

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, HLBB 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%
8-Jan	JN Labor Cash Earnings YoY (Nov)	2.50%
	JN Consumer Confidence Index (Dec)	37.5
	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

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