

27 August 2025

**Global Markets Research**
**Daily Market Highlights**

## 27 Aug: Nvidia earnings in the spotlight today

**DXY and longer-dated USTs battered by the Fed turmoil; US stocks gained modestly**

**Mixed data prints from the US – softer consumer & housing data; strong capex**

**Sturdy exports for Hong Kong and IPI growth for Singapore with E&E still tariff exempted**

- Tuesday saw a sell-off in the Dollar and longer-dated Treasuries as President Trump's push to remove Fed Governor Lisa Cook fuelled concerns over the central bank's independence. Stocks were an outlier amongst US assets, gaining 0.3-0.4% d/d, as traders largely shook off Trump's latest Fed turmoil, although trading remained rather lacklustre with traders largely awaiting the quarterly results from chip giant Nvidia.
- Elsewhere, Stoxx Eur 600 retreated 0.8% d/d pulled lower by French stocks (CAC 40: -1.7% d/d). This comes amid renewed political uncertainty in France, with Prime Minister François Bayrou announcing that he will seek a vote of confidence on 8-September. Asian markets mostly fell, with Hang Seng (-1.2% d/d) leading losses in the region while CSI 300 tumbled 0.4% d/d. This comes amid Trump's warning of a "200% tariffs or something" on China if it does not export rare-earth magnets to the US.
- In the bond space, the 2Y UST yield slid 5bps to 3.68%, benefitting from a solid 2Y auction, while the 10Y was down 1bps to 4.26%. The 20Y and 30Y yields, on the other hand, rose 2-3bps to close at 4.88% and 4.92% respectively. With the exception of the UK and Norwegian bonds, 10Y European sovereign bonds retreated 1-4bps, having inched up 1-9bps the day before.
- The Dollar weakened against all its G10 peers (except NOK), following the Fed turmoil, and the DXY closed the day 0.2% d/d lower at 98.23. Haven currencies CHF (+0.3% d/d) and JPY (+0.2% d/d to 147.40) were amongst the best performers in the G10 space, while regional currencies closed mixed against the greenback. SGD closed just slightly firmer at 1.2853, but MYR underperformed most of its peers and closed 0.3% d/d weaker at 4.2185 against the USD.
- Within the commodity space, the WTI and Brent plunged more than 2.0% d/d each to \$63.25/barrel and \$67.22/barrel amid a risk-off environment, and as investors waited for more clarity on oil supply because of the Russia-Ukraine war. This comes after the Department of Homeland Security issued a notice to

**Key Market Metrics**

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,418.07	0.30
S&P 500	6,465.94	0.41
NASDAQ	21,544.27	0.44
Stoxx Eur 600	554.20	-0.83
FTSE 100	9,265.80	-0.60
Nikkei 225	42,394.40	-0.97
CSI 300	4,452.59	-0.37
Hang Seng	25,524.92	-1.18
Straits Times	4,243.71	-0.30
KLCI 30	1,581.59	-1.30
<b>FX</b>		
Dollar Index	98.23	-0.21
EUR/USD	1.1642	0.21
GBP/USD	1.3480	0.19
USD/JPY	147.40	-0.27
AUD/USD	0.6495	0.20
USD/CNH	7.1533	-0.07
USD/MYR	4.2185	0.27
USD/SGD	1.2853	-0.02
USD/KHR	4,009.00	0.00
USD/THB	32.49	0.13
<b>Commodities</b>		
WTI (\$/bbl)	63.25	-2.39
Brent (\$/bbl)	67.22	-2.30
Gold (\$/oz)	3,388.60	0.44
Copper (\$/MT)	9,837.00	0.41
Aluminum(\$/MT)	2,638.00	0.51
CPO (RM/tonne)	4,419.00	-0.60

Source: Bloomberg, HLBB Global Markets Research

\* Closing as of 25 Aug for CPO

double tariffs on all Indian imports as the US sought to penalize the country for buying Russian crude, a move seen as part of an effort to broker peace between Russia and Ukraine.

