30 July 2025

Global Markets Research
Daily Market Highlights

30 Jul: All eyes on the FOMC policy meeting today

S&P 500 snapped its winning streak ahead of FOMC's decision; Treasuries & Dollar gained

Mixed US data – job openings fell; better consumer confidence; trade deficit narrowed

MAS maintained the prevailing rate of appreciation of the S$NEER policy band

- Traders sent Wall Street lower overnight in the run-up to the FOMC meeting and amid some disappointment that the US-China meeting ended without a deal on the table. The S&P 500 ended its winning streak to close 0.3% d/d down, while Nasdaq and the Dow slipped 0.4% d/d and 0.5% d/d respectively. Corporate earnings were mixed, with P&G and Visa topping forecasts, while UPS missed the mark. Elsewhere, Stoxx Eur 600 closed 0.3% d/d higher, while regional indices closed mixed.
- In the bond space, weaker than expected JOLTS job prints and strong auction demand saw Treasuries gaining and yields sliding 5-11bps across the curve. The 2Y yield closed the day 5bps lower at 3.87%, while the 10Y fell 9bps to 4.32%. 10Y European bond yields rose modestly between 1-3bps save for the UK gilts (prior: -2 to -5bps).
- In the forex space, the DXY touched 99.14 before retreating to 98.89 (+0.3% d/d) at close. EUR (-0.4% d/d to 1.1547) was amongst the worst performers amongst G10, while JPY wavered between gains and losses before closing 0.1% d/d stronger at 148.46 ahead of BOJ's decision later in the week, Similarly, most regional currencies weakened against the Dollar, with SGD and MYR depreciating 0.1% d/d each to 4.2340 and 1.2878. At the point of writing, SGD strengthened to 1.2865 after MAS unexpectedly maintained the prevailing monetary policy stance.
- In the commodity space, crude oil prices jumped more than 3% d/d after Trump upped the truce pressure on Russia. The WTI closed the day at $69.21/barrel and Brent at $72.51/barrel.

MAS maintained the prevailing rate of appreciation of the S$NEER policy band; no change to its width and the level at which it is centre

- In its latest move, the Monetary Authority of Singapore (MAS) maintained the prevailing rate of appreciation of the S$NEER policy band and there will be no change to its width and the level at which it is centred. MAS added that having eased monetary policy twice this year, the S$NEER band is in an appropriate

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	44,632.99	-0.46
S&P 500	6,370.86	-0.30
NASDAQ	21,098.29	-0.38
Stoxx Eur 600	550.36	0.29
FTSE 100	9,136.32	0.60
Nikkei 225	40,674.55	-0.79
CSI 300	4,152.02	0.39
Hang Seng	25,524.45	-0.15
Straits Times	4,229.41	-0.28
KLCI 30	1,523.82	-0.36
FX		
Dollar Index	98.89	0.26
EUR/USD	1.1547	-0.36
GBP/USD	1.3351	-0.04
USD/JPY	148.46	-0.05
AUD/USD	0.6510	-0.17
USD/CNH	7.1808	-0.02
USD/MYR	4.2340	0.07
USD/SGD	1.2878	0.09
USD/KHR	4,008.00	0.00
USD/THB	32.43	0.14
Commodities		
WTI ($/bbl)	69.21	3.75
Brent ($/bbl)	72.51	3.53
Gold ($/oz)	3,324.00	0.42
Copper ($$/MT)	9,798.00	0.05
Aluminum($/MT)	2,605.50	-0.99
CPO (RM/tonne)	4,205.00	-0.19

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 28 July for CPO*

position to respond to risks to medium-term price stability. This is expected to be positive for the SGD.

- In the accompanying statement, the central bank said that global and domestic economies have been resilient thus far and better than expected. Growth for Singapore is expected to slow in 2H, with the output gap falling below slightly below potential (2025: average around 0%). Underlying inflationary pressures, meanwhile, should remain contained in the near term.

