15 July 2026

Global Markets Research

Daily Market Highlights

15 July: All eyes on the Fed Beige Book today

Stellar bank profits; cooler than expected CPI boosted US stocks indices
UST yields, DXY slid amid pared rate hike bets; oil closed up, but off highs
Hawkish Warsh: “No tolerance” for persistent elevated inflation

- A rebound in chip stocks, booming bank profits from the country’s biggest banks and a cooler than expected US CPI reading lifted the 3 major US stock indices higher overnight. Nasdaq led the way and advanced 0.9% d/d, while the S&P 500 gained 0.4% d/d. The Dow lagged, closing just above its flatline with IBM shares sinking on a sales miss. Five of the country’s biggest banks (Goldman Sachs, JPMorgan Chase, Bank of America, Wells Fargo and Citigroup), reported upbeat earnings, spurred by huge deals such as SpaceX IPO and notable gains in equities trading revenue.
- The milder than expected inflation readings both at the headline and core levels saw traders paring rate hike bets to just slightly over a quarter point hike (30bps) by the end of 2026, and UST yields fell across the curve particularly at the shorter ends. The 2Y yield was down 9bps to 4.19%, and the 10Y fell 3bps to 4.59%.
- Outside of the US, Stoxx Eur 600 was up 0.2% d/d at close. Material and energy shares outperformed, the latter as the WTI and Brent rose more than 1.0% d/d to $79.34/barrel and $84.73/barrel. Oil prices were nonetheless off their intraday highs after President Donald Trump shelved his demand that ships pay a 20% fee to move through the key Strait of Hormuz waterway. Trading in European bonds was muted, and the 10Y sovereign bond yields closed just a shade 0-4bps higher.
- Most Asian bourses (Nikkei 225: 0.7% d/d, CSI 300: 2.2% d/d, Hang Seng: 0.5% d/d) closed in green and are poised to extend gains for a second day tracking Wall Street’s performance overnight.
- The DXY fell 0.3% d/d to100.92 after the US CPI data came in weaker than market expectations. Higher beta FX led gains against USD, and the NZD and NOK strengthened more than 1.0% d/d each. EUR, GBP, JPY and AUD appreciated 0.1-0.8% d/d to 1.1420, 1.3390, 162.25 and 0.6975 respectively against the USD.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,508.27	0.02
S&P 500	7,543.59	0.38
NASDAQ	26,107.01	0.90
Stoxx Eur 600	642.10	0.17
FTSE 100	10,529.39	0.30
Nikkei 225	67,743.50	0.74
CSI 300	4,796.50	2.15
Hang Seng	24,340.73	0.52
Straits Times	5,495.61	0.46
KLCI 30	1,719.94	1.27
FX		
Dollar Index	100.92	-0.31
EUR/USD	1.1420	0.34
GBP/USD	1.3390	0.31
USD/JPY	162.25	-0.11
AUD/USD	0.6975	0.82
USD/CNH	6.7740	-0.16
USD/MYR	4.0778	0.19
USD/SGD	1.2912	-0.25
USD/KHR	4,033.00	0.00
USD/THB	33.52	0.52
Commodities		
WTI ($/bbl)	79.34	1.54
Brent ($/bbl)	84.73	1.72
Gold ($/oz)	4,069.70	1.60
Copper ($/MT)	13,643.00	0.75
Aluminum($/MT)	3,177.00	0.24
CPO (RM/MT)	4,515.00	0.96

Source: Bloomberg, HLBB Global Markets Research

- KRW (0.5% d/d) outperformed Asian FX on expectations of greater inflows, while SGD (0.3% d/d to 1.2912) were also amongst notable gainers following the advanced 2Q GDP beat. CNH appreciated 0.2% d/d to 6.7740, but MYR depreciated 0.2% d/d to 4.0778.

