

## Global Markets Research

### Daily Market Highlights

## 27 Aug: Nvidia earnings in the spotlight today

**DXY and longer-dated USTs battered by the Fed turmoil; US stocks gained modestly**

**Mixed data prints from the US – softer consumer & housing data; strong capex**

**Sturdy exports for Hong Kong and IPI growth for Singapore with E&E still tariff exempted**

- Tuesday saw a sell-off in the Dollar and longer-dated Treasuries as President Trump's push to remove Fed Governor Lisa Cook fuelled concerns over the central bank's independence. Stocks were an outlier amongst US assets, gaining 0.3-0.4% d/d, as traders largely shook off Trump's latest Fed turmoil, although trading remained rather lacklustre with traders largely awaiting the quarterly results from chip giant Nvidia.
- Elsewhere, Stoxx Eur 600 retreated 0.8% d/d pulled lower by French stocks (CAC 40: -1.7% d/d). This comes amid renewed political uncertainty in France, with Prime Minister François Bayrou announcing that he will seek a vote of confidence on 8-September. Asian markets mostly fell, with Hang Seng (-1.2% d/d) leading losses in the region while CSI 300 tumbled 0.4% d/d. This comes amid Trump's warning of a "200% tariffs or something" on China if it does not export rare-earth magnets to the US.
- In the bond space, the 2Y UST yield slid 5bps to 3.68%, benefitting from a solid 2Y auction, while the 10Y was down 1bps to 4.26%. The 20Y and 30Y yields, on the other hand, rose 2-3bps to close at 4.88% and 4.92% respectively. With the exception of the UK and Norwegian bonds, 10Y European sovereign bonds retreated 1-4bps, having inched up 1-9bps the day before.
- The Dollar weakened against all its G10 peers (except NOK), following the Fed turmoil, and the DXY closed the day 0.2% d/d lower at 98.23. Haven currencies CHF (+0.3% d/d) and JPY (+0.2% d/d to 147.40) were amongst the best performers in the G10 space, while regional currencies closed mixed against the greenback. SGD closed just slightly firmer at 1.2853, but MYR underperformed most of its peers and closed 0.3% d/d weaker at 4.2185 against the USD.
- Within the commodity space, the WTI and Brent plunged more than 2.0% d/d each to \$63.25/barrel and \$67.22/barrel amid a risk-off environment, and as investors waited for more clarity on oil supply because of the Russia-Ukraine war. This comes after the Department of Homeland Security issued a notice to double tariffs on all Indian imports as the US sought to penalize

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,418.07	0.30
S&P 500	6,465.94	0.41
NASDAQ	21,544.27	0.44
Stoxx Eur 600	554.20	-0.83
FTSE 100	9,265.80	-0.60
Nikkei 225	42,394.40	-0.97
CSI 300	4,452.59	-0.37
Hang Seng	25,524.92	-1.18
Straits Times	4,243.71	-0.30
KLCI 30	1,581.59	-1.30
<b>FX</b>		
Dollar Index	98.23	-0.21
EUR/USD	1.1642	0.21
GBP/USD	1.3480	0.19
USD/JPY	147.40	-0.27
AUD/USD	0.6495	0.20
USD/CNH	7.1533	-0.07
USD/MYR	4.2185	0.27
USD/SGD	1.2853	-0.02
USD/KHR	4,009.00	0.00
USD/THB	32.49	0.13
<b>Commodities</b>		
WTI (\$/bbl)	63.25	-2.39
Brent (\$/bbl)	67.22	-2.30
Gold (\$/oz)	3,388.60	0.44
Copper (\$/MT)	9,837.00	0.41
Aluminum(\$/MT)	2,638.00	0.51
CPO (RM/tonne)	4,419.00	-0.60

Source: Bloomberg, HL Bank

\* Closing as of 25 Aug for CPO

the country for buying Russian crude, a move seen as part of an effort to broker peace between Russia and Ukraine.