### **RBA signalled more rate cuts ahead but pace undecided**

- No surprises from the minutes of the latest RBA policy meeting but highlights include: 1) Preserving full employment while bringing inflation sustainably back to the midpoint of the target range would likely require **some further cuts in cash rate over the coming year**. That said, the **pace of decline will be determined by the incoming data on a meeting-by-meeting basis**. 2) Several considerations warrant continuous gradual rate cut pace, namely – a little tight labour market conditions, inflation projected to stay above the midpoint of the target range, private demand showing signs of recovering, and amid uncertainty over the spare capacity/the neutral interest rate. 3) On the other hand, a slightly faster rate cut is warranted if the balance of risks to the forecasts becomes more clearly skewed to the downside because of the adverse developments in the global economy or if the labour market turned out already to be in balance.

### **US consumer confidence and home prices continued to soften; capex surprised on the upside**

- August's Conference Board Consumer Confidence index came in at 97.4, slightly higher above consensus forecast but a downtick from July's upwardly revised 98.7. Both the present (131.2 vs 132.8) and expectations (74.8 vs 76.0) indices weakened, with rising worries over income and jobs offsetting more optimistic views of current and future business conditions.
- Core capital goods orders, a proxy for investment that excludes aircraft and military goods, increased more than expected by 1.1% m/m in July after a 0.6% m/m drop previously, while volatile transportation orders explained the 2.8% m/m drop for all durable goods (prior: -9.4% m/m). Stripping transportation, orders for durable goods jumped 1.1% m/m (prior: +0.3% m/m) as orders rose across most major categories. Despite the gain and added boost from companies taking advantage of the tax provisions under the One Big Beautiful Bill, companies are likely to remain cautious over capital spending and hirings given the elevated uncertainty over the erratic tariff announcements and state of the economy.
- June saw home price appreciation decelerating again, weighed down by seasonal factors as well as underlying weakness in demand amid dampened affordability. The FHFA House Price Index slowed to +2.6% y/y from +2.9% y/y previously, while the

S&P CoreLogic CS moderated to +1.9% y/y (prior: +2.3% y/y), the latter marking its slowest since the summer of 2023.

### Sturdy exports for Hong Kong; exports to China and Asian markets offset lower demand from the US and the EU

- Exports unexpectedly grew at a stronger pace of +14.3% y/y in July as compared to +11.9% y/y previously, as exports to China and the majority of other Asian markets grew notably, while those to the US and the EU continued to fall. By product, export of some principal commodity divisions increased, in particular the electrical machinery, apparatus & appliances & electrical parts goods, which is tariff exempted as well as telecommunications & sound recording & reproducing apparatus & equipment.

### Singapore's IPI growth surprised on the upside with electronics growing at a strong pace

- Defying expectations for anaemic growth, Singapore's IPI surprised at the upside at +7.1% y/y and +8.2% m/m in July (prior: +7.1% y/y and -0.8% m/m). Excluding the more volatile biomedical industry, production rose by an even larger +9.4% y/y. Five of the six industry clusters saw output grow during the month, with the key electronics industry, picking up pace at +13.1% y/y (prior: +8.4% y/y).

### House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DXY	96.27-100.00	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	0.79-0.82	0.81	0.80	0.79	0.78
USD/JPY	145-151	147	144	140	137
AUD/USD	0.63-0.66	0.63	0.65	0.67	0.68
NZD/USD	0.58-0.61	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.20	7.20	7.16	7.12	7.10
USD/MYR	4.19-4.26	4.28	4.25	4.22	4.18
USD/SGD	1.27-1.31	1.29	1.26	1.24	1.22
USD/THB	32.14-32.89	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	3.00	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**

<b>Date</b>	<b>Events</b>	<b>Prior</b>
27-Aug	AU Westpac Leading Index MoM (Jul)	-0.03%
	CH Industrial Profits YTD YoY (Jul)	-1.80%
	AU CPI Trimmed Mean YoY (Jul)	2.10%
	US MBA Mortgage Applications	-1.4%
28-Aug	EC Economic Confidence (Aug)	95.8
	US GDP Annualized QoQ (2Q S)	3.00%
	US Initial Jobless Claims	235k
	US Pending Home Sales MoM (Jul)	-0.80%

Source: Bloomberg

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