

6 May 2026

## Global Markets Research

### Daily Market Highlights

## 6 May: RBA raised cash rate but will likely pause ahead

**AUD strengthened after RBA raised rates to 4.35% & guided for a hawkish hold**  
**Softer oil prices, tech rally amid strong corporate outlook boosted US equities**  
**DXY inched up; UST yields eased slightly following mixed US economic data**

- Softer crude oil prices and a rally in tech stocks gave US equities a boost and sent the 3 major stock indices up 0.7-1.0% d/d overnight. Crude prices fell more than 3.0% d/d each (WTI: \$102.27/barrel, Brent: \$109.87/barrel) amid a lack of material escalation in the Middle East tension, while tech stocks, especially chips, benefitted from solid outlooks from AMD and Apple.
- Elsewhere, Stoxx Eur 600 gained 0.7% d/d as a mixed slew of corporate earnings helped temper geopolitical concerns, while Asian market closed mixed. Nikkei 225 gained 0.4% d/d, while Hang Seng and CSI 300 slid 0.8% d/d and 0.1% d/d respectively.
- In the bond space, treasury yields eased slightly after spiking the previous session, following a mixed slew of economic data from the US. Yields to the 2Y, 10Y and 30Y fell 1-3bps to 3.94%, 4.42% and 4.99%. Except for the Swedish, Norwegian and UK sovereign bonds, 10Y European bond yields were mostly lower 1-8bps.
- In the FX space, the mixed slew of economic data flow saw DXY retreating, but the frailty in the Middle East situation continues to keep the greenback well supported. DXY eventually closed the day up 0.1% d/d at 98.44. JPY lagged all peers by falling 0.4% d/d to 157.88. AUD appreciated 0.2% d/d to 0.7183 after the RBA raised its cash rate as expected and as the Governor signalled a pause for now to assess the next steps.
- Asian FX traded mixed against the Dollar. MYR depreciated 0.1% d/d to 3.9613, while CNH and SGD appreciated 0.1% d/d each to 6.8276 and 1.2754.

### **RBA delivered its third consecutive rate hike year todate; Governor's comment on "a bit restrictive" policy offered clues of a pause in the near term**

- In an 8-1 vote, the Reserve Bank of Australia (RBA) decided to increase the cash rate by 25bps to 4.35%. The decision was

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	49,298.25	0.73
S&P 500	7,259.22	0.81
NASDAQ	25,326.13	1.03
Stoxx Eur 600	609.72	0.70
FTSE 100	10,219.11	-1.40
Nikkei 225	59,513.12	0.38
CSI 300	4,807.31	-0.06
Hang Seng	25,898.61	-0.76
Straits Times	4,920.61	-0.08
KLCI 30	1,747.43	0.44
<b>FX</b>		
Dollar Index	98.44	0.07
EUR/USD	1.1693	0.02
GBP/USD	1.3541	0.07
USD/JPY	157.88	0.41
AUD/USD	0.7183	0.22
USD/CNH	6.8276	-0.05
USD/MYR	3.9613	0.13
USD/SGD	1.2754	-0.12
USD/KHR	4,009.50	0.04
USD/THB	32.72	0.35
<b>Commodities</b>		
WTI (\$/bbl)	102.27	-3.90
Brent (\$/bbl)	109.87	-3.99
Gold (\$/oz)	4,568.50	0.78
Copper (\$/MT)	13,134.50	1.06
Aluminum(\$/MT)	3,589.50	1.92
CPO (RM/MT)	4,630.00	-0.26

Source: Bloomberg, HLBB Global Markets Research

within expectations, with one member voting to leave the cash rate unchanged at 4.10%. At the same time, the central bank updated its assessment to incorporate recent data and developments in the Middle East. The baseline forecast assumes that the conflict is resolved soon and fuel prices decline.

- Key highlights include: 1) There is likely to have second-round effects on prices for goods and services more broadly, and as such, the RBA revised up and expects headline CPI to peak at 4.8% in June quarter before easing to 4.0% in December, the latter as fuel-related costs decline and the labour market eases. Trimmed mean CPI is now expected to remain above 3.0% until mid-2027, before easing to 2.5% by early 2028. 2) **Cash rate assumption assumes another 25bps hike in 2H, but we opine that a hold is more likely with the monetary policy well placed to respond to developments in the Middle East and with Governor Michele Bullock commenting that the current policy rate is a bit restrictive.** 3) RBA also lowered its 2026 GDP growth forecast to 1.3%, expects wage growth to ease to 3.2% (2025: 3.4%) and the unemployment rate to hold steady at 4.3%.
- Albeit below expectations, the oil price spike drove transport and household spending (1.6% m/m & 6.3% y/y vs 0.3% m/m & 4.7% y/y) sharply higher in March. Food spending was also up strong, rising by 1.7% m/m reflecting higher food prices and partially, households stockpiling on concerns of a disruption in supply chain. Non-discretionary spending was mixed, with recreation & culture accelerating slightly while hotels, cafes & restaurants contracted during the month.

