

27 May 2025

Global Markets Research

Daily Market Highlights

27 May: Mild trading with US and UK markets closed

Wall Street and UK markets closed for holidays; Auto stocks led gains in Europe
Muted trading in the forex space; haven currencies underperformed G10 peers
PBoC raised cross border yuan requirement; CNH weakened

- Wall Street and the London Stock Exchange were closed for Memorial Day and Spring bank holiday respectively.
- Elsewhere, Asia equities traded mixed but futures suggest an uptick today, while European markets (Stoxx Eur 600: +1.0% d/d) closed higher after President Trump announced the extension on EU tariffs. Auto stocks, which were particularly sensitive to the threat, rebounded and led gains for the region. In the bond space, 10Y bond yields fell at a smaller pace of 0-4bps, after declining 4-8bps the day before.
- With both the US and UK markets out for holiday, trading in the forex market was muted with all G10 and regional currencies closing +/-0.3% d/d against greenback. Within the G10 space, most major currencies strengthened against the Dollar save for the AUD (weaker at 0.6486), CAD as well as haven assets CHF and JPY (-0.2% d/d to 142.85). EUR appreciated 0.2% d/d to 1.1387 after Trump's tariff extension, and the DXY ended the day 0.2% d/d lower at 98.93.
- Regional currencies, on the other hand, closed mostly weaker against the Dollar save for the TWD, INR, MYR (+0.3% d/d to 4.2188) and SGD (+0.1% d/d to 12842). CNH weakened 0.1% d/d to 7.1768 after the People's Bank of China asked major lenders to increase the share of yuan in cross-border trade transactions from 25% to 40%.
- In the commodity space, Brent swung between gains and losses before closing the day 0.1% d/d lower at \$64.74/barrel as market weighs the temporary easing trade tension against rising OPEC+ supply.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	41,603.07	-0.61
S&P 500	5,802.82	-0.67
NASDAQ	18,737.21	-1.00
Stoxx Eur 600	550.50	0.99
FTSE 100	8,717.97	-0.24
Nikkei 225	37,531.53	1.00
CSI 300	3,860.11	-0.57
Hang Seng	23,282.33	-1.35
Straits Times	3,875.60	-0.18
KLCI 30	1,534.30	-0.07
FX		
Dollar Index	98.93	-0.18
EUR/USD	1.1387	0.22
GBP/USD	1.3564	0.20
USD/JPY	142.85	0.20
AUD/USD	0.6486	-0.03
USD/CNH	7.1768	0.06
USD/MYR	4.2188	-0.30
USD/SGD	1.2842	-0.05
USD/KHR	4,004.25	-0.06
USD/THB	32.608	0.34
Commodities		
WTI (\$/bbl)	61.53	0.54
Brent (\$/bbl)	64.74	-0.06
Gold (\$/oz)	3,365.80	2.15
Copper (\$\$/MT)	9,610.00	1.15
Aluminum(\$/MT)	2,463.50	0.31
CPO (RM/tonne)	3,860.00	0.26

Source: Bloomberg, HLBB Global Markets Research
 * Dated as of 23 May for CPO, DJIA, S&P 500, Nasdaq, FTSE 100, WTI, Gold, Copper, Aluminium

Japan's services producer prices eased

- Services PPI eased less than expected to 3.1% y/y in April (Mar: Upward revised to +3.3% y/y), with prices for hotels, machinery repair & maintenance, civil engineering and architectural services leading the decline. That said, prices have held firmly above the 3% level in 2025 as compared to an average of 2.8% in 2024, and as such, there is no change in our view that general

prices and policy rates will remain on a gradual upward trend barring any significant shocks to the global economy. We maintain our view of one more quarter point rate hike by the BOJ to 0.75% in 4Q of 2025.

