

9 December 2025

## Global Markets Research

### Daily Market Highlights

## 9 Dec: All eyes on RBA's monetary policy decision today

**RBA expected to deliver a hawkish hold; US JOLTs data also up on deck**

**Cautious trading ahead of FOMC meeting; UST yields, DXY slightly higher**

**Stronger than expected China's exports; Downward revision to Japan's GDP**

- Wall Street's worry over the upcoming FOMC meeting saw US stocks snapping its 4-day rally, while treasuries also slumped. In the equity space, the 3 major indices tumbled 0.1-0.5% d/d with most stocks edging lower, while on the corporate front, Paramount's hostile pursuit of Warner Bros. Discovery, days after Netflix struck a deal to buy the latter's streaming and studios businesses, took centre stage.
- In the bond space, the benchmark 2Y- and 10Y treasury yields closed the day higher at 3.58% (+2bps) and 4.16% (+3bps) amid expectations that the Fed is going to cut this week but worries over persistent inflation could prompt the central bank to deliver a hawkish guide.
- Elsewhere, Stoxx Eur 600 fell slightly by 0.1% d/d lower ahead of Fed's decision, while 10Y sovereign bond yields jumped 2-9bps. Asian markets traded mixed with Nikkei 225 and CSI 300 up 0.2% d/d and 0.8% d/d, while Hang Seng slid 1.2% d/d.
- In the forex space, the DXY was modestly firmer at 99.09 (0.1% d/d) alongside the higher treasury yields. JPY (155.92) led losses against the greenback at 0.4% d/d following the downward revision to its 3Q GDP, while AUD depreciated 0.2% d/d to 0.6624 ahead of the RBA meeting today where the cash rate is expected to be maintained at 3.60%. Other from the RBA and FOMC, traders will also be looking ahead to the monetary policy decision by the Bank of Canada and Swiss National Bank.
- Regional currencies traded mixed against the greenback. MYR and SGD depreciated 0.1-0.2% d/d to 4.1130 and 1.2975, while CNH closed flattish at 7.0717 after China's exports beat expectations and after Beijing vowed to maintain a "moderately loose" monetary policy stance to strengthen its domestic demand.
- In the commodity space, crude oil prices fell in tune to 2.0% d/d amid the ongoing Ukraine peace talks. Brent closed the day at \$62.49/barrel and the WTI at \$58.88/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	47,739.32	-0.45
S&P 500	6,846.51	-0.35
NASDAQ	23,545.90	-0.14
Stoxx Eur 600	578.36	-0.07
FTSE 100	9,645.09	-0.23
Nikkei 225	50,581.94	0.18
CSI 300	4,621.75	0.81
Hang Seng	25,765.36	-1.23
Straits Times	4,507.08	-0.54
KLCI 30	1,612.78	-0.23
<b>FX</b>		
Dollar Index	99.09	0.10
EUR/USD	1.1637	-0.04
GBP/USD	1.3322	-0.05
USD/JPY	155.92	0.38
AUD/USD	0.6624	-0.24
USD/CNH	7.0717	0.04
USD/MYR	4.1130	0.05
USD/SGD	1.2975	0.12
USD/KHR	4,008.50	-0.02
USD/THB	31.85	-0.59
<b>Commodities</b>		
WTI (\$/bbl)	58.88	-2.00
Brent (\$/bbl)	62.49	-1.98
Gold (\$/oz)	4,187.20	-0.61
Copper (\$/MT)	11,635.50	0.13
Aluminum(\$/MT)	2,888.00	-0.33
CPO (RM/tonne)	4,103.50	0.43

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

### **New York inflation expectations held steady**

- Median inflation expectations remained unchanged but elevated at the 1Y (3.2%) and 3-5Y (3.0%) horizons. As it is, higher inflation expectations could potentially translate into actual price gains with households adjusting their spending and workers pushing to meet wage expectations.

### **Eurozone's investor confidence improved just slightly**

- Sentix investor confidence remained in the stagnation phase, with the overall index improving just a shade better than expected by 1.2ppts to -6.2 in December. Current situation and expectations values continue to stabilise but the situation is quite different for the German economy, which remains firmly in the grip of "recession."

