

7 July 2025

Global Markets Research

Daily Market Highlights

7 Jul: All eyes on the 12 signed tariff letters today

**Signed tariff letter to 12 nations to be sent out today; Cautious trading expected
DXY closed flat; JPY strengthened, AUD weakened before RBA decision tomorrow
Tame PPI for Eurozone; Australia's and Singapore's spending data accelerated**

- US markets were closed for Independence Day but elsewhere, European equities (Stoxx Eur 600: -0.5% d/d) lost ground after President Trump said that he had signed tariff letters to 12 countries, with the offers to be sent out today. Trading in European sovereign bonds were muted and yields closed the day lower between 0-2bps, with the exception of French and UK bonds. Asian markets traded mixed, and are set for cautious trading today as the tariff uncertainty looms.
- In the forex space, the Dollar traded mixed versus its G10 peers after President Trump's announcement, and the DXY closed flat at 97.18. JPY (+0.3% d/d to 144.47) outperformed all its G10 peers after data showed that Japan's household spending rose the most since summer 2022 in a sign of consumer resiliency. EUR (+0.2% d/d to 1.1778) also strengthened against the Dollar, but GBP (just below flatline at 1.3650) and AUD (-0.2% d/d to 0.6556) lagged, the latter ahead of its RBA's monetary policy meeting tomorrow where a 25bps rate cut is expected. Regional currencies closed mixed between +/-0.4% d/d to the Dollar, with MYR closing just slightly weaker at 4.2225, while SGD appreciated 0.1% d/d to 1.2741 against the greenback.
- In the commodity space, the Brent tumbled 0.7% d/d to US\$68.30/barrel after OPEC+ agreed to lift its production by a larger-than-expected 548k barrels in August.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,828.53	0.77
S&P 500	6,279.35	0.83
NASDAQ	20,601.10	1.02
Stoxx Eur 600	541.13	-0.48
FTSE 100	8,822.91	0.00
Nikkei 225	39,810.88	0.06
CSI 300	3,982.20	0.36
Hang Seng	23,916.06	-0.64
Straits Times	4,013.62	-0.15
KLCI 30	1,550.19	0.08
FX		
Dollar Index	97.18	0.00
EUR/USD	1.1778	0.18
GBP/USD	1.3650	-0.04
USD/JPY	144.47	-0.32
AUD/USD	0.6556	-0.23
USD/CNH	7.1633	-0.10
USD/MYR	4.2225	0.02
USD/SGD	1.2741	-0.09
USD/KHR	4,014.00	0.01
USD/THB	32.36	-0.06
Commodities		
WTI (\$/bbl)	67.00	-0.67
Brent (\$/bbl)	68.30	-0.73
Gold (\$/oz)	3,342.90	-0.50
Copper (\$\$/MT)	9,864.50	-0.90
Aluminum(\$/MT)	2,590.00	-0.58
CPO (RM/tonne)	4,048.00	0.76

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 3 July for CPO, Dow Jones, S&P 500, Nasdaq, WTI, Gold

Tame producer prices for the Eurozone

- Matching expectations, producer prices (PPI) fell 0.6% m/m and grew at a softer pace of +0.3% y/y in May (Prior: -2.2% m/m and +0.7% y/y). Echoing ECB's Francois Villeroy de Galhau comment recently, we opine that lower energy prices and EUR's appreciation has clearly a disinflationary effect on Eurozone's prices.

Australia's household spending rose; consensus still anticipating a rate cut in the RBA meeting this week

- Household spending rose more than expected by 0.9% m/m in May, following a flat result in April and -0.1% m/m in March. This marks its fastest pace of growth in 5 months, driven by spending on discretionary goods and services, supporting our view of only gradual rate cuts going forward (-25bps in 3Q and -25bps in 4Q). This is compared to market expectations of a rate cut in the RBA meeting later in the week, and another quarter point each by the September and December meetings respectively.

Hong Kong's PMI fell to its lowest since March 2022

- June's S&P headline PMI (47.8 vs 49.0) showed that business conditions worsened to its sharpest rate since March 2022 as demand conditions deteriorated both domestically and externally. Forward-looking indicators, including new orders and future activity indices, signals that the contraction could deepen over the 2H of 2025.

Singapore retail sales continued to grow, driven by motor vehicle sales

- Retail sales accelerated at a slower pace than expected by 1.4% y/y in May, continuing the 0.2% y/y growth reported in the prior month. The increase was mainly attributed to double-digit growth in motor vehicle sales and excluding this, sales were flat. Performance was mixed across the sub-sectors, with sales or computer & telecommunications equipment and supermarkets & hypermarkets industries recording y/y growth, while spending at petrol service stations and retailers of wearing apparel & footwear fell.

Strongest GDP growth in 3 years for Vietnam

- Defying expectations for slower growth, Vietnam's GDP grew at a stronger pace of 8.0% y/y in 2Q (1Q: 7.1% y/y), bringing 1H of growth at 7.5% y/y and marking its strongest quarter in 3 years. All in all, 1H performance was positive and indicators suggest that the government will achieve its official target of 6.5-7.5% despite the ongoing global economic and trade uncertainties. Achieving the Prime Minister Pham Minh Chinh's aim of 8.0% nonetheless remains a challenge given anticipation of slower global trade growth, paybacks from the front-loading and higher base effects in 2H.

House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DX	95.75-98.75	96.88	98.60	97.69	96.58
EUR/USD	1.16-1.19	1.18	1.16	1.18	1.19
GBP/USD	1.34-1.38	1.37	1.34	1.35	1.36

USD/CHF	0.78-0.82	0.79	0.84	0.84	0.85
USD/JPY	142-148	143	146	145	142
AUD/USD	0.64-0.67	0.66	0.65	0.65	0.66
NZD/USD	0.59-0.62	0.61	0.60	0.59	0.60
USD/CNY	7.15-7.19	7.16	7.13	7.17	7.10
USD/MYR	4.19-4.26	4.21	4.24	4.24	4.20
USD/SGD	1.26-1.29	1.27	1.30	1.31	1.30
USD/THB	32.00-33.10	32.50	33.00	33.10	32.70

Rates, %	Current	2Q-25	3Q-25	4Q25	1Q26
Fed	4.25-4.50	4.25-4.50	4.00-4.25	3.75-4.00	3.50.-3.75
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.25	4.25	4.00	3.75	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	3.85	3.85	3.60	3.35	3.10
RBNZ	3.25	3.25	3.00	2.75	2.75
BNM	3.00	3.00	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
7-Jul	JN Labor Cash Earnings YoY (May)	2.30%
	JN Leading Index CI (May P)	104.2
	MA Foreign Reserves	\$119.9b
	EC Sentix Investor Confidence (Jul)	0.2
	EC Retail Sales MoM (May)	0.10%
8-Jul	JN Bank Lending Incl Trusts YoY (Jun)	2.40%
	AU NAB Business Confidence (Jun)	2
	AU NAB Business Conditions (Jun)	0
	AU RBA Cash Rate Target	3.85%
	JN Eco Watchers Survey Outlook SA (Jun)	44.8
	US NFIB Small Business Optimism (Jun)	98.8
	US NY Fed 1-Yr Inflation Expectations (Jun)	3.20%

Source: Bloomberg

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