8 September 2026

Global Markets Research

Daily Market Highlights

8 Sep: JPY rallied to its strongest since February

US cash markets were closed; European stocks were mixed; bond yields rose again

Heightened geopolitical and inflation concerns spurred monetary policy anxieties

Positive Eurozone 2Q GDP and Japan leading index; Singapore retail sales disappointed

- The US markets were closed for Labour Day holiday. In Europe, equities traded mixed as geopolitical tussles continue to unnerve investors. Eur Stoxx 600 ended flat while FTSE 100 shed 0.08% d/d. In Asia, major stock bourses also traded mixed. KOSPI (+4.6% d/d), Nikkei 225 (+2.1% d/d), led gainers while Hang Seng fell 0.9% on the day. Asian stocks are poised to open lower today as geopolitical and inflation concerns return to the fore, keeping investors away from riskier assets. Brent crude prices rose another 0.8% d/d to $97.00/barrel as of yesterday's close, off its intraday high of $98.06/ barrel but still marked its highest in six weeks as attacks on oil tankers and Saudi Aramco's refinery heightened supply concerns.
- European sovereign bonds were under pressure, pushing yields higher again by 1-6bps overall following higher oil prices and escalating geopolitical tension that ratcheted up monetary policy anxieties. The benchmark 10-year UK gilt yields rose 4bps to 5.18% while the German bunds added 5bps to 3.39%.
- On the FX front, the DXY traded in rangebound mode and fell below the 99-handle in early European session. It however managed to recoup all losses and closed flattish at 99.18. JPY was the outperformer again, rallying 1.2% d/d to 154.36 vs the USD at close, its strongest level since mid-February, after hitting 154.06 in intraday trading. While a break below the crucial 155 support level is paving the way for further downward move, the pair is currently oversold pointing to a technical consolidation.
- Most G10s traded firmer against the USD but gains were more modest at 0.08% for the EUR (1.1623), 0.2% for the GBP (1.3541), and 0.2% for the AUD (0.7218). Trading in regional currencies were mixed, with KRW and TWD outperforming while the MYR and CNH weakened marginally by 0.04% and 0.02% on the day to 4.0463 and 6.7092 vs the USD respectively. On the contrary,

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,414.25	-0.51
S&P 500	7,718.60	-0.38
NASDAQ	26,506.99	-0.29
Stoxx Eur 600	649.90	0.00
FTSE 100	10,822.13	-0.08
Nikkei 225	66,399.84	2.12
CSI 300	4,575.02	0.59
Hang Seng	25,413.12	-0.93
Straits Times	5,792.28	-0.17
KLCI 30	1,714.79	0.39
FX		
Dollar Index	99.18	0.00
EUR/USD	1.1623	0.08
GBP/USD	1.3541	0.16
USD/JPY	154.36	-1.22
AUD/USD	0.7218	0.21
USD/CNH	6.7092	0.02
USD/MYR	4.0463	0.04
USD/SGD	1.2659	-0.06
USD/KHR	4,050.00	0.07
USD/THB	32.87	-0.14
Commodities		
WTI ($/bbl)	91.22	-0.49
Brent ($/bbl)	97.00	0.75
Gold ($/oz)	4,441.90	-1.40
Copper ($/MT)	14,509.50	0.65
Aluminum($/MT)	3,312.00	0.56
CPO (RM/MT)	4,698.00	1.95

Source: Bloomberg, HL Bank

Note: Dow Jones, S&P 500, NASDAQ, WTI, Gold levels as at 4 Sep closing

SGD firmed 0.06% d/d to 1.2659 vs the greenback as at Monday's close.

Upside surprises in Eurozone final 2Q GDP and Sentix investor confidence are cementing the case for a ECB rate hike this week

- Final reading of 2Q GDP was revised higher to 0.6% q/q and 1.2% y/y (prior: 0.4% q/q and 1/0% y/y). This was a commendable pick-up from the 0% q/q and 0.6% y/y increase in 1Q, shored up entirely by exports (1.6ppt contribution) while domestic demand (-0.3ppt) and imports (-0.7ppt) were both subtractors to growth during the quarter. Within the domestic space, household spending (+0.4% vs +0.1% q/q) was offset by slower growth in government spending (+0.2% vs +0.5% q/q), and continued decline in investment (-0.1% vs -0.2% q/q). In a separate release, Sentix investor confidence improved more than expected to a 4.5-year high of 5.1 in September (Aug: 0.9), thanks to more upbeat expectations and smaller pessimism surrounding current situation. We opine this sort of cement the case for another ECB rate hike this Thursday, after a pause in July.

