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Global Markets Research
Daily Market Highlights

7 July: US stocks started the week on a positive note

Asian bourses likely to gain tracking Wall Street's tech rally & Samsung's stellar results
UST yields and DXY slipped with traders paring rate hike bets after softer payroll data
Softer US ISM services as expected; improved retail sales and investor sentiments in EU

- US stocks started the trading week on a positive note. The S&P 500 gained 0.7% d/d, Nasdaq rallied 1.1% d/d, while the Dow climbed 0.3% d/d to a record close. Tech stocks rose broadly and led gains within the broad index.
- Equity markets elsewhere were not as upbeat. Stoxx Eur 600 edged down 0.4% d/d, while in Asia, Nikkei 225 and CSI 300 closed flattish, but Hang Seng gained 1.1% d/d. Asian equity markets are set for a positive day following Wall Street and with added boost from Samsung's better than expected 2Q results released early this morning.
- On top of Samsung results, traders will also be watching out for SK Hynix's listing in the US stock market, SpaceX's entry into Nasdaq, as well as minutes to the first FOMC meeting under Chair Kevin Warsh later this week.
- In other asset classes, short-term treasuries edged higher as traders see FOMC as less likely to raise rates following last week's disappointing NFP. The 2Y UST yield fell 3bps to 4.11%, while the 10Y dropped 1bps to 4.47%. 10Y European bond yields, in contrast, were mostly modestly higher by 1bps.
- In the forex space, the DXY closed just below its flatline at 100.85, while JPY weakened for the second day by 0.5% d/d to 162.09. GBP, AUD, and EUR traded 0-0.3% d/d stronger at 1.1441, 1.3392 and 0.6955 respectively, while most Asian FX weakened against the Dollar. CNH, MYR and SGD closed the day at 6.7942 (-0.1% d/d), 4.0855 (-0.3% d/d) and 1.2923 (-0.1% d/d).
- In the commodity space, crude oil prices fell after OPEC+ agreed to raise production in August, and after Saudi Aramco lowered August crude prices to Asia by \$11/barrel. The WTI and Brent closed the day at \$68.55/barrel (-0.2% d/d) and \$71.99/barrel (-0.2% d/d).

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,055.91	0.29
S&P 500	7,537.43	0.72
NASDAQ	26,121.16	1.12
Stoxx Eur 600	650.50	-0.35
FTSE 100	10,651.77	-0.26
Nikkei 225	69,737.69	-0.01
CSI 300	4,842.00	0.00
Hang Seng	23,616.32	1.14
Straits Times	5,259.81	0.30
KLCI 30	1,683.53	0.27
FX		
Dollar Index	100.85	0.00
EUR/USD	1.1441	0.03
GBP/USD	1.3392	0.31
USD/JPY	162.09	0.46
AUD/USD	0.6955	0.22
USD/CNH	6.7942	0.13
USD/MYR	4.0855	0.33
USD/SGD	1.2923	0.05
USD/KHR	4,031.25	0.01
USD/THB	33.35	0.63
Commodities		
WTI (\$/bbl)	68.55	-0.20
Brent (\$/bbl)	71.99	-0.18
Gold (\$/oz)	4,167.50	1.01
Copper (\$/MT)	13,403.50	0.28
Aluminum(\$/MT)	3,115.50	0.81
CPO (RM/MT)	4,500.00	0.33

Source: Bloomberg, HLBB Global Markets Research

Softer expansion for the US services sector

- The ISM services fell 0.5ppts to 54.0 in June as expected, as the 2.2ppts drop in new orders was partially offset by the 3.3ppts increase in the employment index, which bounced

back to positive territory for the first time in four months, a sign of improved job market outlook. The prices index fell 3.6ppts to 67.6, its first time below 70 since February, and notably, despite easing supplier deliveries index, there was an increase in commodities listed as 'in short supply,' especially commodities necessary for data center construction.

Improved retail sales growth and Sentix confidence for the Eurozone; softer PPI

- Although less than expected, retail sales rebounded 0.2% m/m in May after declining 0.3% m/m previously, as the 0.6% m/m rise in sales of food, beverages & tobacco and 0.1% m/m in non-food products were partly offset by a decline in sales of automotive fuel, the latter in line with softer crude oil prices during the month.
- Meanwhile, May's producer prices (PPI) were up 0.2% m/m on the month as expected, a deceleration from 0.7% m/m previously amid softer price pressures across board and notably for energy.
- Wrapping up, the Sentix Economic Sentiment Index brightened noticeably to -3.1 in July from -13.4 previously. The result was better than expected and underpinned by a marked improvement in expectations and growing investor confidence. Germany, in particular, provided the latest boost, with the latest reform package appears to be lifting sentiment, and likely consumer spending in the near term.

Hong Kong's PMI increased further, supported by demand from Mainland China and international markets

- Hong Kong's June PMI (52.0 vs 50.4) suggested that business activities expanded at its fastest pace in 4 months, with demand improvements broad-based from Mainland China to international market. Trends in employment and purchasing activity nonetheless remained subdued and outlook ahead remained downbeat.

No urgency for MAS to tighten given the downward surprise in Singapore's retail sales

- Retail sales rose at a slower pace of 3.0% y/y in May, extending the 5.4% y/y growth previously but missed consensus projections at 4.7% y/y. Most retail sectors recorded y/y growth but was driven by recreational goods, watches and jewellery, and petrol service stations, while sales at department stores as well as food & alcoholic beverages declined during the month.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99-103	102.28	100.86	99.42	98.07
EUR/USD	1.13-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.32-1.35	1.29	1.30	1.32	1.33
USD/CHF	0.78-0.82	0.81	0.81	0.80	0.79
USD/JPY	158-163	162	159	155	153
AUD/USD	0.68-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.55-0.59	0.56	0.56	0.57	0.57
USD/CNY	6.77-6.81	6.85	6.78	6.72	6.65
USD/MYR	4.05-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.31	1.31	1.30	1.28	1.27
USD/THB	32.64-33.60	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6623	4.68	4.71	4.73	4.75
GBP/MYR	5.4482	5.37	5.36	5.36	5.36
AUD/MYR	2.8314	2.83	2.86	2.87	2.89
CNY/MYR	0.6014	0.61	0.61	0.61	0.61
SGD/MYR	3.1575	3.18	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.50	2.50	2.50	2.50
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.00	1.00	1.25	1.25	1.25
RBA	4.35	4.35	4.35	4.35	4.35
RBNZ	2.25	2.50	2.50	2.50	2.50
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	
7-Jul	JN Labor Cash Earnings YoY (May)	3.50%
	JN Household Spending YoY (May)	-0.50%
	JN Leading Index CI (May P)	116.1
	MA Foreign Reserves	\$130.5b
	US Trade Balance (May)	-\$55.9b
8-Jul	JN Bank Lending Ex-Trusts YoY (Jun)	6.30%
	NZ RBNZ Official Cash Rate	2.25%
	JN Eco Watchers Survey Outlook SA (Jun)	40.7
	US MBA Mortgage Applications (Jul 3)	0.0%
	US FOMC Meeting Minutes	

Source: Bloomberg

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