

11 May 2026

Global Markets Research
Daily Market Highlights

11 May: No end to war in sight amid rejected peace deals

Renewed spike in oil prices this morning; equities to come under pressure

Robust and better-than-expected NFP for the US and trade data for China

Malaysia's IPI missed estimate but held steady at 3.1%; expect slower 1Q GDP

- A better-than-expected nonfarm jobs report in the US and rally in tech stocks sent the S&P 500 (0.8% d/d) and Nasdaq (1.7% d/d) closing last week at record highs, while the Dow also closed up just above its flatline last Friday. Chip stocks continued to be driven by the recent spate of standout tech earnings, while the strong jobs report eased traders' concerns on the detrimental impact of the war on the US economy.
- Oil prices (WTI: +0.6% d/d to \$95.42/barrel, Brent: 1.2% d/d to \$101.29/barrel) settled marginally higher as at Friday's close with the US and Iran continued to exchange fire in the Strait of Hormuz while waiting for Iran's response to the peace deal.
- At the point of writing, news that President Trump and Iran have rejected each other's latest peace proposals to end the conflict have sent the WTI up further to \$98.25/barrel and Brent to \$104.37/barrel at the point of writing. At the same time, the US has also imposed sanctions on companies and individuals in China for allegedly providing support to Iran in the latest war.
- Outside of the US, the US-Iran exchange of fires unsettled investors. Stoxx Eur 600 fell 0.7% d/d, while Nikkei 225, CSI 300 and Hang Seng tumbled 0.2% d/d, 0.6% d/d and 0.9% d/d.
- In the bond space, UST yields edged lower with investors looking past the solid April jobs report and largely await Iran's response. At the point of writing, market is pricing in a status quo in the Fed policy rates for the rest of 2026, little changed vs pre-NFP. The 2Y and 10Y UST yields slipped 3bps each to 3.89% and 4.35%, while 10Y European bond yields closed mixed between -4 to +1bps.
- In the forex space, the DXY retreated 0.2% d/d to 97.90 alongside the UST yields. The greenback weakened against all its G10 peers except for the CAD (-0.1% d/d). NOK (1.1% d/d), SEK (0.7% d/d) and GBP (0.6% d/d to 1.3631) outperformed their peers. GBP strengthened even with

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,609.16	0.02
S&P 500	7,398.93	0.84
NASDAQ	26,247.08	1.71
Stoxx Eur 600	612.14	-0.69
FTSE 100	10,233.07	-0.43
Nikkei 225	62,713.65	-0.19
CSI 300	4,871.91	-0.58
Hang Seng	26,393.71	-0.87
Straits Times	4,921.90	-0.41
KLCI 30	1,748.06	-0.61
FX		
Dollar Index	97.90	-0.17
EUR/USD	1.1787	0.52
GBP/USD	1.3631	0.56
USD/JPY	156.68	-0.16
AUD/USD	0.7246	0.51
USD/CNH	6.7971	-0.17
USD/MYR	3.9212	0.34
USD/SGD	1.2672	-0.15
USD/KHR	4,012.50	0.05
USD/THB	32.21	0.20
Commodities		
WTI (\$/bbl)	95.42	0.64
Brent (\$/bbl)	101.29	1.23
Gold (\$/oz)	4,730.70	0.42
Copper (\$/MT)	13,573.00	1.34
Aluminum(\$/MT)	3,503.00	0.29
CPO (RM/MT)	4,478.00	-0.29

Source: Bloomberg, HLBB Global Markets Research

Prime Minister Keir Starmer under pressure with the Labour party suffering heavy losses in the local elections. EUR, JPY and AUD strengthened 0.1-0.5% d/d to 1.1787, 156.68 and 0.7246, while Asian FX closed mixed against the Dollar. MYR weakened 0.3% d/d to 3.9212, while CNH and SGD appreciated 0.2% d/d each to 6.7971 and 1.2672 respectively.

