

## Global Markets Research

## Daily Market Highlights

## 11 Feb: All eyes on January's non-farm payroll today

**Consensus expecting job gains to pick up to 65k after December's 50k gain**  
**Soft US retail sales saw traders upping rate cut bets; UST yields & DXY fell**  
**AUD amongst G10 laggards with RBA rate hike denting consumer sentiment**

- A choppy trading session for Wall Street, with an early session rally short-lived and stifled by a sell-off in consumer staples and financial stocks, the former following the weaker-than-expected retail sales data, while appetite for the latter was dampened after tech platform Altruist launched a new AI-powered tax planning tool, raising concerns of growing AI threat to financial firms' wealth management businesses. The S&P 500 and Nasdaq slid 0.3% d/d and 0.6% d/d, but Dow rose 0.1% d/d lifted by gains in Goldman Sachs and Home Depot shares.
- Meanwhile, Tuesday was a busy day for corporate earnings in Europe. Despite a mixed slew of results, Stoxx Eur 600 closed 0.1% d/d lower. In Asia, Nikkei 225 (2.3% d/d) closed at another record high riding on Takaichi's landslide victory, while most regional bourses also closed in green. Hang Seng was up 0.6% d/d, while CSI 300 climbed 0.1% d/d.
- Treasuries surged as a weaker than expected retail sales print saw traders slightly raising odds of more Fed rate cuts this year. The benchmark 2Y yield fell 3bps to 3.45%, while the 10Y retreated 6bps to 4.14%. Save for the Norwegian bonds, 10Y European sovereign bond yields fell 2-4bps after closing mixed the previous day.
- On the FX front, the DXY dipped to as low 96.61 after the weak retail sales data, but pared its losses to close just below its flatline at 96.80. JPY (1.0% d/d to 154.39) strengthened for the second day and outperformed its G10 peers, while GBP (-0.4% d/d to 1.3643) and AUD (-0.3% d/d to 0.7075) lagged, the latter following a soft consumer sentiment reading hit by earlier RBA's hawkish hike.
- MYR strengthened 0.3% d/d to 3.9240, and led gains amongst Asian FX, while SGD appreciated 0.1% d/d to 1.2647 following the upward revision to Singapore's 4Q's GDP growth and 2026's growth forecast.
- Oil prices were steadier, edging just a tad lower between 0.4-0.6% d/d with traders waiting for signals on the US-Iran

## Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	50,188.14	0.10
S&P 500	6,941.81	-0.33
NASDAQ	23,102.47	-0.59
Stoxx Eur 600	620.97	-0.07
FTSE 100	10,353.84	-0.31
Nikkei 225	57,650.54	2.28
CSI 300	4,724.30	0.11
Hang Seng	27,183.15	0.58
Straits Times	4,964.25	0.07
KLCI 30	1,747.54	-0.21
<b>FX</b>		
Dollar Index	96.80	-0.02
EUR/USD	1.1895	-0.16
GBP/USD	1.3643	-0.37
USD/JPY	154.39	-0.96
AUD/USD	0.7075	-0.25
USD/CNH	6.9121	-0.04
USD/MYR	3.9240	-0.27
USD/SGD	1.2647	-0.08
USD/KHR	4,028.00	-0.05
USD/THB	31.16	-0.24
<b>Commodities</b>		
WTI (\$/bbl)	63.96	-0.62
Brent (\$/bbl)	68.80	-0.35
Gold (\$/oz)	5,003.80	-0.93
Copper (\$/MT)	13,108.00	-0.52
Aluminum(\$/MT)	3,093.00	-1.04
CPO (RM/tonne)	4,111.00	0.09

Source: Bloomberg, HL Bank

\* Closing as of 9 Feb for CPO

tension as well as data on the US labour front. Brent closed the day at \$68.80/barrel and the WTI at \$63.96/barrel.

### US retail sales disappointed; contained wage-push inflation and imported prices

- Retail sales ended 2025 on a downbeat note, unexpectedly stalling in December after a robust 0.6% m/m growth the prior month. Monthly sales rose in just 5 of the 13 retail categories, led by materials and sporting goods, while clothing and electronics declined. Given the lively sales prior to December, the disappointing data could likely reflect some pull-backs after the steep discounts during the Black Friday and Cyber Monday sales in November, with added dampener from the severe winter storm, which could keep shoppers at bay.
- In other economic news, the employment cost index unexpectedly slowed to 0.7% q/q in 4Q (prior: 0.8% q/q), reinforcing Fed's view that wage push inflation is easing, while December's import prices matched expectations and grew by 0.1% m/m. Import prices were unchanged from a year ago.
- The NFIB Small Business Optimism unexpectedly fell 0.2ppts to 99.3 in January. The index at this level remained above its long-term average and signals cautiously optimistic small business owners, in a wait-and-see mode when it comes to decisions about expanding their business.

### Consumer sentiment softened after RBA raised rates in February

- Mixed prints on the Aussie front. While the NAB Business Confidence index improved 1ppt to 3 in January, the Westpac Consumer Sentiment index fell at a larger pace of 2.6% m/m in February (prior: -1.7% m/m) after that RBA raised rates for the first time in more than a year. The impact remains mild at this level, but the tightening cycle could put renewed downward pressures on consumer finances and attitudes towards major purchases forward.

### House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DX	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.17-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.33-1.37	1.36	1.37	1.37	1.35
USD/CHF	0.75-0.80	0.78	0.78	0.78	0.78
USD/JPY	153-160	153	149	147	147
AUD/USD	0.67-0.71	0.68	0.69	0.70	0.69
NZD/USD	0.58-0.62	0.58	0.59	0.59	0.58
USD/CNY	6.92-6.97	6.90	6.83	6.85	6.90
USD/MYR	3.91-3.99	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.29	1.26	1.23	1.23	1.24
USD/THB	30.60-31.90	32.2	32.1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
SGD/MYR	3.1009	3.17	3.21	3.23	3.22
EUR/SGD	1.5046	1.51	1.50	1.50	1.50
GBP/SGD	1.7255	1.71	1.70	1.69	1.68
AUD/SGD	0.8949	0.86	0.86	0.86	0.86

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.50-3.75	3.25-3.50	3.00-3.25	2.75-3.00
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	1.00	1.00
RBA	3.85	3.85	4.10	4.10	4.10
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
11-Feb	CH PPI YoY (Jan)	-1.90%
	CH CPI YoY (Jan)	0.80%
	US MBA Mortgage Applications	-8.90%
	US Real Avg Weekly Earnings YoY (Jan)	1.10%
	US Change in Nonfarm Payrolls (Jan)	50k
	US Unemployment Rate (Jan)	4.4%
12-Feb	JN PPI YoY (Jan)	2.40%
	UK GDP QoQ (4Q P)	0.10%
	US Initial Jobless Claims	231k
	US Existing Home Sales MoM (Jan)	5.10%
	SI Budget Balance % of GDP (2026)	0.90%

Source: Bloomberg

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