4 August 2026

Global Markets Research
Daily Market Highlights

4 Aug: Geopolitical landscape once again moved markets

Hopes of US-Iran agreement sent oil prices, UST yields tumbling; DXY closed flat
Downward surprise for China's manufacturing PMI; upward surprise for US ISM
JOLTS report to kickstart labour data this week; job openings expected to ease

- President Trump's latest pivot back to diplomacy sent oil prices tumbling more than 5% d/d overnight, and Brent and the WTI closing the day at $83.77/barrel and $80.34/barrel respectively.
- In Wall Street, hopes of an agreement to finally reopen the Strait of Hormuz allayed inflation fears, and sent to the Treasury yields tumbling 5-6bps across the curve. The 2Y yield closed the day at 4.24%, while the 10Y finished lower at 4.68%, with market still pencilling in one rate hike this year.
- In the equity space, improved risk sentiment saw the 3 major US indices rallying 1.3-2.1% d/d, and most sectors within the S&P closing in green led by tech stocks. In the countdown to a slew of jobs prints, the strong manufacturing data overnight also supported sentiment.
- Over in Europe, Stoxx 600 gained 0.5% d/d, with consumer and retail stocks amongst the biggest gainers. Like the treasuries, 2Y and 10Y bond yields fell 2-10bps alongside the softer oil prices overnight. Asian markets traded mixed, with Hang Seng gaining 0.5% d/d, while Nikkei 225 and CSI 300 tumbled 0.9-1.0% d/d. Asian equities are set for a cautious trading day given the upcoming labour prints this week.
- In the forex space, JPY strengthened 0.1% d/d to 157.18 against the greenback for the fourth day as the US and Japan jointly acted to support yen, while the DXY closed just below its flatline at 99.90. The rest of the G10 currencies weakened against the Dollar, and EUR, GBP and AUD closed the day at 1.1509 (-0.2% d/d), 1.3433 (-0.4% d/d) and 0.7000 (-0.3% d/d) respectively.
- Most Asian FX nonetheless traded stronger against the Dollar, led by the PHP (0.5% d/d) and KRW (0.5% d/d). SGD strengthened at a milder pace of 0.1% d/d to 1.2822, while MYR and CNH were the outliers, trading 0.1-0.3% d/d weaker at 4.0955 and 6.7581, the latter weighed down by its PMI miss.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,178.41	1.32
S&P 500	7,600.50	1.48
NASDAQ	25,913.90	2.13
Stoxx Eur 600	652.09	0.45
FTSE 100	10,857.70	-0.10
Nikkei 225	63,754.90	-0.94
CSI 300	4,543.18	-0.98
Hang Seng	26,009.40	0.48
Straits Times	5,612.28	-0.29
KLCI 30	1,725.73	0.05
FX		
Dollar Index	99.90	-0.02
EUR/USD	1.1509	-0.16
GBP/USD	1.3433	-0.37
USD/JPY	157.18	-0.14
AUD/USD	0.7000	-0.27
USD/CNH	6.7581	0.08
USD/MYR	4.0955	0.23
USD/SGD	1.2822	-0.05
USD/KHR	4,048.50	0.12
USD/THB	33.35	-0.12
Commodities		
WTI ($/bbl)	80.34	-5.11
Brent ($/bbl)	83.77	-7.05
Gold ($/oz)	4,033.70	-0.38
Copper ($/MT)	13,870.00	0.57
Aluminum($/MT)	3,221.50	1.18
CPO (RM/MT)	4,488.00	-0.95

