

6 February 2026

Global Markets Research
Daily Market Highlights

6 Feb: Deepened market rout spurred flight to safety bids

**Weak US job reports aggravated the selloff in equities; USD and UST gained
ECB paused citing economic strength; BOE paused and signalled cuts ahead
US nonfarm payroll and other job data will be delayed to 11-February**

- The market selloffs deepened as software stocks and crypto remained under intense pressure, with no signs of abatement regarding concerns over AI impact, overvaluation, and sky-high capex spending. With this regard, Amazon plunged as much as 14.6% during intraday trading before narrowing losses to close the day 4.4% lower after announcing massive capex spending plans of \$200bn and earnings miss, joining the likes of Microsoft and Alphabet which got battered down on their spending plans. Disappointing US job prints overnight that raised Fed rate cut bets also heightened risk-off mood and aggravated the selloff. The Dow and S&P500 each fell 1.2% on the day while the NASDAQ plummeted 1.6% d/d.
- Elsewhere in Europe and Asia, benchmark equities ended largely in red, with the few exceptions of Hang Seng (+0.1% d/d) and Singapore STI (+0.2% d/d). The Stoxx Eur 600 and FTSE 100 each declined around 1.0% on the day while the Nikkei and KLCI lost 0.9% and 0.7% d/d.
- Sovereign bonds benefitted from flight to safety bids and heightened Fed rate cut bets, pushing yields down overall. The 2-year UST yields fell 6bps to 3.49%, while the 10-year note yields also shed 6bps to 4.21%.
- The USD saw extended gains for a 2nd straight day, spurred by continued haven bids amid prevailing market rout. The greenback continued to strengthen against all G10s, the most vs NOK (-1.5%) and AUD (-1.0%). The sterling weakened 0.9% to 1.3531 as at yesterday's close after the BOE struck a dovish tone signalling rate cut(s) ahead while the EUR saw more modest losses of 0.3% d/d to 1.1777 as the ECB delivered a neutral pause. In the region, most major Asian FX also weakened against the greenback. The MYR weakened 0.4% d/d to 3.9478 while the SGD slipped 0.2% d/d to 1.2754 on the back of USD strength.
- In the commodity space, oil prices halted two straight days of gains and fell over 2.0% d/d, with the WTI and Brent last

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,908.72	-1.20
S&P 500	6,798.40	-1.23
NASDAQ	22,540.59	-1.59
Stoxx Eur 600	611.65	-1.05
FTSE 100	10,309.22	-0.90
Nikkei 225	53,818.04	-0.88
CSI 300	4,670.42	-0.60
Hang Seng	26,885.24	0.14
Straits Times	4,975.87	0.21
KLCI 30	1,731.02	-0.68
FX		
Dollar Index	97.96	0.32
EUR/USD	1.1777	-0.25
GBP/USD	1.3531	-0.90
USD/JPY	157.04	0.11
AUD/USD	0.6927	-1.01
USD/CNH	6.9405	-0.01
USD/MYR	3.9478	0.39
USD/SGD	1.2754	0.22
USD/KHR	4,030.25	-0.01
USD/THB	31.80	0.26
Commodities		
WTI (\$/bbl)	63.12	-2.09
Brent (\$/bbl)	67.32	-2.36
Gold (\$/oz)	4,798.10	-3.78
Copper (\$/MT)	12,855.00	-1.42
Aluminum(\$/MT)	3,026.00	-1.08
CPO (RM/tonne)	4,146.00	0.29

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 4 Feb for CPO

settled at \$63.12/ barrel and \$67.32/ barrel respectively. Weaker US job data, news on Saudi's price cut for Asian buyers to the lowest in years that implied oversupply woes, as well as talk of US-Iran negotiation that eased disruption fear, all augured well with oil prices yesterday.

ECB kept rates unchanged; statement focuses on the strength of the economy

- As widely expected, ECB maintained its deposit facility rate, main refinancing rate, and marginal lending facility at 2.00%, 2.15% and 2.40% respectively, at the last five consecutive policy meetings since last June. Echoing the hawkish shifts by the three central banks last week, the ECB statement also focused on the strength of the economy, and shrugged off the deceleration in its CPI to below the ECB's 2.0% target. Going forward, as we expect continued resiliency in the Eurozone economy, coupled with the below-target inflation, we maintain our view for no further rate changes from the ECB in the year ahead.