Back-to-back strong gains for US NFP

- US non-farm payroll (NFP) was better than expected for the second month, rising 115k in April after gaining 185k previously. There were however 16k net downward revision in last two months data. Unemployment rate held steady at 4.3%. Average weekly hours unexpectedly increased to 34.3 from 34.2 previously, while average hourly earnings were softer than expected but stable at 0.2% m/m and 3.6% y/y (prior: 0.2% m/m and 3.4%).
- Again, job gains remain concentrated on private education & healthcare services as well as transportation & warehousing. Retail and leisure & hospitality also logged job gains, while manufacturing, information and financial activities lost jobs.
- Despite this positive data, we are doubtful that this marks a firmer trend in labour data with sentiment reading (University of Michigan fell more than expected to 48.2 in Apr from 49.8 previously) signalling that consumers may likely pull back on spending going forward owing to concerns over income expectations and cost pressures on personal finances. As it is, the Middle East developments are unlikely to meaningfully boost sentiment until supply disruptions are resolved and pump prices ease.

Robust and better than expected trade numbers for China

- Export growth gathered pace in April and beat forecasts at 14.1% y/y, outpacing 2.5% y/y gain previously, while imports also exceeded expectations with a 25.3% y/y surge for the same month (prior: 22.8% y/y). Details suggests that exports increased across most major markets, while strong AI demand and buyers securing supplies ahead of supply disruption risks largely boosted the headline export number. With China trade surplus widening sharply, this imbalance will come under heavy scrutiny in a planned summit between the US and China this week.

Sustained IPI growth of 3.1% y/y for Malaysia; quicker growth in manufacturing sales

- Industrial Production Index (IPI) surprised on the downside for a 2nd straight month, with a sustained 3.1% y/y increase in March, against expectations for a slight pick-up from the 8-month low gain in February. The weaker than expected

expansion was due to a bigger decline in mining output (-6.5% vs -2.0% y/y) amid contractions in both natural gas (-3.4% y/y) and crude oil (-11.3% y/y). This offset the faster growth in manufacturing (5.5% vs 4.2% y/y) and electricity (4.9% vs 4.6% y/y).

- Contrary to the softer growth in IPI, manufacturing sales registered a faster expansion of 5.3% y/y in March (Feb: 3.9% y/y), probably due to higher sales prices. Mirroring IPI, growth was underpinned by E&E (13.3% vs 13.8% y/y), food, beverages & tobacco (7.8% vs 2.8% y/y), as well as non-metallic mineral products, basic metal & fabricated metal products (3.7% vs 3.2% y/y). Refer to Research Alert “Softer than expected IPI growth in March” dated 8th May.
- BNM foreign reserves increased at a milder pace of \$0.9bn in 2H of April as compared to +\$2.2bn in 1H of the month. At \$129.7bn, the reserves position is sufficient to finance 4.7 months of imports of goods and services and is 0.9 times of total short-term external debt.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	96-100	100.63	99.80	97.96	96.48
EUR/USD	1.16-1.19	1.14	1.15	1.17	1.19
GBP/USD	1.34-1.37	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.80	0.79	0.78	0.76	0.75
USD/JPY	154-159	159	155	152	152
AUD/USD	0.70-0.74	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.78-6.87	6.93	6.88	6.84	6.77
USD/MYR	3.88-3.94	3.98	3.96	3.93	3.90
USD/SGD	1.25-1.28	1.29	1.28	1.27	1.25
USD/THB	31.50-32.90	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6144	4.55	4.55	4.60	4.66
GBP/MYR	5.3388	5.23	5.23	5.26	5.28
AUD/MYR	2.8365	2.72	2.72	2.75	2.77
CNY/MYR	0.5766	0.58	0.58	0.58	0.58
SGD/MYR	3.0929	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
11-May	CH PPI YoY (Apr)	0.50%
	CH CPI YoY (Apr)	1.00%
	US Existing Home Sales MoM (Apr)	-3.60%
11-17		
May	CH FDI YTD YoY CNY (Apr)	-7.30%
12-May	JN Household Spending YoY (Mar)	-1.80%
	AU Westpac Consumer Conf SA MoM (May)	-12.50%
	AU NAB Business Confidence (Apr)	-29
	JN Leading Index CI (Mar P)	113.3
	EC ZEW Survey Expectations (May)	-20.4
	US NFIB Small Business Optimism (Apr)	95.8
	US Core CPI YoY (Apr)	2.60%
	US Real Avg Weekly Earnings YoY (Apr)	0.20%

Source: Bloomberg

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