8 May 2026

Global Markets Research
Daily Market Highlights

8 May: BNM maintained OPR and neutral policy stance

No change to our extended OPR pause view; MYR strengthened back to 3.90s
Crude oil prices whipsawed; doubts of a deal sent DXY & UST yields higher
All eyes on NFP; recent data points to subdued layoffs & wage-push inflation

- Thursday saw the S&P 500 pulling back from record with investors largely eyeing the swings in crude oil prices and Iran's response to US' latest proposal to end the war. Explosions were nonetheless heard near an Iranian island and port city, heightening tension again and sowing some doubts over a possible deal. Crude oil prices whipsawed before closing 0.3-1.2% d/d lower at $94.81/barrel for the WTI and $100.06/barrel for Brent.
- In the equity space, the Dow tumbled 0.6% d/d, S&P 500 slid 0.4% d/d while Nasdaq was just a shade 0.1% d/d lower, the latter benefitting from the recent wave of stellar tech earnings, the latest being Datadog. Meanwhile, Stoxx Eur 600 closed the session down 1.1% d/d earlier in the day amid mixed earnings from Shell to Maersk, while major regional bourses from Hang Seng (1.6% d/d), CSI 300 (0.5% d/d) and Nikkei 225 (5.6% d/d) closed in green, the latter hitting 62k for the first time.
- In the bond space, UST yields turned higher as oil prices reversed course during the day following reports of the explosion, and thus, doubts of a deal. The benchmark 2Y and 10Y yields rose 5bps to 3.91% and 4bps to 4.39% respectively. Fed Williams comment that the Fed will ensure inflation returns to 2% target also kept UST yields higher. In Europe, 10Y sovereign bond yields closed mixed between -4 to +1bps.
- Renewed doubt over a deal saw DXY rebounding and closing the day just above its flatline at 98.07, while SEK (-0.5% d/d), AUD (-0.4% d/d to 0.7209) and JPY (-0.3% d/d to 156.93) were the worst performers within the G10 space. The JPY weakened despite verbal intervention by Japanese authorities and will likely face downward pressure from the softer March's labour cash earnings (2.7% y/y vs 3.4% y/y) released this morning.
- PHP (1.6% d/d) and MYR (0.4% d/d to 3.9078) outperformed Asian peers as most regional currencies strengthened

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,596.97	-0.63
S&P 500	7,337.11	-0.38
NASDAQ	25,806.20	-0.13
Stoxx Eur 600	616.42	-1.10
FTSE 100	10,276.95	-1.55
Nikkei 225	62,833.84	5.58
CSI 300	4,900.51	0.48
Hang Seng	26,626.28	1.57
Straits Times	4,941.96	0.30
KLCI 30	1,758.85	0.11
FX		
Dollar Index	98.07	0.04
EUR/USD	1.1726	-0.19
GBP/USD	1.3555	-0.28
USD/JPY	156.93	0.35
AUD/USD	0.7209	-0.39
USD/CNH	6.8087	-0.07
USD/MYR	3.9078	-0.39
USD/SGD	1.2691	0.06
USD/KHR	4,010.50	0.02
USD/THB	32.15	-0.24
Commodities		
WTI ($/bbl)	94.81	-0.28
Brent ($/bbl)	100.06	-1.19
Gold ($/oz)	4,710.90	0.35
Copper ($/MT)	13,393.00	0.01
Aluminum($/MT)	3,493.00	-0.84
CPO (RM/MT)	4,486.00	-0.11

Source: Bloomberg, HLBB Global Markets Research against the Dollar overnight. CNH appreciated 0.1% d/d to 6.8087, but SGD weakened 0.1% d/d to 1.2691.

BNM maintained OPR at 2.75% and neutral policy tone as expected

- As widely expected, the BNM maintained its Overnight Policy Rate (OPR) at 2.75% for the 5th straight meeting at its May policy meeting. Although there are still mounting uncertainties surrounding the Middle-East conflict, and its aftermath on oil prices and global supply chain, growth momentum appears to have held up well so far, both globally and in Malaysia, thanks to continued global tech expansion. As a result, and acknowledging rather balanced upside and downside risks, both of which highly dependable on evolvement of the Middle East tension, BNM maintained its neutral policy tone in the latest statement, which reaffirm our house view that OPR will remain unchanged at the current level of 2.75% for the year. Refer to Research Alert "BNM maintained OPR and neutral policy tone" dated 7th May.

US labour-related prints continue to point to subdued layoffs, limited wage push inflation

- According to Challenger, US announced 83.4k job cuts in April, up 37.6% m/m but is down 20.9% from a year ago (prior: -78.0% y/y to 60.6k). The result was worse than expected with technology companies continue to announce large-scale cuts and leading layoff announcements.
- On a separate note, initial jobless claims rose less than expected by 10k to 200k for the week ended May 2 (prior: -25k) while continuing claims fell -10k to 1766k for the week ended April 25 (prior: -32k).
- Productivity continued to rise and beat expectations, though at a slower pace of 0.8% q/q in 1Q following the prior quarter's 1.6% q/q increase, The yearly increase of 2.9% y/y marked its highest since 2024, helping to cap unit labour costs at 2.3% q/q and 1.2% y/y (prior: 4.6% q/q and 2.4% y/y).
- In short, even as AI topped the reasons for cutting jobs, overall layoffs remained broadly subdued pointing to limited pressure on unemployment rate, while the productivity gains will help ensure that wage pressures are not a source of inflation,
- Meanwhile, construction spending surprised on the upside with a 0.6% m/m gain in March (prior: -0.2% m/m), while consumer credit jumped more than expected to $24.9bn from $8.8bn previously. This marks its highest borrowing since late-2022 reflecting surge in both non-revolving ($14.8bn vs $8.5bn) and higher credit card balances ($10.0bn vs $0.4bn).

Eurozone 's retail sales fell for the third straight month

- Although better than expected, retail sales continued to fall 0.1% m/m in March after contracting 0.3% m/m previously. This marks its third monthly decline, with higher fuel prices and falling consumer sentiment largely pointing to a possible weakening of demand over coming months.

Australia logged first trade deficit since 2017

- Australia unexpectedly recorded its first deficit since December 2017 in March at -$1.8bn, a sharp reversal from +$5.0bn previously and not boding well for GDP calculation for 1Q. Contributing to the deficit was the decline in export growth (-2.7% m/m vs 4.2% m/m) as well as a sharp rebound in imports (14.1% m/m vs -2.7% m/m) due to ADP equipment.

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	4.6014	4.55	4.55	4.60	4.66
GBP/MYR	5.3222	5.23	5.23	5.26	5.28
AUD/MYR	2.8370	2.72	2.72	2.75	2.77
CNY/MYR	0.5746	0.58	0.58	0.58	0.58
SGD/MYR	3.0883	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
8-May	MA Industrial Production YoY (Mar)	3.10%
	MA Manufacturing Sales Value YoY (Mar)	3.90%
	MA Foreign Reserves	$128.8b

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	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
11-May	CH PPI YoY (Apr)	0.50%
	CH CPI YoY (Apr)	1.00%
	US Existing Home Sales MoM (Apr)	-3.60%

Source: Bloomberg