

11 July 2025

## Global Markets Research

### Daily Market Highlights

## 11 Jul: Markets continue to shrug off tariff uncertainties

**No tariff news overnight; jobless claims surprised on the downside**

**Fed Daly expects two rate cuts in 2025; muted price pressure from the tariffs**

**Another quiet day on data front; UK's monthly GDP and Malaysia's IPI on deck**

- Wall Street extended gains for another day, amid a quiet day on the tariff front while an earning beat from Delta underpinned a hopeful mood for a promising corporate result season. It was data light on the economic calendar front, but on Fed speak, President Mary Daly said that she is still looking at two rate cuts this year, adding that the tariff upward pressure on prices may be muted. The S&P 500 and Nasdaq closed the day 0.3% d/d and 0.1% d/d up, milder than the 0.4% d/d rally in the Dow.
- Elsewhere, European stocks (Stoxx Eur 600: +0.5% d/d) chalked its fourth daily gain with investors brushing off the tariff uncertainty, while Asian markets closed mostly in green with the exception of Nikkei 225 (-0.4% d/d). Futures show regional equity markets are likely to echo Wall Street's uptick today.
- In the bond space, Treasuries were mostly weaker although off their session lows after a decent 30Y auction. Yields rebounded 0-3bps (prior: -5 to -7bps) across the board and the benchmark 2Y- and 10Y yields closed the day at 3.87% (+3bps) and 4.35% (+2bps). Similarly, 10Y European sovereign bonds were mostly higher by 2-4bps, after closing 0-2bps lower the day before.
- In the forex space, the DXY firmed to 97.92 following the release of the jobless claims print but narrowed gains to 97.65 (+0.1%) at close. CHF (-0.4% d/d) lagged all peers within the G10 space, while AUD (+0.8% d/d to 0.6588) and NZD (+0.6% d/d) outperformed.
- Save for the TWD, HKD (flat) and THB (flat), most regional currencies strengthened mildly against the Dollar led by PHP, KRW and IDR (0.1-0.2% d/d). MYR and SGD appreciated between 0-0.1% d/d to close at 4.2492 and 1.2795 respectively vs the USD.
- In the commodity space, oil prices retreated on demand concerns following the latest round of trade tension flare up. The WTI plunged 2.7% d/d to \$66.57/barrel, while Brent slid 2.2% d/d to \$68.64/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	44,650.64	0.43
S&P 500	6,280.46	0.27
NASDAQ	20,630.66	0.09
Stoxx Eur 600	552.93	0.54
FTSE 100	8,975.66	1.23
Nikkei 225	39,646.36	-0.44
CSI 300	4,010.02	0.47
Hang Seng	24,028.37	0.57
Straits Times	4,075.70	0.44
KLCI 30	1,536.52	0.48
<b>FX</b>		
Dollar Index	97.65	0.10
EUR/USD	1.1701	-0.16
GBP/USD	1.3579	-0.05
USD/JPY	146.26	-0.05
AUD/USD	0.6588	0.81
USD/CNH	7.1789	-0.05
USD/MYR	4.2492	-0.02
USD/SGD	1.2795	-0.06
USD/KHR	4,009.50	-0.07
USD/THB	32.70	0.51
<b>Commodities</b>		
WTI (\$/bbl)	66.57	-2.65
Brent (\$/bbl)	68.64	-2.21
Gold (\$/oz)	3,325.70	0.14
Copper (\$\$/MT)	9,700.50	0.73
Aluminum(\$/MT)	2,607.50	0.42
CPO (RM/tonne)	4,109.00	0.75

Source: Bloomberg, HLBB Global Markets Research

\* Closing as of 9 July for CPO, USD/THB

### US initial jobless claims surprised on the downside

- Initial jobless claims surprised on the downside with a 5k decline to 227k for the week ended July 5 (prior: -5k), while continuing claims rose 10k to 1965k the week prior (June 21: -9k), the latter marking its highest since 2021 in a nudge to further sign of cooling, albeit still resilient labour market, but also a reflection of seasonal volatility around the summer break.

### Japan's PPI eases for the third month on a yearly basis

- Matching expectations, Japan's producer prices (PPI) eased to 2.9% y/y and fell at a wider pace of 0.2% m/m in June (May: +3.3% y/y and -0.1% m/m). This marks its second monthly decline, largely driven by lower petroleum prices as well as utility subsidies from the government.

### House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DX	95.75-98.75	96.88	98.60	97.69	96.58
EUR/USD	1.16-1.19	1.18	1.16	1.18	1.19
GBP/USD	1.34-1.38	1.37	1.34	1.35	1.36
USD/CHF	0.78-0.82	0.79	0.84	0.84	0.85
USD/JPY	142-148	143	146	145	142
AUD/USD	0.64-0.67	0.66	0.65	0.65	0.66
NZD/USD	0.59-0.62	0.61	0.60	0.59	0.60
USD/CNY	7.15-7.19	7.16	7.13	7.17	7.10
USD/MYR	4.19-4.26	4.21	4.24	4.24	4.20
USD/SGD	1.26-1.29	1.27	1.30	1.31	1.30
USD/THB	32.00-33.10	32.50	33.00	33.10	32.70

Rates, %	Current	2Q-25	3Q-25	4Q25	1Q26
Fed	4.25-4.50	4.25-4.50	4.00-4.25	3.75-4.00	3.50-3.75
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.25	4.25	4.00	3.75	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	3.85	3.60	3.35	3.10
RBNZ	3.25	3.25	3.00	2.75	2.75
BNM	2.75	3.00	2.75	2.75	2.75

Source: HLBB Global Markets Research

### Up Next

Date	Events	Prior
11-Jul	MA Industrial Production YoY (May)	2.70%
	MA Manufacturing Sales Value YoY (May)	4.80%
	UK Monthly GDP (MoM) (May)	-0.30%
11-18 Jul	CH FDI YTD YoY CNY (Jun)	-13.20%
14-Jul	JN Core Machine Orders MoM (May)	-9.10%
	SI GDP SA QoQ (2Q A)	-0.60%
	CH Exports YoY (Jun)	4.80%
	CH Imports YoY (Jun)	-3.40%

Source: Bloomberg

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