Source: Bloomberg, HLBB Global Markets Research

Regional manufacturing PMIs remained in expansion zone

- Mixed revisions to the final July manufacturing PMIs for the majors, revised up for the US (0.1ppts to 53.9 vs June: 53.9) and Australia (+0.3ppts to 52.0 vs June: 51.5), but down for the Eurozone (-0.1ppts to 52.0 vs June: 51.4), UK (-0.9ppts to 51.9 vs June: 52.5) and Japan (-0.2ppts to 54.5 vs June:54.8).
- On the regional front, the RatingDog China manufacturing PMI surprised on the downside at 50.9, easing from 51.7 the prior month. While sustained new order growth, further easing of costs, and the return of new export orders to expansion were positive signs, the reduction in purchasing activity and ongoing accumulation of input stocks warrant some attention. The manufacturing sector is expected to stay in expansionary territory, though the pace of growth may likely moderate in the months ahead.
- Malaysia's PMI was steady at 50.7 supported by stronger inflows of new work. Price pressures also eased, but with overall growth momentum limited at this level, employment falling and business confidence weakening, these may continue to cast a shadow over its economic outlook.
- Singapore's official PMI edged up 0.1ppts to 51.4 in July, while the linchpin electronics sector grew 0.2ppts to 52.4. Both readings were the highest since November 2018 and January 2018 respectively, as the manufacturing sector remains buoyed by the AI-driven semiconductor supercycle, which more than offset headwinds from the supply chain disruption and higher input prices due to the geopolitical tension.

US manufacturing sector grew at its fastest pace in 4 years, while the construction sector remained soft

- The ISM Manufacturing surprised on the upside at 55.6 in July, up 2.3ppt from the month before and marking its highest since May 2022. With most of its demand-related sub indicators in expansion (new orders sub-index notably grew 0.7ppts to 56.7), and customers' inventories index staying in 'too low' territory, we are equally positive for future output in the manufacturing sector. Equally encouraging was the jump in the employment sub-index (+3.1ppts to 52.8) as well as the decline in the prices sub-index (- 1.9ppts to 73.0) during the month.
- On a negative note, construction spending unexpectedly fell 0.1% m/m in June (prior: 0) as the higher cost of capital continues to weigh on spending, while AI-related infrastructure investment continues to support non-residential construction.

Robust economic data to kickstart 2H for Vietnam

- Vietnam got off 2H on a still strong note, with July's retail sales growing by 14.5% y/y (prior: 14.8% y/y), while industrial production accelerated to 14.5% y/y from 12.7% y/y previously. Softening inflationary pressures (4.5% y/y vs 4.7% y/y), a still solid PMI (52.9 vs 51.8) and robust external demand (exports: 25.0% y/y vs 28.1%y/y) suggest that economic outlook remains solid for the rest of the year, albeit with headwinds from the widening trade deficit (-$3.6bn vs -$2.6bn) which could weigh on GDP calculation, and amid the new 12.5% US tariff imposed on July 24 under a Section 301 forced labour investigation.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	98.75-101.25	102.28	100.86	99.42	98.07
EUR/USD	1.14-1.17	1.13	1.14	1.16	1.18
GBP/USD	1.33-1.36	1.29	1.30	1.32	1.33
USD/CHF	0.80-0.82	0.81	0.81	0.80	0.79
USD/JPY	156-162	162	159	155	153
AUD/USD	0.69-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57
USD/CNY	6.74-6.80	6.85	6.78	6.72	6.65
USD/MYR	4.07-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.27-1.30	1.31	1.30	1.28	1.27
USD/THB	33.00-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.7190	4.68	4.71	4.73	4.75
GBP/MYR	5.5086	5.37	5.36	5.36	5.36
AUD/MYR	2.8685	2.83	2.86	2.87	2.89
CNY/MYR	0.6065	0.61	0.61	0.61	0.61
SGD/MYR	3.1927	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	2.50	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	
4-Aug	HK Retail Sales Value YoY (Jun)	7.90%
	US Trade Balance (Jun)	-$77.6b
	US Factory Orders (Jun)	-1.30%
	US JOLTS Job Openings (Jun)	7594k
5-Aug	AU S&P Global Australia PMI Services (Jul F)	53
	HK S&P Global Hong Kong PMI (Jul)	52
	SI S&P Global Singapore PMI (Jul)	57.4
	JN S&P Global Japan PMI Services (Jul F)	51.9
	CH RatingDog China PMI Services (Jul)	54.1
	SI Retail Sales YoY (Jun)	3.00%
	EC S&P Global Eurozone Services PMI (Jul F)	51.6
	UK S&P Global UK Services PMI (Jul F)	51.8

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EC PPI YoY (Jun)	5.90%
US MBA Mortgage Applications (31 Jul)	-6.4%
US ADP Employment Change (Jul)	98k
US S&P Global US Services PMI (Jul F)	53.6
US ISM Services Index (Jul)	54

Source: Bloomberg