10 June 2026

Global Markets Research

Daily Market Highlights

10 June: CPIs expected from the US and China today

Lower UST yields & DXY ahead of US CPI; US stocks closed mixed; tech lagged
Escalating tension following US' strike on Iran could weigh on market sentiment
Strong trade data from US & China; better than expected US existing home sales

- Wall Street closed mixed as the nascent tech rebound was short-lived and came to a halt on Tuesday, weighing on Nasdaq (-1.0% d/d) as well as on the S&P 500 (-0.3% d/d) in Wall Street overnight. The Dow was the outlier with a marginal gain of 0.2% d/d in a day of volatile trading, with most stocks outside of tech and energy closing in the green overnight.
- Oil, meanwhile, pulled back around 3.0% d/d to $88.20/barrel for the WTI and $91.71/barrel for Brent, although oil pared some of their losses after President Trump said that the US must 'respond' after Iran shot down US' helicopter over the Strait of Hormuz.
- Elsewhere, European stocks fell 0.5% d/d with energy, mining and tech stocks underperforming, Asian equities closed mixed (Nikkei 225: +2.2% d/d, CSI 300: +1.9% d/d, Hang Seng: -0.4% d/d) but are likely to trend lower today after US forces struck Iran at the point of writing, escalating tension in the Middle East. Aside from the geopolitical news, traders will also be watching out for the US CPI tonight and from the US corporate front, upcoming mega IPOs including SpaceX and OpenAI.
- In the bond space, treasury yields closed lower ahead of US CPI release, where expectations are that headline and core will accelerate to 4.2% y/y and 2.9% y/y in May. Both the 2Y and 10Y yields closed the day 4-5bps lower at 4.12% and 4.52%. while 10Y European bond yields dipped between 1-4bps.
- The DXY was marginally lower (-0.1% d/d to 99.91) for the second session as traders await US CPI, albeit with a brief spike after Trump's vow to attack Iran. G10 currencies closed mixed against the greenback. AUD (-0.2% d/d to 0.7030) and JPY (-0.1% d/d to 160.36) lagged, while GBP (0.3% d/d to 1.3380) and EUR (0.1% d/d to 1.1543) outperformed, the latter ahead of expectations of an ECB rate hike tomorrow. JPY, meanwhile, will likely be well supported by the smaller than

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	50,872.11	0.17
S&P 500	7,386.65	-0.26
NASDAQ	25,678.82	-0.97
Stoxx Eur 600	618.64	-0.50
FTSE 100	10,227.33	-1.41
Nikkei 225	65,416.63	2.17
CSI 300	4,801.81	1.87
Hang Seng	24,565.90	-0.37
Straits Times	5,023.25	1.20
KLCI 30	1,675.50	-0.24
FX		
Dollar Index	99.91	-0.14
EUR/USD	1.1543	0.08
GBP/USD	1.3380	0.30
USD/JPY	160.36	0.12
AUD/USD	0.7030	-0.21
USD/CNH	6.7786	-0.09
USD/MYR	4.0600	-0.35
USD/SGD	1.2868	-0.12
USD/KHR	4,024.00	-0.08
USD/THB	32.86	-0.05
Commodities		
WTI ($/bbl)	88.20	-3.40
Brent ($/bbl)	91.45	-2.97
Gold ($/oz)	4,260.00	-1.75
Copper ($/MT)	13,615.00	0.00
Aluminum($/MT)	3,547.50	-1.57
CPO (RM/MT)	4,452.00	-0.04

Source: Bloomberg, HL Bank

expected pullback in PPI print released this morning (0.9% m/m in May vs 2.8% m/m in April).

- IDR (0.7% d/d) led regional FX gains against the greenback, spurred by Bank Indonesia's surprised 25bps rat hike, followed by INR (0.4% d/d) and MYR (0.4% d/d to 4.0600). SGD and CNH closed 0.1% d/d stronger against the greenback at 1.2868 and 6.7786 respectively.

