

3 June 2026

## Global Markets Research

### Daily Market Highlights

## 3 June: ADP jobs, ISM services & Beige Book on deck today

**S&P 500 hit fresh record high; mixed UST yields and flattish DXY after jobs report**

**Gains in JOLTS job openings concentrated on professional & business services**

**Elevated Eurozone's CPI reaffirmed rate hike bets; divergence in regional PMIs**

- Continued gains in AI-stocks kept driving Wall Street momentum and saw the S&P 500 gaining 0.1% d/d and topping 7.6k for the first time ever. The Dow also rallied 0.5% d/d, while Nasdaq eked out a gain of 0.03% d/d. Tech names drove the indices. Marvell Technology notably jumped 33% d/d after Nvidia CEO Jensen Huang said the semiconductor company could become the next trillion-dollar company. Shares of Hewlett Packard Enterprise also soared after delivering better-than-expected 2Q fiscal 2026 results and a rosy outlook for the current year.
- War tensions nonetheless continued to haunt markets. Oil prices climbed for the second session as traders parsed discordant signals on a potential US-Iran peace deal. At the point of writing, President Donald Trump and Secretary of State Marco Rubio have said that the US remains in negotiations with Iran, despite Iranian media claims otherwise. The WTI and Brent rose more than 1.0% d/d each to settle at \$93.76/barrel and \$96.00/barrel respectively.
- Treasuries, meanwhile, closed mixed after the better-than-expected JOLTs jobs opening data and amid uncertainty on the US-Iran talk. The 2Y yield inched up 1bps to 4.04%, while the 10Y fell 1bps to 4.44%.
- Elsewhere, Stoxx Eur 600 ended the session 0.7% higher with most regional indices and sectors in positive territory, while 10Y European bond yields slid 3-5bps. Asian equity bourses (Nikkei 225: -0.3% d/d, Hang Seng: +2.5% d/d, CSI 300: +1.5% d/d) traded mixed but tracking futures, are poised to echo Wall Street's gain today.
- The DXY closed stronger for the second day following the better-than-expected job prints, settling just above its flatline at 99.22. G10 currencies traded mixed against the greenback, with AUD (0.3% d/d to 0.7180) and GBP (0.1% d/d to 1.3466) outperforming peers while JPY (-0.2% d/d to 159.91) lagged despite verbal intervention from Japanese authorities. EUR

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	51,307.79	0.45
S&P 500	7,609.78	0.13
NASDAQ	27,093.90	0.03
Stoxx Eur 600	625.34	0.66
FTSE 100	10,373.51	0.33
Nikkei 225	66,734.24	-0.30
CSI 300	4,914.56	1.45
Hang Seng	26,038.32	2.52
Straits Times	5,097.42	1.18
KLCI 30	1,683.07	-0.11
<b>FX</b>		
Dollar Index	99.22	0.02
EUR/USD	1.1631	0.00
GBP/USD	1.3466	0.09
USD/JPY	159.91	0.16
AUD/USD	0.7180	0.29
USD/CNH	6.7623	-0.04
USD/MYR	3.9645	-0.37
USD/SGD	1.2796	0.06
USD/KHR	4,023.60	0.00
USD/THB	32.57	0.08
<b>Commodities</b>		
WTI (\$/bbl)	93.76	1.74
Brent (\$/bbl)	96.00	1.07
Gold (\$/oz)	4,489.10	0.31
Copper (\$/MT)	14,040.50	1.51
Aluminum(\$/MT)	3,752.50	0.98
CPO (RM/MT)	4,470.00	0.18

Source: Bloomberg, HLBB Global Markets Research  
\*Dated 29<sup>th</sup> May for KLCI, USD/MYR, CPO

closed flattish at 1.1631 after the release of Eurozone's April CPI that reaffirmed ECB rate hike bets.

- Similarly, regional currencies traded mixed against the Dollar. CNH closed 0.1% d/d stronger at 6.7623, while MYR weakened 0.1% d/d to 1.2796. MYR strengthened 0.4% d/d to 3.9645 last Friday.

### **Mixed regionals PMIs for May**

- Mixed revisions to the final manufacturing S&P PMIs for the majors in May, revised down 0.2ppts to 55.1 for the US (Apr: 54.5), but revised up for the Eurozone (+0.2ppts to 51.6 vs Apr: 52.2), the UK (+0.2ppts to 53.9 vs Apr: 53.7) and Australia (+0.5ppts to 50.7 vs Apr: 51.3). Japan's PMI was left unchanged at 54.5, a downshift from 55.1 the previous month.
- On the regional front, China's PMIs were mixed and remains on a soft note. The official manufacturing PMI slipped back to a neutral level of 50.0 as expected (Apr: 50.3), while the non-manufacturing PMI fared slightly better-than-expected at 50.1 (prior: 49.4). The continued outperformance of the RatingDog PMI (51.8 vs 52.2) suggests external demand continued to outpace domestic demand, but amid continued moderate new orders and the softening of external orders, these suggest that the economy is muddling through albeit still expansionary for now.
- Singapore's official PMI grew at a faster pace at 51.0 in May (+0.3ppts) as robust demand from the AI-driven technology up-cycle continues to drive electronics growth (+0.2ppts to 51.9). The headline marked its highest reading since December 2024, while the build-up of order backlogs and improving business sentiment suggest near-term growth prospects remain equally positive.
- Vietnam's S&P PMI rose to 52.8 in May (prior: 50.5), its highest since February as new orders returned to growth on stockpiling efforts. With firms scaling back their workforce amid signs of spare capacity, this nonetheless raised concerns on the sustainability of May's upturn.
- Malaysia's PMI retreated to 49.9 in May from 51.6 previously after two months of improvement. Sluggish demand conditions contributed to the slight moderation on the manufacturing sector, suggesting softer growth through 2Q. Employment was broadly steady, business confidence remained subdued, while firms were reported more reluctant to pass the elevated material and fuel costs to clients amid softening demand.

