

21 July 2025

Global Markets Research

Daily Market Highlights

21 Jul: Corporate earnings and consumer still holding well

Dollar weakened as Fed's Wall took a dovish stance; UST yields mildly lower

JPY underperformed amid softer inflation prints and uncertainty ahead of election

Malaysia's advanced 2Q GDP surprised on the upside; exports unexpectedly fell

- US stocks wavered last Friday, amid another round of strong corporate earnings/guidance reports and tariffs threats, as President Trump pushed for a minimum tariff of between 15-20% in any deal with the EU. On the corporate front, shares of Netflix, American Express and 3M tumbled despite lifting their annual forecasts and/or posting profit beat during the day, pulling back the Dow and S&P 500 below their flatlines. Nasdaq was the outlier, ending mildly up by +0.1% d/d.
- Similarly, Stoxx Eur 600 closed just below its flatline despite earnings beats, including from carmaker Saab. Asian markets closed mostly in green.
- In the bond space, Treasuries rallied into the weekend although gains were tame. Both the 2Y- and 10Y yields closed the day 4bps lower at 3.87% and 4.42% respectively. 10Y European bond yields, on the other hand, increased 1-6bps, after closing mixed between -1 to +5bps the previous day.
- In the forex space, the DXY fell 0.3% d/d to 98.48 after Fed's Waller hinted that he would dissent if his colleagues were to vote to hold rates in the July meeting and most G10 currencies strengthened against the Dollar. NOK (+1.1% d/d) and SEK (+0.9% d/d) led the outperformers, while JPY (-0.2% d/d to 148.81) lagged. As it is, political uncertainty after Japan's ruling coalition suffered a defeat in the upper house election could likely weigh on the JPY today.
- On the regional front, most Asian currencies strengthened against the greenback, with MYR and SGD traded 0-0.1% d/d stronger at 4.2438 and 1.2854 respectively.
- In the commodity space, crude oil prices closed the day 0.3-0.4% d/d lower despite worries that EU's latest sanctions against Russia could reduce oil supplies. The WTI closed the day at \$67.34/barrel and Brent at \$69.28/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,342.19	-0.32
S&P 500	6,296.79	-0.01
NASDAQ	20,895.66	0.05
Stoxx Eur 600	547.00	-0.01
FTSE 100	8,992.12	0.22
Nikkei 225	39,819.11	-0.21
CSI 300	4,058.55	0.60
Hang Seng	24,825.66	1.33
Straits Times	4,189.50	0.67
KLCI 30	1,525.86	0.32
FX		
Dollar Index	98.48	-0.26
EUR/USD	1.1626	0.26
GBP/USD	1.3416	0.00
USD/JPY	148.81	0.15
AUD/USD	0.6509	0.32
USD/CNH	7.1813	-0.04
USD/MYR	4.2438	-0.13
USD/SGD	1.2854	-0.04
USD/KHR	4,010.50	0.00
USD/THB	32.39	-0.34
Commodities		
WTI (\$/bbl)	67.34	-0.30
Brent (\$/bbl)	69.28	-0.35
Gold (\$/oz)	3,358.30	0.39
Copper (\$\$/MT)	9,778.50	1.16
Aluminum(\$/MT)	2,629.50	2.00
CPO (RM/tonne)	4,156.00	0.19

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 17 July for CPO

Improved and better US consumer confidence, but still below average

- Better than expected economic data from the US. Building permits and housing starts rebounded by 0.2% m/m and 4.6% m/m in June (May: -2.0% m/m and -9.7% m/m), while the University of Michigan Sentiment index was little changed at 61.8 (prior: 60.7). Although highest in 5 months, the index at this level remains well below its historical average and unlikely to improve substantially amid continuous jittery over inflationary pressures. Both year-ahead (4.4% vs 5.0%) and long run (3.6% vs 4.4%) inflation expectations eased, but readings remained above the December 2024 levels suggesting that consumers still perceive substantial risk that inflation will increase in the future.

Softer inflation for Japan but still above BOJ's target

- Matching expectations, inflation cooled to 3.3% y/y in June (Prior: +3.5% y/y), while core came in slower than expected at +3.3% y/y (prior: 3.7% y/y). Despite the easing, prices remained above BOJ's target of 2%, and as such, we opine that it is unlikely to derail the central bank's tightening cycle path, albeit with a push-back due to the current trade policy uncertainty. There were various one-off factors driving prices during the month, with energy inflation slowing due to higher base effect and pass-through from softer oil prices, while services and food inflation quickened, the latter driven by a jump in rice-based meals.

Malaysia's advanced 2Q GDP print surprised on the upside at 4.5%; exports fell for a second month

- Mixed prints from Malaysia. Defying expectations for a deceleration, advanced 2Q GDP surprised on the upside with a 4.5% y/y growth (1Q: +4.4% y/y), but June's exports and imports data surprised on the downside at -3.5% y/y and +1.2% y/y respectively (May: -1.1% y/y and +6.6% y/y). Please refer to Research Alert "Mixed economic prints for Malaysia" dated 18 July for further details.

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DX	97.50-100.25	98.32	96.29	94.99	93.77
EUR/USD	1.14-1.18	1.16	1.19	1.20	1.22
GBP/USD	1.32-1.36	1.36	1.38	1.39	1.40
USD/CHF	0.78-0.81	0.81	0.80	0.79	0.78
USD/JPY	146-151	147	144	140	137
AUD/USD	0.63-0.67	0.63	0.65	0.67	0.68
NZD/USD	0.59-0.62	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.19	7.20	7.16	7.12	7.10
USD/MYR	4.22-4.29	4.28	4.25	4.22	4.18
USD/SGD	1.27-1.30	1.29	1.26	1.24	1.22

USD/THB 32.20-32.90 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	4.25	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

Up Next

Date	Events	Prior
21-Jul	CH 1-Year Loan Prime Rate	3.00%
	CH 5-Year Loan Prime Rate	3.50%
	HK CPI Composite YoY (Jun)	1.90%
	US Leading Index (Jun)	-0.10%
21-31 Jul	SI Singapore MAS July 2025 Monetary Policy Statement	
22-Jul	AU RBA Minutes of July Policy Meeting	
	MA CPI YoY (Jun)	1.20%
	MA Foreign Reserves	\$120.6b
	US Philadelphia Fed Non-Manufacturing Activity (Jul)	-25
	US Richmond Fed Manufact. Index (Jul)	-7
	US Richmond Fed Business Conditions (Jul)	-16

Source: Bloomberg

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