5 January 2026

Global Markets Research
Daily Market Highlights

5 Jan: US ISM manufacturing up on deck today

US stocks closed mixed on first trading day of 2026; higher UST yields
DXY slightly up; AUD outperformed G10 peers; MYR outshined regional FX
Global manufacturing sector ended 2025 mostly on a positive note

- US equities started the first trading day of 2026 in green amid a rotation in winners and losers. The S&P 500 inched up 0.2% d/d, with tech stocks weighing on the broad index while energy, materials and utilities took the lead for the day. The Dow also moved to 0.7% d/d, while Nasdaq closed just below its flatline.
- In Europe, stocks began the year at all-time highs with autos and tech stocks outperforming while real estate and media shares lagged. Stoxx 600 closed up 0.7% d/d, while UK's FTSE 100 gained 0.2% d/d, briefly touching 10k for first time ever. Some Asian markets were still closed for the holidays, but Kospi hit a record high.
- In the bond space, treasury yields rose between 1-3bps the first trading day of the year. The 2Y yield closed just above its flatline at 3.47%, while the 10Y were 2bps higher at 4.19%. 10Y European bond yields were higher between 4-7bps.
- In the forex space, the DXY (0.1% d/d to 98.42) rose alongside the UST yields. AUD (0.3% d/d to 0.6693) outperformed its G10 peers amid the recent rise in precious metal prices, while MYR (0.2% d/d to 4.0540) led gains in Asia against the greenback. SGD strengthened to its intraday high of 1.2836 after its GDP beat, but later pared gains to close the day 0.1% d/d weaker at 1.2860.
- Crude oil prices fluctuated between gains and losses with traders weighing on the geopolitical risks and supply glut before closing the day lower by 0.2% d/d. The WTI closed the day at $57.32/barrel and Brent at $60.75/barrel.

Downward revisions to manufacturing PMIs for most majors; mixed but expansionary fresh data for regionals

- The final December manufacturing PMI for the US was left unchanged at 51.8 (prior: 52.2), but were revised lower for the Eurozone (-0.4ppts to 48.8 vs 49.8), UK (-0.6ppts to 50.6 vs 50.2) and Australia (-0.6ppts to 51.6 v 51.6). Manufacturers'

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,382.39	0.66
S&P 500	6,858.47	0.19
NASDAQ	23,235.63	-0.03
Stoxx Eur 600	596.14	0.67
FTSE 100	9,951.14	0.20
Nikkei 225	50,339.48	-0.37
CSI 300	4,629.94	-0.46
Hang Seng	26,338.47	2.76
Straits Times	4,656.12	0.21
KLCI 30	1,669.76	-0.62
FX		
Dollar Index	98.42	0.10
EUR/USD	1.1719	-0.23
GBP/USD	1.3456	-0.14
USD/JPY	156.84	0.08
AUD/USD	0.6693	0.30
USD/CNH	6.9703	-0.08
USD/MYR	4.0540	-0.16
USD/SGD	1.2860	0.05
USD/KHR	4,012.00	0.02
USD/THB	31.51	0.18
Commodities		
WTI ($/bbl)	57.32	-0.17
Brent ($/bbl)	60.75	-0.16
Gold ($/oz)	4,329.60	-0.26
Copper ($/MT)	12,469.50	0.37
Aluminum($/MT)	3,015.50	0.67
CPO (RM/tonne)	3,933.00	-0.30

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 31 Dec for CPO, 30 Dec for USD/THB*

sentiment towards the year-ahead outlook was nonetheless positive.

- Fresh December regional indicators were equally positive but nonetheless mixed. Malaysia manufacturing PMI held steady at 50.1 and confidence over the upcoming 12 months remained historically strong. Of note, employment rose to one of the strongest rates on record, but signs of moderation in new order inflows and softer price pressures signal potentially subdued demand conditions ahead.
- The Vietnamese manufacturing PMI ended 2025 on a slightly less but still positive note at 53.0 (prior: 53.8). Output and new orders rose solidly again and business confidence also hit a 21-month high with manufacturers optimistic of securing new business and being able to expand their production capacity.
- Singapore's official PMI edged up 0.1ppts to 50.3 with the linchpin electronics sector growing by 0.3ppts to 50.9. While strong demand for AI products and US tariff exemptions on electronics goods have supported growth in 2025, the sector will face headwinds from normalisation of trade activities and possible moderation post the unusually strong AI-driven demand come 2026.

UK house price growth ended 2025 on a softer note

- Nationwide house price index ended 2025 on a softer note, with annual price growth slowing to 0.6% in December from 1.8% previously. This is its slowest pace since April 2024, and was partly due to higher base effect. For 2026, the housing market activity is expected to strengthen a little further as affordability improves gradually with income growth outpacing house price growth and amid a further modest decline in interest rates. As it is, Nationwide expects home prices to increase between the 2% to 4% this year.

Hong Kong's retail sales unexpectedly slowed, but still growing

- Retail sales unexpectedly slowed to 6.5% y/y in November from 6.9% y/y previously. Despite the moderation, this marks its seventh consecutive month of gains and were broad based even for discretionary goods. Amid improvement in local consumption sentiment and sustained inbound visitors, this will continue to benefit retail businesses

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	97.33	95.92	94.52	93.15
EUR/USD	1.15-1.20	1.17	1.19	1.21	1.23
GBP/USD	1.32-1.38	1.32	1.34	1.35	1.37

USD/CHF	0.77-0.81	0.80	0.79	0.78	0.77
USD/JPY	153-159	151	148	145	142
AUD/USD	0.64-0.69	0.66	0.67	0.68	0.68
NZD/USD	0.56-0.60	0.57	0.57	0.58	0.59
USD/CNY	6.98-7.03	7.03	6.94	6.86	6.77
USD/MYR	4.02-4.11	4.12	4.08	4.05	4.05
USD/SGD	1.26-1.31	1.28	1.26	1.25	1.24
USD/THB	31.08-31.86	32.30	32.20	32.10	32.00

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.7516	4.83	4.86	4.89	4.97
GBP/MYR	5.4545	5.44	5.45	5.48	5.55
AUD/MYR	2.7155	2.72	2.73	2.74	2.77
CNY/MYR	0.5800	0.59	0.59	0.59	0.60
SGD/MYR	3.1524	3.21	3.23	3.24	3.27

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
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	0.75	0.75
RBA	3.60	3.60	3.60	3.60	3.60
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
5-Jan	JN S&P Global Japan PMI Mfg (Dec F)	49.7
	CH RatingDog China PMI Services (Dec)	52.1
	SI Retail Sales YoY (Nov)	4.50%
	UK Mortgage Approvals (Nov)	65.0k
	US ISM Manufacturing (Dec)	48.2
	VN CPI YoY (Dec)	3.58%
	VN GDP YoY (4Q)	8.23%
	VN Exports YoY (Dec)	15.10%
	VN Industrial Production YoY (Dec)	10.80%
	VN Retail Sales YoY (Dec)	7.10%
6-Jan	AU S&P Global Australia PMI Services (Dec F)	51
	HK S&P Global Hong Kong PMI (Dec)	52.9
	SI S&P Global Singapore PMI (Dec)	55.4
	EC HCOB Eurozone Services PMI (Dec F)	52.6
	UK S&P Global UK Services PMI (Dec F)	52.1
	US S&P Global US Services PMI (Dec F)	52.9

Source: Bloomberg

Note: Due to lapse in government services, US release dates are subject to change

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