13 August 2026

Global Markets Research
Daily Market Highlights

13 Aug: Modest US CPI reaffirms our rate hold call

Wall Street closed mixed after US CPI matched forecasts; DXY above 100
Treasury yields fell on the shorter end, rose for the longer tenures
Today's watch: US' PPI, Eurozone's IPI and UK's GDP

- US stocks closed mixed, and treasury yields edged slightly lower on the shorter end after US inflation print came in modest and in line with consensus forecast, easing concerns about imminent Fed rate hikes.
- In Wall Street, while the Dow closed just below its flatline, the S&P 500 and Nasdaq climbed 0.3% d/d and 0.5% d/d. Gains were rather broad-based, with tech stocks outperforming after CoreWeave and Super Micro Computer delivered strong earnings and forecasts, reassuring investors that demand for AI buildout remains stable for now.
- The 2Y treasury yield slipped 1bps to 4.20%, but yields to the 10Y, 20Y and 30Y nonetheless closed 0-2bps higher at 4.69%, 5.26% and 5.26% respective, partially as the US fiscal deficit came in higher than expected at $432.3bn in July.
- On the forex front, the DXY slipped to its intraday low of 99.61, but pared its losses and rebounded to 100.01 (+0.2% d/d). SEK (-0.6% d/d) and NZD (-0.4% d/d) were the worst performers in the G10 space against greenback, while AUD outperformed most of its peers at 0.7062 (flat). EUR, GBP and JPY depreciated in tune to 0.1% d/d each to 1.1526, 1.3495 and 159.42, the latter could likely feel further downward pressure from the softer than expected PPI for Japan released today (7.2% y/y in July vs 7.3% y/y in June).
- Regional currencies closed mixed against USD. MYR outperformed its Asian peers at +0.2% to 4.0850, CNH closed flattish at 6.7459, while SGD weakened 0.1% d/d to 1.2806.
- Crude oil prices swung between gains and losses, before closing the day 0.1% d/d higher as investors await for more signals towards reopening of Strait of Hormuz. The WTI closed the day at $83.27/barrel and Brent at $88.98/barrel.
- On the fundamental front, the IEA expects the global oil market to face a shortfall of 1.8mb/d in 3Q, more than double its earlier projection with the US-Iran war dragging on, and thus, likely to keep prices elevated in the near term. For the whole of 2026, the deficit will likely be the widest in 5 years.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,770.27	-0.04
S&P 500	7,748.50	0.26
NASDAQ	26,588.49	0.54
Stoxx Eur 600	659.48	-0.16
FTSE 100	10,833.15	-0.10
Nikkei 225	67,524.06	0.83
CSI 300	4,690.92	0.58
Hang Seng	25,440.17	-0.83
Straits Times	5,720.75	-0.58
KLCI 30	1,741.61	0.59
FX		
Dollar Index	100.01	0.19
EUR/USD	1.1526	-0.14
GBP/USD	1.3495	-0.09
USD/JPY	159.42	0.09
AUD/USD	0.7062	0.00
USD/CNH	6.7459	-0.01
USD/MYR	4.0850	-0.17
USD/SGD	1.2806	0.07
USD/KHR	4,047.50	-0.05
USD/THB	33.16	0.50
Commodities		
WTI ($/bbl)	83.27	0.08
Brent ($/bbl)	88.98	0.08
Gold ($/oz)	4,408.90	0.59
Copper ($/MT)	14,132.00	-0.17
Aluminum($/MT)	3,310.50	-1.59
CPO (RM/MT)	4,510.00	-1.14

Source: Bloomberg, HLBB Global Markets Research
**Dated 11 August for USD/THB*

Cooler yearly inflation for the US reiterates our Fed rate hold call

- July's CPI prints came in as per consensus forecast. Headline rose 0.1% m/m, while core came in at 0.2% m/m (prior: -0.4% m/m and 0), bringing the yearly inflation down to 3.4% y/y from 3.5% y/y for headline, and 2.5% y/y from 2.6% y/y for core. Tame CPI, coupled with the poor July jobs report undoubtedly leaves the Fed less reason for a rate hike, and with this, there is no change in our view for the FOMC to maintain rates at the current level for the whole of 2026.
- In terms of the details, gasoline prices fell 2.9% m/m (prior: -9.7% m/m), while food inflation slowed to 0.1% m/m (prior: 0.2%m/m). Within services (0.2% m/m vs 0), shelter cost was subdued and steady at 0.1% m/m, but this was offset by higher transportation and medical care services inflation, the latter will feed into the core-PCE calculation. Core goods (0.2% m/m vs -0.1% m/m) rebounded with auto prices surprising on the upside, and supply shortages for chips putting upward pressure on consumer electronic products.
- Mortgage applications rose 3.6% w/w in the week ending August 7, rebounding from 2.9% w/w the week prior after interest rates for the 30Y mortgage edged down 3bps to 6.77%. Applications for purchases rose 2.5% (prior: -3.6% w/w), while applications for loan refinancing rebounded 5.0% w/w (prior: -1.9% w/w).

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	98.75-101.25	102.28	100.86	99.42	98.07
EUR/USD	1.13-1.17	1.13	1.14	1.16	1.18
GBP/USD	1.33-1.36	1.29	1.30	1.32	1.33
USD/CHF	0.80-0.83	0.81	0.81	0.80	0.79
USD/JPY	156-161	162	159	155	153
AUD/USD	0.69-0.72	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57
USD/CNY	6.73-6.77	6.85	6.78	6.72	6.65
USD/MYR	4.06-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.27-1.30	1.31	1.30	1.28	1.27
USD/THB	33.00-33.50	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.7130	4.68	4.71	4.73	4.75
GBP/MYR	5.5198	5.37	5.36	5.36	5.36
AUD/MYR	2.8858	2.83	2.86	2.87	2.89
CNY/MYR	0.6058	0.61	0.61	0.61	0.61
SGD/MYR	3.1924	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

Up Next

Date	Events	
13-Aug	UK GDP QoQ (2Q P)	0.60%
	EC Industrial Production SA MoM (Jun)	-0.20%
	US Initial Jobless Claims (8 Aug)	199k
	US PPI Final Demand YoY (Jul)	5.50%
14-Aug	MA GDP YoY (2Q F)	5.80%
	HK GDP YoY (2Q F)	4.30%
	EC GDP SA QoQ (2Q S)	0.40%
	EC Trade Balance NSA (Jun)	-7.8b
	EC Employment QoQ (2Q P)	0.10%
	US Retail Sales Advance MoM (Jul)	0.20%
	US U. of Mich. Sentiment (Aug P)	55.2
	US U. of Mich. Expectations (Aug P)	55.4
	US U. of Mich. 1 Yr Inflation (Aug P)	4.20%
	US U. of Mich. 5-10 Yr Inflation (Aug P)	3.30%

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

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.