1 July 2026

Global Markets Research
Daily Market Highlights

1 July: US stocks soared to close 2Q on a positive note

Higher UST yields and DXY after positive JOLTS data; Challenger job cuts up next
Minutes: RBA paused to assess lagged impact from recent hikes; AUD advanced
CNH strengthened after upside surprises to China's PMIs; regional PMIs due today

- US stocks closed Tuesday on a positive note amid sharp gains in chips stocks, and also wrapping up 2Q with its best quarterly gains in years. A fresh batch of economic data continued to underscore growth resilience and optimism over corporate earnings, while softer oil prices also bode well for sentiment overnight.
- Led by Nasdaq, the 3 major US stock indices rallied 0.3-1.5% d/d, while for commodities, Brent and the WTI were down 0.3-1.7% d/d to $72.92/barrel and $69.50/barrel with traders focused on the prospect of fresh talks between the US and Iran.
- In the bond space, treasury yields were higher following the better than-expected JOLTS jobs data. The benchmark 2Y note yield rose 7bps to 4.17% and while the 10Y bond yield gained 9bps to 4.47%.
- In Europe, Stoxx 600 rallied 0.9% d/d, while 10Y sovereign bond yields rose 0-4bps. Major Asian bourses (Nikkei 225: 0.9% d/d, CSI 300: 1.1% d/d, Hang Seng: -0.6% d/d) closed mixed, but are poised to advance today tracking Wall Street and futures.
- In the forex space, the DXY halted its 3-day slump as treasury yields edged up, and the DXY closed 0.1% d/d higher at 101.19. JPY held near its 4-decade low at 162.55 (-0.4% d/d), putting markets on the lookout for government intervention. AUD (0.5% d/d to 0.6919) outperformed most of its G10 peers following the release of the RBA minutes, while EUR and GBP closed flattish at 1.1422 and 1.3262.
- On the regional front, MYR and SGD traded 0.1-0.3% d/d weaker at 4.0840 and 1.2938, while CNH strengthened 0.1% d/d to 6.7918 following its PMIs beat.

RBA held rates in June to assess the housing market and impact from the recent rate hikes

- Highlights to minutes to the June RBA policy meeting include: 1) The decision to hold the policy rate at 4.35% was for central bankers to assess the impact on the economy from the slew

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,319.20	0.26
S&P 500	7,499.36	0.79
NASDAQ	26,213.72	1.52
Stoxx Eur 600	641.73	0.88
FTSE 100	10,497.12	0.12
Nikkei 225	70,062.32	0.86
CSI 300	4,979.43	1.07
Hang Seng	22,881.02	-0.63
Straits Times	5,170.65	-0.73
KLCI 30	1,664.06	-0.11
FX		
Dollar Index	101.19	0.08
EUR/USD	1.1422	0.00
GBP/USD	1.3262	0.03
USD/JPY	162.55	0.38
AUD/USD	0.6919	0.46
USD/CNH	6.7918	-0.13
USD/MYR	4.0840	0.31
USD/SGD	1.2938	0.08
USD/KHR	4,027.20	0.10
USD/THB	33.22	-0.18
Commodities		
WTI ($/bbl)	69.50	-1.77
Brent ($/bbl)	72.92	-0.31
Gold ($/oz)	4,038.50	-0.01
Copper ($/MT)	13,375.00	0.73
Aluminum ($/MT)	3,085.50	-0.08
CPO (RM/tonne)	4,456.00	-0.40

Source: Bloomberg, HLBB Global Markets Research of rate hikes since February, as well as the slowdown in housing demand. 2) While policy makers reiterated that they remain focused on its dual mandate, they will also do what it considers necessary to achieve that outcome, including increasing the cash rate target. 3) Members agreed that financial conditions were now probably somewhat restrictive, but needed to stay restrictive to unwind current excess demand through a period of below-trend growth. 4) Policy makers also discussed key risks that could impact future policy decisions, and these include material upside risks for inflation and downside risks for growth from the Middle East war, implications of persistently weak productivity as well as potentially material weakening in housing markets. With this and while noting an upside risk to our forecasts, there **is no change in our view that the RBA will maintain the policy rates unchanged at 4.35% for the rest of the year.**

- Largely echoing RBA's view, private sector credit was better than expected and held steady at 0.7% m/m for the third month as demand for housing-related credit eased, while credit to businesses and households picked up.