Softer than expected US CPI; signs of broad softening support our extended pause view for the Fed funds rate

- Headline CPI fell 0.4% m/m in June, considerably softer than consensus forecast's -0.1% m/m as well as May's +0.5% m/m, while core was flat on the month (consensus/May's +0.2% m/m). As a result, the headline CPI came in at 3.5% y/y (May: 4.2% y/y), while core also tapered off from 2.9% y/y to 2.6% y/y. Details suggest that energy, especially gasoline contributed to the bulk of the downtick, but most core goods and services also fell or slowed during the month, save for recreational goods which may reflect the impact from World Cup to a certain extent.
- June's CPI report arrived just as Fed Chair Kevin Warsh testified at the Congress, where he reiterated that the FOMC has "no tolerance" for persistently high inflation and that the June CPI report does not mean that its inflation mission is accomplished. While this leaves the door open for a rate hike, the breadth of the softening in CPI offers little to back a rate hike rhetoric. There is thus no change in our view of a continuous hawkish pause from the Fed.
- The NFIB Small Business Optimism index rose 2.1 points to 97.4 in June, nearing its 52-year average of 98.0 as lower fuel costs drove expectations for better business conditions and real sales expectations up substantially.

Improved consumer and business confidence for Australia amid eased energy prices

- Similarly, business and consumer confidence improved in Australia. Business confidence rose 9 points from -14 in June to -5 in July, while consumer confidence rebounded 4.1% m/m in July after contracting 2.9% m/m previously. Easing concerns around energy markets broadly supported sentiments, but confidence remains largely on the low and pessimistic side and the renewed geopolitical tension may see the recent improvements turning out as a blip.

AI lift for China's export growth

- Exports surpassed forecasts and rose at its fastest pace since 2021 at 27.0% y/y in June (prior: 19.4% y/y), as the AI boom and race to build AI infrastructure continues to see strong high-tech shipments. By destinations, exports to the US remained expansionary around 14% y/y, while exports to the

EU and ASEAN nations also remained robust with double-digit growth.

- With exports expected to stay strong in 2H despite headwinds from trade barriers, global inflationary pressure and geopolitical conflicts, there is no change in our view that the official GDP target of 4.5-5.0% for 2026 remains achievable.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99-103	102.28	100.86	99.42	98.07
EUR/USD	1.13-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.32-1.36	1.29	1.30	1.32	1.33
USD/CHF	0.78-0.82	0.81	0.81	0.80	0.79
USD/JPY	159-164	162	159	155	153
AUD/USD	0.68-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.55-0.59	0.56	0.56	0.57	0.57
USD/CNY	6.76-6.82	6.85	6.78	6.72	6.65
USD/MYR	4.05-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.31	1.31	1.30	1.28	1.27
USD/THB	32.90-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6493	4.68	4.71	4.73	4.75
GBP/MYR	5.4558	5.37	5.36	5.36	5.36
AUD/MYR	2.8347	2.83	2.86	2.87	2.89
CNY/MYR	0.6015	0.61	0.61	0.61	0.61
SGD/MYR	3.1550	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	
15-Jul	JN Core Machine Orders MoM (May)	8.70%
	CH New Home Prices MoM (Jun)	-0.20%
	CH Used Home Prices MoM (Jun)	-0.26%
	CH GDP YoY (2Q)	5.00%
	CH Retail Sales YoY (Jun)	-0.60%
	CH Industrial Production YoY (Jun)	4.50%
	CH Fixed Assets Ex Rural YTD YoY (Jun)	-4.10%
	CH Surveyed Jobless Rate (Jun)	5.10%
	EC Industrial Production SA MoM (May)	0.10%
	US MBA Mortgage Applications (10-Jul)	-2.2%
	US Empire Manufacturing (Jul)	5.7
	US PPI Final Demand YoY (Jun)	6.50%
	US Fed Releases Beige Book	

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16-Jul	UK Monthly GDP (MoM) (May)	-0.10%
	EC Trade Balance NSA (May)	-1.0b
	US New York Fed Services Business Activity (Jul)	-10.1
	US Philadelphia Fed Business Outlook (Jul)	10.3
	US Retail Sales Advance MoM (Jun)	0.90%
	US Initial Jobless Claims (11-Jul)	215k
	US NAHB Housing Market Index (Jul)	35
	US Pending Home Sales MoM (Jun)	3.80%

Source: Bloomberg