

Global Markets Research

Daily Market Highlights

24 Dec: Upward surprise for US 3Q GDP

Treasuries closed mixed; DXY fell but off intraday low; US stocks rallied
3Q GDP underpinned by strong consumer spending and net exports
AUD strengthened after RBA flagged upside risk to inflation

- US equities rose for its fourth session, with a surprising 4.3% pop in 3Q GDP lifting sentiment and with big tech stocks leading the way. The S&P 500 added 0.5% d/d, while the Nasdaq and the Dow also closed the session 0.6% d/d and 0.2% d/d higher.
- Elsewhere, Stoxx Eur 600 gained 0.3% d/d lifted by a surge in Novo Nordisk shares. Asian markets closed mostly in green, with Nikkei 225 and CSI 300 up in tune to 0-0.2% d/d.
- Treasuries closed mixed after the GDP pop. The 2Y yield closed the day 4bps higher at 3.53%, while the 10Y closed just above its flatline at 4.16%. In contrast, 10Y European bond yields closed the day 1-5bps lower (prior: 0 to +2bps)
- The DXY closed at 97.94 (-0.4% d/d), but off its session low of 97.85 thanks to the GDP report. JPY (0.5% d/d to 156.23) appreciated for the second day amid verbal warning from its officials, while AUD strengthened 0.7% d/d to 0.6702 after the RBA minutes showed that the central bank discussed the circumstances that it would have to pivot to an interest rate hike in 2026. On the regional front, SGD (1.2853) and MYR (4.0642) outperformed Asian currencies with gains in tune to 0.3% d/d each.
- Crude oil prices gained for the fifth straight day with US ramping pressure on Venezuela exports. The WTI settled at \$58.38/barrel (+0.6% d/d) and Brent at \$62.38/barrel (+0.5% d/d).

RBA's minutes flags upside risk to inflation, leaving the door for a rate hike in 2026

- Key highlights to the minutes to the latest RBA policy meeting include: 1) The RBA discussed circumstances of which rates may be raised which includes, amongst others, upside risks to the inflation. 2) The economy appeared to be operating with a degree of excess demand and it was not clear whether financial conditions were sufficiently restrictive to bring aggregate demand and supply back to balance. In this regard, members judged that the labour market was still a little tight

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,442.41	0.16
S&P 500	6,909.79	0.46
NASDAQ	23,561.84	0.57
Stoxx Eur 600	588.73	0.34
FTSE 100	9,889.22	0.24
Nikkei 225	50,412.87	0.02
CSI 300	4,620.73	0.20
Hang Seng	25,774.14	-0.11
Straits Times	4,638.97	0.62
KLCI 30	1,676.64	0.32
FX		
Dollar Index	97.94	-0.35
EUR/USD	1.1795	0.28
GBP/USD	1.3518	0.42
USD/JPY	156.23	-0.52
AUD/USD	0.6702	0.68
USD/CNH	7.0193	-0.17
USD/MYR	4.0642	-0.34
USD/SGD	1.2853	-0.27
USD/KHR	4,009.25	-0.02
USD/THB	31.12	-0.19
Commodities		
WTI (\$/bbl)	58.38	0.64
Brent (\$/bbl)	62.38	0.50
Gold (\$/oz)	4,482.80	0.86
Copper (\$/MT)	12,060.50	1.14
Aluminum(\$/MT)	2,939.00	-0.08
CPO (RM/tonne)	3,921.50	0.49

Source: Bloomberg, HL Bank

* Closing as of 22 Dec for CPO

and the output gap still positive. 3). Lastly but not least, RBA policy makers acknowledge that the full impact of the easing in monetary policy through 2025 has yet to be seen.

Strongest GDP growth in 2 years for the US

- The much-delayed 3Q GDP came in at an eye-popping 4.3% annualised q/q (prior: 3.8% q/q), a full ppts above the consensus expectation. This was primarily due to strong consumer spending (3.5% q/q vs 2.5% q/q) and net trade contributions to GDP (+1.6ppts vs +4.8ppts).
- Non-residential business investment, meanwhile, slowed to 2.8% (prior: 7.5% q/q), and indications are that it will ease further in 4Q. Although better than expected, capital goods nondef ex aircraft grew a mere 0.5% m/m in October (prior: 1.1% m/m). Another report showed industrial production barely rose on average across October (-0.1% m/m) and November (0.2% m/m), constrained by weak manufacturing output.
- The softer labour market (ADP private payrolls: 11.5k for week ending Dec 6 vs 17.5k for week ending Nov 29) and weaker than expected consumer confidence (Conference Board: 89.1 for Dec vs 92.9 for Nov) also does not bode well for consumer spending.
- All in, GDP is likely to be slower in 4Q, with added dent from the month-long government shutdown although this could reverse with the opening, setting the stage for stronger growth at the start of 2026.

Low and steady inflation rate for Singapore

- Singapore's inflation in November remained steady at 1.2% y/y, slightly below estimates as higher increase in prices of services was offset by a moderation in private transport and retail & other goods inflation, as well as a sharper decline in electricity & gas prices. Core also held steady at 1.2% y/y and is projected to come in at around 0.5% in 2025 before rising to 0.5-1.5% in 2026. The inflation outlook is subject to uncertainties, notably upside risks from supply shocks and downside risks due to a decline in global oil prices and a sharper-than-expected weakening in global demand.

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	3.1627	3.21	3.23	3.24	3.27
EUR/SGD	1.5156	1.51	1.50	1.51	1.52
GBP/SGD	1.7373	1.69	1.69	1.69	1.70
AUD/SGD	0.8614	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
24-Dec	US MBA Mortgage Applications	-3.80%
	US Initial Jobless Claims	224k
26-Dec	JN Tokyo CPI YoY (Dec)	2.70%
	JN Jobless Rate (Nov)	2.60%
	JN Retail Sales MoM (Nov)	1.60%
	JN Industrial Production MoM (Nov P)	1.50%
	SI Industrial Production SA MoM (Nov)	11.50%

Source: Bloomberg

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

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