

9 January 2026

## Global Markets Research

### Daily Market Highlights

# 9 Jan: All eyes on US nonfarm job data tonight

**Mixed global equities ahead of NFP and Supreme Court ruling on Trump's tariffs**  
**UST came under pressure and Dollar Index advanced amid decent job reports**  
**Malaysia's foreign reserves rose to an 11-year high at \$125.3bn as at end-2025**

- US stocks were seen making more modest movements in search of fresh catalysts amid a slew of mixed but decent job reports that offered little change to the Fed's policy path. Markets continued to price in about 2.3 cuts for the year ahead, little changed from a month ago. US stocks ended mixed for another day amid rotation out of tech stocks to small caps. The Dow rebounded with a 0.6% d/d increase while the S&P500 closed just above the flatline with a marginal 0.01% gain on the day. Nasdaq posted a 0.4% loss on the day.
- Major European bourses ended on a softer note, with the Stoxx Eur 600 slipping 0.2% while the FTSE 100 lost 0.04% d/d. Asian stocks ended largely in the red. The Nikkei fell 1.6 d/d, Hang Seng shed 1.2% d/d while the KLCI lost 0.4% as at Thursday's close. Futures are pointing to a higher opening in the Asia markets this morning but cautiousness ahead of the all important US nonfarm payroll print tonight and a possible strike-down on Trump's tariffs by the Supreme Court may keep a lid or overturn sentiments anytime.
- In the bond space, UST came under pressure and yields were seen rising 1-2bps across (prior: +1 to -3bps), led by the belly of the curve as overnight job prints out of the US eased concerns about a faltering labour market. 2-year and 10-year UST yields added 2bps each to 3.49% and 4.17% respectively while Trump's call for \$200bn purchase of mortgage bonds helped pare losses on the longer end towards close. European sovereign bonds closed Thursday's session mixed with the 10-year UK gilts falling 1bp to 4.40% while the German's bund yield adding 1bp to 2.86%.
- Moving on to FX, the Dollar Index advanced for the 3<sup>rd</sup> straight day to 98.85 (+0.1% d/d) as the latest batch of US job prints pointed to a still decent US labour market and reaffirmed expectations that the Fed is in no hurry to cut. The greenback gained against 9 G10s, the most vs the NZD, SEK and AUD, by about 0.3% each on the day. EUR and GBP weakened by 0.1% d/d each to 1.1660 and 1.3439 respectively while the JPY also

Key Market Metrics		
	Level	d/d (%)
<b>Equities</b>		
Dow Jones	49,266.11	0.55
S&P 500	6,921.46	0.01
NASDAQ	23,480.02	-0.44
Stoxx Eur 600	603.83	-0.19
FTSE 100	10,044.69	-0.04
Nikkei 225	51,117.26	-1.63
CSI 300	4,737.65	-0.82
Hang Seng	26,149.31	-1.17
Straits Times	4,739.07	-0.18
KLCI 30	1,669.57	-0.43
<b>FX</b>		
Dollar Index	98.85	0.12
EUR/USD	1.1660	-0.13
GBP/USD	1.3439	-0.14
USD/JPY	156.87	0.07
AUD/USD	0.6699	-0.33
USD/CNH	6.9822	-0.16
USD/MYR	4.0623	0.10
USD/SGD	1.2847	0.19
USD/KHR	4,019.50	0.01
USD/THB	31.50	0.48
<b>Commodities</b>		
WTI (\$/bbl)	58.40	3.55
Brent (\$/bbl)	62.70	3.83
Gold (\$/oz)	4,487.90	0.47
Copper (\$/MT)	12,702.00	-1.27
Aluminum(\$/MT)	3,088.00	0.15
CPO (RM/tonne)	3,938.50	-0.29

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 7 Jan for CPO

registered similar losses to 156.87 as at Thursday's close. In the Asian FX space, the greenback strengthened against all major currencies except for the PHP and CNH/CNY. THB led losses (-0.8% d/d) while the SGD and MYR weakened 0.2% and 0.1% respectively to close the day at 1.2847 and 4.0623.

- Crude oil prices staged a commendable rebound to the tune of 3.6-3.8% d/d as traders continued to keep a close eyes on geopolitical development in Venezuela and Iran that could influence supply. WTI last settled at \$58.40/ barrel while the Brent closed at \$62.70/ barrel. Gold also turned around with a 0.5% increase on the day to \$4487.90/oz as markets continue to weigh between valuations, geopolitical and Fed policy risks.

