

9 July 2026

## Global Markets Research

### Daily Market Highlights

## 9 July: Flare up in geopolitical tension again

**Crude oil prices jumped; mixed global stocks; higher bond yields; flat DXY  
FOMC minutes signals a divided Fed with a hawkish tinge**

**RBNZ raised policy rate by 25bps; BNM likely to hold OPR unchanged today**

- Most US stocks traded lower and oil prices jumped after President Donald Trump said that the ceasefire with Iran is “over,” suggesting that the latest exchange of attacks near the Strait of Hormuz could continue. The WTI and Brent surged more than 4.0% d/d to \$73.52/barrel and \$78.02/barrel respectively, while in Wall Street, the Dow fell sharply by 1.1% d/d. The S&P 500 also lost 0.3% d/d, but Nasdaq was up 0.2% d/d spurred by gains in tech stocks.
- US-Iran fears also weighed on the European markets and the Stoxx 600 sank 1.6% d/d with rate sensitive sectors like real estate and construction losing ground. Asian bourses closed mixed, and are likely to trade on a weaker note today.
- In the bond space, rising oil prices rekindled inflation concerns and sent treasury yields up 3bps each to 4.22% for the 2Y and 4.58% for the 10Y. 2Y and 10Y sovereign bond yields in Europe also jumped 4-16bps.
- The DXY was little changed at 100.99, after fluctuating between gains and losses through most of the session. JPY (-0.3% d/d to 162.59) was the worst performer within the G10, while NZD (0.4% d/d) outperformed after the Reserve Bank of New Zealand (RBNZ) raised the cash rate by 25bps to 2.50% as expected, and signalled that with inflation still above target and economic activity expected to strengthen, some further reduction in monetary stimulus is likely to be required, suggesting another hike may still be on the drawing board.
- EUR, GBP and AUD appreciated modestly by 0-0.2% d/d to 1.1417, 1.3389 and 0.6930, while KRW (+0.7% d/d) outperformed all Asian peers on the regional front. CNH, MYR and SGD were 0-0.2% d/d weaker at 6.8063, 4.0773 and 1.2937 against the greenback respectively.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	52,348.39	-1.09
S&P 500	7,482.71	-0.28
NASDAQ	25,870.65	0.20
Stoxx Eur 600	635.91	-1.61
FTSE 100	10,489.04	-1.66
Nikkei 225	66,819.05	-2.11
CSI 300	4,755.53	-0.77
Hang Seng	24,199.46	2.99
Straits Times	5,369.57	0.51
KLCI 30	1,683.61	0.04
<b>FX</b>		
Dollar Index	100.99	-0.03
EUR/USD	1.1417	0.04
GBP/USD	1.3389	0.22
USD/JPY	162.59	0.30
AUD/USD	0.6930	0.03
USD/CNH	6.8063	0.04
USD/MYR	4.0773	0.17
USD/SGD	1.2937	0.09
USD/KHR	4,032.00	0.01
USD/THB	33.48	0.51
<b>Commodities</b>		
WTI (\$/bbl)	73.52	4.37
Brent (\$/bbl)	78.02	5.20
Gold (\$/oz)	4,082.40	-1.80
Copper (\$/MT)	13,165.50	-1.50
Aluminum(\$/MT)	3,132.00	-0.18
CPO (RM/MT)	4,520.00	0.38

Source: Bloomberg, HLBB Global Markets Research

#### Latest FOMC meeting minutes point to an equally divided Fed

- In Kevin Warsh’s first meeting as the Fed Chair, the FOMC was clearly divided on the next policy move. While “many”

participants indicated that the appropriate Fed funds rate would be within/slightly below the current level by year end, “many” also assessed that the appropriate policy rate would be above the current target range. “Most” also opined that inflationary pressures would dissipate and would soon begin to return to 2%, thus a hold/cut is appropriate. On the other hand, “most” also pointed to scenarios in which inflation would remain elevated due to strong AI-related demand, the conflict in the Middle East, or the effects of tariffs in an environment of a stable labour market, and thus, some policy firming would likely be warranted.