### Strong US labour market, manufacturing sector reaffirms rate pause bets

- The manufacturing ISM was higher than expected at 54.0 in May, a 1.3ppts higher m/m and its highest reading since May 2022. Notably, 3 of the 4 demand indicators were in expansion especially for new orders (+2.7ppts to 56.8). Coupled with low customers' inventories, this is positive for future output. The prices sub-index remained elevated (-2.5ppts to 82.1), while the employment sub-index improved to 48.6 (+2.2ppts).
- JOLTs job openings for April hit its highest level in nearly two years at 7.6m (prior: 6.9m), although job openings were highly concentrated in one industry, professional & business services. Some of the more cyclical sensitive industries like finance & insurance shed jobs. The layoff (1.1% vs 1.2%) and quits rate (1.9% vs 2.0%) also fell, but on a less positive note, hiring also fell sharply by 419k to 5.1m. All in all, the latest print continues to point to stability in the labour market and will add to hawkish central bankers' stance that the labour market risk is less urgent than containing inflationary pressure.

### Elevated Eurozone CPI reaffirms rate hike bets in June

- In the Eurozone, April's headline inflation rose above 3.0% for the first time in more than 2 years albeit in line with expectations at 3.2% y/y (prior: 3.0% y/y), while the core reading was higher than expected at 2.5% y/y (prior: 2.2% y/y). The jump was mainly due to higher energy prices, with other components remaining mild. With indirect effects of the energy shock likely to become visible soon, surging selling price expectations since the war, and a still resilient labour market (steady unemployment rate at 6.3% in April), an insurance rate hike in June looks close to a done deal in our view.

### Softer but still resilient retail sales for Hong Kong

- Retail sales unexpectedly moderated to 8.6% y/y in April (prior: 12.8% y/y). Growth was broad-based in most retail categories, and will continue to benefit from increases in inbound visitors and resilient consumption sentiment. That said, potentially tighter financing costs due to the US-Iran war could pose downside risks to consumption.

### House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	98-101	100.63	99.80	97.96	96.48
EUR/USD	1.15-1.18	1.14	1.15	1.17	1.19
GBP/USD	1.32-1.36	1.31	1.32	1.34	1.35

USD/CHF	0.76-0.81	0.79	0.78	0.76	0.75
USD/JPY	156-161	159	155	152	152
AUD/USD	0.70-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.75-6.81	6.93	6.88	6.84	6.77
USD/MYR	3.93-4.00	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	32.20-33.20	31.60	31.80	31.80	31.40

<b>FX</b>	<b>Last close</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>	<b>1Q-27</b>
EUR/MYR	4.6160	4.55	4.55	4.60	4.66
GBP/MYR	5.3194	5.23	5.23	5.26	5.28
AUD/MYR	2.8367	2.72	2.72	2.75	2.77
CNY/MYR	0.5859	0.58	0.58	0.58	0.58
SGD/MYR	3.1031	3.09	3.10	3.11	3.12

<b>Rates, %</b>	<b>Current</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>	<b>1Q27</b>
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.00	2.25	2.50	2.50	2.50
BOE	3.75	4.00	4.25	4.25	4.25
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	1.00	1.00	1.00	1.00
RBA	4.35	4.35	4.35	4.35	4.35
RBNZ	2.25	2.25	2.25	2.25	2.25
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>
3-June	AU S&P Global Australia PMI Services (May F)	47.7
	HK S&P Global Hong Kong PMI (May)	48.6
	JN S&P Global Japan PMI Services (May F)	50
	AU GDP SA QoQ (1Q)	0.80%
	CH RatingDog China PMI Services (May)	52.6
	VN Industrial Production YoY (May)	9.90%
	VN CPI YoY (May)	5.46%
	VN Exports YoY (May)	21.00%
	VN Retail Sales YoY (May)	12.10%
	EC S&P Global Eurozone Services PMI (May F)	46.4
	UK S&P Global UK Services PMI (May F)	47.9
	EC PPI YoY (Apr)	2.10%
	US MBA Mortgage Applications	-8.50%
	US ADP Employment Change (May)	109k
	US S&P Global US Services PMI (May F)	50.9
	US Factory Orders (Apr)	1.50%
	US ISM Services Index (May)	53.6
	US Fed Releases Beige Book	
4-June	SI S&P Global Singapore PMI (May)	57.9
	AU Exports MoM (Apr)	-2.70%
	EC Retail Sales MoM (Apr)	-0.10%
	US Challenger Job Cuts YoY (May)	-20.90%
	US Initial Jobless Claims	215k

Source: Bloomberg

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