

4 February 2026

Global Markets Research
Daily Market Highlights

4 Feb: Trump signed bill to end the government shutdown

Fed's Miran reported to step down from his White House CEA role

Tech sell-off dragged on US stocks; USTs barely nudged; DXY closed lower

AUD outperformed G10 peers after RBA delivered a hawkish hike

- A tech sell-off dragged US equities lower overnight and the 3 major equity indices tumbling in tune to 0-3-1.4% d/d. Most tech shares were in the red, including most of the "Magnificent Seven" and software makers like Salesforce. Outside of tech, there were few bright spots in markets. Energy shares rallied amid a flare-up in geopolitical tension, while equity earnings drove big stock moves like Palantir.
- At the point of writing, President Trump also signed the funding bill to reopen the government, while Fed Governor Stephen Miran has been reported to step down from his post leading the Council of Economic Advisers.
- Elsewhere, European stocks ended just up 0.1% d/d with tech stocks underperforming, while mining stocks gained tracking the rebound in prices for precious metals. Equity markets soared in Asia with South Korea's Kospi (6.8% d/d) lifted by heavyweights SK Hynix and Samsung Electronics. India's Nifty 50 rose 2.6% d/d after US-India trade deal, while Nikkei 225, Hang Seng and CSI 300 rose 3.9% d/d, 0.2% d/d and 1.2% d/d.
- In the bond space, treasuries barely nudged and yields broadly closed 0-2bps lower across the curve. The benchmark 2Y and 10Y closed the day at 3.57% and 4.27%. In contrast, 10Y European bond yields closed up between 1-3bps.
- In the forex space, the DXY slid 0.2% d/d to 97.44 with most G10 currencies strengthening against the Dollar. AUD (1.1% d/d to 0.7021) led gains against the greenback with the RBA raising cash rate as expected. JPY was the outlier and weakened 0.1% d/d to 155.75 despite its Finance Minister commenting that the Prime Minister was not emphasizing the weak yen merit over the weekend.
- INR (1.4% d/d) led gains against USD amongst Asian FX, followed by MYR (0.3% d/d to 3.9318) and KRW (0.3% d/d). SGD appreciated by a narrower pace of 0.2% d/d to close the day at 1.2699.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,240.99	-0.34
S&P 500	6,917.81	-0.84
NASDAQ	23,255.19	-1.43
Stoxx Eur 600	617.93	0.10
FTSE 100	10,314.59	-0.26
Nikkei 225	54,720.66	3.92
CSI 300	4,660.11	1.18
Hang Seng	26,834.77	0.22
Straits Times	4,944.09	1.06
KLCI 30	1,748.26	0.42
FX		
Dollar Index	97.44	-0.20
EUR/USD	1.1819	0.24
GBP/USD	1.3697	0.23
USD/JPY	155.75	0.08
AUD/USD	0.7021	1.05
USD/CNH	6.9351	-0.11
USD/MYR	3.9318	-0.34
USD/SGD	1.2699	-0.18
USD/KHR	4,029.00	0.07
USD/THB	31.54	-0.10
Commodities		
WTI (\$/bbl)	63.21	1.72
Brent (\$/bbl)	67.33	1.55
Gold (\$/oz)	4,903.70	6.08
Copper (\$/MT)	13,478.00	4.55
Aluminum(\$/MT)	3,106.50	1.65
CPO (RM/tonne)	4,221.50	0.99

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 30 for CPO

- In the commodity space, crude oil prices (WTI: \$63.21/barrel and Brent: \$67.33/barrel) jumped 1.6-1.7% d/d after the US shot down an Iranian drone in the Arabian Sea. Gold also swung back into green, rallying 6.1% d/d to \$4.9k/oz.

