

12 August 2025

Global Markets Research

Daily Market Highlights

12 Aug: Lacklustre trading ahead of US CPI

Weaker CNH and stronger USD after Trump extended China's tariff deadline by 90 days
SGD likely to trade stronger following upward revisions to its 2Q and 2025 GDP forecast
US headline & core CPI expected to accelerate slightly; RBA expected to lower rates

- Trading in the global equity markets were largely lacklustre as traders refrained from making big bets ahead of the US CPI release today. There was nothing on the economic calendar on the US front overnight, but the three major US equity indices closed 0.3-0.5% d/d lower even after **Trump extended China's tariff deadline by 90 days**. On corporate news, Nvidia and AMD edged lower amid news that the tech giants have agreed to pay 15% of their sales of H20 and MI308 chips to the Trump administration. Elsewhere, Stoxx Eur 600 edged down 0.1% d/d, but Nikkei 225, CSI 300 and Hang Seng gained 0.2-1.9% d/d.
- In the bond space, treasury yields were little changed, with the benchmark 2Y closing within 1bps higher at 3.77% and the 10Y closing just above its flatline at 4.29%. 10Y European bond yields closed mixed between -4 to +1bps (prior: +3 to +7bps).
- In the forex space, the DXY closed 0.4% d/d higher at 98.52 ahead of the release of US CPI, where expectations are that both headline and core inflation will accelerate slightly to 2.8% and 3.0% in July. Within the G10, most major currencies weakened against the Dollar with SEK, CHF and NZD the notable underperformers. EUR, GBP, JPY and AUD depreciated in tune to 0.1-0.3% d/d to 1.1615, 1.3432, 148.15 and 0.6513 respectively, the Aussie in anticipation of an RBA rate cut today. Regional closed mixed against the Dollar, with MYR (+0.2% d/d to 4.2335) and IDR leading gains against the Dollar, while CNH (-0.1% d/d to 7.1965) and SGD (-0.1% d/d to 1.2872) underperformed.
- Crude oil prices were little changed as traders await the US-Russia talks, and its potential addition to the global supply market. The WTI and Brent rose 0.1-0.2% d/d to \$63.96/barrel and \$66.63/barrel respectively.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	43,975.09	-0.45
S&P 500	6,373.45	-0.25
NASDAQ	21,385.40	-0.30
Stoxx Eur 600	546.76	-0.06
FTSE 100	9,129.71	0.37
Nikkei 225	41,820.48	1.85
CSI 300	4,122.51	0.43
Hang Seng	24,906.81	0.19
Straits Times	4,232.78	-0.17
KLCI 30	1,563.24	0.40
FX		
Dollar Index	98.52	0.35
EUR/USD	1.1615	-0.22
GBP/USD	1.3432	-0.15
USD/JPY	148.15	0.28
AUD/USD	0.6513	-0.14
USD/CNH	7.1965	0.10
USD/MYR	4.2335	-0.23
USD/SGD	1.2872	0.14
USD/KHR	4,007.60	-0.02
USD/THB	32.33	0.04
Commodities		
WTI (\$/bbl)	63.96	0.13
Brent (\$/bbl)	66.63	0.06
Gold (\$/oz)	3,353.10	-2.50
Copper (\$\$/MT)	9,731.50	-0.31
Aluminum(\$/MT)	2,588.00	-0.80
CPO (RM/tonne)	4,220.50	0.27

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 11 Aug for CPO, USD/THB

Singapore's final 2Q GDP revised slightly higher; MAS upped GDP growth projection for 2025 to 1.5-2.5% despite uncertainty ahead

- Matching expectations, the final 2Q GDP was revised 0.1ppts higher to 4.4% y/y in 2Q (1Q: 4.1% y/y), bringing 1H growth to 4.3% y/y. Amid the stronger than expected growth in 1H, the government also upgraded its GDP forecast for 2025 to 1.5%-

2.5% from 0 to 2.0% previously, but warned that the economic outlook for the rest of the year remains clouded by uncertainty, with the risks tilted to the downside. Driving growth during the quarter was a pick-up in the manufacturing (+5.2% y/y vs +4.7% y/y), services (+4.3% y/y vs +3.8% y/y) sectors as well as construction (+6.0% y/y vs +4.9% y/y) sectors.

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DXY	98.50-101.50	98.32	96.29	94.99	93.77
EUR/USD	1.12-1.16	1.16	1.19	1.20	1.22
GBP/USD	1.31-1.34	1.36	1.38	1.39	1.40
USD/CHF	0.78-0.82	0.81	0.80	0.79	0.78
USD/JPY	147-153	147	144	140	137
AUD/USD	0.62-0.66	0.63	0.65	0.67	0.68
NZD/USD	0.57-0.62	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.23	7.20	7.16	7.12	7.10
USD/MYR	4.23-4.30	4.28	4.25	4.22	4.18
USD/SGD	1.28-1.31	1.29	1.26	1.24	1.22
USD/THB	31.61-33.23	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	3.85	3.60	3.35	3.10	3.10
RBNZ	3.25	3.00	2.75	2.75	2.75
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

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Date	Events	Prior
12-Aug	AU NAB Business Confidence (Jul)	5
	AU NAB Business Conditions (Jul)	9
	AU RBA Cash Rate Target	3.85%
	UK Average Weekly Earnings 3M/YoY (Jun)	5.00%
	UK ILO Unemployment Rate 3Mths (Jun)	4.70%
	UK Employment Change 3M/3M (Jun)	134k
	EC ZEW Survey Expectations (Aug)	36.1
	US NFIB Small Business Optimism (Jul)	98.6
	US Real Avg Weekly Earnings YoY (Jul)	0.70%
	US CPI Ex Food and Energy YoY (Jul)	2.90%
13-Aug	JN PPI YoY (Jul)	2.90%
	AU Wage Price Index YoY (2Q)	3.40%
	AU Home Loans Value QoQ (2Q)	-1.60%
	US MBA Mortgage Applications	3.10%

Source: Bloomberg

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