upwardly revised +8.3% m/m in May as commercial aircraft orders plunged. As it is, orders have fallen in two of the last three months, largely in line with the contractionary ISM and remained constrained by Trump's aggressive tariffs on imported goods going forward.

Concerns over tariff impact weighed on investors sentiment in the Eurozone

- Weighed down by concerns over tariff impact on the Eurozone economy, the Sentix investor confidence index unexpectedly turned negative at -3.7 in August (Jul: +4.5). Both the current and expectations indices declined and with Germany's economic index dropping by more than 12 points.

Australia's services PMI revised up; price pressure intensified

- Australia's services PMI was revised 0.3ppts higher to 54.1 in July (prior: 51.8). The rate of new business growth was the sharpest in 3 years, while export orders also stabilised after four straight months of contraction. Of note, both input cost and output price inflation intensified during the month, in line with pick-up in the Melbourne Institute's inflation gauge to +2.9% y/y and +0.9% m/m (June: +2.4% y/y; +0.1% m/m).

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DX	98.50-101.50	98.32	96.29	94.99	93.77
EUR/USD	1.12-1.16	1.16	1.19	1.20	1.22
GBP/USD	1.31-1.34	1.36	1.38	1.39	1.40
USD/CHF	0.78-0.82	0.81	0.80	0.79	0.78
USD/JPY	147-153	147	144	140	137
AUD/USD	0.62-0.66	0.63	0.65	0.67	0.68
NZD/USD	0.57-0.62	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.23	7.20	7.16	7.12	7.10
USD/MYR	4.23-4.30	4.28	4.25	4.22	4.18
USD/SGD	1.28-1.31	1.29	1.26	1.24	1.22
USD/THB	32.20-32.70	32.70	32.50	32.30	32.30

Rates, %	Current	3Q-25	4Q25	1Q26	2Q26
Fed	4.25-4.50	4.00-4.25	3.75-4.00	3.50-3.75	3.25-3.50
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.25	4.00	3.75	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.50	0.50	0.75	0.75
RBA	3.85	3.60	3.35	3.10	3.10

RBNZ	3.25	3.00	2.75	2.75	2.75
BNM	2.75	2.75	2.75	2.75	2.75

Source: HL Bank

Up Next

Date	Events	Prior
5-Aug	HK S&P Global Hong Kong PMI (Jul)	47.8
	SI S&P Global Singapore PMI (Jul)	51
	JN S&P Global Japan PMI Services (Jul F)	53.5
	AU Household Spending MoM (Jun)	0.90%
	CH S&P Global China PMI Services (Jul)	50.6
	SI Retail Sales SA MoM (Jun)	1.00%
	EC HCOB Eurozone Services PMI (Jul F)	51.2
	UK S&P Global UK Services PMI (Jul F)	51.2
	EC PPI YoY (Jun)	0.30%
	US Trade Balance (Jun)	-\$71.5b
	US S&P Global US Services PMI (Jul F)	55.2
	US ISM Services Index (Jul)	50.8
6-Aug	JN Labor Cash Earnings YoY (Jun)	1.00%
	VN Retail Sales YoY (Jul)	8.30%
	VN CPI YoY (Jul)	3.57%
	VN Exports YoY (Jul)	16.30%
	VN Industrial Production YoY (Jul)	10.80%
	EC Retail Sales MoM (Jun)	-0.70%
	US MBA Mortgage Applications	-3.8%

Source: Bloomberg

General Disclaimer by the Bank

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained in this report does not constitute the provision of investment advice and is not to be regarded as an offer to sell or a solicitation of an offer to buy with respect to the purchase or sale of any of the financial instruments mentioned in this report and/or to participate in any trading strategy. This report will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by HL Bank to be reliable and in good faith, but no warranties or guarantees, representations are made by HL Bank with regard to the accuracy, completeness, correctness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HL Bank or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected in this report may change without notice and the opinions do not necessarily correspond to the opinions of HL Bank. HL Bank does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient in the event that any matter stated in this report, or any opinion, projection, forecast, valuation or estimate in this report, changes or subsequently becomes inaccurate. The information contained in this report may be incomplete, condensed and it may not contain all material information concerning the company or currency referred to in this report.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter nor will any liability be accepted for any loss whatsoever that may arise from any use and/or reliance on this report. HL Bank may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities or currencies mentioned in this report. The past performance of financial instruments is not indicative of future results. The value of and the income that is produced by the financial instruments mentioned in this report may fluctuate so that an investor may get back less than originally invested. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described in this report would yield favorable investment results. Recipients should seek the advice of their independent financial advisor before taking any investment decision based on any recommendations that may be contained in this report. Any recommendation that may be contained in this report does not consider the specific investment objectives, financial situation, suitability and the particular needs of a particular customer. This report is for the information of the addressee only and is not to be taken in substitution for the exercise of judgment by the addressee who should obtain separate independent legal or financial advice.

Past performance does not always indicate future performance or future results. The value of any investment or income from any investment may go up as well as down. All investments involve an element of risk including the potential to lose the entire amount that is invested.

HL Bank may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HL Bank endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HL Bank does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced, copied, duplicated or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HL Bank. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient agrees to be bound by all limitations contained in this report.

This report is being distributed in Singapore by HL Bank (Company registration number S56FC1182L) to Accredited Investors, Expert Investors or Institutional Investors, as defined in the Securities and Futures Act (Chapter 289 of Singapore). HL Bank is an Exempt Financial Adviser, as defined in the Financial Advisers Act (Chapter 110 of Singapore), and regulated by the Monetary Authority of Singapore. HL Bank is a branch of Hong Leong Bank Berhad, a limited liability company incorporated in Malaysia. HL Bank holds a full bank license in Singapore. Hong Leong Bank Berhad is also a member of the Hong Leong Group Malaysia.