8 January 2026

Global Markets Research
Daily Market Highlights

8 Jan: All eyes on the next batch of US job reports today

Mixed economic prints and shifting geopolitical risk shook global markets
Selloffs in most major bourses; sovereign bonds and DXY closed higher
Weaker US job prints; strong ISM services; softer Eurozone and Australia's CPI

- Wall Street optimism faded overnight and the stock indices (Dow Jones: -0.9% d/d, S&P 500: -0.3% d/d, Nasdaq: 0.2% d/d) closed mixed with traders weighing the mixed slew of economic prints, shifting geopolitical risks and social media posts from President Trump.
- On the economic front, the strong ISM services report suggests that the Fed could likely stay pat for now, but with some softness in other business surveys (services PMI: 52.5 in Dec vs 54.1 in Nov) and recent jobs reports in line with the low hiring and low firing narrative, there is no change in our view that the FOMC is on track to resume its easing cycle in 2Q of the year.
- On the geopolitical front, we saw US seizing a Russian-flagged tanker and a second Venezuela-linked ship. In the equity space, home builders took a hit after President Trump said that he would take steps to ban large institutional investors from buying more single-family homes, a step aimed to improve housing affordability.
- Stoxx Eur 600 also tumbled 0.1% d/d despite defense stocks rallying amid Trumps's threat to acquire Greenland. Major Asian bourses pulled back given the brewing China-Japan tension after Beijing banned export of goods with potential military uses to Japan.
- Bond yields broadly eased globally, including the US following the latest signs of weakness in the US labour market. While the 2Y treasury yield rose 1bps to 3.47%, yields fell 0-4bps for the rest of the curve, including the 10Y (-3bps to 4.15%). 10Y European bond yields also slid in tune to 0-7bps.
- In the FX space, the DXY closed higher (0.1% d/d to 98.68) in view of the mixed economic readings. The Dollar strengthened against all its G10 peers save for the SEK (0.2% d/d). EUR weakened 0.1% d/d to 1.1675 after its latest inflation figure pulled back to ECB's target, while AUD (-0.3% d/d to 0.6721) slipped after data showed that core inflation slowed in November. Most Asian FX weakened against the greenback

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,996.08	-0.94
S&P 500	6,920.93	-0.34
NASDAQ	23,584.28	0.16
Stoxx Eur 600	604.99	-0.05
FTSE 100	10,048.21	-0.74
Nikkei 225	51,961.98	-1.06
CSI 300	4,776.67	-0.29
Hang Seng	26,458.95	-0.94
Straits Times	4,747.62	0.16
KLCI 30	1,676.83	0.27
FX		
Dollar Index	98.68	0.11
EUR/USD	1.1675	-0.12
GBP/USD	1.3458	-0.32
USD/JPY	156.76	0.07
AUD/USD	0.6721	-0.25
USD/CNH	6.9935	0.19
USD/MYR	4.0582	0.27
USD/SGD	1.2823	0.14
USD/KHR	4,019.25	0.08
USD/THB	31.28	0.11
Commodities		
WTI ($/bbl)	55.99	-2.00
Brent ($/bbl)	59.96	-1.22
Gold ($/oz)	4,462.50	-0.75
Copper ($/MT)	12,899.50	-2.56
Aluminum($/MT)	3,088.50	-1.29
CPO (RM/tonne)	3,950.00	-0.67

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 6 Jan for CPO*

with PHP (-0.3% d/d), MYR (-0.3% d/d to 4.0582) and CNH (-0.2% d/d to 6.9935) underperforming their regional peers. SGD traded 0.1% d/d weaker at 1.2823.

- In the commodity space, crude oil prices dropped 1.2-2.0% d/d after Trump said that Venezuela will be turning over as much as 50m barrels of oil to the US, spurring concerns over increasing oil supply. The WTI closed the day at $55.99/barrel, and Brent at $59.96/barrel.

