13 February 2026

Global Markets Research
Daily Market Highlights

13 Feb: Worries over AI disruption spooked markets again

Risk off saw sell-off in stocks; investors switching to haven FX and bonds
Singapore expects narrower budget surplus of 1.0% of GDP for FY2026
All eyes on US CPI today; expect an upward revision to Malaysia's GDP print

- Worries over AI disruption on the tech and financials, and now, logistics, return to haunt the equity markets and sent all the 3 major stock indices in the US tumbling in tune to 1.3-2.0% d/d overnight. Within the S&P 500, 8 of the 11 sectors closed in red, and saw investors taking shelter in defensive stocks like consumer staples and healthcare, as well as in treasuries. Treasury yields tumbled 5-9bps across the curve, with the benchmark 2Y yield sliding 3.46%, while the 10Y plunged 8bps to 4.10%.
- The risk-off sentiment also gripped the equity markets in Europe, eclipsing a slew of mostly upbeat earnings. Stoxx Eur 600 reversed early gain to close the day 0.5% d/d lower overnight. Like treasuries, 10Y European bond yields also closed down 1-3bps.
- Meanwhile in Asia, equity markets closed mixed but are likely set to fall today. Nikkei 225 briefly hit 58k for the first time ever, before paring gains to close just below its flatline. Hang Seng lost 0.9% d/d, but China's CSI 300 added 0.1% d/d.
- In the FX space, haven currencies outshone given the risk off sentiment. Shrugging off the lower treasury yields, DXY closed up 0.1% d/d to 96.93, while CHF (0.3% d/d) and JPY (0.3% d/d to 152.74) outperformed their G10 peers. GBP closed just below its flatline at 1.3622 after UK reported a 4Q GDP miss.
- KRW (0.6% d/d) led Asian FX stronger against the greenback on the regional front, while MYR strengthened 0.3% d/d to 3.9025. SGD closed just below its flatline at 1.2626.
- In the commodity space, the risk-off sentiment and lowered 2026 global demand forecast by the International Energy Agency sent Brent falling 2.7% d/d to $67.52/barrel and the WTI by 2.8% d/d to $62.84/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,451.98	-1.34
S&P 500	6,832.76	-1.57
NASDAQ	22,597.15	-2.03
Stoxx Eur 600	618.52	-0.49
FTSE 100	10,402.44	-0.67
Nikkei 225	57,639.84	-0.02
CSI 300	4,719.58	0.12
Hang Seng	27,032.54	-0.86
Straits Times	5,016.76	0.65
KLCI 30	1,750.85	-0.32
FX		
Dollar Index	96.93	0.09
EUR/USD	1.1871	-0.01
GBP/USD	1.3622	-0.04
USD/JPY	152.74	-0.34
AUD/USD	0.7090	-0.52
USD/CNH	6.8981	-0.16
USD/MYR	3.9025	-0.34
USD/SGD	1.2626	0.04
USD/KHR	4,020.50	-0.12
USD/THB	30.93	-0.47
Commodities		
WTI ($/bbl)	62.84	-2.77
Brent ($/bbl)	67.52	-2.71
Gold ($/oz)	4,923.70	-2.92
Copper ($/MT)	12,875.50	-2.21
Aluminum($/MT)	3,100.00	-0.10
CPO (RM/tonne)	4,062.50	-0.47

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 11 Feb for CPO*

Winter storm hit US existing home sales hard

- The winter storm in January hit existing home sales hard, sending sales falling more than expected by 8.4% m/m in January after gaining 4.4% m/m in December. Due to low supply, median home prices reached a new high for the month of January, up 0.9% y/y and 0.3% m/m to $396.8k. Moving ahead, sales volumes are expected to pick-up, supported by anticipation of lower mortgage rates and improved affordability, the latter as wage gains outpaces home price growth.
- Initial jobless claims fell less than expected to by 5k to 227k for the week ended February 7 (prior: +23k), while continuing claims, a proxy for hiring, jumped 21k to 1862k for the week ended January 31 (prior: +22k). The latest data was partially disrupted by the winter storm but notwithstanding, the recent slew of labour data largely echoes the low hire, low fire stance for now, the latter largely concentrated on a handful of large announcements.

