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Global Markets Research

Daily Market Highlights

10 Sept: Subdued trading ahead of US CPI and jobs downgrade

Wall Street closed at record highs; downgrade in US jobs spurred hopes for more aggressive cuts
UST yields and US Dollar gained ahead of inflation prints; China's CPI and PPI also on deck today
JPY appreciated amid reports that BOJ will consider rate hikes despite political instability

- All the three major US equity indices closed at record highs after the Bureau of Labour Statistics (BLS) reported that the economy added 911k fewer jobs than initially thought for the 12 months ended March, strengthening hopes for the Fed to take a more aggressive stance in lowering rates. At the point of writing, interest futures have fully priced in a quarter point cut next week and near certainty for another in the October FOMC meeting. The S&P 500 settled up 0.3% d/d, while Nasdaq and the Dow closed higher by 0.4% d/d each.
- In Europe, market reaction to the collapse of the French government was muted, and the Stoxx 600 inched up just 0.1% d/d. Asian markets traded mixed, but Nikkei 225 reversed course to lose 0.4% d/d following the resignation of its Prime Minister.
- In the bond space, treasuries slumped with traders cautious ahead of the upcoming inflation reports. The short-end underperformed, with the benchmark 2Y rising 7bps to 3.56%. The 10Y yield increased at a smaller pace of 5bps to 4.09%. Trading in 10Y European bond yields were muted, with yields closing mixed in tune to +/-2bps.
- The Dollar strengthened against most G10 peers alongside the higher treasury yields and the DXY gained 0.3% d/d to 97.79. CHF (-0.5% d/d) and EUR (-0.5% d/d to 1.1708) lagged, while JPY was the outlier again, strengthening 0.1% d/d to 147.41 following reports that BOJ officials may raise rates this year regardless of the domestic political instability.
- Regional currencies closed mixed against the greenback, but MYR and SGD appreciated 0-0.3% d/d to close the day at 4.2050 and 1.2828 respectively.
- In the commodity space, prices for crude oil and gold jumped amid revived geopolitical tension in the Middle East. This comes after Israel carried out an attack against Hamas leadership in the capital of Qatar. The WTI and Brent rallied 0.6% d/d each to \$62.63 and \$66.39/barrel respectively, while gold closed 0.1% d/d higher at \$3653.30/oz.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	45,711.34	0.43
S&P 500	6,512.61	0.27
NASDAQ	21,879.49	0.37
Stoxx Eur 600	552.39	0.06
FTSE 100	9,242.53	0.23
Nikkei 225	43,459.29	-0.42
CSI 300	4,436.26	-0.70
Hang Seng	25,938.13	1.19
Straits Times	4,297.57	-0.25
KLCI 30	1,586.81	0.08
FX		
Dollar Index	97.79	0.34
EUR/USD	1.1708	-0.47
GBP/USD	1.3528	-0.13
USD/JPY	147.41	-0.06
AUD/USD	0.6585	-0.11
USD/CNH	7.1240	0.03
USD/MYR	4.2052	-0.33
USD/SGD	1.2828	-0.02
USD/KHR	4,009.25	-0.07
USD/THB	31.67	-0.63
Commodities		
WTI (\$/bbl)	62.63	0.59
Brent (\$/bbl)	66.39	0.56
Gold (\$/oz)	3,653.30	0.13
Copper (\$/MT)	9,914.00	-0.01
Aluminum(\$/MT)	2,622.50	0.19
CPO (RM/tonne)	4,393.00	0.14

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

Improved small business optimism for the US; downward revisions to jobs data

- The NFIB Small Business Optimism Index rose more than expected by 0.5ppts to 100.8 in August, nearly 3 points above its long-term average of 98.0. The increase in those expecting real sales to be higher contributed the most to the rise in the index, while labor quality remained the top concern in Main Street.
- In its annual benchmark revision, the BLS reported that the economy added 911k fewer jobs than previously thought for the year preceding March 2025. One-quarter of the preliminary downward revision was in the trade, transportation & utilities sector, closely followed by leisure & hospitality as well as professional & business services. This reinforced the case for a September rate cut and spurred bets of an outsized cut.

Diverged business and consumer sentiment for Australia

- Mixed data from Australia, with continued divergence between household and business sentiment. Westpac Consumer Confidence index retreated 3.1% m/m in September (Aug: 5.7%), as pessimists continue to outweigh optimists amid renewed concerns over the prospects of the economy and the broader labour market. The NAB Business Conditions index, on the other hand, gained 2 points to 7 in August, led by improved profitability and employment sub-index.

Malaysia's foreign reserves closed August at \$122.7bn

- Foreign reserves rose another \$0.7bn in 2H of August to close the month at \$122.7bn (1H: +\$0.7bn to \$122.0bn as at mid-Aug). The reserves position is sufficient to finance 4.8 months of imports of goods and services and is 0.9 times the total short-term external debt.

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
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%
11-Sep	JN PPI YoY (Aug)	2.60%
	MA Industrial Production YoY (Jul)	3.00%
	MA Manufacturing Sales Value YoY (Jul)	3.30%
	EC ECB Deposit Facility Rate	2.00%
	EC ECB Main Refinancing Rate	2.15%
	EC ECB Marginal Lending Facility	2.40%
	US CPI Ex Food and Energy YoY (Aug)	3.10%
	US Real Avg Weekly Earnings YoY (Aug)	1.40%
	US Initial Jobless Claims	237k

Source: Bloomberg

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