

5 February 2026

## Global Markets Research

### Daily Market Highlights

## 5 Feb: Extended selloffs in tech stocks

**Tech rout continued to linger amid valuation and capex concerns**

**Stocks and bonds traded mixed; USD rebounded and gained against all G10s**

**All eyes on ECB and BOE policy meets today; rate pause expected**

- Tech-heavy selloffs continued to exert pressure on stock indices. The broader S&P500 and NASDAQ saw extended losses for a 2<sup>nd</sup> straight day, falling 0.5% and 1.5% d/d respectively. The Dow however closed the day up by 0.5%. The tech rout started earlier this week after Anthropic unveiled a new automation service that raised concerns over depleting demand for software and chips, which spilled over to renew concerns over tech valuations and high capex. AMD plunged 17%, its worst decline in almost nine years, after 1Q sales guidance disappointed investors looking for bigger payoff from AI spending. Other tech stocks that saw double-digit declines include Lumen Technologies, AppLovin, Palantir, and Scandisk. Google's parent Alphabet also fell after it unveiled plans for significant increase in AI spending, despite its revenue beat.
- European and Asian stock markets also ended Wednesday's sessions mixed. The Stoxx Eur 600 eked out a 0.03% gain while the FTSE100 jumped 0.8% d/d. Nikkei and KLCI fell 0.8% and 0.3% d/d but CSI and STI advanced 0.8% and 0.4% on the day.
- In the sovereign bond space, UST yields also traded mixed by +/-2bps with the curve steepening. The 2-year note yield fell 2bps to 3.55% while the 10-year bond yield added 1bp to 4.27%. Over in Europe, 10-year yields fell 2-3bps except for the UK gilts which bucked the trend again, registering an 3 bps increase.
- The USD strengthened against all the majors and regional currencies. The Dollar Index rebounded and increased 0.3% d/d to 97.65 as at last close, holding above the 97s handle for the 4<sup>th</sup> straight day. The greenback outperformed the most vs the SEK (-0.9%), NZD (-0.7%), and JPY (-0.7%), while the EUR and GBP registered smaller losses of 0.1% and 0.3% on the day to 1.1807 and 1.3654 respectively. The Aussie also lost 0.3% d/d to 0.6998, but continued hovering at 0.69-0.70s for the 8<sup>th</sup> straight day. Within the Asian FX space, KRW (-0.8%

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	49,501.30	0.53
S&P 500	6,882.72	-0.51
NASDAQ	22,904.58	-1.51
Stoxx Eur 600	618.12	0.03
FTSE 100	10,402.34	0.85
Nikkei 225	54,293.36	-0.78
CSI 300	4,698.68	0.83
Hang Seng	26,847.32	0.05
Straits Times	4,965.50	0.43
KLCI 30	1,742.82	-0.31
<b>FX</b>		
Dollar Index	97.64	0.28
EUR/USD	1.1807	-0.10
GBP/USD	1.3654	-0.31
USD/JPY	156.86	0.71
AUD/USD	0.6998	-0.33
USD/CNH	6.9412	0.09
USD/MYR	3.9323	0.01
USD/SGD	1.2726	0.21
USD/KHR	4,030.50	0.04
USD/THB	31.72	0.22
<b>Commodities</b>		
WTI (\$/bbl)	64.47	0.89
Brent (\$/bbl)	68.95	1.67
Gold (\$/oz)	4,986.40	0.32
Copper (\$/MT)	13,040.00	-2.76
Aluminum(\$/MT)	3,059.00	-1.29
CPO (RM/tonne)	4,134.00	-2.07

Source: Bloomberg, HLBB Global Markets Research

\* Closing as of 3 Feb for CPO

d/d) led decliners, while MYR saw muted losses of only 0.01% amid a less volatile session between 3.9202 and 3.9332, before ending the day at 3.9323 vs the USD. SGD weakened 0.2% d/d vs the greenback to close the day at 1.2726.

- In the commodity space, crude oil prices saw extended gains of 0.9-1.3% d/d, bringing WTI to \$64.47/ barrel and Brent to \$68.69/ barrel, as OPEC's output fell last month amid Venezuela's turmoil, undermining gains from headlines of US-Iran nuclear talk this Friday. Gold prices also gained albeit milder by 0.3% on the day to \$4966.40/ oz as markets remained nervous looking for fresh leads amid the tech rout.

