

Global Markets Research

Daily Market Highlights

15 May: Little ripples from Trump-Xi meeting

UST yields and DXY rose following resilient US retail sales and import prices

GBP weakened amid political risk; UK 1Q GDP picked up 0.6% q/q as expected

Today: Malaysia and Hong Kong 1Q GDP; more headlines from Trump-Xi meeting

- US equities continued their upswing on Thursday. The Dow advanced 0.8% d/d and reclaimed the 50k level while S&P 500 (0.8% d/d) topping 7.5k for the first time. Nasdaq rallied 0.9% d/d, with stocks linked to AI largely taking the spotlight after Cisco Systems delivered a better-than-expected results and guidance, which included plans to cut jobs to facilitate resources into AI spending. Cerebras System also soared at debut, while Nvidia also rallied after reports that the US has cleared about 10 Chinese firms to purchase Nvidia's H200 chip.
- Outside of tech, sentiment was also supported by signs of still resilient consumer spending and relatively stable oil prices (Brent: +0.1% d/d to \$105.72/barrel; WTI: +0.2% d/d to \$101.17/barrel). Oil prices stabilized as President Trump and President Xi Jinping agreed that the Strait of Hormuz should remain a free waterway.
- Some other notable mentions from the meeting include: 1) US and China discussed ways to enhance economic cooperation, including measures to expand American businesses into China and vice-versa. 2) Increasing trade ties, including China's purchases of American agriculture goods. 3) Xi warned that mishandling Taiwan issues could jeopardise US-China relationship. 4) Trump said Xi offered to help US in the Iran peace negotiation.
- European stocks (Stoxx 600: 0.8% d/d) closed up, while Asian bourses traded mixed (Nikkei 225: -1.0% d/d; Hang Seng: mild gains; CSI 300: -1.7% d/d) as investors look to the meeting between Trump-Xi.
- In the bond space, mounting inflationary concerns continued to send 2Y and 10Y treasury yields up to 4.02% (+4bps) and 4.48% (+1bps), while the UK's political turbulence stayed high up on the news agenda. Yields on UK gilts fell 6-9bps across the curve, while on the FX front, GBP (-0.9% d/d to 1.3403) led G10 losses against the greenback.
- The DXY gained 0.3% d/d to 98.82 with boost from the resilient US retail sales print, with EUR (1.1669), JPY (158.37) and AUD (0.7221), weakening 0.3-0.5% d/d against USD. The

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	50,063.46	0.75
S&P 500	7,501.24	0.77
NASDAQ	26,635.22	0.88
Stoxx Eur 600	616.05	0.76
FTSE 100	10,372.93	0.46
Nikkei 225	62,654.05	-0.98
CSI 300	4,914.60	-1.68
Hang Seng	26,389.04	0.00
Straits Times	4,995.94	-0.16
KLCI 30	1,745.58	-0.04
FX		
Dollar Index	98.82	0.30
EUR/USD	1.1669	-0.36
GBP/USD	1.3403	-0.89
USD/JPY	158.37	0.32
AUD/USD	0.7221	-0.51
USD/CNH	6.7867	-0.01
USD/MYR	3.9310	0.01
USD/SGD	1.2760	0.26
USD/KHR	4,011.75	0.02
USD/THB	32.33	-0.07
Commodities		
WTI (\$/bbl)	101.17	0.15
Brent (\$/bbl)	105.72	0.09
Gold (\$/oz)	4,685.30	-0.45
Copper (\$/MT)	13,938.50	-1.52
Aluminum(\$/MT)	3,657.50	0.14
CPO (RM/MT)	4,350.00	0.00

Source: Bloomberg, HLBB Global Markets Research

much stronger than expected April's PPI (4.9% y/y vs 2.9% y/y) for Japan release this morning will nonetheless raised expectations that the BOJ will deliver a rate hike soon, likely to keep JPY well supported today.

- Asian FX traded mixed against the Dollar. MYR and SGD traded 0-0.3% d/d weaker at 3.9310 and 1.2760 respectively, while CNH closed just above its flatline at 6.7867.