UK's economy grew a steady 0.1% q/q in 4Q; disappointing market but within BOE's forecast

- Early estimate suggests that the UK economy was steady at 0.1% q/q in 4Q, matching BOEs forecast but a shade lower than consensus' +0.2% q/q. Growth in the latest quarter was driven by an increase in production, while the construction sector fell and services sector showed no growth. On the demand side growth was mainly driven by stronger government consumption which more than offset slower private consumption growth, a decline in gross fixed capital formation and lower contribution from net exports. All in, underlying GDP growth remains subdued, consistent with weak growth in potential supply and a small drag from past monetary tightening and uncertainty, as well as our expectations for another rate cut by the end of 1Q.

A fiscal prudent approach for Singapore budget, as always

- In the first fiscal plan of the new government, Prime Minister Lawrence Wong tabled a budget that is prudent in our opinion, balancing the need to remain competitive and relevant globally, addressing long-term issues such as climate change and the ageing population, and short-term measures to address cost concerns and support for households and businesses.
- In terms of FX, we saw SGD strengthened to 1.2604 post Budget announcement before retreating to 1.2626 at close. As we opine that the Budget is positive for the SGD (for the reasons above), and is in line with our view of status quo for MAS as well as an environment of continued USD

depreciation over the medium term, we maintain our house view for SGD to strengthen to 1.24 against USD by the end of 2026. SORA rates are expected to inch lower tracking the decline in Fed funds and UST yields, inching down to 0.81% for the same period.

- As it is, the pillar of the budget was largely centred on: 1) Advancing Singapore's refreshed economic strategy. 2) Harnessing artificial intelligence as a strategic advantage. 3) Building a resilient and skilled workforce. 4) Providing families more support and greater assurance. 5) Protecting security and sustainability. 6) Renewing and strengthening the Singapore spirit.
- Fiscal wise, Singapore's Ministry of Finance (MOF) is expecting Singapore to end ***FY2025 with a surplus of $15.1bn or 1.9% of GDP, narrowing to $8.5bn or 1.0% of GDP in FY2026***. More importantly beyond that, the government: 1) Will proceed with the implementation of the Top-up Tax under Pillar Two of BEPS. This will raise the effective tax rate for large multinational enterprises operating in Singapore to 15% and higher corporate tax collections from FY2027 onwards. 2) Spending needs will grow across multiple fronts, focusing on external relations & security, strengthening its investment promotion toolkit, increased spending for healthcare and funds for major future needs, including critical infrastructure investment for energy transition and coastal protection

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.17-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.33-137	1.36	1.37	1.37	1.35
USD/CHF	0.75-0.80	0.78	0.78	0.78	0.78
USD/JPY	153-160	153	149	147	147
AUD/USD	0.67-0.71	0.68	0.69	0.70	0.69
NZD/USD	0.58-0.62	0.58	0.59	0.59	0.58
USD/CNY	6.92-6.97	6.90	6.83	6.85	6.90
USD/MYR	3.91-3.99	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.29	1.26	1.23	1.23	1.24
USD/THB	30.60-31.90	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.6399	4.78	4.82	4.85	4.84
GBP/MYR	5.3267	5.44	5.45	5.45	5.41
AUD/MYR	2.7800	2.72	2.75	2.78	2.76
CNY/MYR	0.5654	0.58	0.58	0.58	0.58
SGD/MYR	3.0963	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	3.25-3.50	3.00-3.25

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	3.85	3.85	4.10	4.10	4.10
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
13-Feb	MA GDP Annual YoY (2025 F)	4.90%
	MA GDP YoY (4Q F)	5.70%
	EC GDP SA QoQ (4Q S)	0.30%
	EC Trade Balance NSA (Dec)	9.9b
	EC Employment QoQ (4Q P)	0.20%
	US Core CPI YoY (Jan)	2.60%
16-Feb	JN GDP Annualized SA QoQ (4Q P)	-2.30%
	SI Non-oil Domestic Exports YoY (Jan)	6.10%
	EC Industrial Production SA MoM (Dec)	0.70%

Source: Bloomberg

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