

Global Markets Research
Daily Market Highlights

23 Dec: All eyes on US 3Q GDP & RBA minutes today

Risk-on appetite fuel hopes of a Santa Claus rally; USTs and DXY lost ground

Crude oil prices climbed, gold at record high amid geopolitical tension

PBoC left lending rates steady; Malaysia's CPI resumed its upward trend

- It was risk-on at the start of a holiday shortened trading week. The S&P 500 posted its third winning day, fuelling hopes for a year-end finish that could reach a new record. Tech stocks showed strength and the broad market index closed the day 0.6% d/d higher. The Dow and Nasdaq also closed up, albeit at a slightly narrower pace of 0.5% d/d.
- In Fed speak meanwhile, Governor Stephen Miran said that the central bank risks sparking a recession unless the central bank continues lowering its rates next year.
- In Europe, Stoxx 600 closed 0.1% d/d lower with wind-related stocks taking a hit after US suspended its offshore wind projects. Asian markets closed in green, with Hang Seng and CSI 300 gaining 0.4% d/d and 1.0% d/d after the PBoC kept its lending rates unchanged.
- Treasuries lost ground on the risk-on sentiment and yields closed the day 1-3bps higher across the curve. The 2Y yield finished at 3.51% and the 10Y at 4.16%. Similarly, 10Y European bond yields were up 0-2bps (prior: +2 to +6bps).
- In the forex space, DXY retreated 0.3% d/d to 98.29 after 3 days of advance, while JPY strengthened 0.4% d/d to 157.05 amid verbal intervention warning from Japan's Finance Minister. GBP appreciated 0.6% d/d to 1.3461 after the UK left its final 3Q GDP unchanged at 0.1% q/q (2Q: 0.2% q/q). THB (0.9% d/d) outperformed all Asian peers on the regional front, while SGD appreciated 0.3% d/d to 1.2888. MYR weakened 0.1% d/d to 4.0782 after Malaysia's CPI miss.
- In the commodity space, crude oil prices (WTI: +2.4% d/d to \$58.01/barrel and Brent: +2.7% d/d to \$62.07/barrel) climbed, while gold (+1.9% d/d to \$4,444.60/oz) closed at record after the US pursued the third oil tanker in Venezuela blockade, escalating geopolitical tension.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,362.68	0.47
S&P 500	6,878.49	0.64
NASDAQ	23,428.83	0.52
Stoxx Eur 600	586.75	-0.13
FTSE 100	9,865.97	-0.32
Nikkei 225	50,402.39	1.81
CSI 300	4,611.62	0.95
Hang Seng	25,801.77	0.43
Straits Times	4,610.29	0.89
KLCI 30	1,671.29	0.32
FX		
Dollar Index	98.29	-0.32
EUR/USD	1.1762	0.44
GBP/USD	1.3461	0.61
USD/JPY	157.05	-0.44
AUD/USD	0.6657	0.68
USD/CNH	7.0311	-0.04
USD/MYR	4.0782	0.05
USD/SGD	1.2888	-0.32
USD/KHR	4,010.00	-0.01
USD/THB	31.18	-0.90
Commodities		
WTI (\$/bbl)	58.01	2.38
Brent (\$/bbl)	62.07	2.65
Gold (\$/oz)	4,444.60	1.91
Copper (\$/MT)	11,925.00	0.37
Aluminum(\$/MT)	2,941.50	-0.12
CPO (RM/tonne)	3,902.50	-1.35

Source: Bloomberg, HL Bank

* Closing as of 19 Dec for CPO

PBoC left lending rates steady

- The People's Bank of China left the 1Y and 5Y loan prime rates steady at 3.00% and 3.50%. The decision was within

expectation but with growth momentum clearly weakening and domestic demand still sluggish, expectations are that the central bank will resume loosening its monetary policy stance in 2026.

CFNAI signals continued economic growth for the Chicago region

- The Chicago Fed National Activity Index (CFNAI) increased to -0.21 in September from -0.31 in August. Although it was a shade worse than expected, the index at this level suggests that the economic growth increased during the month. Two of the four broad categories worsened m/m and three made negative contributions.

Hong Kong's inflation remains tame and subdued

- CPI remained subdued in November, unexpectedly holding steady at 1.2% y/y. Price pressures on most major components were contained, and should remain modest in the near term with cost pressures on the domestic and external front still broadly in check.

Malaysia's CPI resumed its upward trend in November; core CPI steady and mild at 2.2%

- Although a tad softer than expected, Malaysia Consumer Price Index (CPI) resumed its upward trend and increased at a faster pace of 1.4% y/y in November (prior: 1.3% y/y). Driving the uptick amongst its three biggest categories was the rebound in transport costs (0.2% y/y vs -0.1% y/y). Food inflation held steady at 1.5% y/y, while prices for housing & utilities eased slightly to 0.7% y/y from 1.1% y/y previously (Refer to Research Alert "CPI rebounded after October's blip" dated 22 December).
- Foreign reserves inched up by \$0.2bn in 1H of the month to \$124.3bn as at 15 December (unchanged in 2H of Nov). The reserves position is sufficient to finance 4.8 months of imports of goods and services and is 0.9 times the total short-term external debt.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DX	97-100	97.33	95.92	94.52	93.15
EUR/USD	1.16-1.19	1.17	1.19	1.21	1.23
GBP/USD	1.32-1.36	1.32	1.34	1.35	1.37
USD/CHF	0.78-0.82	0.80	0.79	0.78	0.77
USD/JPY	152-158	151	148	145	142
AUD/USD	0.64-0.68	0.66	0.67	0.68	0.68
NZD/USD	0.56-0.59	0.57	0.57	0.58	0.59
USD/CNY	7.02-7.07	7.03	6.94	6.86	6.77
USD/MYR	4.06-4.12	4.12	4.08	4.05	4.05

USD/SGD	1.27-1.30	1.28	1.26	1.25	1.24
USD/THB	31.04-32.03	32.30	32.20	32.10	32.00

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
SGD/MYR	3.1603	3.21	3.23	3.24	3.27
EUR/SGD	1.5155	1.51	1.50	1.51	1.52
GBP/SGD	1.7347	1.69	1.69	1.69	1.70
AUD/SGD	0.8582	0.85	0.84	0.85	0.85

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	0.75	0.75	0.75
RBA	3.60	3.60	3.60	3.60	3.60
RBNZ	2.25	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HL Bank

Up Next

Date	Events	Prior
23-Dec	AU RBA Minutes of Dec. Policy Meeting	
	SI CPI Core YoY (Nov)	1.20%
	US ADP Weekly Employment Change	16.250k
	US GDP Annualized QoQ (3Q S)	3.80%
	US Philadelphia Fed Non-Manufacturing Activity (Dec)	-16.3
	US Durable Goods Orders (Oct P)	0.50%
	US Cap Goods Orders Nondef Ex Air (Oct P)	0.90%
	US Industrial Production MoM (Nov)	0.10%
	US Richmond Fed Manufact. Index (Dec)	-15
	US Richmond Fed Business Conditions (Dec)	-15
	US Conf. Board Consumer Confidence (Dec)	88.7
24-Dec	US MBA Mortgage Applications	-3.80%
	US Initial Jobless Claims	224k

Source: Bloomberg

Note: Due to lapse in government services, US release dates are subject to change

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.