

7 August 2025

## Global Markets Research

### Daily Market Highlights

## 7 Aug: All eyes on the BOE today

**Apple to raise investment in the US by \$100bn, boosting tech stocks and Nasdaq**

**Trump vowed 100% tariff on chips; 0% for investors like Apple; additional 25% for India**

**Treasuries closed mixed; USD weakened against all G10 peers; mixed against Asian FX**

- A rally in Apple and other big tech stocks sent Nasdaq near its record. Nasdaq surged 1.2% d/d overnight, while the S&P 500 and Dow chalked smaller gains of 0.7% d/d and 0.2% d/d respectively. Apple climbed 5.1% after a White House official said that the iPhone maker is going to boost its investment in domestic manufacturing by \$100bn.
- Meanwhile, trade developments continue to unfold. For buying Russian oil, **Trump's administration slapped an additional 25% tariff on goods from India bringing it to 50%**, while the President warned that Russia must strike a peace deal with Ukraine soon or risk severe penalties. The President also vowed a 100% tariff on chips, but 0% for US investors like Apple.
- Elsewhere, pharma stocks in Europe and semiconductor shares in Asia tumbled following Trump's recent threat of tariffs for these sectors. Stoxx Eur 600 closed the day 0.1% d/d lower, while the broad equity indices in Asia still managed to close in greens led by Nikkei 225 (+0.6% d/d).
- In the bond space, Treasury yields closed mixed with the long-end underperforming. The 2Y yield slid 1bps to 3.71%, while the 10Y yield rose 2bps to 4.23% after the 10Y auction saw poor demand. Save for Norwegian sovereign bonds, 10Y European bonds were modestly higher between 1-4bps (prior: +/-2bps).
- In the forex space, the greenback weakened against all its G10 peers, pushing the DXY down 0.6% d/d to 98.18. EUR (+0.7% d/d to 1.1660) was the best performer, while CHF (+0.2% d/d) trailed as the US-Swiss trade negotiation got underway. On the regional front, Asian currencies closed mixed against USD, with SGD appreciating 0.2% d/d to 1.2855, while MYR closed just below its flatline at 4.2295.
- Oil prices see-sawed with traders waiting on Trump's move against Russia, and closed the day lower for the fifth day. The WTI fell 1.2% d/d to \$64.35/barrel, while Brent slid 1.1% d/d to \$66.89/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	44,193.12	0.18
S&P 500	6,345.06	0.73
NASDAQ	21,169.42	1.21
Stoxx Eur 600	541.07	-0.06
FTSE 100	9,164.31	0.24
Nikkei 225	40,794.86	0.60
CSI 300	4,113.48	0.24
Hang Seng	24,910.63	0.03
Straits Times	4,227.70	0.45
KLCI 30	1,541.48	0.18
<b>FX</b>		
Dollar Index	98.18	-0.61
EUR/USD	1.1660	0.73
GBP/USD	1.3357	0.44
USD/JPY	147.37	-0.17
AUD/USD	0.6503	0.46
USD/CNH	7.1853	-0.05
USD/MYR	4.2295	0.03
USD/SGD	1.2855	-0.18
USD/KHR	4,006.75	-0.02
USD/THB	32.40	0.06
<b>Commodities</b>		
WTI (\$/bbl)	64.35	-1.24
Brent (\$/bbl)	66.89	-1.11
Gold (\$/oz)	3,380.00	-0.06
Copper (\$\$/MT)	9,676.00	0.39
Aluminum(\$/MT)	2,609.00	1.81
CPO (RM/tonne)	4,235.50	1.53

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 5 Aug for CPO

### US mortgage applications continued to be driven by rates

- Borrowers seeking to take advantage of the lower mortgage rates (30Y fixed rate: 6.77%) saw mortgage applications rebounding by 3.1% w/w for the week ended August 1 (prior: -3.8% w/w). Both purchase and refinance applications increased over the week, with the latter at its strongest pace in 4 weeks.

### Eurozone's retail sales rebounded; crucial to support growth in 2H

- Retail sales matched expectations and rebounded in June, rising by 0.3% m/m after contracting 0.3% previously. Y/y growth was also higher at 3.1% y/y (prior: +1.9% y/y). Amid a still resilient labour market, this suggests that household consumption could support growth in 2H amid headwinds from the tariffs and stronger EUR on external demand.

### Still robust data from Vietnam

- Mixed but still resilient July prints from Vietnam. Inflation eased more than expected to 3.2% y/y from 3.6% y/y previously, retail sales unexpectedly accelerated to 9.2% y/y (prior: +8.3% y/y) but industrial output eased more than expected to 8.5% y/y (prior: +10.8% y/y). Trade data remained robust, easing less than expected to +16.0% y/y and 17.8% y/y for exports and imports respectively (prior: +16.3% y/y and +17.8% y/y), the former as buyers continue to race ahead to avoid the 20% tariff on exports to the US.
- Just a recap, the government is targeting GDP growth of 6.5-7.5%, while Prime Minister Pham Minh Chinh is aiming for 8%. With growth of 7.5% y/y in 1H, we opine that the official target is achievable but the 8% aim is a challenge given anticipation of slower economic growth ahead and tariff uncertainties, paybacks from the front-loading and higher base effects in 2H of 2024.

### House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DX	98.50-101.50	98.32	96.29	94.99	93.77
EUR/USD	1.12-1.16	1.16	1.19	1.20	1.22
GBP/USD	1.31-1.34	1.36	1.38	1.39	1.40
USD/CHF	0.78-0.82	0.81	0.80	0.79	0.78
USD/JPY	147-153	147	144	140	137
AUD/USD	0.62-0.66	0.63	0.65	0.67	0.68
NZD/USD	0.57-0.62	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.23	7.20	7.16	7.12	7.10
USD/MYR	4.23-4.30	4.28	4.25	4.22	4.18
USD/SGD	1.28-1.31	1.29	1.26	1.24	1.22
USD/THB	32.20-32.70	32.70	32.50	32.30	32.30

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

Source: HLBB Global Markets Research

### Up Next

Date	Events	Prior
7-Aug	AU Exports MoM (Jun)	-2.70%
	MA Industrial Production YoY (Jun)	0.30%
	MA Manufacturing Sales Value YoY (Jun)	2.40%
	JN Leading Index CI (Jun P)	104.8
	MA Foreign Reserves	\$120.9b
	EC ECB Publishes Economic Bulletin	
	UK Bank of England Bank Rate	4.25%
	US Nonfarm Productivity (2Q P)	-1.50%
	US Unit Labor Costs (2Q P)	6.60%
	US Initial Jobless Claims	218k
	UK DMP 1 Year CPI Expectations (Jul)	3.30%
	US NY Fed 1-Yr Inflation Expectations (Jul)	3.02%
	CH Exports YoY (Jul)	5.80%
	CH Imports YoY (Jul)	1.10%
	US Consumer Credit (Jun)	\$5.102b
8-Aug	JN Household Spending YoY (Jun)	4.70%
	JN Bank Lending Ex-Trusts YoY (Jul)	3.00%
	JN Eco Watchers Survey Outlook SA (Jul)	45.9

Source: Bloomberg

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