

Global Markets Research

Daily Market Highlights

11 Aug: Quiet trading given upcoming key events

Wall Street held on to gains; US treasuries under pressure amid improved risk appetite
Persistent deflationary pressures for China; Japan's data signal moderate growth ahead
All eyes on the RBA policy meeting; US CPI & US-China trade deadline this week

- Wall Street held on to its gains last Friday amid a volatile week marked by more tariff rumbles, earnings beat but softer economic data. Strength in megacap tech stocks, notably the surge in Apple underpinned the positive momentum. Nasdaq rallied 1.0% d/d, while S&P 500 and the Dow gained 0.8% d/d and 0.5% d/d respectively. Gains were relatively broad based, with industrials, utilities and real estate the only sectors within the S&P that closed in the red.
- Elsewhere, Stoxx Eur 600 rose 0.2% d/d amid news of a potential ceasefire between Russia-Ukraine. Asian markets closed mostly lower, with Hang Seng and CSI 300 tumbling 0.9% d/d and 0.2% d/d. This week, July's inflation data is due for release and will provide the latest insight on how tariffs are affecting US' inflation. US-China tariff pause deadline is also due on August 12th.
- In the bond space, treasury yields closed modestly higher amid the improved risk appetite. The benchmark 2Y and 10Y yields rose 3bps each to 3.76% and 4.28%. 10Y European bond yields rose between 3-7bps (prior: -1 to -3bps).
- As per Bloomberg, the JPY lagged most of its G10 peers and weakened 0.4% d/d to 147.74 against the Dollar. EUR and AUD also depreciated 0.1-0.2% d/d to 1.1641 and 0.6522. while GBP outperformed at +0.1% d/d to 1.3452. Within the regional space, SGD and MYR depreciated 0.2-0.3% d/d to 1.2854 and 4.2432 respectively.
- Meanwhile, the WTI held steady at \$63.88/barrel, while Brent gained 0.2% d/d to \$66.59/barrel on reports of a US-Russia deal.

Still positive data from Japan

- Mixed but still positive data from Japan last Friday. Bank lending and Eco Watchers Outlook index improved to 3.2% y/y and 47.3 in July (prior: 2.7% y/y and 45.9), the latter amid broad-based gains. Household spending also rose for the second month, albeit at a softer pace than expected by 1.3% y/y in June (prior: +4.7% y/y). Driven by household spending in transportation and housing related costs, consumption, supported by steady wage

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,175.61	0.47
S&P 500	6,389.45	0.78
NASDAQ	21,450.02	0.98
Stoxx Eur 600	547.08	0.19
FTSE 100	9,095.73	-0.06
Nikkei 225	41,820.48	1.85
CSI 300	4,104.97	-0.24
Hang Seng	24,858.82	-0.89
Straits Times	4,239.83	-0.43
KLCI 30	1,556.98	0.51
FX		
Dollar Index	98.18	-0.22
EUR/USD	1.1641	-0.21
GBP/USD	1.3452	0.06
USD/JPY	147.74	0.41
AUD/USD	0.6522	-0.03
USD/CNH	7.1893	0.12
USD/MYR	4.2432	0.25
USD/SGD	1.2854	0.17
USD/KHR	4,008.50	-0.02
USD/THB	32.33	0.04
Commodities		
WTI (\$/bbl)	63.88	0.00
Brent (\$/bbl)	66.59	0.24
Gold (\$/oz)	3,439.10	1.14
Copper (\$/MT)	9,762.00	0.80
Aluminum(\$/MT)	2,609.00	-0.04
CPO (RM/tonne)	4,209.00	-0.37

Source: Bloomberg, HL Bank

* Closing as of 7 Aug for CPO

growth, will have to play a crucial role to support the economy in 2H amid external uncertainties.

Persistent deflationary pressures for China

- Producer prices (PPI) fell more than expected by 3.6% y/y in July (prior: -3.6% y/y), while consumer prices (CPI) were unchanged (prior: -0.1% m/m). The main drag on CPI on prices came from food, while core edged up to its highest reading since February 2024 at +0.8% y/y. Accordingly, the National Bureau of Statistics attributed the weak prices on extreme weather and global trade uncertainties, one we think could turn (albeit modestly) amid the current measures aimed at curbing disorderly competition in sectors like auto, starting August.

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	31.61-33.23	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	4.00	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
11-18 Aug	CH FDI YTD YoY CNY (Jul)	-15.20%
12-Aug	AU NAB Business Confidence (Jul)	5
	AU NAB Business Conditions (Jul)	9
	AU RBA Cash Rate Target	3.85%
	UK Average Weekly Earnings 3M/YoY (Jun)	5.00%
	UK ILO Unemployment Rate 3Mths (Jun)	4.70%
	UK Employment Change 3M/3M (Jun)	134k
	EC ZEW Survey Expectations (Aug)	36.1
	US NFIB Small Business Optimism (Jul)	98.6
	US Real Avg Weekly Earnings YoY (Jul)	0.70%
	US CPI Ex Food and Energy YoY (Jul)	2.90%

Source: Bloomberg

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