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Global Markets Research

Daily Market Highlights

12 May: All eyes on US CPI today

**US-Iran deadlock sent oil prices, UST yields & DXY up; equity markets in green
Modest gain in US existing home sales; higher than expected China CPI & PPI
US headline and core CPI to further accelerate amid higher gas prices**

- A US-Iran deadlock sent oil prices up by more than 2.0% d/d (WTI: \$98.07/barrel, Brent: \$104.21/barrel) overnight and bonds lower. Treasury yields were up 7bps for the 2Y (3.95%) and 6bps for the 10Y (4.41%) consequently, while in the equity space, continuous enthusiasm over the AI trades lifted the three major US stock indices up slightly between 0.1-0.2% d/d.
- Most major equity markets in Europe and Asia closed Monday's session on an equally positive note despite the latest impasse in the US-Iran peace negotiation. Stoxx Eur 600 was up 0.1% d/d. while CSI and Hang Seng added 1.6% d/d and 0.1% d/d. Nikkei 225 was the outlier and closed down 0.5% d/d.
- In the forex space, the DXY pared early gains to close the day just marginally higher by 0.1% d/d at 97.96. NOK (0.3% d/d) and AUD (just above flatline at 0.7249) outperformed their G10 peers, the former amid oil price gains, while haven currencies like CHF (-0.2% d/d) and JPY (-0.3% d/d to 157.19) underperformed. GBP (-0.2% d/d to 1.3610) were also amongst the biggest losers amongst growing calls for Prime Minister Keir Starmer to stepdown following the latest local election loss.
- On the regional front, CNH strengthened 0.1% d/d to 6.7919 in the run-up to President Trump's China visit, while sentiment was also buoyed by China's higher-than-expected inflation prints. MYR and SGD traded 0.1% d/d weaker at 3.9245 and 1.2684 respectively.

US existing home sales posted modest growth

- Although below expectations, existing home sales rebounded 0.2% m/m in April after falling 2.9% m/m previously. This marks a modest start to the spring home buying season, with headwind from the elevated mortgage rates going forward, while rising inventories (4.4 months of supply at the current sales pace vs 4.2 previously) will keep

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,704.47	0.19
S&P 500	7,412.84	0.19
NASDAQ	26,274.13	0.10
Stoxx Eur 600	612.79	0.11
FTSE 100	10,269.43	0.36
Nikkei 225	62,417.88	-0.47
CSI 300	4,951.84	1.64
Hang Seng	26,406.84	0.05
Straits Times	4,942.77	0.42
KLCI 30	1,745.31	-0.16
FX		
Dollar Index	97.96	0.06
EUR/USD	1.1783	-0.03
GBP/USD	1.3610	-0.15
USD/JPY	157.19	0.33
AUD/USD	0.7249	0.04
USD/CNH	6.7919	-0.08
USD/MYR	3.9245	0.08
USD/SGD	1.2684	0.09
USD/KHR	4,011.28	-0.03
USD/THB	32.42	0.66
Commodities		
WTI (\$/bbl)	98.07	2.78
Brent (\$/bbl)	104.21	2.88
Gold (\$/oz)	4,728.70	-0.04
Copper (\$/MT)	13,943.00	2.73
Aluminum(\$/MT)	3,579.50	2.18
CPO (RM/MT)	4,488.00	-0.16

Source: Bloomberg, HLBB Global Markets Research

home price appreciation (0.9% y/y to \$417.7k) in check, slightly improving housing affordability.

Higher than expected price prints for China

- The surge in crude oil prices, increased demand in certain domestic sectors and market competition saw producer prices growing quicker than expected and at its fastest pace in 4 years at 2.8% y/y in April (prior: 0.5% y/y), while consumer prices also unexpectedly quickened to 1.2% y/y (prior: 1.0% y/y), The boost from CPI was mainly driven by energy and transport costs, while food price slumped during the month. While reflationary forces were largely supply-side driven, core (1.2% y/y vs 1.0% y/y) and services (0.8% y/y vs 0.7% y/y) inflation have also picked-up slightly and will likely to broaden further, risking further downward pressure on corporate profit margins and household consumption.

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	4.6175	4.55	4.55	4.60	4.66
GBP/MYR	5.3371	5.23	5.23	5.26	5.28
AUD/MYR	2.8402	2.72	2.72	2.75	2.77
CNY/MYR	0.5774	0.58	0.58	0.58	0.58
SGD/MYR	3.0906	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
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%
	13-May	JN Bank Lending Incl Trusts YoY (Apr)
AU Wage Price Index YoY (1Q)		3.40%
JN Eco Watchers Survey Outlook SA (Apr)		38.7
EC GDP SA QoQ (1Q S)		0.10%
EC Employment QoQ (1Q P)		0.20%
US MBA Mortgage Applications		-3.30%
US PPI Final Demand YoY (Apr)		4.00%

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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