### **US ISM services expanded steadily in January; ADP added fewer than expected jobs**

- Contrary to the pick-up in PMI services, the corresponding gauge from ISM halted three straight months of pick-up and stagnated. The reading showed services activities expanded at a steady pace in January, with the index standing at 53.8, unchanged from the downwardly revised level in December. New orders (53.1 vs 56.5) and employment (50.3 vs 51.7) both surprised on the downside, while prices paid (66.6 v 65.1) surprised on the upside, pointing to likelihood of slower services activities and elevated prices ahead, echoing the underlying rhetoric on growth outlook.
- The ADP private sector report showed fewer than expected job addition of 22k in January, down from the revised 37k in December, pointing to continued softening in the labour market. All the addition came from medium-sized firms (41k), but was offset large firms (-18k) while small-sized firms reported no addition nor deduction. Education and health services led the hirings while professional and business services had the most job cuts during the month.
- Mortgage applications reported continued decline of 8.9% w/w for the week ended 30-Jan (prior: -8.5%). The back-to-back fall was due to contractions from both new purchases and refinancing activities, although bigger decline was seen in the new purchases index (-14.4% vs 0.4%) while refinancing activities reported a smaller decline of 4.7% (prior: -15.7%). Mortgage applications contracted despite lower mortgage rates, suggesting sluggishness in the housing market.

### **Final EU and UK PMI services indices were tweaked lower; upgraded for the US and Japan**

- Final January services PMIs for the Eurozone and the UK were revised lower, signalling slower expansion in the services sector. The Eurozone and the UK final prints were revised 0.3ppt down each to 51.6 and 54.0 respectively (Dec: 52.4 and

51.4), On the contrary, final reading from the US was tweaked 0.2ppt higher to 52.7 in January (Dec: 52.5) while Japan's was revised up 0.3ppts to 53.7 (Dec: 51.6) as firms remained upbeat over future activities.

### China's PMI services unexpectedly picked up

- The RatingDog China Services PMI suggest that the sector unexpectedly expanded at a faster pace in January (52.3 vs 52.0), supported by a stronger upturn in new businesses, including a marginal recovery in external demand. Staffing levels also rose for the first time in six months while business sentiment remained positive, albeit with a slight dip.

### Hong Kong and Singapore's official PMIs gained momentum

- January composite PMIs from Hong Kong and Singapore suggest a pick-up in economic momentum although outlook ahead was mixed. Hong Kong's PMI rose from 51.9 to 52.3 amid a stronger rise in new business and an acceleration in purchasing activity. Firms nonetheless continued to highlight concerns over the year ahead outlook amid intense market competition and US trade policy. Meanwhile, Singapore's PMI also rose to 56.8 in January (Dec: 54.1), but forward-looking PMI sub-indices, including the new orders and future output indices, also hinted at continued growth in the coming months.

### Little surprises in Eurozone's price prints

- Inflation readings from the Eurozone came in largely within expectations. PPI registered a bigger decline of 2.1% y/y as expected in December (Nov: -1.4% y/y), and contracted 0.3% m/m, also as expected (Nov: +0.7% m/m), both indicating faltering cost pressure that could filter down to CPI in the months ahead.
- Meanwhile, CPI tapered off from 2.0% y/y to 1.7% y/y in January as expected, although December's number was revised 0.1ppt higher from 1.9% y/y. Core CPI however came in a notch lower at 2.2% y/y in January, against expectations for a steady print.
- The slew of softer inflation data confirmed softening price pressure in the Eurozone, and with the print coming in below the ECB's target of 2.0%, we maintain our view for the ECB to stay the course at its policy meeting today, and for the rest of the year.

### 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

<b>FX</b>	<b>Last close</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
EUR/MYR	4.6464	4.78	4.82	4.85	4.84
GBP/MYR	5.3909	5.44	5.45	5.45	5.41
AUD/MYR	2.7607	2.72	2.75	2.78	2.76
CNY/MYR	0.5665	0.58	0.58	0.58	0.58
SGD/MYR	3.0925	3.17	3.21	3.23	3.22

<b>Rates, %</b>	<b>Current</b>	<b>1Q26</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>
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

<b>Date</b>	<b>Events</b>	<b>Prior</b>
5-Feb	AU Trade Balance (Dec)	A\$2936m
	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%
6-Feb	US Initial Jobless Claims	209k
	JN Leading Index CI (Dec P)	109.9
	US Change in Nonfarm Payrolls (Jan)*	50k
	US Average Hourly Earnings MoM (Jan)*	0.30%
	US Average Weekly Hours All Employees (Jan)*	34.2
	US Unemployment Rate (Jan)*	4.40%
	US U. of Mich. Sentiment (Feb P)	56.4
	VN CPI YoY (Jan)	3.48%
	VN Exports YoY (Jan)	23.80%
	VN Industrial Production YoY (Jan)	10.10%
VN Retail Sales YoY (Jan)	9.80%	

Source: Bloomberg

\* Rescheduled to 11 Feb due to the earlier partial US government shutdown

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