7 August 2026

Global Markets Research
Daily Market Highlights

7 Aug: All eyes on the US NFP today

Gains in NFP expected to pick-up; Challenger: Layoffs in the US fell sharply
Signs of a flare up in geopolitical tension saw investors turning risk adverse
Higher oil prices, UST yields and DXY; major equity bourses mostly in red

- Signs of a flare up in geopolitical tension in the Middle East and an absence of a US-Iran deal saw oil prices rising more than 2% d/d overnight to end the day at $77.29/barrel for the WTI and $82.49/barrel for Brent.
- In Wall Street, concerns over inflation saw traders slightly upping Fed rate hike bets and Treasury yields jumping 6-7bps across the curve. The benchmark 2Y yield closed the day 6bps higher at 4.25%, while the 10Y rose 7bps to 4.68%.
- In the equity space, the 3 major US indices started on a positive note, but quickly lost its steam following the higher oil prices and dampened risk sentiment, while on the corporate front, were weighed down by the strong but still underwhelming results from Scandisk and Western Digital. The S&P 500 and Nasdaq extended their losses by 0.1-0.2% d/d, while the Dow broke its winning streak, closing down 0.9% d/d.
- Most Asian bourses closed in red, led by the 1.5% d/d losses logged by Hang Seng, and are likely to extend their downward today given US-Iran deal jittery. Stoxx Eur 600 (0.2% d/d) was the outlier, gaining for the fourth straight day with strong earnings supporting sentiment. In the bond space, trading was muted with 10Y sovereign bond yields up just a shade 0-5bps.
- The DXY rose 0.3% d/d to 99.93 tracking the gains in oil and treasury yields, while JPY underperformed most of its G10 peers and weakened 0.4% d/d to 158.43 against USD. With Japanese household spending (-3.3% y/y in June vs -0.4% y/y in May) surprisingly on the downside this morning, we expect further softening for the yen today. EUR, GBP and AUD, meanwhile, depreciated 0.1-0.4% d/d to 1.1525, 1.3455 and 0.7032 respectively.
- Regional currencies traded mixed against the greenback. MYR and CNH appreciated modestly between 0-0.1% d/d to 4.0900 and 6.7476, while SGD underperformed most of its G10 peers at 1.2837 (-0.2% d/d).

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,885.10	-0.85
S&P 500	7,709.96	-0.18
NASDAQ	26,348.35	-0.06
Stoxx Eur 600	658.19	0.16
FTSE 100	10,867.89	-0.19
Nikkei 225	65,683.26	-0.93
CSI 300	4,651.31	-0.15
Hang Seng	25,530.28	-1.49
Straits Times	5,638.99	1.03
KLCI 30	1,737.15	-0.63
FX		
Dollar Index	99.93	0.25
EUR/USD	1.1525	-0.24
GBP/USD	1.3455	-0.10
USD/JPY	158.43	0.43
AUD/USD	0.7032	-0.37
USD/CNH	6.7476	-0.01
USD/MYR	4.0900	-0.09
USD/SGD	1.2837	0.21
USD/KHR	4,055.50	0.06
USD/THB	33.06	-0.45
Commodities		
WTI ($/bbl)	77.29	2.75
Brent ($/bbl)	82.49	3.83
Gold ($/oz)	4,242.00	-0.09
Copper ($/MT)	14,103.50	-0.05
Aluminum($/MT)	3,259.00	0.56
CPO (RM/MT)	4,534.00	0.33

Source: Bloomberg, HLBB Global Markets Research

US layoffs fell, AI led reasons for the fifth month

- Labour data overnight showed that initial jobless claims increased at a softer pace than expected by 1k to 199k for the week ended August 1, narrowing from +9k the previous week, while continuing claims jumped 24k to 1801k for the week ended July 25 (prior: -12k).
- A separate report from Challenger, Gray and Christmas, meanwhile, showed that layoffs (-46.1%y/y to 33.4k vs -4.5% y/y to 45.8k) fell sharply in the month of July. This marks its lowest in 2 years, and the fifth time this year cuts are lower than the corresponding month one year earlier. As it is, layoff plans continue to be announced primarily in tech, and AI reasons still the main driver for layoffs. Bottomline, with layoffs limited and labour market still stable, this will give Fed room to focus on any inflation fallout from the Middle East conflict.

Unexpected drop in Eurozone's retail sales

- Retail sales unexpectedly fell 0.3% m/m in June after gaining 0.4% y/y previously, as higher energy prices notably weighed heavily on lower income households. While consumption has remained relatively subdued and an unlikely driver to 2Q GDP growth, improved employment expectations recently, should lend some support in the third quarter.

Unexpected trade surplus for Australia

- Australia unexpectedly posted a trade surplus of A$1.9bn in June (prior: -$2.4bn) as exports surged 9.6% m/m (prior: -7.6% m/m) underpinned by commodities, while imports slid 0.2% m/m (prior: 0.9% m/m). While the June data is supportive of GDP calculation, Australia's trade position has largely deteriorated with fuel imports increasing due to the Iran war, not helped by imports of data-center construction-related materials.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	98.75-101.25	102.28	100.86	99.42	98.07
EUR/USD	1.14-1.17	1.13	1.14	1.16	1.18
GBP/USD	1.33-1.36	1.29	1.30	1.32	1.33
USD/CHF	0.80-0.82	0.81	0.81	0.80	0.79
USD/JPY	156-162	162	159	155	153
AUD/USD	0.69-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57
USD/CNY	6.74-6.80	6.85	6.78	6.72	6.65
USD/MYR	4.07-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.27-1.30	1.31	1.30	1.28	1.27
USD/THB	33.00-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.7190	4.68	4.71	4.73	4.75
GBP/MYR	5.5037	5.37	5.36	5.36	5.36

AUD/MYR	2.8802	2.83	2.86	2.87	2.89
CNY/MYR	0.6061	0.61	0.61	0.61	0.61
SGD/MYR	3.1899	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	2.50	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-Aug	JN Leading Index CI (Jun P)	116.5
	MA Foreign Reserves (31-Jul)	$131.8b
	US Change in Nonfarm Payrolls (Jul)	57k
	US Unemployment Rate (Jul)	4.20%
	CH Exports YoY (Jul)	27.00%
10-Aug	JN Bank Lending Ex-Trusts YoY (Jul)	6.30%
	JN Eco Watchers Survey Outlook SA (Jul)	45.7
	EC Sentix Investor Confidence (Aug)	-3.1

Source: Bloomberg

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, HLB 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. HLB 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.