

26 September 2025

## Global Markets Research

### Daily Market Highlights

## 26 Sept: On watch for US core-PCE prices today

**Solid US jobless claims and durable goods orders; final 2Q GDP revised higher to 3.8%**

**Pared rate cut bets weighed on US equities & treasuries but benefitted the Dollar**

**Tokyo's inflation undershot expectations; backing BOJ caution but could weigh on JPY**

- A stronger than expected final reading of US 2Q GDP, jobless claims, durable goods orders and existing home sales data saw traders trimming their rate cut bets and pushing US stocks and treasuries lower. The front-end UST underperformed, with the 2Y yield jumping 5bps to 3.66%, while the 10Y yield inched up 2bps to 4.17%. The three major US equity indices ended in red by 0.4-0.5% d/d, bogged down further by a pullback in Oracle shares amid concerns over the record-high valuations for the AI industry.
- In Europe, Stoxx Eur 600 traded 0.7% d/d lower with shares of medical technology firms notably hammered with US launching investigations into imports of medical devices. At the point of writing, President Trump also announced that the US will be imposing a 100% tariff on any branded or patented pharmaceutical product starting 1<sup>st</sup> October, unless the company is building their plant in America. Asian bourses traded mixed and are likely to follow overnight Wall Street to trade lower today.
- The Dollar benefitted from the strong US data and pared rate cut bets, and the DXY rallied 0.7% d/d to 98.55, its highest in 3 weeks. NOK (-1.0% d/d), NZD (-0.8% d/d) and GBP (-0.8% d/d to 1.3345) led losses against the greenback, while CAD (-0.3% d/d), JPY (-0.6% d/d to 149.80) and CHF (-0.6% d/d) outperformed most of their peers, the latter after the Swiss National Bank left its policy rate unchanged at 0% as expected.
- PHP (-1.1% d/d) led losses amongst regionals with investor sentiment dampened by the protest over allegations of government corruption. SGD weakened 0.4% d/d to 1.2938, while MYR closed flattish at 4.2120.
- In the commodity space, crude oil prices fluctuated between gains and losses in a day of choppy trading amid heightened tension between Russia and NATO. The WTI closed just below its flatline at \$64.98/barrel, but Brent rose 0.2% d/d to \$69.42/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,947.32	-0.38
S&P 500	6,604.72	-0.50
NASDAQ	22,384.70	-0.50
Stoxx Eur 600	550.22	-0.66
FTSE 100	9,213.98	-0.39
Nikkei 225	45,754.93	0.27
CSI 300	4,593.49	0.60
Hang Seng	26,484.68	-0.13
Straits Times	4,273.86	-0.39
KLCI 30	1,598.47	-0.07
<b>FX</b>		
Dollar Index	98.55	0.69
EUR/USD	1.1666	-0.61
GBP/USD	1.3345	-0.76
USD/JPY	149.80	0.60
AUD/USD	0.6540	-0.65
USD/CNH	7.1451	0.11
USD/MYR	4.2120	0.00
USD/SGD	1.2938	0.41
USD/KHR	4,009.90	-0.05
USD/THB	32.13	0.39
<b>Commodities</b>		
WTI (\$/bbl)	64.98	-0.02
Brent (\$/bbl)	69.42	0.16
Gold (\$/oz)	3,738.70	0.10
Copper (\$/MT)	10,259.50	-0.74
Aluminum(\$/MT)	2,658.50	0.26
CPO (RM/tonne)	4,323.00	0.96

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 24 Sept for CPO

### **Slew of positive and better than expected prints for the US, from durable goods orders to jobless claims; upward revision to its 2Q GDP**

- The final 2Q GDP was revised 0.5ppts higher to 3.8%, marking its strongest in nearly 2 years. The large revision reflects BEA's annual update of the national economic accounts, followed a 0.6% q/q contraction in 1Q and was attributed to an upward revision to consumer spending (+0.9ppts to 2.5% q/q vs 1Q: 0.6% q/q).
- In yet another sign of strength, spending on durable as well as capital goods nondef ex air was better than expected and rose 2.9% m/m and 0.6% m/m (prior: -2.7% m/m and 0.8% m/m). AI-related spending boosted durable goods orders, but August also saw signs that demand broadened to machinery manufacturing, likely due to the One Big Beautiful Act which kicked in in July.
- Housing data has been mixed lately. After hefty gains shown for new home sales, existing home sales fell 0.2% m/m to 4.0m units in August, after gaining 2.0% m/m previously. The data was nonetheless slightly better than expected, with affordability issues continuing to weigh on demand, especially for the affordable homes, while rising housing wealth and record equity markets helped support demand for the upper-end of the market.
- Initial jobless claims unexpectedly fell 14k to 218k for the week ended Sept 20 (prior: -32k), while continuing claims, which run a week behind, declined 2k to 1926k (prior: 1k). Claims data can be volatile, with Texas showing big gyrations in recent weeks due to fraudulent claims but all in, data has shown that businesses are reluctant to part with workers even if hiring pace has eased.

### **Solid export growth for Hong Kong, partially due to low base effect; super typhoon a dampener for incoming September data**

- Export growth unexpectedly quickened to 14.5% y/y in August (prior: 14.3% y/y) as shipment to Mainland China and most other Asian markets continued to post solid growth, while those to the US and EU also turned positive. Exports of most major commodities also showed growth, in particular for exports of electrical equipment, machinery and mechanical appliances which remains tariff exempted for now.
- The strong growth was partially underpinned by low base effect in 2H of 2024, and does not change our expectations that trade momentum could soften ahead post frontloading as seen by most regional economies, with an added dampener from the super typhoon for the month of September.

### Steady Tokyo inflation supports BOJ caution for now

- September's headline and core inflation for the capital was lower than expected, unexpectedly holding steady at 2.5% y/y and backing case for a BOJ caution for now. The steady prices reflect government's subsidies to help consumer cope with higher cost of living, as well as softer prices for food.

### House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	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
26-Sep	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
29-Sep	UK Mortgage Approvals (Aug)	65.4k
	EC Economic Confidence (Sep)	95.2
	US Pending Home Sales MoM (Aug)	-0.40%
	US Dallas Fed Manf. Activity (Sep)	-1.8

Source: Bloomberg

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