#### RBA signalled more rate cuts ahead but pace undecided

- No surprises from the minutes of the latest RBA policy meeting but highlights include: 1) Preserving full employment while bringing inflation sustainably back to the midpoint of the target range would likely require ***some further cuts in cash rate over the coming year***. That said, the ***pace of decline will be determined by the incoming data on a meeting-by-meeting basis***. 2) Several considerations warrant continuous gradual rate cut pace, namely – a little tight labour market conditions, inflation projected to stay above the midpoint of the target range, private demand showing signs of recovering, and amid uncertainty over the spare capacity/the neutral interest rate. 3) On the other hand, a slightly faster rate cut is warranted if the balance of risks to the forecasts becomes more clearly skewed to the downside because of the adverse developments in the global economy or if the labour market turned out already to be in balance.

#### US consumer confidence and home prices continued to soften; capex surprised on the upside

- August's Conference Board Consumer Confidence index came in at 97.4, slightly higher above consensus forecast but a downtick from July's upwardly revised 98.7. Both the present (131.2 vs 132.8) and expectations (74.8 vs 76.0) indices weakened, with rising worries over income and jobs offsetting more optimistic views of current and future business conditions.
- Core capital goods orders, a proxy for investment that excludes aircraft and military goods, increased more than expected by 1.1% m/m in July after a 0.6% m/m drop previously, while volatile transportation orders explained the 2.8% m/m drop for all durable goods (prior: -9.4% m/m). Stripping transportation, orders for durable goods jumped 1.1% m/m (prior: +0.3% m/m) as orders rose across most major categories. Despite the gain and added boost from companies taking advantage of the tax provisions under the One Big Beautiful Bill, companies are likely to remain cautious over capital spending and hirings given the elevated uncertainty over the erratic tariff announcements and state of the economy.
- June saw home price appreciation decelerating again, weighed down by seasonal factors as well as underlying weakness in demand amid dampened affordability. The FHFA House Price Index slowed to +2.6% y/y from +2.9% y/y previously, while the S&P CoreLogic CS moderated to +1.9% y/y (prior: +2.3% y/y), the latter marking its slowest since the summer of 2023.

## Sturdy exports for Hong Kong; exports to China and Asian markets offset lower demand from the US and the EU

- Exports unexpectedly grew at a stronger pace of +14.3% y/y in July as compared to +11.9% y/y previously, as exports to China and the majority of other Asian markets grew notably, while those to the US and the EU continued to fall. By product, export of some principal commodity divisions increased, in particular the electrical machinery, apparatus & appliances & electrical parts goods, which is tariff exempted as well as telecommunications & sound recording & reproducing apparatus & equipment.

## Singapore's IPI growth surprised on the upside with electronics growing at a strong pace

- Defying expectations for anaemic growth, Singapore's IPI surprised at the upside at +7.1% y/y and +8.2% m/m in July (prior: +7.1% y/y and -0.8% m/m). Excluding the more volatile biomedical industry, production rose by an even larger +9.4% y/y. Five of the six industry clusters saw output grow during the month, with the key electronics industry, picking up pace at +13.1% y/y (prior: +8.4% y/y).

## House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DX	96.27-100.00	98.32	96.29	94.99	93.77
EUR/USD	1.14-1.18	1.16	1.19	1.20	1.22
GBP/USD	1.32-1.36	1.36	1.38	1.39	1.40
USD/CHF	0.79-0.82	0.81	0.80	0.79	0.78
USD/JPY	145-151	147	144	140	137
AUD/USD	0.63-0.66	0.63	0.65	0.67	0.68
NZD/USD	0.58-0.61	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.20	7.20	7.16	7.12	7.10
USD/MYR	4.19-4.26	4.28	4.25	4.22	4.18
USD/SGD	1.27-1.31	1.29	1.26	1.24	1.22
USD/THB	32.14-32.89	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	3.60	3.60	3.35	3.10	3.10
RBNZ	3.00	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
27-Aug	AU Westpac Leading Index MoM (Jul)	-0.03%
	CH Industrial Profits YTD YoY (Jul)	-1.80%
	AU CPI Trimmed Mean YoY (Jul)	2.10%
	US MBA Mortgage Applications	-1.4%

28-Aug	EC Economic Confidence (Aug)	95.8
	US GDP Annualized QoQ (2Q S)	3.00%
	US Initial Jobless Claims	235k
	US Pending Home Sales MoM (Jul)	-0.80%

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.