

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 |
|---------|-------------|-------|-------|-------|-------|
| DX      | 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    |

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|        |                                      |        |
|--------|--------------------------------------|--------|
|        | 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

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