

29 July 2025

Global Markets Research

Daily Market Highlights

29 Jul: Cautious sentiment likely ahead of key events

Trump said baseline tariff rate for most countries will be “in the range of 15-20%”

US-EU trade deal failed to spark rally in equities; USTs underwater; Dollar biggest winner

BNM lowered its GDP growth and inflation forecast for 2025; MYR depreciated

- The S&P 500 closed just above its flatline overnight, Nasdaq gained 0.3% d/d while the Dow lost 0.1% d/d as traders looked past the US-EU trade deal amid a looming big week of market catalysts, including the FOMC’s decision, Friday’s non-farm payroll and a busy week of earnings, including from the “Magnificent Seven.” It was a relatively quiet day in terms of economic data and tariff news, but President Donald Trump did say that the **baseline tariff rate for most countries will be “in the range of 15-20%.”**
- In Europe, Stoxx 600 erased early gains to close 0.2% d/d lower. Autos were among the hardest hit, as industry bosses warned that the higher levies would crimp corporate earnings, replacing optimism around the US-EU trade deal. Asian markets traded mixed with investors awaiting more details of the trade talks between the US and China.
- Unwinding of haven trades saw Treasuries trading slightly underwater again. The 2Y yield closed just above its flatline at 3.93%, while the 10Y rose 2bps to 4.41%. Save UK gilts, 10Y European bond yields fell in tune to 2-5bps.
- The DXY was the biggest winner for the day, rallying 1.0% d/d to 98.63 and the Dollar strengthened against all its G10 peers, as well as regional currencies. EUR (-1.3% d/d to 1.1589) led losses amongst G10, while GBP, JPY and AUD depreciated in tune to 0.6-0.7% d/d to 1.3356, 148.53 and 0.6521.
- Within the regional space, KRW, TWD and SGD (-0.4% d/d to 1.2866) underperformed most of their Asian peers, while MYR closed the day 0.2% d/d weaker at 4.2310, depreciating after the central bank lowered its GDP growth forecast for 2025.
- In the commodity space, crude oil prices jumped more than 2% d/d after Trump shortened the deadline for Russia to end its war in Ukraine, reigniting geopolitical tension. The WTI closed the day at \$66.71/barrel and Brent at \$70.04/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,837.56	-0.14
S&P 500	6,389.77	0.02
NASDAQ	21,178.58	0.33
Stoxx Eur 600	548.76	-0.22
FTSE 100	9,081.44	-0.43
Nikkei 225	40,998.27	-1.10
CSI 300	4,135.82	0.21
Hang Seng	25,562.13	0.68
Straits Times	4,241.14	-0.47
KLCI 30	1,529.38	-0.29
FX		
Dollar Index	98.63	1.01
EUR/USD	1.1589	-1.30
GBP/USD	1.3356	-0.61
USD/JPY	148.53	0.57
AUD/USD	0.6521	-0.69
USD/CNH	7.1819	0.20
USD/MYR	4.2310	0.20
USD/SGD	1.2866	0.39
USD/KHR	4,008.00	0.04
USD/THB	32.38	0.36
Commodities		
WTI (\$/bbl)	66.71	2.38
Brent (\$/bbl)	70.04	2.34
Gold (\$/oz)	3,310.00	-0.77
Copper (\$\$/MT)	9,793.00	0.24
Aluminum(\$/MT)	2,631.50	-0.15
CPO (RM/tonne)	4,204.50	-0.85

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 25 July for CPO, USD/THB

Texas manufacturing activity picked up notably

- The Dallas Fed Manufacturing index rose to +0.9 in July (June: -12.7) after 5 months of negative readings and was better than expected. Expectations for manufacturing activity six months from now also improved, with most sub-indicators increasing though some remain below their average readings.

UK's retail sales continue to fall, according to the CBI

- According to the CBI, retail annual sales volumes continued to fall in July, although the pace of decline moderated from June's sharp drop (-34% vs -46%). Retailers expect sales to fall at a broadly similar pace next month (-31%) as elevated price pressure and economic uncertainty continue to weigh on household demand.

Double digit growth for Hong Kong's exports

- Although still resilient, export growth unexpectedly eased to +11.9% y/y in June after rising by 15.5% y/y previously. Exports to the Mainland and most Asian markets continued to expand visibly, while those to the EU and US fell, the latter marking its second month of contraction after US' tariff hike. The export outlook for Hong Kong remains uncertain, although a recovery in China's economy should lend some support for external demand.

BNM revised its 2025 GDP growth projection to 4.0-4.8%; inflation to average 1.5-2.3% in 2025

- Shifting trade policies, uncertainties over the tariff developments as well as geopolitical tension saw Bank Negara Malaysia revising its GDP forecast for 2025 to 4.0-4.8% from 4.5-5.5% previously (HLB forecast: 3.8-4.3%). The growth projections have taken into account various tariff scenarios and despite the external headwinds, the central bank said that the growth projection is subjected to both downside and upside risks, that domestic demand is resilient and will continue to support growth going forward.
- In terms of inflation, headline CPI is expected to average between 1.5%-2.3% in 2025 (previous forecast: 2.0-3.5% vs HLB: 1.6%) amid moderate cost and demand outlook, as well as softer global commodity prices.

House View and Forecasts

FX	This Week	3Q-25	4Q-25	1Q-26	2Q-26
DXY	95.50-98.50	98.32	96.29	94.99	93.77
EUR/USD	1.16-1.19	1.16	1.19	1.20	1.22
GBP/USD	1.33-1.37	1.36	1.38	1.39	1.40
USD/CHF	0.78-0.82	0.81	0.80	0.79	0.78
USD/JPY	144-149	147	144	140	137

AUD/USD	0.64-0.68	0.63	0.65	0.67	0.68
NZD/USD	0.58-0.62	0.59	0.60	0.61	0.61
USD/CNY	7.15-7.19	7.20	7.16	7.12	7.10
USD/MYR	4.19-4.25	4.28	4.25	4.22	4.18
USD/SGD	1.26-1.30	1.29	1.26	1.24	1.22
USD/THB	32.20-32.70	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
29-Jul	EC ECB 1 Year CPI Expectations (Jun)	2.80%
	UK Mortgage Approvals (Jun)	63.0k
	US Advance Goods Trade Balance (Jun)	-\$96.6b
	US FHFA House Price Index MoM (May)	-0.40%
	US S&P CoreLogic CS US HPI YoY NSA (May)	2.72%
	US JOLTS Job Openings (Jun)	7769k
	US Conf. Board Consumer Confidence (Jul)	93
	US Dallas Fed Services Activity (Jul)	-4.4
30-Jul	Singapore MAS July 2025 Monetary Policy Statement	
	AU CPI Trimmed Mean YoY (Jun)	2.40%
	EC Economic Confidence (Jul)	94
	EC GDP SA QoQ (2Q A)	0.60%
	US MBA Mortgage Applications	0.80%
	US ADP Employment Change (Jul)	-33k
	US GDP Annualized QoQ (2Q A)	-0.50%
	US Pending Home Sales MoM (Jun)	1.80%
30-31 Jul	SI Unemployment rate SA (Jun)	2.10%

Source: Bloomberg

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