Mixed data for the US – job openings fell more than expected but still at healthy levels; consumer confidence improved; trade deficit shrank; narrower gains for home prices

- JOLTS job openings fell more than expected to 7.44m in June following May's 7.71m. This marked its first decline in 3 months, was broad-based and driven by accommodation & food services, healthcare as well as finance & insurance sectors. Data also showed that the ratio of unemployed persons per job opening, as a proxy of balance between labour supply and demand, eased to 0.9 from 1.0 previously, while the hiring rate slowed to 3.3%, its lowest since November. Tuesday's report supports views of a cooling but still healthy labour market, and thus, will justify expectations of a wait-and-see stance at the FOMC meeting today.
- Conference Board's consumer confidence index came in better than expected in June (97.2 vs 95.2) as pessimism over the future receded (Expectations index: +4.5ppts to 74.4). As it is, consumer confidence has stabilized since May after April's plunge, but remains below last year's level amid concerns that tariffs could lead to higher inflationary pressures.
- Trade deficit shrank by more than forecast in June (-$86.0bn vs -$96.4bn) amid a broad decline in imports (-4.2% m/m vs -0.1% m/m) as the pre-tariff rush to secure goods unwinds. Accordingly, import of consumer goods fell to its lowest since September 2020, while import of industrial supplies also dropped to its lowest since 2021. Shipments of motor vehicles also tumbled. The latest data will likely see economists revising their GDP estimates for 2Q upwards, with the latest Atlanta Fed's GDPNow forecast pencilling in 2.4% growth for the period and net exports contributing positively to growth.
- May's data continued the year's slow unwind of price momentum for homes. National home prices were just 2.3% higher than a year ago, the smallest increase since July 2023 according to the S&P Core-Logic, while the FHFA price index also moderated to 2.8% (Apr: +3.2% y/y). While the spring market supported prices modestly, it will not be enough to suggest sustained acceleration amid affordability issues.

Eurozone's inflation expectations eased further

- 1Y CPI expectations eased for the second month by 0.2ppts to 2.6% in June, while expectations for 3- and 5- years ahead were unchanged at 2.4% and 2.1% respectively. Uncertainty about inflation expectations over the next 12 months was also steady for the month.

UK's mortgage approvals recovered to its 3-month high

- Mortgage approvals rose more than expected to its 3-month high of 64.2k in June from 63.3k previously as the effective interest rates continued to ease but also showed signs that demand is steadying after being rocked by the higher stamp duty in the Autumn Budget. Accompanying data also showed that net consumer credit rose to £1.4bn, bouncing back from May when it slumped below £1.0bn for the first time this year, driven by a sharp pick-up in credit card borrowing.

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
30-Jul	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%

31-Jul	US FOMC Rate Decision	4.50%
	US FOMC Rate Decision	4.25%
	UK Lloyds Business Barometer (Jul)	51
	JN Retail Sales MoM (Jun)	-0.20%
	JN Industrial Production MoM (Jun P)	-0.10%
	AU Building Approvals MoM (Jun)	3.20%
	CH Manufacturing PMI (Jul)	49.7
	AU Retail Sales MoM (Jun)	0.20%
	CH Non-manufacturing PMI (Jul)	50.5
	AU Private Sector Credit MoM (Jun)	0.50%
	JN Consumer Confidence Index (Jul)	34.5
	HK Retail Sales Value YoY (Jun)	2.40%
	HK GDP YoY (2Q A)	3.10%
	EC Unemployment Rate (Jun)	6.30%
	US Challenger Job Cuts YoY (Jul)	-1.60%
	US Personal Income (Jun)	-0.40%
	US Personal Spending (Jun)	-0.10%
	US Core PCE Price Index YoY (Jun)	2.70%
	US Employment Cost Index (2Q)	0.90%
	US Initial Jobless Claims	217k
	US MNI Chicago PMI (Jul)	40.4
	JN BOJ Target Rate	0.50%

Source: Bloomberg

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