Hong Kong's exports to the US decelerated sharply after the tariff hike in April

- Exports slowed but remained robust at +14.7% y/y in April following March's +18.5% y/y. The figure was above street forecasts as exports to China (+23.0% y/y vs +25.4% y/y) and many other Asian markets grew visibly. Exports to the US (+1.0% y/y vs +11.4% y/y) decelerated sharply after the tariff kicked in, while exports to the EU also fell. External headwinds and uncertainties persist despite trade tensions having eased somewhat of late, but this could be partially cushioned by some support from China, and efforts to diversify to alternative markets.

Singapore industrial output growth moderated less than expected

- Industrial output growth slowed less than expected to +5.9% y/y in April following March's +6.8% y/y bump. Half of the clusters recorded growth, with the linchpin electronics clusters, which is excluding from US tariffs, surging 15.2% y/y after increasing 11.2% y/y previously and line with still robust semiconductor sales trend recorded on the global front (1Q: +18.8% y/y).
- That said, forward looking indicators suggest production will decline or remain broadly unchanged in the next 3 months, with the official PMI retreating to 49.7 in April from 50.6, while the S&P index inched up only marginally by 0.1ppts to 52.8. Business sentiments in the manufacturing sector have also turned more cautious with the ongoing trade tensions and tariff uncertainties clouding global economic outlook. Overall, a net weighted balance of 6% of manufacturing firms anticipate a less favourable business situation for the period Apr-Sept compared to 1Q of the year.

House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DX	98-102	99.36	98.60	97.69	96.58
EUR/USD	1.11-1.15	1.14	1.16	1.18	1.19
GBP/USD	1.32-1.36	1.34	1.34	1.35	1.36
USD/CHF	0.81-0.85	0.83	0.84	0.84	0.85
USD/JPY	141-147	144	146	145	142
AUD/USD	0.62-0.66	0.65	0.65	0.65	0.66
NZD/USD	0.57-0.61	0.60	0.60	0.59	0.60
USD/CNY	7.18-7.23	7.06	7.13	7.17	7.10
USD/MYR	4.23-4.31	4.20	4.24	4.24	4.20
USD/SGD	1.27-1.31	1.28	1.30	1.31	1.30

USD/THB 32.84-33.46 32.70 33.00 33.10 32.70

Rates, %	Current	2Q-25	3Q-25	4Q25	1Q26
Fed	4.25-4.50	4.25-4.50	4.00-4.25	3.75-4.00	3.50-3.75
ECB	2.25	2.25	2.00	2.00	2.00
BOE	4.25	4.25	4.00	3.75	3.50
SNB	0.25	0.25	0.25	0.25	0.25
BOJ	0.50	0.50	0.50	0.75	0.75
RBA	3.85	3.85	3.60	3.35	3.10
RBNZ	3.50	3.25	3.00	2.75	2.50
BNM	3.00	3.00	2.75	2.75	2.75

Source: HLBB Global Markets Research

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Date	Events	Prior
27-May	CH Industrial Profits YTD YoY (Apr)	0.80%
	EC Economic Confidence (May)	93.6
	UK CBI Retailing Reported Sales (May)	-8
	US Durable Goods Orders (Apr P)	9.20%
	US Cap Goods Orders Nondef Ex Air (Apr P)	0.10%
	US FHFA House Price Index MoM (Mar)	0.10%
	US S&P CoreLogic CS US HPI YoY NSA (Mar)	3.87%
	US Conf. Board Consumer Confidence (May)	86
28-May	US Dallas Fed Manf. Activity (May)	-35.8
	AU CPI Trimmed Mean YoY (Apr)	2.70%
	NZ RBNZ Official Cash Rate	3.50%
	EC ECB 1 Year CPI Expectations (Apr)	2.90%
	US MBA Mortgage Applications	-5.1%
	US Richmond Fed Manufact. Index (May)	-13
	US Richmond Fed Business Conditions (May)	-30
	US Dallas Fed Services Activity (May)	-19.4

Source: Bloomberg

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