### **Japan's 3Q GDP growth revised lower on business spending**

- Japan's economy shrank more than initially estimated by an annualized rate of 2.3% q/q in 3Q (prior: 2.3% q/q) with weaker-than-first estimate business spending dragging down on the headline number. Housing investment also slumped, pulled back by tighter environment rules, but with private consumption (0.2% q/q vs 0.3% q/q) still growing, wage growth still robust (labour cash earning: 2.6% y/y in Oct vs 2.1% y/y in Sept) and government stepping up its fiscal stimulus package, it will likely not derail BOJ's tighter path ahead.
- Separately, bank lending accelerated to 4.2% y/y in November (prior: 4.1% y/y), while the Eco Watchers Survey Outlook index eased more than expected to 50.3 from 53.1. The decline was broad-based for the latter but the index at this level this suggests that the moderate growth momentum will be sustained in 4Q and into early 2026.

### **High trade surplus will help China achieve its 5% growth target**

- In China, exports grew by 5.9% y/y in November, rebounding from -1.1% y/y previously and beating consensus forecast. By destination, exports to the US continued to slow in despite the trade truce, declining 28.5% y/y and by 18.9% YTD, but these were offset by manufacturers loading their shipments to other markets. Imports continued to disappoint amid soft domestic demand, growing a mere 1.9% y/y after increasing 1.0% y/y previously. Despite headwinds from slower trade activities, the high trade surplus of \$1.1tn YTD will help support growth in 4Q and help China achieve its 5% target for the year.

### **House View and Forecasts**

<b>FX</b>	<b>This Week</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
DX	97-101	97.33	95.92	94.52	93.15
EUR/USD	1.15-1.18	1.17	1.19	1.21	1.23

GBP/USD	1.31-1.35	1.32	1.34	1.35	1.37
USD/CHF	0.79-0.82	0.80	0.79	0.78	0.77
USD/JPY	153-159	151	148	145	142
AUD/USD	0.65-0.68	0.66	0.67	0.68	0.68
NZD/USD	0.55-0.59	0.57	0.57	0.58	0.59
USD/CNY	7.05-7.09	7.03	6.94	6.86	6.77
USD/MYR	4.08-4.14	4.12	4.08	4.05	4.05
USD/SGD	1.28-1.31	1.28	1.26	1.25	1.24
USD/THB	31.93-32.67	32.30	32.20	32.10	32.00

<b>FX</b>	<b>Last close</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
EUR/MYR	4.7904	4.83	4.86	4.89	4.97
GBP/MYR	5.4775	5.44	5.45	5.48	5.55
AUD/MYR	2.7294	2.72	2.73	2.74	2.77
CNY/MYR	0.5819	0.59	0.59	0.59	0.60
SGD/MYR	3.1720	3.21	3.23	3.24	3.27

<b>Rates, %</b>	<b>Current</b>	<b>1Q26</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>
Fed	3.75-4.00	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.75	0.75	0.75	0.75
RBA	3.60	3.60	3.60	3.60	3.60
RBNZ	2.25	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

### Up Next

<b>Date</b>	<b>Events</b>	<b>Prior</b>
9-Dec	AU NAB Business Confidence (Nov)	6
	AU NAB Business Conditions (Nov)	9
	AU RBA Cash Rate Target	3.60%
	US NFIB Small Business Optimism (Nov)	98.2
	US Leading Index (Oct)	-0.50%
10-Dec	US JOLTS Job Openings (Sep & Oct)	7.2m
	JN PPI YoY (Nov)	2.70%
	CH PPI YoY (Nov)	-2.10%
	CH CPI YoY (Nov)	0.20%
	US MBA Mortgage Applications	-1.40%
	US Employment Cost Index (3Q)	0.90%
	US FOMC Rate Decision (Upper Bound)	4.00%

Source: Bloomberg

Note: Due to lapse in government services, US release dates are subject to change

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