

7 January 2026

Global Markets Research

Daily Market Highlights

7 Jan: Haven demand continues to hold

Widening & heightening geopolitical risks continue sending gold & DXY up
Many stock bourses hit fresh records amid AI optimism
Key watch today: US job data; ISM services; Eurozone & Australia's CPI

- Many global bourses closed at record highs with investors largely shrugging off the geopolitical tension in Venezuela. In the US, the S&P 500 and Nasdaq marched up 0.6-1.0% d/d to record highs, while Nasdaq also climbed 0.7% d/d overnight. Materials, healthcare and industrial stocks led gains within the S&P, while energy stocks and communication services lagged. Similarly, benchmark indices on Japan, Singapore and South Korea hit all time high at closing, while Stoxx Eur 600 gained 0.6% d/d.
- As it is, market sentiment has largely been buoyed by the AI boom, robust corporate earnings and easing monetary policy over the past year, the latter will likely continue to lend support in the near term. At the point of writing, we are pencilling a quarter point cut in the Fed funds rate each in the 2Q, 3Q and 4Q of this year.
- In the bond space, Treasury yields were relatively unchanged with investors shifting focus on the slew of jobs reports due this week. The 2Y and 10 yields rose 1bps each to end the day at 3.46% and 4.17%. Save for the Norwegian bonds, 10Y European bond yields were down 1-3bps.
- In the FX space, higher UST yields and haven demand sent the DXY up 0.3% d/d to 98.58. With the exception of the AUD (0.4% d/d), G10 FX depreciated in tune to 0-0.5% d/d against the greenback, led by European currencies. Regional FX closed mixed. MYR (4.0472) outperformed its peers with a 0.6% d/d gain, while SGD also appreciated 0.2% d/d to 1.2805. Amid our expectations of further rate cuts by the Fed, there is no change in our weakening greenback view where we expect the DXY to close the year lower at 95.49.
- In the commodity space, crude oil prices (WTI: \$57.13/barrel, Brent: \$60.70/barrel) took a breather from its recently rally and closed 1.7-2.0% d/d lower amid uncertainty around Venezuelan crude output, while gold (+1.0% d/d) continued its upward trend with geopolitical risks lifting safe-haven demand. Given wider and heightened geopolitical tension

Key Market Metrics		
	Level	d/d (%)
Equities		
Dow Jones	49,462.08	0.99
S&P 500	6,944.82	0.62
NASDAQ	23,547.17	0.65
Stoxx Eur 600	605.28	0.58
FTSE 100	10,122.73	1.18
Nikkei 225	52,518.08	1.32
CSI 300	4,790.69	1.55
Hang Seng	26,710.45	1.38
Straits Times	4,739.97	1.27
KLCI 30	1,672.35	-0.47
FX		
Dollar Index	98.58	0.32
EUR/USD	1.1689	-0.28
GBP/USD	1.3501	-0.30
USD/JPY	156.65	0.17
AUD/USD	0.6738	0.36
USD/CNH	6.9805	-0.04
USD/MYR	4.0472	-0.61
USD/SGD	1.2805	-0.17
USD/KHR	4,016.00	0.02
USD/THB	31.25	-0.26
Commodities		
WTI (\$/bbl)	57.13	-2.04
Brent (\$/bbl)	60.70	-1.72
Gold (\$/oz)	4,496.10	1.00
Copper (\$/MT)	13,238.00	1.90
Aluminum(\$/MT)	3,129.00	1.41
CPO (RM/tonne)	3,976.50	0.06

Source: Bloomberg, HL Global Markets Research

* Closing as of 5 Jan for CPO

risks globally, gold should stay very well supported today (Consensus is expecting gold to end 2026 at \$4.6k/oz). Just a recap, President Trump has shown interest in acquiring Greenland in recent days.

Mostly downward revisions to final PMI services for the majors; composite PMIs eased for Hong Kong and Singapore

- The December final services PMIs were revised lower for the majors except for Australia (+0.1ppts to 51.1 vs 52.8). The final services PMI for the US were shaved 0.4ppts to 52.5 in December (Nov: 54.1), revised 0.2ppts lower to 52.4 for the Eurozone (Nov: 53.6) and by 0.7ppts lower to 51.4 for the UK (Nov: 51.3). Data were mixed m/m and y/y, but more importantly, all stayed expansionary and expectations about the year ahead were again positive.
- Meanwhile, fresh regional composite PMIs were broadly softer but continues to signal moderate growth in December and the year ahead. Hong Kong PMI retreated 1.0ppts to 51.9 with output and new orders expanding at slower but still solid rates. Forward-looking indicators were also upbeat, with the backlogs of work signalling that production could increase in response to rising demand and new orders. Consequently, business pessimism eased to its least severe since mid-2023.
- Although new business and activity growth sub-indices eased for Singapore, the composite PMI remained relatively strong at 54.1 (prior: 55.4). It was also positive to see business confidence improving at the end of 4Q, hinting at continued growth in the new year.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.15-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.32-1.38	1.36	1.37	1.37	1.35
USD/CHF	0.77-0.81	0.78	0.78	0.78	0.78
USD/JPY	153-159	153	149	147	147
AUD/USD	0.64-0.69	0.68	0.69	0.70	0.69
NZD/USD	0.56-0.60	0.58	0.59	0.59	0.58
USD/CNY	6.98-7.03	6.90	6.83	6.85	6.90
USD/MYR	4.02-4.11	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.31	1.26	1.23	1.23	1.24
USD/THB	31.08-31.86	32.2	32.1	32.0	30.8
FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.7404	4.78	4.82	4.85	4.84
GBP/MYR	5.4781	5.44	5.45	5.45	5.41
AUD/MYR	2.7188	2.72	2.75	2.78	2.76
CNY/MYR	0.5795	0.58	0.58	0.58	0.58
SGD/MYR	3.1628	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	3.60	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
7-Jan	JN S&P Global Japan PMI Services (Dec F)	52.5
	AU Building Approvals MoM (Nov)	-6.40%
	AU CPI Trimmed Mean YoY (Nov)	3.30%
	EC CPI Core YoY (Dec P)	2.40%
	US MBA Mortgage Applications	-5.00%
	US ADP Employment Change (Dec)	-32k
	US ISM Services Index (Dec)	52.6
	US JOLTS Job Openings (Nov)	7670k
	US Factory Orders (Oct)	0.20%
	AU Exports MoM (Nov)	3.40%
	JN Labor Cash Earnings YoY (Nov)	2.50%
	JN Consumer Confidence Index (Dec)	37.5
8-Jan	MA Foreign Reserves	\$124.3b
	EC Economic Confidence (Dec)	97
	EC PPI YoY (Nov)	-0.50%
	EC Unemployment Rate (Nov)	6.40%
	US Challenger Job Cuts YoY (Dec)	23.50%
	US Nonfarm Productivity (3Q P)	3.30%
	US Unit Labor Costs (3Q P)	1.00%
	US Initial Jobless Claims	199k
	US Trade Balance (Oct)	-\$52.8b
	US NY Fed 1-Yr Inflation Expectations (Dec)	3.20%
US Consumer Credit (Nov)		\$9.178b

Source: Bloomberg

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

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

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLBB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLBB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.