11 June 2026

Global Markets Research
Daily Market Highlights

11 June: Expect ECB to deliver a rate hike later today

US stocks tumbled amid flare ups in the US-Iran tension & sell-offs in tech stocks
Broadly muted impact from US CPI prints on treasuries and DXY
US headline CPI reached a 3Y high; China's PPI at a 4Y high but CPI was stable

- Continuous sell-offs in tech stocks and the flare-up in geopolitical tension rattled Wall Street on Wednesday. President Trump warned that the US would resume attacks on Iran after the latter took too long to negotiate a deal. Oil prices jumped more than 1.8% d/d each to settle at $90.03/barrel for the WTI and $93.10/barrel for Brent and at the point of writing, US has also reportedly launched strikes against multiple targets in Iran.
- Eight of the 11 S&P sectors closed in red. Other from tech, industrial stocks underperformed with losses of more than 2.0% d/d. The Dow fell 1.9% d/d, while the S&P 500 and Nasdaq settled lower by 1.6% d/d and 2.0% d/d.
- Market reaction to the slightly softer than expected m/m US core CPI was nonetheless fairly muted, as headline CPI and y/y core CPI came in as expected. Traders maintained bets that the Fed will raise rates by the end of the year and this pushed treasury yields up 3-4bps to close the day at 4.14% for the 2Y and 4.55% for the 10Y.
- Elsewhere, Stoxx 600 edged down by 0.1% d/d, while 2Y and 10Y sovereign bond yields rose in tune to 1-5bps in Europe ahead of ECB's policy decision today, where a quarter point hike is expected. Risk sentiment was equally downbeat in Asia. Nikkei 225, Hang Seng and CSI 3000 slid 0.6-1.9% d/d and are set for another softer day tracking futures.
- In the forex space, the DXY erased early losses following the softer than expected US core CPI, and closed the day just above its flatline at 99.95. CAD (just above flatline) outperformed after the Bank of Canada held rates steady as expected and flagged risks of inflationary pressure, while EUR depreciated 0.1% d/d to 1.1535 ahead of ECB's policy meeting today. GBP, JPY and AUD weakened 0.1-0.4% d/d to close the day at 1.3368, 160.55 and 0.6999 respectively. AUD closed below the 0.70-handle for the first time in two months.
- Asian currencies traded mixed against the greenback. IDR (0.6% d/d) led gainers, appreciating for the second day after

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,918.78	-1.87
S&P 500	7,266.99	-1.62
NASDAQ	25,169.50	-1.98
Stoxx Eur 600	618.17	-0.08
FTSE 100	10,254.81	0.27
Nikkei 225	64,179.27	-1.89
CSI 300	4,748.59	-1.11
Hang Seng	24,407.96	-0.64
Straits Times	4,958.85	-1.28
KLCI 30	1,678.96	0.21
FX		
Dollar Index	99.95	0.04
EUR/USD	1.1535	-0.07
GBP/USD	1.3368	-0.09
USD/JPY	160.55	0.12
AUD/USD	0.6999	-0.44
USD/CNH	6.7822	0.05
USD/MYR	4.0700	0.25
USD/SGD	1.2875	0.05
USD/KHR	4,026.90	0.07
USD/THB	32.88	0.08
Commodities		
WTI ($/bbl)	90.03	2.07
Brent ($/bbl)	93.10	1.80
Gold ($/oz)	4,108.20	-3.56
Copper ($/MT)	13,515.50	-0.73
Aluminum($/MT)	3,466.00	-2.30
CPO (RM/MT)	4,450.00	-0.09

Source: Bloomberg, HLBB Global Markets Research the central bank delivered an off-cycle hike, while MYR underperformed and weakened 0.3% d/d to 4.0700 even as Finance Minister II downplayed recent MYR weakness and reassured Malaysia's sound fundamentals although he cautioned of a fiscal slippage this year given rising subsidy bills. SGD and CNH depreciated less than 0.1% d/d each to 1.2875 and 6.7822 respectively.

US CPI at its 3Y high driven by gasoline prices and airfares

- While May saw headline inflation lifted by sharp increases in gasoline and airline fares, price pressures for other categories were contained, signalling limited energy cost spillover for now and led to a softer-than-anticipated m/m core CPI. While inflation remains susceptible to the ongoing fluctuations in energy prices, June's inflation rate could likely see a pull-back amid a reversal in gasoline prices.
- At 0.5% m/m and 4.2% y/y (prior: 0.6% m/m and 3.8% y/y), headline CPI matched expectations but core CPI was a tad softer than expected at 0.2% m/m (prior: 0.4% m/m) although it inched up to 2.9% y/y as expected (Apr: 2.8% y/y). Details showed that the jump in gasoline prices (7.0% m/m vs 5.4% m/m) contributed to the bulk of the increases, while airlines fares also drove headline up. Food inflation (0.2% vs 0.5% m/m) moderated, while core services slowed to 0.3% m/m from 0.5% m/m on account of softer shelter costs.
- Separate reports showed a combination of higher prices and softer pay gains were dragging on average hourly earnings (-0.7% y/y in May vs -0.3% y/y). This marks its biggest drop in 3 years, putting more stress on household finances. Meanwhile, mortgage applications saw a sharp rebound to grow 10.8% w/w for the week ended June 5 (prior: -2.5% w/w) heading into the spring home buying season.

China's PPI at its 4Y high; but softer than expected CPI suggests limited passthrough and weak domestic demand

- In China, consumer prices (CPI) unexpectedly stalled at 1.2% y/y in May, even as producer prices (PPI) gained at its fastest pace in 4 years by 3.9% y/y (prior: 2.8% y/y). The increase in producer prices was driven by the recent surge in commodity prices and as AI demand pushed up prices for tech equipment and semiconductors.
- Within CPI, gasoline and travel prices rose in line with the elevated oil prices, but this was negated by softer food (-1.7% y/y vs -1.6% y/y) and services (0.8% y/y vs 0.9% y/y) inflation. All in, this divergence reinforces our view that weak domestic demand has and will continue to limit pass through to CPI.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	97-101	100.63	99.80	97.96	96.48
EUR/USD	1.14-1.18	1.14	1.15	1.17	1.19
GBP/USD	1.32-1.36	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.81	0.79	0.78	0.76	0.75
USD/JPY	157-161	159	155	152	152
AUD/USD	0.69-0.74	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.75-6.80	6.93	6.88	6.84	6.77
USD/MYR	4.00-4.08	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.30	1.29	1.28	1.27	1.25
USD/THB	32.20-33.20	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.7032	4.55	4.55	4.60	4.66
GBP/MYR	5.4528	5.23	5.23	5.26	5.28
AUD/MYR	2.8530	2.72	2.72	2.75	2.77
CNY/MYR	0.6004	0.58	0.58	0.58	0.58
SGD/MYR	3.1610	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	3.50-3.75	3.50-3.75
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-June	EC ECB Deposit Facility Rate	2.00%
	US Initial Jobless Claims (June 6th)	225k
	US PPI Final Demand YoY (May)	6.00%
11-17 June	CH FDI YTD YoY CNY (May)	-10.30%
12-June	MA Industrial Production YoY (Apr)	3.10%
	MA Manufacturing Sales Value YoY (Apr)	5.30%
	UK Monthly GDP (MoM) (Apr)	0.30%
	US U. of Mich. Sentiment (Jun P)	44.8
	US U. of Mich. 1 Yr Inflation (Jun P)	4.80%
	US U. of Mich. 5-10 Yr Inflation (Jun P)	3.90%

Source: Bloomberg

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

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