

11 September 2025

Global Markets Research

Daily Market Highlights

11 Sept: Cautious trading ahead of US CPI & ECB's decision today

Mixed markets; Fed rate cut expectations tempered by geopolitical tensions

Tame inflation prints from the US and China; rising risk of a frail China consumer sector

EUR strengthened ahead of ECB's decision - status quo expected; focus on US CPI today

- Wall Street closed mixed, with the S&P 500 (0.3% d/d) closing at fresh high and Nasdaq ending just above its flatline after the unexpected fall in PPI saw investors raising jumbo rate cut bets, boosting sentiment. A breakneck rally in Oracle shares due to upbeat cloud outlook also helped power the S&P 500, but the 30-stock Dow fell 0.5% d/d, weighed down by the decline in Apple shares as the latest iPhone announcement failing to impress investors.
- Trading in European stocks was muted as investors' confidence in Fed rate cut was tempered by geopolitical tension after Poland shut down Russian drones. In Asia, key markets were in the green. Singapore's Straits Times and South Korea's Kospi notched record highs, while Indonesia's Jakarta Composite recovered from its 3-day losing streak.
- The soft producer prices data out of the US sent Treasury yields lower 1-4bps across the curve. The 2Y yield closed the day at 3.54% (-2bps) and the 10Y at 4.05% (-4bps). 10Y European bond yields closed mixed again, between -1 to +4bps.
- In a choppy trading day, the Dollar closed mixed against its G10 peers and the DXY closed just below its flatline at 97.78. The DXY dipped as low as 97.60 following the PPI print before recovering at close. NOK (0.5% d/d) and AUD (0.4% d/d to 0.6613) outperformed all their G10 peers, while CHF (-0.2% d/d) and CAD (-0.2% d/d) underperformed. EUR weakened 0.1% d/d to close at 1.1695 ahead of ECB's meeting today, where a status quo is expected
- Regional currencies closed mixed against greenback, with TWD (0.3% d/d) outperforming its peers. IDR (0.1% d/d) recovered, while CNH weakened to its low of 7.1288 before paring its losses to close the day 0.1% d/d stronger at 7.1195. SGD closed just above its flatline at 1.2825, but MYR weakened 0.4% d/d to end the day at 4.2203.
- In the commodity space, crude oil prices climbed for another session amid the heightened geopolitical risks following Israel's attack in Qatar, Poland's downing of Russian drones in its airspace and a push by the US for new sanctions on buyers of

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	45,490.92	-0.48
S&P 500	6,532.04	0.30
NASDAQ	21,886.06	0.03
Stoxx Eur 600	552.29	-0.02
FTSE 100	9,225.39	-0.19
Nikkei 225	43,837.67	0.87
CSI 300	4,445.37	0.21
Hang Seng	26,200.26	1.01
Straits Times	4,346.46	1.14
KLCI 30	1,590.75	0.25
FX		
Dollar Index	97.78	-0.01
EUR/USD	1.1695	-0.11
GBP/USD	1.3529	0.01
USD/JPY	147.46	0.03
AUD/USD	0.6613	0.43
USD/CNH	7.1195	-0.06
USD/MYR	4.2203	0.36
USD/SGD	1.2825	-0.02
USD/KHR	4,009.25	0.00
USD/THB	31.79	0.39
Commodities		
WTI (\$/bbl)	63.67	1.66
Brent (\$/bbl)	67.49	1.66
Gold (\$/oz)	3,653.10	-0.01
Copper (\$/MT)	10,013.00	1.00
Aluminum(\$/MT)	2,625.00	0.10
CPO (RM/tonne)	4,409.00	0.36

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 9 Sept for CPO

Russian oil. The WTI and Brent gained 1.7% d/d each to close at \$63.67 and \$67.49/barrel.

US PPI unexpectedly fell on cost of services; lower mortgage rates saw a jump in applications

- Weighed down by the cost of services (-0.2% m/m vs +0.7% m/m), producer prices (PPI) undershot expectations and unexpectedly fell 0.1% m/m in August following a downwardly revised 0.7% jump in July. The decline in services is the largest fall since April, and can be traced to a 1.7% m/m drop in margins for wholesalers and retailers. In contrast, prices for goods grew for the fourth month at 0.1% m/m (prior: 0.6% m/m), led by the jump in tobacco products. Despite the sweeping tariffs starting to trickle into the prices of goods, overall price pressure remains tame for now and thus, expectations of FOMC cutting rates next week have and are fully priced in for now.
- The 20bps drop in 30Y fixed mortgage rates to (6.49%) to its lowest since October 2024 spurred the strongest week of borrower demand since 2022 and mortgage applications jumping 9.2% w/w for the week ending September 5 (prior: -1.2% w/w).

China's inflation prints point to frail consumer sector

- Consumer prices slipped below zero for the first time in 3 months, while the deflation in producer prices eased for the first time in half a year. At -0.4% y/y, the CPI at this level is lower than -0.2% y/y that consensus had expected, worsening from flat prices the prior month. Matching expectations, PPI at -2.9% y/y is nonetheless an improvement from -3.6% y/y previously. As it is, the national trade-in programme has been reportedly suspended in part of China due to funding shortfalls, and as such, points to risks that consumer spending could not sustain its momentum going forward without fresh stimulus.

Japan's PPI also fell m/m on utilities and commodities

- Data this morning showed that PPI or foods fell at a wider pace than expected by 0.2% m/m in August (prior: -0.2% m/m). Driving the downtick were lower costs of utilities and to a lesser extent, commodities like agriculture products and steel.

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DX	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
11-Sep	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
12-Sep	JN Industrial Production MoM (Jul F)	-1.60%
	UK Monthly GDP (MoM) (Jul)	0.40%
	US U. of Mich. Sentiment (Sep P)	58.2

Source: Bloomberg

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