BOE delivered a dovish and narrow pause with a 5-4 vote; focus on reduced inflationary concern

- BOE also left rates unchanged at 3.75% at its policy meeting yesterday, with a very narrow margin of 5-4 with Ramsden and Breeden joining Taylor and Dhingra for a 25bps cut. The key takeaway was the shift towards reduced wage-driven inflationary concern, suggesting that the BOE's easing policy path remains intact. "Overall, the risks from inflation persistence appear to have continued to reduce. I therefore see scope for some further easing of policy", said BOE Governor Andrew Bailey. This is in sync with our view for one more 25bps cut for the year, probably in 1Q.

Disappointment in US job data heightened Fed rate cut bets

- JOLTS job openings rose less than expected to 6542k in December (Nov: 6928k), with the job opening rate dwindling from 4.2% to 3.9%, led by sectors like trade & transport, financial, and professional/ business services. On a less negative note, quit rate and layoff rate remained steady at 2.0% and 1.1% respectively.
- Challenger job cuts skyrocketed by 117.8% y/y to a total of 108435 in January (Dec: -8.3% y/y to 35553). Initial jobless claims also increased more than expected to 231k for the week ended 31-Jan (prior: 209k), its highest in eight weeks. Four-week moving averages and continuing claims both increased, to 212.25k (prior: 206.25k) and 1844k (prior: 1819k) respectively. While the bigger than expected rise in initial jobless claims may have holiday and weather disruption to be

blamed, the consequent increase in 4-week moving averages and continuing claims, coupled with the massive job cuts (about half from just three companies from the transportation and technology sector), all do not augur well with the labour market outlook. Markets were rattled and traders **raised bets of Fed rate cuts for the year from 50bps to 60bps post data releases.**

Eurozone retail sales fell more than expected in December

- Retail sales took a turn and fell, by a bigger than expected pace of 0.5% m/m in December (Nov: 0.1% m/m downwardly revised), pointing to softening retail spending with little signs of any boost from year end seasonal spending. Details showed that this first decline in four months was dragged by a sharp decline in non-food sales (-1.2% vs 0.5% m/m), which wiped out the turnaround in food, drink and tobacco (0.1% vs -0.4% m/m). Meanwhile, sales of fuel and special stores stagnated for the 2nd month in a row.

Singapore retail sales staged a surprised slowdown

- Singapore retail sales growth unexpectedly weakened to 2.7% y/y in December, against market expectations for a pick-up to 8.0% y/y, pulling back from the 6.2% y/y increase in November. Sales ex-motor vehicles also softened to 1.7% y/y (Nov: 5.7% y/y), suggesting underlying softness in overall sales and demand. The slower growth was due to either contractions or slower growth in all categories, except computer & telecom equipment, that reported quicker increase (+12.8% vs +8.1% y/y), and the sustained 10.4% y/y increase in motor vehicle sales. This is not overly concerned as growth remained near past three years' average, and will continue to underpin growth in the Singapore economy going forward.

Australia's trade surplus widened amid a rebound in exports and decline in imports

- Trade surplus widened to A\$3.37bn in December (Nov: A\$2.60bn) driven by a rebound in exports to 1.0% m/m in December (Nov: -4.0% m/m) as well as continued decline in imports (-0.8% vs -0.2% m/m). It is also noteworthy to mention that November data were revised lower across the board from exports to imports and trade balance, hence somewhat cushioning the positivity in the December numbers. Australia exported more to key export markets like China, Japan, South Korea, the UK and the US with notable increases in iron ore, coal and gold exports. Decent growth prospect in addition to escalating inflation are expected to

augur well with RBA's rate hike path, where we pencil in another 25bps hike in 2Q.

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	4.6518	4.78	4.82	4.85	4.84
GBP/MYR	5.3564	5.44	5.45	5.45	5.41
AUD/MYR	2.7506	2.72	2.75	2.78	2.76
CNY/MYR	0.5689	0.58	0.58	0.58	0.58
SGD/MYR	3.0975	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

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Date	Events	Prior
6-Feb	JN Leading Index CI (Dec P)	109.9
	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%
9-Feb	JN Labor Cash Earnings YoY (Dec)	0.50%
	AU Household Spending MoM (Dec)	1.00%
	MA Industrial Production YoY (Dec)	4.30%
	MA Manufacturing Sales Value YoY (Dec)	4.60%
	JN Eco Watchers Survey Outlook SA (Jan)	50.5
	MA Foreign Reserves (30 Jan)	\$125.6b
	EC Sentix Investor Confidence (Feb)	-1.8

Source: Bloomberg

Hong Leong Bank Berhad

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

HLMarkets@hlbb.hongleong.com.my

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