US job openings data continued to paint a resilient and stable labour market; uptick in consumer confidence

- Jobs opening surprised on the upside, although was little changed at 7594k in May as compared to 7585k previously, a sign that labour demand remains stable and the labour market remains healthy. Vacancies fell most for healthcare and financial service, but these were offset by gains in manufacturing, wholesale trade, construction as well as leisure & hospitality, the latter likely reflecting a temporary bump due to the World Cup. The jobs opening and quit rates held steady at 4.6% and 1.9%, while the layoff and discharge rate remained low at 1.1% (prior: 1.0%).
- Supported by softer oil prices, June saw the Conference Board's consumer confidence index inching up 0.6 points to 91.2. While consumers downgraded their assessment of the current business conditions (116.4 vs 119.4), they expect some improvement in business and financial conditions ahead (74.4 vs 71.4).
- April's monthly price movements showed some seasonal strength masking underlying softness in the housing market with affordability the key headwind to housing demand. Accordingly, the FHFA House Price index grew at a faster pace at 2.0% y/y (prior: 1.9% y/y), while the S&P Cotality House Price Index picked up momentum at 0.9% y/y (prior: 0.7% y/y).

Final 1Q GDP for the UK left unchanged at 0.6% q/q

- The final 1Q GDP was left unchanged at 0.6% q/q (prior: 0.2% q/q). On the supply side, growth was broad based and led by services, while on the demand front, saw a pick-up in private and public consumption, as well as private investment, which more than offset lower net export contributions to GDP.

China's manufacturing sector returned to modest growth

- Both official manufacturing and non-manufacturing PMI beat forecasts, improving to 50.3 and 50.2 in May, from 50.0 and 50.1 previously. Despite the upward surprises and encouraging signs from the new orders sub-indices, growth momentum has largely remained modest in 2Q and continued to show imbalance between supply and demand, as well as strong demand from the external sector and high-tech industries versus weak domestic sector, the latter could potentially prompt further support during July's Politburo meeting.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	100-103	102.28	100.86	99.42	98.07
EUR/USD	1.12-1.15	1.13	1.14	1.16	1.18
GBP/USD	1.30-1.34	1.29	1.30	1.32	1.33
USD/CHF	0.78-0.82	0.81	0.81	0.80	0.79
USD/JPY	158-163	162	159	155	153
AUD/USD	0.67-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.54-0.59	0.56	0.56	0.57	0.57
USD/CNY	6.77-6.82	6.85	6.78	6.72	6.65
USD/MYR	4.09-4.15	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.31	1.31	1.30	1.28	1.27
USD/THB	32.22-33.65	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6556	4.68	4.71	4.73	4.75
GBP/MYR	5.4058	5.37	5.36	5.36	5.36
AUD/MYR	2.8114	2.83	2.86	2.87	2.89
CNY/MYR	0.6019	0.61	0.61	0.61	0.61
SGD/MYR	3.1554	3.18	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.50	2.50	2.50	2.50
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.00	1.00	1.25	1.25	1.25
RBA	4.35	4.35	4.35	4.35	4.35
RBNZ	2.25	2.50	2.50	2.50	2.50
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	
1-Jul	AU S&P Global Australia PMI Mfg (Jun F)	51.2
	JN Tankan Large Mfg Index (2Q)	17
	JN S&P Global Japan PMI Mfg (Jun F)	54.9
	MA S&P Global Malaysia PMI Mfg (Jun)	49.9
	VN S&P Global Vietnam PMI Mfg (Jun)	52.8
	AU Building Approvals MoM (May)	-3.40%
	CH RatingDog China PMI Mfg (Jun)	51.8
	JN Consumer Confidence Index (Jun)	33.6
	UK Nationwide House Px NSA YoY (Jun)	1.70%
	EC S&P Global Eurozone Manufacturing PMI (Jun F)	51.3
	UK S&P Global UK Manufacturing PMI (Jun F)	53.1
	EC CPI Core YoY (Jun P)	2.60%
	US Challenger Job Cuts YoY (Jun)	3.40%
	US MBA Mortgage Applications (June 26)	1.0%
	US ADP Employment Change (Jun)	122k
	US S&P Global US Manufacturing PMI (Jun F)	55.7
	US ISM Manufacturing (Jun)	54
	US Construction Spending MoM (May)	0.40%
2-Jul	AU Trade Balance (May)	A$1791m
	HK Retail Sales Value YoY (May)	8.60%
	EC Unemployment Rate (May)	6.30%
	US Change in Nonfarm Payrolls (Jun)	172k
	US Average Hourly Earnings YoY (Jun)	3.40%
	US Average Weekly Hours All Employees (Jun)	34.3
	US Unemployment Rate (Jun)	4.30%
	US Initial Jobless Claims (Jun 27)	215k
	SI Purchasing Managers Index (Jun)	51
	US Factory Orders Ex Trans (May)	1.30%

Source: Bloomberg

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