#### **Mixed US data - JOLTS job openings declined less than expected; services ISM eased less than expected; new home sales surprised on the upside; trade deficit widened more than expected**

- Despite a hiring (5.6k vs 4.9k) surge, March's JOLTS job openings showed that the labour market remains on a cooling but still resilient trend. Total vacancies declined less than expected to 6.87k from 6.92k previously, while layoffs picked up more than expected to 1.9k (prior: 1.7k) during the month. No doubt the drop in vacancies was largely focused on the professional & business industry, while the higher quits rate (2.0% vs 1.9%) also suggests that employees are more optimistic in finding new jobs as compared to the previous month.
- In the services sector, the final PMI was revised 0.3ppts lower to 51.0 in April (prior: 49.8), while the services ISM eased more than expected and for the second month to 53.6 from 54.0 previously. The prices index was flat but remained above 70,

amid sustained higher oil and fuel costs. Increases in the business activity, supplier deliveries, and employment (48.0 vs 45.2) sub-indices, meanwhile more than offset by a 7.1ppts drop in the new orders index (to 53.5). 14 industries reported growth, while 3 reported contractions.

- On the housing front, new home sales surprised on the upside at 7.4% m/m to 682k in March (prior: 8.9% m/m) amid lower median selling price (-5.3% m/m to \$387.4k) and as builders continued to use incentives to attract prospective-buyers. That said, with mortgage rates creeping up, this could put a dampener to home-buying activities in the coming spring buying season.
- Trade deficit widened more than expected to \$60.3bn in March (prior: -\$57/8bn) as import growth (2.3% m/m) outpaced exports growth of 2.0% m/m (prior: 4.4% m/m and 4.1% m/m). The uptick in imports was driven by inbound shipments of motor vehicles, consumer and capital goods like computer equipment, a sign of solid consumer and business demand. Meanwhile, the gain in exports was helped by increases in shipments of oil and other petroleum products given the higher crude oil prices.

#### **Hong Kong recorded strongest GDP growth in nearly 5 years**

- 1Q GDP surpassed expectations at 5.9% y/y, up from 4.0% y/y previously. This marks its strongest growth in nearly 5 years. Even on a quarterly basis, growth picked up momentum at 2.9% vs 1.1% previously. Acceleration was broad based with the exception of exports of services. With this, the official growth projection of 2.5-3.5% for 2026 remains achievable in our opinion despite headwind from the Middle East war, benefitting from resilient business and consumer sentiment, AI boom, sustained growth in visitor arrivals and robust cross-boundary financial activities.

#### **Singapore's retail sales eased post February's festive surge**

- Retail sales were better than expected, although the pace of growth slowed to 4.8% y/y in March from 8.3% y/y previously. The slower growth partially reflects seasonal effect and saw most industries recording increases led by motor vehicles, parts & accessories, recreational goods and mobile phones.

#### **House View and Forecasts**

<b>FX</b>	<b>This Week</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>	<b>1Q-27</b>
DXY	97-100	100.63	99.80	97.96	96.48
EUR/USD	1.15-1.19	1.14	1.15	1.17	1.19
GBP/USD	1.33-1.37	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.81	0.79	0.78	0.76	0.75
USD/JPY	156-161	159	155	152	152

AUD/USD	0.70-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.80-6.85	6.93	6.88	6.84	6.77
USD/MYR	3.93-4.00	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	31.70-32.90	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6315	4.55	4.55	4.60	4.66
GBP/MYR	5.3645	5.23	5.23	5.26	5.28
AUD/MYR	2.8379	2.72	2.72	2.75	2.77
CNY/MYR	0.5802	0.58	0.58	0.58	0.58
SGD/MYR	3.1030	3.09	3.10	3.11	3.12

Rates, %	Current	2Q26	3Q26	4Q26	1Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.25-3.50	3.25-3.50
ECB	2.00	2.25	2.50	2.50	2.50
BOE	3.75	4.00	4.25	4.25	4.25
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	1.00	1.00	1.00	1.00
RBA	4.35	4.35	4.35	4.35	4.35
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
6-May	HK S&P Global Hong Kong PMI (Apr)	49.3
	SI S&P Global Singapore PMI (Apr)	56.7
	CH RatingDog China PMI Services (Apr)	52.1
	EC S&P Global Eurozone Services PMI (Apr F)	47.4
	HK Retail Sales Value YoY (Mar)	19.30%
	UK S&P Global UK Services PMI (Apr F)	52
	EC PPI YoY (Mar)	-3.00%
	US MBA Mortgage Applications	--1.60%
7-May	US ADP Employment Change (Apr)	62k
	AU Trade Balance (Mar)	A\$5686m
	AU Exports MoM (Mar)	4.90%
	AU Imports MoM (Mar)	-3.20%
	MA BNM Overnight Policy Rate	2.75%
	EC Retail Sales MoM (Mar)	-0.20%
	US Challenger Job Cuts YoY (Apr)	-78.00%
	US Nonfarm Productivity (1Q P)	1.80%
	US Unit Labor Costs (1Q P)	4.40%
	US Initial Jobless Claims	189k
	US Construction Spending MoM (Mar)	-0.30%
US Consumer Credit (Mar)	\$9.484b	

Source: Bloomberg

### Hong Leong Bank Berhad

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

[HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)

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