RBA delivered a hawkish hike

- The board of the Reserve Bank of Australia (RBA) unanimously decided to lift its cash rate by 25bps to 3.85%. The decision marks its first hike since November 2023, was within consensus forecast but above ours who have pencilled a hold.
- The accompanying statement continues to strike a hawkish note with key highlights being: 1) While RBA opines that part of the pick-up in inflation is transitory, the decision to hike was underpinned by expectations that inflation is likely to remain above target for some time. RBA expects trimmed mean inflation to remain above the 2-3% target band in 2H of 2026, only easing to above the mid-point in 1H of 2028. 2) In terms of real economy, RBA opined that the labour market remains a little tight and the capacity pressures and private demand has been stronger than what the central bank had expected. 3) Most importantly, ***RBA's outlook incorporated a cash assumption that implies another 25bps rate hike in 2H of 2026.*** Based on RBA's outlook of elevated inflation, relatively steady labour market (unemployment at 4.2% in Dec 2025 vs 4.3% in June and Dec 2026) albeit a slightly softer GDP growth (2.3% in Dec 2025 vs 2.1% in June 2026 vs 1.8% in Dec 2026), an additional rate hike appears likely in 2Q of the year.
- Meanwhile, data released was mixed with building approvals falling more than expected by 14.6% m/m in Dec (13.1% m/m in Nov), while the final services PMI was revised up 0.3ppts to 56.3 in January, an uptrend from 51.1 the previous month.

Hong Kong's consumer spending remained solid at the end of 2025

- Retail sales remained solid albeit below expectation at 6.6% y/y in December as compared to 6.5% y/y previously. For 2025 as a whole, sales posted modest growth of 1.0% y/y and should remain robust in 2026 supported by improving consumer sentiment and continued vibrant growth in inbound visitors. Sales were mixed across the different sub-components, but were notably driven by online sales as well as discretionary items like jewellery, watches & clocks, and valuable gifts as well as electrical goods & other consumer durable goods.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	95-98	96.71	95.13	94.70	95.49
EUR/USD	1.18-1.21	1.20	1.22	1.22	1.21
GBP/USD	1.36-140	1.36	1.37	1.37	1.35
USD/CHF	0.74-0.80	0.78	0.78	0.78	0.78
USD/JPY	150-156	153	149	147	147
AUD/USD	0.69-0.72	0.68	0.69	0.70	0.69
NZD/USD	0.57-0.61	0.58	0.59	0.59	0.58
USD/CNY	6.92-6.97	6.90	6.83	6.85	6.90
USD/MYR	3.90-3.97	4.00	3.97	3.97	4.00
USD/SGD	1.25-1.28	1.26	1.23	1.23	1.24
USD/THB	30.60-31.70	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.6383	4.78	4.82	4.85	4.84
GBP/MYR	5.3733	5.44	5.45	5.45	5.41
AUD/MYR	2.7546	2.72	2.75	2.78	2.76
CNY/MYR	0.5667	0.58	0.58	0.58	0.58
SGD/MYR	3.0936	3.17	3.21	3.23	3.22

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.50-3.75	3.25-3.50	3.00-3.25	2.75-3.00
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	0.75	1.00	1.00
RBA	3.85	3.85	4.10	4.10	4.10
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

Date	Events	Prior
4-Feb	HK S&P Global Hong Kong PMI (Jan)	51.9
	SI S&P Global Singapore PMI (Jan)	54.1
	JN S&P Global Japan PMI Services (Jan F)	53.4
	CH RatingDog China PMI Services (Jan)	52
	EC HCOB Eurozone Services PMI (Jan F)	51.9
	UK S&P Global UK Services PMI (Jan F)	54.3
	EC PPI YoY (Dec)	-1.70%
	EC CPI Core YoY (Jan P)	2.30%
	US MBA Mortgage Applications (30-Jan)	-8.5%
	US ADP Employment Change (Jan)	41k
	US S&P Global US Services PMI (Jan F)	52.5
	US ISM Services Index (Jan)	54.4
	5-Feb	AU Trade Balance (Dec)
SI Retail Sales SA MoM (Dec)		0.00%
EC Retail Sales MoM (Dec)		0.20%
UK Bank of England Bank Rate		3.75%
US Challenger Job Cuts YoY (Jan)		-8.30%
EC ECB Deposit Facility Rate		2.00%
EC ECB Main Refinancing Rate		2.15%
EC ECB Marginal Lending Facility		2.40%
US Initial Jobless Claims		209k

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damansara
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

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