Elevated energy prices pushed up US retail sales, import prices

- Higher gasoline prices lifted retail sales up 0.5% m/m in April as expected (prior: 1.6% m/m), but stripping this, there is little sign that higher fuel costs, nor weak consumer confidence, are forcing consumers to cut back spending on other things. Beyond gas stations, higher food prices lifted restaurant and grocery costs, while sales discretionary items like sporting goods and electronics also rose during the month. However, sale of big-ticket items like auto and furniture sales fell.
- The report suggests that tax refund and wealth effect from the stock market rally should help to cushion the impact from the mounting inflationary pressures in the near term, likely leaving room for the Fed to maintain its policy rates unchanged for now, in line with our house view.
- In other data releases, April's import prices (1.9% m/m vs 0.9% m/m) surprised on the upside again on energy costs, but even outside those, we saw observed broad-based increases in prices from capital goods to food, consumer excluding auto as well as industrial supplies & materials, the latter may partially reflect higher shipping rates.
- Initial jobless claims rose more than expected by 12k to 211k for the week ended May 9 (prior: +9k), while continuing claims jumped 24k to 1782k for the week ended May 2 (prior: -18k). That said, claims at this level remain low and consistent with a low hire, low fire labour market.

Preliminary 1Q GDP for the UK matched expectations at 0.6% due to bumper February

- UK economy kicked off 2026 on a positive note, with growth accelerating to 0.6% q/q in 1Q from 0.2% q/q previously. The reading was within consensus forecast but a shade above BOE's projection of 0.5% m/m. The strong start was largely due to a bumper February before the Iran war, where the economy grew 0.4% m/m. Growth has since eased to 0.3% m/m in March with services growth moderating to 0.3% m/m (prior: 0.5% m/m), offsetting stronger output for both construction (1.5% m/m vs 0.5% m/m) and manufacturing (1.2% m/m vs -0.2% m/m), a telltale sign that growth momentum is already slowing even before consumers and businesses face headwind from sustained elevated energy cost and tighter funding condition.

Softer-than-expected credit financing for China

- Credit expansion was softer than expected for the first four months of the year with aggregate financing at 15.5tn yuan and new yuan loans at 8.6tn yuan. April's credit data continues to show a slump in household lending and corporate financing, suggesting that weak sentiment for households and businesses will continue to weigh on domestic demand.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	96-100	100.63	99.80	97.96	96.48
EUR/USD	1.16-1.19	1.14	1.15	1.17	1.19
GBP/USD	1.34-1.37	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.80	0.79	0.78	0.76	0.75
USD/JPY	154-159	159	155	152	152
AUD/USD	0.70-0.74	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.78-6.87	6.93	6.88	6.84	6.77
USD/MYR	3.88-3.94	3.98	3.96	3.93	3.90
USD/SGD	1.25-1.28	1.29	1.28	1.27	1.25
USD/THB	31.50-32.90	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
SGD/MYR	3.0880	3.09	3.10	3.11	3.12
EUR/SGD	1.4891	1.47	1.47	1.48	1.50
GBP/SGD	1.7101	1.69	1.69	1.69	1.69
AUD/SGD	0.9214	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	3.25-3.50	3.25-3.50
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

Up Next

Date	Events	Prior
15-May	MA GDP YoY (1Q F)	5.30%
	HK GDP YoY (1Q F)	5.90%
	US Empire Manufacturing (May)	11
16-May	US Industrial Production MoM (Apr)	-0.50%
	SI Non-oil Domestic Exports YoY (Apr)	15.30%
	CH New Home Prices MoM (Apr)	-0.21%
	CH Used Home Prices MoM (Apr)	-0.24%
	CH Retail Sales YoY (Apr)	1.70%
	CH Industrial Production YoY (Apr)	5.70%
	CH Fixed Assets Ex Rural YTD YoY (Apr)	1.70%
	CH Surveyed Jobless Rate (Apr)	5.40%
	US New York Fed Services Business Activity (May)	-14

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