14 May 2026

Global Markets Research

Daily Market Highlights

14 May: All eyes on the two-day Trump-Xi meet in Beijing

Back-to-back upward surprises in US price data saw DXY gaining for the third day

UST yields tracked oil prices lower; most major equity bourses closed in green

Warsh confirmed as the next Fed Chair; all eyes on US retail sales & UK GDP today

- Back-to-back upward surprises in price prints saw traders boosting wagers on Fed rate hike in the coming year, pushing the 10Y UST yield up to its intraday high of 4.50%, its highest since July 2025, before retreating and closing flattish at 4.47%. The 2Y UST yield inched up to 4.01% before retreating to close 1bps lower at 3.98%.
- In the equity space, chip makers rebounded after the prior day's stumble, pushing the S&P 500 and Nasdaq up 0.6% d/d and 1.2% d/d, while a drop in oil prices (WTI: -1.1% d/d to $101.02/barrel, Brent: -2.0% d/d to $105.63/barrel) also supported sentiment for some non-chip stocks.
- In oil news, OPEC lowered its forecast for global oil demand growth to 1.2mb/d in 2026 from its initial estimate of 1.4mb/d. For 2027, OPEC expects oil demand to rise by 1.5mb/d, up 200k b/d from the previous forecast. Outside of oil, the Senate confirmed Kevin Warsh as the next Fed Chair in a narrow vote of 54:45.
- Major Asian equity markets (Nikkei 225: +0.8% d/d, CSI 300: 1.0% d/d, Hang Seng: 0.2% d/d) and European bourses (Stoxx 600: 0.8% d/d) closed in green as investors watch Trump-Xi meeting and Iran tension. 10Y European bond yields closed mixed between -/+2bps, while UK gilt yields retreated 3-5bps across the curve after Prime Minister Keir Starmer defied calls to quit the office.
- The Dollar strengthened against most G10 FX and the DXY climbed for the third day (0.2% d/d to 98.52) with US PPI coming up north of expectations again. Commodity currencies like AUD (0.3% d/d to 0.7258) and NOK (0.1% d/d) held up even as oil prices slipped, while GBP (-0.1% d/d to 1.3523) continues to weaken amid Starmer leadership risk. EUR and JPY depreciated 0.2% d/d each to 1.1711 and 157.86 respectively.
- Asian FX traded mixed against the greenback. CNH and MYR appreciated by 0.1% d/d each to 6.7874 and 3.9307 respectively, while SGD weakened 0.1% d/d to 1.2727.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,693.20	-0.14
S&P 500	7,444.25	0.58
NASDAQ	26,402.34	1.20
Stoxx Eur 600	611.42	0.79
FTSE 100	10,325.35	0.58
Nikkei 225	63,272.11	0.84
CSI 300	4,998.34	1.02
Hang Seng	26,388.44	0.15
Straits Times	5,003.96	1.17
KLCI 30	1,746.31	-0.24
FX		
Dollar Index	98.52	0.23
EUR/USD	1.1711	-0.24
GBP/USD	1.3523	-0.13
USD/JPY	157.86	0.15
AUD/USD	0.7258	0.25
USD/CNH	6.7874	-0.05
USD/MYR	3.9307	-0.11
USD/SGD	1.2727	0.06
USD/KHR	4,011.10	-0.01
USD/THB	32.35	-0.20
Commodities		
WTI ($/bbl)	101.02	-1.14
Brent ($/bbl)	105.63	-1.99
Gold ($/oz)	4,706.70	0.43
Copper ($/MT)	14,153.00	0.94
Aluminum($/MT)	3,652.50	2.54
CPO (RM/MT)	4,390.00	-1.37

Source: Bloomberg, HLBB Global Markets Research

Strongest US PPI in 4 years on energy cost

- Producer prices (PPI) quickened to 6.0% y/y in April (prior: 4.3% y/y), topping economists forecast and its sharpest increase since 2022. On a monthly basis, prices were up 1.4% m/m (prior: 0.7% m/m) as energy costs jumped 7.8% m/m (prior: 10.1% m/m), spilling over to trucking and freight costs and services PPI (1.2% m/m vs 0.2% m/m). Categories that feed into PCE were nonetheless mixed, rising for airfare and healthcare, but fell for portfolio management.
- Mortgage applications recorded its first gain in 3 weeks for the week ended May 8. The +1.7% w/w gain (prior: -4.4% w/w) was driven by a rebound in purchase applications (3.9% w/w vs -3.7% w/w) heading into the spring buying season, while refinancing continued to fall 0.8% w/w (prior: -5.0% w/w) amid elevated mortgage rates (30Y FRM: 6.46% vs 6.45%).

Eurozone GDP and employment both eased to 0.1% q/q in 1Q

- The final reading of the 1Q GDP for the Eurozone was left unchanged at 0.1% q/q. This marks a deceleration from 0.2% q/q previously amid softer growth for Spain (0.6% q/q vs 0.8% q/q), France (0 vs 0.2% q/q) and Italy (0.2% q/q vs 0.3% q/q), but stronger for Germany (0.3% q/q vs 0.2% q/q). Accompanying data also showed similar trend for employment (0.1% q/q vs 0.2% q/q). Coupled with higher energy prices in 2Q, this will inevitably be a dampener for consumer spending and GDP in the next quarter.

Steady wage growth in Australia keeps rate hike bets alive

- Wage growth remained steady at 0.8% q/q as expected in 1Q, and was largely unchanged at 3.3% on a yearly basis (prior: 3.4% y/y). While this was partially due to temporary and policy driven factors in the health care and education sectors, the still elevated wage growth will keep consumer spending well supported and expectations of further rate hikes alive. At the point of writing, consensus is pencilling another 1-2 quarter point increase by end 2026, vs our in-house view of status quo.

Improved Eco watchers outlook for Japan

- Albeit less than expected, Eco watchers outlook index improved to 39.4 in April from 38.7 previously, largely underpinned by household-activity related, employment and non-manufacturing sub-indices. All in, this suggests that the economy is picking up despite uncertainty arising from the situation in the Middle East.

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	4.6019	4.55	4.55	4.60	4.66
GBP/MYR	5.3139	5.23	5.23	5.26	5.28
AUD/MYR	2.8480	2.72	2.72	2.75	2.77
CNY/MYR	0.5789	0.58	0.58	0.58	0.58
SGD/MYR	3.0893	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
14-May	UK GDP QoQ (1Q P)	0.10%
	US Import Price Index YoY (Apr)	2.10%
	US Initial Jobless Claims	200k
	US Retail Sales Advance MoM (Apr)	1.70%
15-May	JN PPI YoY (Apr)	2.60%
	MA GDP YoY (1Q F)	5.30%
	HK GDP YoY (1Q F)	5.90%
	US Empire Manufacturing (May)	11
	US Industrial Production MoM (Apr)	-0.50%

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.