Narrower trade deficit and higher existing home sales bode well for US 2Q GDP

- Trade deficit narrowed more than expected to \$55.9bn in April from \$56.6bn previously as exports surged (2.6% m/m vs 2.2% m/m) tied to oil exports, offsetting gains in imports (2.0% m/m vs 2.3% m/m) powered by the data centre buildout. While higher prices contributed to some of the trade momentum, the solid imports of AI-related products and capital goods (6.1% m/m and 1.7% m/m) signals sustained AI boom and broad capex spending in the near term. In fact, the Semiconductor Industry Association recently revised up its 2026's semiconductor sales projections to \$1.5tn up from its initial estimate of \$1.0tn.
- May's existing home sales rose more than expected by 3.2% m/m (prior: 0.7% m/m) to its highest level since December. Improved affordability with income gains outpacing home price growth drove the uptick heading into the spring selling season, and more than offset the higher mortgage rates recorded recently. Increased home sales also suggest a boost in housing-related spending (like furniture purchases) in the next few months.
- NFIB Small Business Optimism index unexpectedly fell 0.6 points to 95.3 in May, staying below its long-term average of 98.0 as struggles against significant and unpredictable hikes in fuel prices outweighed enthusiasm around AI spending.

Australia's consumers and businesses remained pessimistic

- Consumers and businesses remained pessimistic. The Westpac Consumer Confidence index fell 2.9% m/m in June after gaining 3.5% m/m previously, as consumers reported more pressure on finances and fearful about the year ahead, the latter seeing the medium-term outlook falling to its 3Y low. The NAB Business Confidence index meanwhile, improved 9 points to -14 in May, off a very low base and thus, still weak. Margin pressures are likely to remain a downside factor for businesses in the months ahead.

China's trade data picked up pace, shrugging of impact from the Middle East war

- China's exports and imports expanded at a faster pace in May. Exports grew 19.4% y/y in May (Apr: 14.1% y/y), topping forecasts as booming demand for AI exports continued to help buffer the economy against disruption from the Iran war. Imports growth also outpaced expectations at 27.4% y/y (prior: 25.3% y/y). The solid data partially reflects a lower base effect as well as higher prices during the month. With demand still narrowly concentrated in selected categories like semiconductor chips and gold (for imports), it is thus, in our view, hardly sign of a broad pick-up in domestic demand nor a rebalancing for the Chinese economy.

Jump in Malaysia's foreign reserves

- Foreign reserves amounted to $130.6bn as of end-May, an uptick of $1.1bn from the fortnight prior (1H of May: -$0.2bn to $129.5bn). The reserves position is sufficient to finance 4.6 months of imports of goods and services, and is 0.9 times of total short-term external debt.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	97-101	100.63	99.80	97.96	96.48
EUR/USD	1.14-1.18	1.14	1.15	1.17	1.19
GBP/USD	1.32-1.36	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.81	0.79	0.78	0.76	0.75
USD/JPY	157-161	159	155	152	152
AUD/USD	0.69-0.74	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.75-6.80	6.93	6.88	6.84	6.77
USD/MYR	4.00-4.08	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.30	1.29	1.28	1.27	1.25
USD/THB	32.20-33.20	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
SGD/MYR	3.1581	3.09	3.10	3.11	3.12
EUR/SGD	1.4856	1.47	1.47	1.48	1.50
GBP/SGD	1.7215	1.69	1.69	1.69	1.69
AUD/SGD	0.9044	0.88	0.88	0.88	0.89

Rates, %	Current	2Q26	3Q26	4Q26	1Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.00	2.25	2.50	2.50	2.50
BOE	3.75	4.00	4.25	4.25	4.25
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	1.00	1.00	1.00	1.00
RBA	4.35	4.35	4.35	4.35	4.35
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

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Date	Events	Prior
10-June	CH PPI YoY (May)	2.80%
	CH CPI YoY (May)	1.20%
	US MBA Mortgage Applications (June 5th)	-2.50%

	US Core CPI YoY (May)	2.80%
	US Real Avg Weekly Earnings YoY (May)	-0.20%
11-June	EC ECB Deposit Facility Rate	2.00%
	US Initial Jobless Claims (June 6th)	225k
	US PPI Final Demand YoY (May)	6.00%

Source: Bloomberg

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