12-year high leading index pointed to better growth outlook ahead for Japan

- Leading index rose albeit slightly less than expected to 117.9 in July (Jun: 116.2 revised) but coincident index rose slightly more than expected to 120.6 (Jun: 118.5). This marked its highest reading since early 2014, led by gains in housing, stock prices, commodity prices and consumer confidence, which more than offset declines in producers' inventory ratio and small business sales forecast. The upward trajectory in the leading index signal improving outlook in the next 3-4 months, which is expected to reinforce the case for a BOJ rate hike.

Singapore retail sales softened more than expected in July

- Retail sales grew at a slower than expected pace of 1.5% y/y in July (Jun: 4.0% y/y), marking its slowest growth this year. Sales notably contracted at department stores, supermarkets, hypermarkets, mini marts and convenience stores, as well as fuel stations, a telling sign of slowing underlying domestic demand. Meanwhile, sales of other non-essential goods like recreational goods, watches & jewelry saw faster growth momentum, likely boosted by tourist spending, which may not be sustainable, in line with our expectation of slower growth outlook in the second half of the year.

Malaysia foreign reserves dipped to $132.0bn as at end-August but remained sufficient

- BNM foreign reserves skidded $0.7bn to $132.0bn as at 28-Aug (14-Aug: $132.7bn), but remaining near its highest since early 2014, reflecting sufficient buffer to weather any untoward external shocks, estimated to finance 4.7 months of goods and services imports and 0.9x the short term external debt.

House View and Forecasts

	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	97-100	102.28	100.86	99.42	98.07
EUR/USD	1.15-1.18	1.13	1.14	1.16	1.18
GBP/USD	1.33-1.37	1.29	1.30	1.32	1.33
USD/CHF	0.80-0.82	0.81	0.81	0.80	0.79
USD/JPY	152-159	162	159	155	153
AUD/USD	0.70-0.73	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57
USD/CNY	6.70-6.73	6.85	6.78	6.72	6.65
USD/MYR	4.02-4.07	4.15	4.11	4.07	4.03
USD/SGD	1.25-1.28	1.31	1.30	1.28	1.27
USD/THB	32.50--33.50	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
SGD/MYR	3.20	3.18	3.17	3.17	3.17
EUR/SGD	1.47	1.47	1.48	1.49	1.50
GBP/SGD	1.71	1.69	1.69	1.69	1.69
AUD/SGD	0.91	0.89	0.90	0.91	0.91

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.50	2.50	2.50	2.50
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.00	1.00	1.25	1.25	1.25
RBA	4.35	4.35	4.35	4.35	4.35
RBNZ	2.50	2.50	2.50	2.50	2.50
BNM	2.75	2.75	2.75	3.00	3.00

Source: HL Bank

Up Next

Date	Events	
8-Sep	JN Labor Cash Earnings YoY (Jul)	3.40%
	JN GDP Annualized SA QoQ (2Q F)	1.10%
	JN Trade Balance BoP Basis (Jul)	-¥135.2b
	AU Westpac Consumer Conf SA MoM (Sep)	6.00%
	AU NAB Business Confidence (Aug)	-6
	AU NAB Business Conditions (Aug)	4
	JN Eco Watchers Survey Outlook SA (Aug)	45.8
	US NFIB Small Business Optimism (Aug)	99.8
	US NY Fed 1-Yr Inflation Expectations (Aug)	3.63%

	CH Exports YoY (Aug)	23.90%
9-Sep	US Consumer Credit (Jul)	$14.173b
	CH PPI YoY (Aug)	3.50%
	CH CPI YoY (Aug)	0.50%
	MA Industrial Production YoY (Jul)	6.50%
	MA Manufacturing Sales Value YoY (Jul)	9.80%
	JN Machine Tool Orders YoY (Aug P)	50.40%
	US MBA Mortgage Applications (4-Sep)	0.80%

Source: Bloomberg