9 September 2025

Global Markets Research

Daily Market Highlights

9 Sept: Fed rate cut bets eclipsed political mess in markets

US stocks rallied; bond yields tumbled; US Dollar weakened with Fed rate cut bets in full swing
EUR strengthened, but JPY weakened amid the political mess in France and Japan
Jump in US consumer borrowing on credit card; slowest export growth in 6 months for China

- Nasdaq started the week with a new record with Fed rate cut bets in full swing after the weak US nonfarm job data, and amid a rally in tech stocks led by Broadcom. The tech-heavy Nasdaq finished up 0.5% d/d, while the S&P 500 and the Dow also settled higher between 0.2-0.3% d/d. Looking ahead, investors will be gearing up for a data heavy week that includes two closely watched inflation prints.
- Despite some political mess, trading elsewhere was equally positive. Stoxx Eur 600 climbed 0.5% d/d as market focus turned to the confidence vote by the French parliament. At the point of writing, Prime Minister François Bayrou was ousted in a no confidence vote, forcing a third change in government in just over a year and reviving uncertainty over how the country can tackle its mounting debt burden.
- Nikkei 225 led the rally in Asia at 1.5% d/d following Japan's Prime Minister Shigeru Ishiba's resignation announcement, and Asian stocks are expected to track Wall Street optimism today.
- In the bond space, expectations of faster Fed cuts weighed on treasury yields. The benchmark 2Y slid 2bps to 3.49%, whereas the 10Y fell 3bps to 4.04%. 10Y European bond yields also dropped 2-5bps
- In the forex space, the DXY extended its losses in the wake of the dismal August NFP and closed the day lower by 0.3% d/d at 97.45. NZD (0.8% d/d) and CHF (0.6% d/d) outperformed versus the Dollar, but JPY weakened 0.1% d/d to 147.50 following Ishiba's resignation. EUR (+0.4% d/d to 1.1763) strengthened, but French politics and thus volatility, will likely remain in the background for now.
- Most Asian currencies also appreciated against the Dollar with markets fully priced in a September rate cut. THB (1.0% d/d to 31.87) led gains in the region amid easing political uncertainty, while MYR and SGD appreciated at a narrower pace of 0.1-0.2% d/d to 4.2190 and 1.2831.
- In the commodity space, crude oil prices rallied on possibilities of more sanctions on US crude oil and after OPEC+ delivered a

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	45,514.95	0.25
S&P 500	6,495.15	0.21
NASDAQ	21,798.70	0.45
Stoxx Eur 600	552.04	0.52
FTSE 100	9,221.44	0.14
Nikkei 225	43,643.81	1.45
CSI 300	4,467.57	0.16
Hang Seng	25,633.91	0.85
Straits Times	4,308.52	0.03
KLCI 30	1,585.59	0.47
FX		
Dollar Index	97.45	-0.32
EUR/USD	1.1763	0.39
GBP/USD	1.3545	0.27
USD/JPY	147.50	0.05
AUD/USD	0.6592	0.53
USD/CNH	7.1218	-0.06
USD/MYR	4.2190	-0.24
USD/SGD	1.2831	-0.13
USD/KHR	4,012.20	0.02
USD/THB	31.87	-1.02
Commodities		
WTI ($/bbl)	62.26	0.63
Brent ($/bbl)	66.02	0.79
Gold ($/oz)	3,648.50	0.68
Copper ($/MT)	9,915.00	0.18
Aluminum($/MT)	2,617.50	0.65
CPO (RM/tonne)	4,387.00	0.41

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 4 Sept for CPO*

more modest output hike in October, before paring gains after Saudi Aramco cut pricing of its crude to Asia. The WTI and Brent closed the day 0.6-0.7% higher at $62.26 and $66.02/barrel.

Jump in US consumer credit on revolving debt

- Consumer credit rose the most in 3 months in July ($16.0bn vs $9.6bn), as revolving credit which includes credit cards jumped $10.5bn (prior: $0.8bn). Nonrevolving credit, which includes loans for autos and educations also increased, albeit at a narrower pace of $5.5bn (prior: $8.8bn).
- The pick-up in borrowing coincides with the stronger household spending during the month, partly reflecting increased sales at online retailers, furniture stores and auto sales. With borrowing costs still elevated, moderating wage growth and rising inflation (NY Fed 1Y inflation expectations: 3.2% in August vs 3.1% in July), these may likely push consumers to take on more debt to cover day-to-day expenses going forward. That said, the delinquency rate remained low and steady for now.

Investor sentiment in the Eurozone dented by economic uncertainty

- Sentix investor confidence index unexpectedly slipped 5.5ppts to -9.2 in September. Both the current situation and expectations deteriorated sharply, with the current assessment dipping to its lowest level since March 2025 amid concerns over the economy.

Japan’s Eco Watcher suggests that the economy is picking up momentum

- Matching expectations, the Eco Watchers Outlook index inched up to 47.5 in August from 47.3 previously. Gains were broad-based except for the employment sub-index, but all in, suggests that the pick-up in economic momentum is expected to continue despite concerns over price hikes and the impact of US trade policy.

Slowest export growth in 6 months for China

- Export growth slowed more than forecast and to its weakest pace in 6 months at 4.4% y/y in August (prior: 7.2% y/y), a sign that frontloading activity has started to lose its momentum, and will face additional headwind from the President Donald Trump’s clampdown on transshipment and as exports to the non-US region will unlikely be able to absorb the short fall from the US (-33.1% y/y vs–21.7% y/y).

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DXY	96.25-99.25	98.32	96.29	94.99	93.77
EUR/USD	1.15-1.19	1.16	1.19	1.20	1.22
GBP/USD	1.33-1.37	1.36	1.38	1.39	1.40
USD/CHF	0.79-0.82	0.81	0.80	0.79	0.78
USD/JPY	144-149	147	144	140	137
AUD/USD	0.64-0.67	0.63	0.65	0.67	0.68
NZD/USD	0.57-0.61	0.59	0.60	0.61	0.61
USD/CNY	7.11-7.16	7.20	7.16	7.12	7.10
USD/MYR	4.19-4.25	4.28	4.25	4.22	4.18
USD/SGD	1.26-1.30	1.29	1.26	1.24	1.22
USD/THB	32.06-32.74	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	4.00	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	3.60	3.60	3.35	3.10	3.10
RBNZ	3.00	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
9-Sep	AU Westpac Consumer Conf SA MoM (Sep)	5.70%
	AU NAB Business Confidence (Aug)	7
	MA Foreign Reserves	$122.0b
	US NFIB Small Business Optimism (Aug)	100.3
9-15 Sep	CH New Yuan Loans CNY YTD (Aug)	12870.0b
10-Sep	CH PPI YoY (Aug)	-3.60%
	CH CPI YoY (Aug)	0.00%
	US MBA Mortgage Applications	-1.2%
	US PPI (Aug)	3.3%

Source: Bloomberg

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