20 August 2025

Global Markets Research
Daily Market Highlights

20 Aug: Cautiousness ahead of Jackson Hole summit

Global stocks closed mixed; Treasuries and USD gained slightly ahead of Powell's speech
US housing starts @ 5-month high; Japan's exports weakened; Malaysia's rebounded
Today's focus: FOMC meeting minutes; RBNZ & PBoC's policy decisions

- US equities closed mixed, with a tech selloff weighing on the S&P 500 and Nasdaq, while the Dow closed just above its flatline after briefly touching a fresh record high during the session, powered by a pop in Home Depot shares. Nasdaq and the S&P 500 fell 1.5% d/d and 0.6% d/d, the latter even as the majority of its 11 sectors closed higher for the day.
- Equity markets elsewhere also closed mixed. Stoxx Eur 600 closed higher by 0.7% d/d, while Nikkei 225, CSI 300 and Hang Seng in Asian tumbled in tune to 0.2-0.4% d/d.
- In the bond space, treasuries broke its 3-day slide ahead of Powell's speech at the Jackson Hole summit, and yields closed the day modestly lower in tune to 1-3bps. The 2Y yield slid 2bps to 3.75%, while the 10Y fell 3bps to 4.31%. 10Y European bond yields closed mixed in tune to +/-3bps.
- The DXY inched up 0.1% d/d to 98.27 amid thin trade with investors largely waiting for Powell's speech. JPY outperformed all its G10 peers at +0.2% d/d to 147.67, but EUR, GBP and AUD depreciated between 0.1-0.6% d/d to settle at 1.1647, 1.3491 and 0.6454 respectively. Regional currencies closed mixed between +/-0.5% d/d against the greenback. MYR and SGD closed marginally softer at 4.2238 and 1.2850 respectively.
- Oil prices slipped with Trump ramping up diplomatic pressure for a ceasefire in Ukraine, potentially lifting sanctions on Russian crude. Brent fell 1.2% d/d $65.79/barrel, while the WTI fell 1.7% d/d to settle at $62.35/barrel.

US housing starts jumped to its 5-month high

- Led by the volatile multi-family starts, total housing starts rose more than expected by 5.2% m/m to its 5-month high of 1.43m in July (prior: +5.9% m/m) That said, building permits, an indicator of future construction, decreased 2.8% m/m (prior: -0.1% m/m), suggesting slower construction activities ahead as homebuilders have been increasingly cautious with buyers' affordability dampened by the still elevated mortgage rates.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,922.27	0.02
S&P 500	6,411.37	-0.59
NASDAQ	21,314.95	-1.46
Stoxx Eur 600	557.81	0.69
FTSE 100	9,189.22	0.34
Nikkei 225	43,546.29	-0.38
CSI 300	4,223.37	-0.38
Hang Seng	25,122.90	-0.21
Straits Times	4,216.19	0.69
KLCI 30	1,590.24	0.33
FX		
Dollar Index	98.27	0.10
EUR/USD	1.1647	-0.12
GBP/USD	1.3491	-0.10
USD/JPY	147.67	-0.15
AUD/USD	0.6454	-0.57
USD/CNH	7.1871	-0.01
USD/MYR	4.2238	0.03
USD/SGD	1.2850	0.05
USD/KHR	4,007.50	0.09
USD/THB	32.51	0.14
Commodities		
WTI ($/bbl)	62.35	-1.69
Brent ($/bbl)	65.79	-1.22
Gold ($/oz)	3,313.40	-0.55
Copper ($$/MT)	9,692.00	-0.42
Aluminum($/MT)	2,563.50	-0.97
CPO (RM/tonne)	4,456.00	1.77

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 18 Aug for CPO*

Australia's consumer confidence jumped after RBA's rate cuts

- Westpac consumer confidence index surged in August after the RBA delivered a third rate cut for the year. At 98.5 (+5.7%), this marks its strongest in 3.5 years, suggesting that the long-run pessimism may be finally coming to an end. All sub-components posted gains, but notably, consumers attitudes towards major purchases started to turn positive.

Extended declines in Japan's export and core machine orders for the manufacturing sector

- July's exports recorded its steepest fall in more than 4 years in a sign that US tariffs continued to weigh on global activities. Exports fell more than expected by 2.6% y/y, worsening from -0.5% y/y as shipment volume to the majors (US, EU) and China contracted during the month.
- Core machine orders for the manufacturing sector also fell 8.1% m/m in June (prior: -1.8% m/m), and is expected to extend its downward trend for the whole of 3Q (-2.0% vs +1.5%), a sign that manufacturers are cautious going forward.

Unexpected positive export growth for Malaysia

- Defying expectations for a contraction, Malaysia's export and import growth surprised on the upside at +6.8% y/y and +0.6% y/y for July (prior: -3.6% y/y and +1.3% y/y). It should also be noted that the strong exports were partially due to re-exports (+42.0% y/y), while domestic exports fell 1.9% y/y. With exports outpacing imports, the trade surplus also widened more than expected to RM15.0bn from RM8.4bn previously (Refer to Research Alert "Unexpected positive export growth for Malaysia" dated 19 August).

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DXY	96.75-99.75	98.32	96.29	94.99	93.77
EUR/USD	1.15-1.18	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	145-150	147	144	140	137
AUD/USD	0.63-0.67	0.63	0.65	0.67	0.68
NZD/USD	0.58-0.61	0.59	0.60	0.61	0.61
USD/CNY	7.16-7.20	7.20	7.16	7.12	7.10
USD/MYR	4.18-4.24	4.28	4.25	4.22	4.18
USD/SGD	1.27-1.30	1.29	1.26	1.24	1.22
USD/THB	31.82-32.92	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	3.25	3.00	2.75	2.75	2.75
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
20-Aug	CH 1-Year Loan Prime Rate	3.00%
	CH 5-Year Loan Prime Rate	3.50%
	NZ RBNZ Official Cash Rate	3.25%
	UK CPI Core YoY (Jul)	3.70%
	UK House Price Index YoY (Jun)	3.90%
	EC CPI Core YoY (Jul F)	2.30%
	US MBA Mortgage Applications	10.9%
	US FOMC Meeting Minutes	
21-Aug	AU S&P Global Australia PMI Mfg (Aug P)	51.3
	AU S&P Global Australia PMI Services (Aug P)	54.1
	JN S&P Global Japan PMI Mfg (Aug P)	48.9
	JN S&P Global Japan PMI Services (Aug P)	53.6
	AU Consumer Inflation Expectation (Aug)	4.70%
	EC HCOB Eurozone Manufacturing PMI (Aug P)	49.8
	EC HCOB Eurozone Services PMI (Aug P)	51
	HK CPI Composite YoY (Jul)	1.40%
	UK S&P Global UK Manufacturing PMI (Aug P)	48
	UK S&P Global UK Services PMI (Aug P)	51.8
	EC Construction Output MoM (Jun)	-1.70%
	UK CBI Trends Total Orders (Aug)	-30
	US Initial Jobless Claims (	224k
	US Philadelphia Fed Business Outlook (Aug)	15.9
	US S&P Global US Manufacturing PMI (Aug P)	49.8
	US S&P Global US Services PMI (Aug P)	55.7
	US Leading Index (Jul)	-0.30%
	EC Consumer Confidence (Aug P)	-14.7
	US Existing Home Sales MoM (Jul)	-2.70%

Source: Bloomberg

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