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Global Markets Research

Daily Market Highlights

25 Sept: Traders largely awaiting more labour market clues

DXY & UST yields drifted higher; global stocks traded mixed awaiting fresh catalysts

Hefty jump in US new home sales; Japan's PMI slid to its lowest in 4 months

Australia's CPI at RBA's upper target range; keeping bet of an RBA pause next week

- Wall Street fell for the second session in a row with concerns over the price tag of AI weighing on tech stocks. Traders were also awaiting fresh catalysts and watching out for more (or less) signs of a labour market slowdown with initial jobless claims due for release later today. As at Wednesday's close, the 3 major US equity indices closed the day with modest losses between 0.3-0.4% d/d.
- Elsewhere, Stoxx Eur 600 traded 0.2% d/d lower despite defense stocks outperforming after President Trump said that NATO should shoot down Russian aircrafts that violated their airspace. Asian markets traded mixed and are poised to stall today taking its cue from the futures and Wall Street.
- In the bond space, treasury yields drifted higher between 3-5bps and the benchmark 2Y and 10Y yields closed the day at 3.60% and 4.15%. 10Y European bond yields ended the day mixed again between -/+3bps.
- In the forex space, the DXY (+0.6% d/d to 97.87) closed at its highest since September 4 and with all the G10 currencies weakening against the greenback. JPY (-0.9% d/d to 148.90), SEK (-0.8% d/d) and NZD (-0.7% d/d) underperformed all their peers. AUD strengthened to as high as 0.6628 after the latest release showed CPI quickened to 3.0% y/y, before erasing its gains to close 0.2% d/d weaker at 0.6583.
- Save the INR, all regional currencies also weakened against the Dollar. THB (-0.6% d/d) lagged all Asian peers after its exports data missed forecast, while MYR and SGD depreciated 0.3-0.4% d/d to close at 4.2122 and 1.2885 respectively.
- In the commodity space, Trump's comment raised spectre of supply disruption, sending crude oil prices jumping more than 2.0% d/d each to \$64.99/barrel for the WTI and \$69.31/barrel for Brent.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,121.28	-0.37
S&P 500	6,637.97	-0.28
NASDAQ	22,497.86	-0.33
Stoxx Eur 600	553.88	-0.19
FTSE 100	9,250.43	0.29
Nikkei 225	45,630.31	0.30
CSI 300	4,566.07	1.02
Hang Seng	26,518.65	1.37
Straits Times	4,290.40	-0.29
KLCI 30	1,599.66	-0.24
FX		
Dollar Index	97.87	0.63
EUR/USD	1.1738	-0.65
GBP/USD	1.3447	-0.58
USD/JPY	148.90	0.85
AUD/USD	0.6583	-0.24
USD/CNH	7.1374	0.34
USD/MYR	4.2122	0.32
USD/SGD	1.2885	0.43
USD/KHR	4,011.75	0.09
USD/THB	32.00	0.60
Commodities		
WTI (\$/bbl)	64.99	2.49
Brent (\$/bbl)	69.31	2.48
Gold (\$/oz)	3,735.00	-1.30
Copper (\$/MT)	10,336.50	3.63
Aluminum(\$/MT)	2,651.50	0.51
CPO (RM/tonne)	4,282.00	-2.47

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 23 Sept for CPO, 22 Sept for USD/KHR

New home sales jumped more than 20% in the US

- Lower mortgage rates and homebuilders' incentives sent new home sales surpassing all forecasts and growing at its fastest pace in 3 years in August (20.5% m/m to 800k vs -1.8% m/m).

The surge in demand helped put a significant dent in inventory of new homes (7.4 month's supply at current sale pace vs 9.0) and sent home prices up 1.9% y/y to \$413.5k (prior: -7.9% y/y vs \$395.1k).

- Separate release also showed that mortgage applications continued to grow, albeit at a slower pace 0.6% w/w for the week ended September 19 (prior: 29.7% w/w). Both refinancing and purchase activities increased during the week, the latter at a strong level, all in a sign of pent-up demand in the buyers' market.

Elevated inflationary pressure boosted the case for an RBA pause next week

- CPI came a shade higher than expected at 3.0% y/y in August (July: 2.8% y/y) but underlying inflation, using the trimmed mean, was a shade lower at 2.6% y/y (Jul: 2.7% y/y). The higher-than-expected inflation pressures were driven by housing primarily reflecting increases in electricity costs, as well as food & non-alcoholic beverages and alcohol & tobacco.
- With inflation at the upper end of RBA's target and the ongoing tightness in the labour market, RBA is expected to stay on its gradual easing path of a 25bps cut every quarter, boosting the case for a status quo next week. Just a recap, the central bank last lowered rates in August and consensus (and in house) is pencilling the next cut only in 4Q.

Japan recorded its softest PMI since May

- Preliminary composite PMI (51.1 vs 52.0) suggests that the Japanese economy lost some momentum in September, with overall output expanding at the softest pace in 4 months. Services (53.0 vs 53.1) continued to show solid increase, which helped to offset the deeper downturn for manufacturing (48.8 vs 49.7). Future outlook is equally cloudy with employment growing at the weakest rate in 2 years amid relatively subdued business confidence and strong cost pressures.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DX	95.75-98.75	96.45	95.57	94.24	92.99
EUR/USD	1.16-1.20	1.19	1.20	1.22	1.24
GBP/USD	1.34-1.37	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	145-150	146	145	142	140
AUD/USD	0.64-0.68	0.67	0.67	0.68	0.68
NZD/USD	0.57-0.61	0.59	0.60	0.60	0.60
USD/CNY	7.10-7.14	7.08	7.06	6.99	6.94
USD/MYR	4.17-4.23	4.20	4.15	4.10	4.10
USD/SGD	1.27-1.30	1.28	1.26	1.24	1.23
USD/THB	31.30-32.32	32.25	32.30	32.20	32.00

Rates, %	Current	4Q25	1Q26	2Q26	3Q26
Fed	4.00-4.25	3.50-3.75	3.25.-3.50	3.00.-3.25	3.00.-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.75	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.50	0.75	0.75	0.75
RBA	3.60	3.35	3.10	3.10	3.10
RBNZ	3.00	2.75	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
25-Sep	HK Exports YoY (Aug)	14.30%
	US Advance Goods Trade Balance (Aug)	-\$103.6b
	US GDP Annualized QoQ (2Q T)	3.30%
	US Durable Goods Orders (Aug P)	-2.80%
	US Cap Goods Orders Nondef Ex Air (Aug P)	1.10%
	US Initial Jobless Claims	231k
26-Sep	US Existing Home Sales (Aug)	2.00%
	JN Tokyo CPI YoY (Sep)	2.60%
	SI Industrial Production SA MoM (Aug)	8.20%
	US Personal Income (Aug)	0.40%
	US Personal Spending (Aug)	0.50%
	US Core PCE Price Index YoY (Aug)	2.90%
	US U. of Mich. Sentiment (Sep F)	55.4

Source: Bloomberg

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