**Relatively decent job reports and absence of wage-price pressure shall support the Fed's wait and see stance**

- Challenger Job Cuts fell for the 2<sup>nd</sup> straight month, by 35768 m/m in December (Nov: -81753), its lowest since Jul-24. Meanwhile, hiring plan (10500 jobs), increased at its fastest pace for a December month since 2022. Nonfarm productivity reported quicker growth of 4.9% q/q in 3Q (2Q: 4.1%), its best gain in two years, while unit labour costs fell more than expected by 1.9% q/q in 3Q (2Q: -2.9% downwardly revised), as productivity gains kept a lid on wage growth, and helped curtail wage-driven inflationary pressure. In a separate release, initial jobless claims for the week ended 3-Jan rose less than expected to 208k (prior: 200k revised), below 2025's average of 226k and certainly off recent high of 237k.
- The latest slew of job reports that showed lesser firings and bigger hirings soothed concern of a sharper slowdown in the labour market and hence, offering flexibility for the Fed to adopt a wait and see approach after three consecutive rate cuts last year. The only setback was the rise in continuing claims from 1858k to 1914k, implying the unemployed was taking longer to get hired.
- Trade deficit surprisingly narrowed to US\$29.4bn in October (Sept: downwardly revised from -US\$52.8bn to -US\$48.1bn), as a result of a sharp 3.2% m/m decline in imports, while the slower exports gain of 2.6% m/m during the month (Sept: 3.0% m/m), did not help either. This pushed deficit to its smallest since 2009, as imports of pharmaceutical fell after frontloading imports in September in anticipation of a purported 100% tariff rollout, which was later delayed.
- Consumer credit undershot expectations and rose a mere \$4.2bn in November (Oct: \$9.2bn), as an increase in non-revolving credit (for vehicle purchases, school tuition) of \$6.3bn was offset by a \$2.0bn decline in revolving credit like credit cards. This may be a sign of growing cautiousness

among consumers that could translate into weaker spending data going forward.

#### **Mixed bag of Eurozone data – softer economic confidence; lower unemployment rate; no signs of inflationary pressure**

- Confidence indicators were mixed with overall economic confidence unexpectedly softened to 96.7 in December (Nov: 97.0) on the back of weaker services confidence (5.6 vs 5.7). This offset slightly less negative consumer confidence (-13.1 vs -14.6) and industrial confidence (-9.0 vs -9.3), implying uneven outlook across sectors.
- Unemployment Rate tapered off a notch from 6.4% to 6.3% in November, against expectations for a stable print. This marked its lowest in 7 months and close to its record low of 6.2%, reaffirming a healthy labour market.
- On the inflation front, PPI picked up more than expected on a m/m basis from 0.1% to 0.5% in December, but deflation deepened to 1.7% y/y as expected (Nov: -0.5% y/y). The m/m spike was the biggest in five months, driven by a jump in energy costs (1.8% vs 0.1% m/m) and pick-up in prices of intermediate goods and durable consumer goods. That said, producer prices in the Euro region remained deflationary for the 4<sup>th</sup> straight month, likely limiting the risks of upside pressure on consumer prices going forward. Supporting this view is ECB inflation expectation readings, which stabilized at 2.8% (1Y) and 2.5% (3Y) for the month of November.

#### **Narrower trade surplus for Australia with export growth turning contractionary**

- Trade surplus unexpectedly narrowed to A\$2.9bn in November from A\$4.4bn the preceding month as shipments of iron ore fell, weighing on exports (-2.9% m/m vs 4.3% m/m), while imports was also a fraction firmer by 0.2% m/m (Nov: 2.4% m/m) due to processed industrial supplies. As it is, while the decline in exports partially reflect some pull-backs in commodity prices during the month, narrower trade surplus and two consecutive months of decline in exports to its largest trading partners, US and China do not bode well for GDP calculation in 4Q and outlook for 2026.

#### **Japan's consumer confidence weakened for the first time since April**

- Consumer Confidence Index unexpectedly worsened to 37.2 in December from 37.5 previously. This marks its first retreat since April, with all sub-indicators worsening. Coupled with softer wage growth, this does not bode well for consumer spending but in line with our call that cautious BOJ will

maintain rates for now pending more clarity post the shunto wage negotiation.

### Malaysia's foreign reserves ended 2025 at \$125.3bn

- Reserves increased a further \$1.2bn in 2H of the month to \$125.3bn to end 2025 (1H: +\$0.2bn to \$124.3bn), and up \$9.1bn from \$116.2bn as at end 2024. This reserves level is its highest in 11 years and is sufficient to finance 4.7 months of imports of goods and services and is 0.9 times the total short-term external debt.

### 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	4.7421	4.78	4.82	4.85	4.84
GBP/MYR	5.4591	5.44	5.45	5.45	5.41
AUD/MYR	2.7189	2.72	2.75	2.78	2.76
CNY/MYR	0.5815	0.58	0.58	0.58	0.58
SGD/MYR	3.1626	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
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

### 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](mailto:HLMarkets@hlbb.hongleong.com.my)

US Average Hourly Earnings YoY (Dec)	3.50%
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
12-Dec AU Household Spending MoM (Nov)	1.30%
EC Sentix Investor Confidence (Jan)	-6.2

Source: Bloomberg

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

#### **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.