- In our opinion, the minutes reinforced the FOMC’s hawkish tilt amid elevated risks of inflationary pressure and lower risk of a labour market cooling. However, with crude oil prices broadly lower and the latest NFP surprising on the downside sharply, there is **no change in our view that the Fed will remain on hold throughout 2026.**
- Data wise, consumer credit unexpectedly fell for the first time since 2024 in May (-\$0.2bn vs +\$20.8bn) largely due to a \$5.3bn pull back in revolving credit like credit cards, while revolving credit such as loans for vehicle purchases and tuition fees, rose \$5.1bn. All in, recent data continues to signal still resilient household spending albeit divergence between the haves and have not, and May’s downtick could likely reflect Americans paring down some of their credit card debt.
- Housing related data remained weak, with mortgage applications down 2.2% w/w for the week ended July 3 (prior: 0.0%) as higher mortgage rates continued to weigh on both purchases and refinancing applications.

#### **IMF: Global growth held up, remains uneven as tech momentum offsets war drag**

- Highlights from the latest IMF’s World Economic Outlook include: 1) Global growth is projected at 3.0% (-0.1ppts) for 2026 and 3.4% (+0.2ppts) for 2027, easing from an average of 3.5% in 2024–25 and broadly unchanged on a cumulative basis compared with its previous forecast. 2) The outlook is uneven, with the war shock weighing on energy importers, while AI-driven demand is lifting countries integrated into the global technology value chain. 3) Risks are more balanced than its previous assessment, but tilted to the downside due to renewed geopolitical and trade conflict, and on risks of financial market repricing. Upside risks stemmed from a faster-than-expected normalization in energy supply, stronger-than-expected tech investment, durable cooperation to lower trade barriers and structural reform that raises medium-term growth. 4) Global disinflation has

stalled, and the IMF slightly revised up its global headline CPI forecasts from 4.1% in 2025 to 4.7% (+0.3ppts) in 2026 before easing to 3.9% (+0.2ppts) in 2027.

### Favourable economic data strengthens the case for another rate hike by the BOJ

- The Eco Watchers outlook index edged higher than expected to 45.7 in June from 40.7 previously, with the upward momentum driven by both households and businesses, while bank lending ex trusts accelerated to 6.3% y/y from 6.2% y/y previously. The latter marks its fastest pace since the Covid pandemic and was driven by lending for mergers, real estate and economic recovery. Robust demand suggests that the tightened policy rates have not restrained business investment nor household activities, and in our opinion, this strengthens the case that the economy could withstand another additional policy tightening later this year.

### House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99-103	102.28	100.86	99.42	98.07
EUR/USD	1.13-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.32-1.35	1.29	1.30	1.32	1.33
USD/CHF	0.78-0.82	0.81	0.81	0.80	0.79
USD/JPY	158-163	162	159	155	153
AUD/USD	0.68-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.55-0.59	0.56	0.56	0.57	0.57
USD/CNY	6.77-6.81	6.85	6.78	6.72	6.65
USD/MYR	4.05-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.31	1.31	1.30	1.28	1.27
USD/THB	32.64-33.60	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6502	4.68	4.71	4.73	4.75
GBP/MYR	5.4401	5.37	5.36	5.36	5.36
AUD/MYR	2.8203	2.83	2.86	2.87	2.89
CNY/MYR	0.5996	0.61	0.61	0.61	0.61
SGD/MYR	3.1508	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

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**Up Next**

<b>Date</b>	<b>Events</b>	
9-Jul	CH PPI YoY (Jun)	3.90%
	CH CPI YoY (Jun)	1.20%
	MA Industrial Production YoY (May)	8.20%
	MA Manufacturing Sales Value YoY (May)	9.10%
	MA BNM Overnight Policy Rate	2.75%
	US Initial Jobless Claims (Jul 4)	215k
	US Existing Home Sales MoM (Jun)	3.20%
	CH New Yuan Loans CNY YTD (Jun)	9110.0b
9-15 Jul	CH New Yuan Loans CNY YTD (Jun)	9110.0b
10-Jul	JN PPI YoY (Jun)	6.30%

Source: Bloomberg

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