

7 May 2026

Global Markets Research
Daily Market Highlights

7 May: Expect BNM to maintain OPR at 2.75% today

**Optimism over US-Iran agreement buoyed sentiment; lifting stocks globally
UST yields and DXY fell alongside oil prices; JPY led FX gains amongst G10
Better than expected data from US job growth to China and Singapore PMIs**

- Solid corporate earnings from both tech and non-tech, coupled with renewed optimism that the US and Iran were nearing an agreement to end the war lifted the 3 major US stock indices up 1.2-2.0% d/d overnight, with the S&P 500 and Nasdaq closing at records again. All but two S&P 500 sectors were in positive territory. Industrial and tech stocks led gainers, while utilities and energy closed in the red, the latter as Brent and WTI fell more than 7% d/d each to \$101.27/barrel and \$95.08/barrel.
- In the bond space, this saw treasury yields slipped as inflation fears and Fed rate hike bets eased. The 2Y and 10Y yields plunged 7-8bps to close the day at 3.87% and 4.35% respectively.
- Markets outside the US were equally upbeat buoyed by this optimism. Stoxx Eur 600 closed 2.2% d/d higher, while 10Y European bond yields plunged 3-12bps. In Asia, KOSPI topped 7k for the first time ever after index heavyweight Samsung posted double-digit gains and crossed the \$1 trillion market cap. CSI 300, Hang Seng and Nikkei 225 also rallied 0.4-1.5% d/d.
- In the forex space, the DXY (-0.4% d/d to 98.02) retreated in tandem with the easing oil price and haven flows, while JPY (0.9% d/d to 156.39) was amongst the top performers amongst the G10, sparking speculation of an intervention. EUR, GBP and AUD appreciated 0.4-0.8% d/d to 1.1748, 1.3593 and 0.7237 respectively.
- KRW (1.8% d/d) led broad FX rally in Asia amid the KOSPI surge, while the broader market was also supported by the retreat in oil prices for a second day. MYR (1.0% d/d to 3.9230) were also amongst the notable outperformers, while CNH and SGD strengthened 0.2% d/d to 6.8138 and 0.6% d/d to 1.2683 respectively.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,910.59	1.24
S&P 500	7,365.12	1.46
NASDAQ	25,838.94	2.02
Stoxx Eur 600	623.25	2.22
FTSE 100	10,438.66	2.15
Nikkei 225	59,513.12	0.38
CSI 300	4,877.09	1.45
Hang Seng	26,213.78	1.22
Straits Times	4,927.38	0.14
KLCI 30	1,756.87	0.54
FX		
Dollar Index	98.02	-0.43
EUR/USD	1.1748	0.47
GBP/USD	1.3593	0.38
USD/JPY	156.39	-0.94
AUD/USD	0.7237	0.75
USD/CNH	6.8138	-0.20
USD/MYR	3.9230	-0.97
USD/SGD	1.2683	-0.56
USD/KHR	4,009.50	0.00
USD/THB	32.23	-1.50
Commodities		
WTI (\$/bbl)	95.08	-7.03
Brent (\$/bbl)	101.27	-7.83
Gold (\$/oz)	4,694.30	2.75
Copper (\$/MT)	13,392.00	1.96
Aluminum(\$/MT)	3,522.50	-1.87
CPO (RM/MT)	4,527.00	-2.48

Source: Bloomberg, HLBB Global Markets Research

Fastest pace of job growth since January 2025 for the US

- According to the ADP report, private employers added 109k jobs in April, slightly lower than forecast but still an uptick from 61k previously. While hiring in health care remained strong, rebound in trade, transportation, and utilities, fuelled the pick-up in hiring. Pay growth for job-stayers slowed slightly to 4.4% y/y, and held steady at 6.6% y/y for job changers. This points to an overall still stable job market.
- Mortgage applications fell 4.4% w/w for the week ended May 1 (prior: -1.6% w/w), its second straight weekly decline with the 30Y fixed loans rising 8bps to 6.45%, a 4-week high. Purchase applications fell 3.7% w/w, its first decline in 3 weeks, while refinancing declined -5.0% w/w, its second consecutive drop.

China's services sector unexpectedly improved; strongest Singapore PMI since July 2022

- The final April services PMIs for the Eurozone and UK were revised 0.2ppts and 0.7ppts higher to 47.6 and 52.7 (Mar: 50.2 and 50.5), while on the regional front, the RatingDog China Services PMI unexpectedly improved 0.5ppts to 52.6 in April. The pick-up in momentum was driven by the fastest growth in new orders since February and largely domestic driven. New export business declined for the second month, albeit marginally, while the manageable cost environment saw business confidence strengthening further.
- At 48.6, Hong Kong's PMI signalled a deterioration in business conditions for the second month and its most pronounced in 10 months. Forward-looking indicators were equally downbeat, with business pessimism worsening and as backlogs of work fell for the second month, the latter signalling that output could be cut further unless there is a sustained pick-up in demand.
- At 57.9, Singapore's April PMI was the strongest since July 2022, largely driven by a record in new businesses. At the same time, elevated inflationary pressure saw firms cutting costs, including headcounts, but one that was not enough to dampen business expectations for the year ahead.

Double-digit growth for Hong Kong's retail sales

- Hong Kong retail sales (12.8% y/y vs 19.3% y/y) continued to remain resilient in March, partially driven by strong sales in motor vehicles as consumers brought forward their purchases ahead of the expiry of the registration tax concessions for electric private cars. Gains were also reported across most broad categories, supported and will continue to be underpinned by recovering local demand and tourism.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
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	4.6221	4.55	4.55	4.60	4.66
GBP/MYR	5.3455	5.23	5.23	5.26	5.28
AUD/MYR	2.8487	2.72	2.72	2.75	2.77
CNY/MYR	0.5759	0.58	0.58	0.58	0.58
SGD/MYR	3.0967	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
7-May	AU Trade Balance (Mar)	A\$5686m
	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
	8-May	JN Labor Cash Earnings YoY (Mar)
JN S&P Global Japan PMI Services (Apr F)		51.2
MA Industrial Production YoY (Mar)		3.10%
MA Manufacturing Sales Value YoY (Mar)		3.90%
MA Foreign Reserves		\$128.8b
US Change in Nonfarm Payrolls (Apr)		178k
US Average Hourly Earnings MoM (Apr)		0.20%
US Average Weekly Hours All Employees (Apr)		34.2
US Unemployment Rate (Apr)		4.30%
US U. of Mich. Sentiment (May P)	49.8	

Source: Bloomberg

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