

10 December 2025

Global Markets Research

Daily Market Highlights

10 Dec: Muted trading expected ahead of FOMC meeting

US jobs opening surprised on the upside; UST yields & DXY slightly higher
RBA maintained cash rate at 3.60%; AUD strengthened amid hawkish tilt
Expect a 25bps cut from the FOMC; Bank of Canada to hold rates today

- US stocks closed little changed with Wall Street traders holding off from making big bets ahead of Fed's final policy decision for 2025. The Nasdaq inched up 0.1% d/d, while the S&P 500 retreated 0.1% d/d. The Dow lagged with a 0.4% d/d loss, dragged by a drop in JPMorgan shares after its CEO warned of higher-than-expected expense projections for 2026. Nvidia shares also tumbled after President Trump allowed the tech giant to export its H200 chips to China, with the US taking a 25% cut.
- Trading was equally muted in Europe (Stoxx Eur 600: -0.1% d/d), while major Asian bourses closed mixed. While Nikkei 225 was up 0.1% d/d, Hang Seng and CSI 300 lost 1.3% d/d and 0.5% d/d respectively.
- In the bond space, treasuries edged lower with the JOLTS job openings data beating expectations and the benchmark 2Y and 10Y yields closed 2-4bps higher to end the day at 3.62% and 4.19%. 10Y European bond yields were mostly lower between 1-3bps.
- In the forex space, the DXY inched higher by 0.1% d/d to 99.23 following the upbeat jobs reading. AUD appreciated 0.3% d/d to 0.6642 after the RBA Governor said that additional cuts may not be needed in her presser after the RBA meeting, while JPY continues to underperform its peers at -0.6% d/d to 156.88. Steady November PPI at 2.7% y/y, released this morning, will nonetheless lend some support to JPY today.
- Regional currencies traded mixed against the greenback. MYR and SGD closed just below their flatlines at 4.1140 and 1.2976, while IDR strengthened 0.2% d/d after the government revealed plans to tighten control over commodity exporters' forex earnings to support the currency.
- In the commodity space, crude oil prices fell another session, albeit at a narrower pace of 0.9-1.1% d/d with traders keeping an eye on a slew of reports from OPEC and the International Energy Agency, as well as FOMC's decision and peace talks to

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,560.29	-0.38
S&P 500	6,840.51	-0.09
NASDAQ	23,576.49	0.13
Stoxx Eur 600	577.77	-0.10
FTSE 100	9,642.01	-0.03
Nikkei 225	50,655.10	0.14
CSI 300	4,598.22	-0.51
Hang Seng	25,434.23	-1.29
Straits Times	4,513.24	0.14
KLCI 30	1,614.17	0.09
FX		
Dollar Index	99.22	0.13
EUR/USD	1.1627	-0.09
GBP/USD	1.3297	-0.19
USD/JPY	156.88	0.62
AUD/USD	0.6642	0.27
USD/CNH	7.0610	-0.15
USD/MYR	4.1140	0.02
USD/SGD	1.2976	0.01
USD/KHR	4,008.00	-0.01
USD/THB	31.82	-0.11
Commodities		
WTI (\$/bbl)	58.25	-1.07
Brent (\$/bbl)	61.94	-0.88
Gold (\$/oz)	4,206.70	0.47
Copper (\$/MT)	11,487.00	-1.28
Aluminum(\$/MT)	2,856.50	-1.09
CPO (RM/tonne)	4,076.00	-0.67

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 8 Dec for CPO

end the Russia-Ukraine war. Brent closed the day at \$61.94/barrel and the WTI at \$58.25/barrel.

RBA stayed pat and kept cash rate steady at 3.60%

- As expected, the Reserve Bank of Australia (RBA) stayed pat and kept its cash rate unchanged for the third straight meeting at 3.60%. The accompanying statement was marginally more hawkish than its November meeting, citing upside risks to inflation and that it will take little longer to assess the persistence of inflationary pressures. RBA also opines that private demand is recovering and that the labour market conditions still appear a little tight, although further modest easing is expected.
- In her presser, Governor Michele Bullock said that policy makers didn't discuss a rate cut in the meeting, and instead, were looking at an extended hold and at what could drive a rate hike in 2026. Amid concerns of some easing in the labour market, there is no change in our view that the RBA will most likely maintain the cash rate unchanged at the current level for the whole of 2026.
- Data wise, the NAB Business Confidence and Conditions indices slid to 1 and 7 in November (prior: 6 and 10). The confidence index was the lowest since April and saw broad-based declines across the sub-indicators.

US job openings rose to a 5-month high, but layoffs also crept up

- According to the JOLTS report, job openings rose more than expected to its 5-month high of 7.67m in October (7.66m in Sep and 7.23m in Aug), while the number of layoffs also crept up to 1.85m (1.78m in Sep and 1.73m), its highest since 2023. Job openings were driven by only a handful of industries like retail & wholesale trade and healthcare, while layoffs were largely fuelled by accommodation and food services. Hiring also declined 218k, after surging 241k the prior month.
- Bottomline, although vacancies rose, layoffs also increased, suggesting softer labour demand and one that is unlikely to fuel wage push/demand-pull inflationary pressure. While the Fed will remain divided, there is thus no change in our view that the Fed will lower its Fed funds rate by a quarter point to 3.50%-3.75% in the FOMC meeting today.
- Matching expectations, the leading index fell 0.3% in September after declining 0.3% the prior month. This marks its second consecutive month of contraction, with most nonfinancial components like business and consumer expectations, as well as yield spread weighing on the index. All in, this suggests slowing of activities at the end of 2025 and growth momentum ahead that looks fragile and uneven as businesses adjust to tariff changes and softer consumers.

- The NFIB Small Business Optimism index, on the other hand, rose 0.8ppts to 99.0 in November. Small business owners were still frustrated by the lack of qualified workers, but despite this, more firms still plan to create new jobs in the near future.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
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

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.7933	4.83	4.86	4.89	4.97
GBP/MYR	5.4911	5.44	5.45	5.48	5.55
AUD/MYR	2.7340	2.72	2.73	2.74	2.77
CNY/MYR	0.5824	0.59	0.59	0.59	0.60
SGD/MYR	3.1729	3.21	3.23	3.24	3.27

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
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

Date	Events	Prior
10-Dec	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%
11-Dec	JN BSI Large All Industry QoQ (4Q)	4.7
	AU Employment Change (Nov)	42.2k
	AU Unemployment Rate (Nov)	4.30%
	US Initial Jobless Claims	191k
	US Exports MoM (Sep)	0.10%

Source: Bloomberg

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

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