5 August 2026

Global Markets Research

Daily Market Highlights

5 Aug: Banner day for Wall Street after Bessent's comment

Bessent's remark that a US-Iran deal maybe struck soon saw oil prices tumbling
S&P 500 & DJIA closed at record highs; Treasury yields fell; DXY closed flattish
US job openings cooled more than expected; trade deficit narrowed

- Wall Street had a banner day Tuesday amid strong earnings from corporates and another decline in oil prices, the latter following comments from Treasury Secretary Scott Bessent that a deal with Iran to reopen the Strait of Hormuz could come very soon.
- The WTI and Brent fell more than 5% d/d each to $75.77/barrel and $79.36/barrel, while in Wall Street, the S&P 500 and Dow Jones Industrial Average rallied 1.8% d/d and 1.7% d/d to record close, while Nasdaq popped 2.6% d/d. Finance and tech stocks outperformed, the latter amid strong results from Palantir.
- In the bond space, treasuries rose as the softer oil prices eased pressure on the Fed, and yields tumbled 5-7bps across the maturities. The 2Y yield fell 5bps to 4.19%, while the 10Y slid 6bps to 4.61%.
- Like its US counterpart, Stoxx Eur 600 was up 0.7% d/d to a record high, while the 2Y and 10Y sovereign bond yields tumbled in tune to 2-7bps. Asian equity bourses closed mixed but could likely track Wall Street higher today. Nikkei 225 and Hang Seng closed up 0.3-1.3% d/d overnight, while Hang Seng tumbled 0.6% d/d.
- The DXY closed little change at 99.86, while JPY (-0.4% d/d to 157.75) slipped against the Dollar, retracing some of the 4-day winning streak due to the joint-intervention between US and Japanese officials. JPY has since weakened to around the 157.80 level this morning, despite data showing labour cash earnings accelerating slightly to 3.4% y/y in June from 3.3% y/y previously, backing case another rate hike by the BOJ later this year.
- Meanwhile, AUD appreciated a whopping 0.7% d/d to 0.7046 overnight, outperforming all its G10 peers after Australia's household spending data outperformed expectations. We expect AUD to be well supported today following the upward revision to its final services PMI this morning (+0.6ppts to 53.6 in July vs 50.5). EUR and GBP appreciated at a modest pace of 0.1-0.2% d/d to 1.1531 and 1.3452.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	54,085.88	1.71
S&P 500	7,736.52	1.79
NASDAQ	26,584.99	2.59
Stoxx Eur 600	656.86	0.73
FTSE 100	10,879.38	0.20
Nikkei 225	63,957.53	0.32
CSI 300	4,600.93	1.27
Hang Seng	25,852.92	-0.60
Straits Times	5,612.25	0.00
KLCI 30	1,732.66	0.40
FX		
Dollar Index	99.86	-0.04
EUR/USD	1.1531	0.19
GBP/USD	1.3452	0.14
USD/JPY	157.75	0.36
AUD/USD	0.7046	0.66
USD/CNH	6.7480	-0.15
USD/MYR	4.0975	0.05
USD/SGD	1.2822	0.00
USD/KHR	4,051.50	0.07
USD/THB	33.41	0.17
Commodities		
WTI ($/bbl)	75.77	-5.69
Brent ($/bbl)	79.36	-5.26
Gold ($/oz)	4,095.40	1.53
Copper ($/MT)	14,066.50	1.42
Aluminum($/MT)	3,223.00	0.05
CPO (RM/MT)	4,551.00	1.40

Source: Bloomberg, HLBB Global Markets Research

- On the regional front, most Asian FX weakened against the Dollar. MYR depreciated 0.1% d/d to 4.0975, while SGD closed flat at 1.2822. CNH, on the other hand, outperformed its peers and the Dollar, appreciating 0.2% d/d to 6.7480 against USD.

US job openings edged down, layoffs remained limited; trade deficit narrowed

- In short, June JOLTS report saw labour demand cooling more than expected, partially due to the unwinding in temporary hiring due to the World Cup, workers showing little confidence in their job prospects, yet layoffs remained limited, in line with a still resilient labour market outlook, and leaving Fed room to stay focused on inflation. Available positions fell to 7359k from a downwardly revised 7537k previously, with pull-backs seen for healthcare, leisure & hospitality, wholesale trade and business services. The number and rate of layoffs were largely steady at 1.8m and 1.1%, while the number and rate of quits were unchanged at 3.2m and 2.0%.
- Separately, trade deficit narrowed less than expected in June (-$73.3bn vs -$77.6bn), with import growth falling for the first time since January at -1.8% m/m (prior: 3.3% m/m), outpacing the drop in exports at -0.9% m/m (prior: -3.2% m/m), the latter partially due to exports of petroleum products giving back recent gains due to lower oil prices. The drop in imports signals more subdued domestic demand at the close of 2Q, especially in capital and AI-related goods.

Resilient household spending for Australia

- Household spending growth eased less than expected to 0.8% m/m in June after gaining 1.2% m/m the prior month. Driving the upward surprise was continued strength in discretionary spending, notably due to electric vehicle sales, air travel as well as recreation & culture.
- The data supports RBA's assessment that while consumer sentiment indicators were sluggish due to high interest rates and sticky cost-of-living pressures, actual household spending has remained surprisingly resilient and as such, there is no change in our view that the central bank will likely keep its policy rate unchanged at 4.35% in the next meeting scheduled on Aug 10-11, as well as likely through the rest of 2026.

Sharp deceleration in Hong Kong's retail sales growth, partially due to fuel

- Retail sales growth surprised on the downside, unexpectedly easing to 4.6% y/y in June after growing by 7.9% y/y previously as sales of fuel, at department stores, motor vehicles, footwear & other clothing accessories as well as Chinese drugs & herbs weighed on the headline number. Growth for the rest of the categories remained expansionary, supported by rising local incomes and a steady increase in inbound tourists.

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	4.7143	4.68	4.71	4.73	4.75
GBP/MYR	5.5076	5.37	5.36	5.36	5.36
AUD/MYR	2.8793	2.83	2.86	2.87	2.89
CNY/MYR	0.6068	0.61	0.61	0.61	0.61
SGD/MYR	3.1916	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	
5-Aug	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
	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
6-Aug	AU Trade Balance (Jun)	-A$3.0b
	EC Retail Sales MoM (Jun)	0.20%
	US Challenger Job Cuts YoY (Jul)	-4.50%
	US Initial Jobless Claims (1 Aug)	197k

Source: Bloomberg

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