Mixed economic prints for the US; ISM Services at its 14-month high; unexpected drop in job vacancies; slower than expected gains for ADP private payrolls

- The ISM services index was better than expected, hitting its 14-month high at 54.4 in December (prior: 52.6) with surging output and new orders (57.9 vs 52.9), as well as its first expansion in employment (52.0 vs 48.9) in seven months driving the uptick.
- On the labour front, we saw an unexpected drop in JOLTS job vacancies in November (7.1m vs 7.4m) but the lay-off rate eased to 1.1% from 1.2%. Although less than expected, the ADP private payrolls saw private payrolls adding 41k jobs in December (prior: -29k), amid job gains in the education, health services as well as leisure & hospitality sectors.
- On the supply side, data showed that factory orders fell at a faster than expected pace at 1.3% m/m in October (prior: 0.2% m/m) but mortgage applications rebounded 0.3% w/w for the week ended January 2 (prior: -10.0% w/w) with mortgage rates easing to its lowest since September 2024 at 6.25%.

Eurozone's inflation eased to ECB's target of 2.0%

- December's headline inflation eased to ECB's target at 2.0% y/y (prior: 2.1% y/y), while core also unexpectedly moderated to 2.3% y/y from 2.4% y/y. With inflation at 2.0% and expectations of modest price growth in the months ahead on the back of lower energy prices, stronger EUR and softer wage growth, this is in line with ECB's stance that the economy is in a "good place" and our call for a status quo for the policy rates for the whole of 2026. Driving the downtick for inflation was softer energy, non-energy industrial goods and services inflation, but these were partially offset by higher food, alcohol and tobacco prices.

Softer CPI, stronger than expected building approvals for Australia

- Headline inflation eased sharper than expected to 3.4% y/y in November from 3.8% y/y previously, while trimmed mean matched expectations at 3.2% y/y (prior: 3.3% y/y). Both goods and services inflation eased, the former due to electricity costs and the latter due to domestic holiday travel. Trimmed mean data at this level is within the central bank's forecast of 3.2% for end-2026 and is expected to hold steady at this level in June 2026 before easing further to below 3.0% in 2H.

- Meanwhile, separate data showed that building approval rebounded sharper than expected to 15.2% m/m in November from -6.1% m/m previously.
- All in, data released largely echoes RBA's view that the private demand has been stronger than expected, and that the 3Q 2025 spike in inflation was transitory with limited threats to the bank's modest inflation outlook. There is thus no change in our status quo bets for the RBA for now, pending more clarity from RBA's outlook in the next policy meeting in February.

Downward revision to Japan's final services PMI, echoing most majors

- The final services PMI was revised 0.9ppts lower to 51.6 in December. Despite the downgrade, the services sector has improved from November's 51.2 as well as December 2024's 51.0 and services providers were generally confident that business activity would rise over the next year. That said, data this morning showing a sharp deceleration in labour cash earnings (0.5% y/y vs 2.5% y/y) does not bode well for services outlook ahead.

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	4.7420	4.78	4.82	4.85	4.84
GBP/MYR	5.4764	5.44	5.45	5.45	5.41
AUD/MYR	2.7344	2.72	2.75	2.78	2.76
CNY/MYR	0.5804	0.58	0.58	0.58	0.58
SGD/MYR	3.1657	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
8-Jan	AU Exports MoM (Nov)	3.40%
	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
9-Dec	JN Household Spending YoY (Nov)	-3.00%
	MA Industrial Production YoY (Nov)	6.00%
	MA Manufacturing Sales Value YoY (Nov)	6.30%
	CH PPY YOY (Dec)	-2.20%
	CH CPI YOY (Dec)	0.70%
	JN Leading Index CI (Nov P)	109.8
	EC Retail Sales MoM (Nov)	0.00%
	US Change in Nonfarm Payrolls (Dec)	64k
	US Average Hourly Earnings YoY (Dec)	3.50%
	US Average Weekly Hours All Employees (Dec)	34.3
	US Unemployment Rate (Dec)	4.60%
	US Housing Starts MoM (Oct)	-8.50%
	US Building Permits MoM (Oct P)	-2.30%
	US U. of Mich. Sentiment (Jan P)	52.9

Source: Bloomberg

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

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