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Global Markets Research

Daily Market Highlights

16 Jan: All eyes on Malaysia's advanced 4Q25 GDP today

Upbeat results from TSMC and banking giants boosted appetite for US stocks
UST yields and DXY traded higher post unexpected fall in initial jobless claims
US-Taiwan inked trade deal; UK GDP and Eurozone's IPI beat forecasts

- US stocks snapped back from their back-to-back losses as a blowout earnings and outlook from bellwether TSMC revived hopes of a sustained AI boom, while bank stocks also rallied following quarterly earnings beat from Morgan Stanley and Goldman Sachs. The Dow closed up 0.6% d/d, while S&P 500 and Nasdaq also added 0.3% d/d each.
- TSMC's stellar outlook also boosted appetite for chip stocks for Europe (Stoxx 600: 0.5% d/d), while on the regional front, Asian bourses traded mixed (Nikkei 225: -0.4% d/d & Hang Seng: -0.3% d/d). Chip stocks could likely extend its upward trend today, with the US and Taiwan inking a trade deal. US will cap tariffs on Taiwan to 15% and in return, Taiwanese chip and technology companies will invest at least \$250bn in production capacity on the US soil.
- Treasury yields rose, while the Dollar strengthened against most of its G10 peers, including GBP. The latest jobless claims data suggests that the labour market is faring better than what economists had anticipated and consequently, traders eased their rate cut bets overnight. The 2Y yield closed the day 5bps higher at 3.56%, while the 10Y increased 4bps to 4.17%.
- The DXY rose 0.3% d/d to 99.32, while AUD was the top performer within the G10 space at 0.6699 (0.3% d/d). EUR depreciated 0.3% d/d to 1.1609, while GBP weakened 0.5% d/d to 1.3381 despite its GBP beat. JPY weakened 0.1% on the day to 158.63. KRW (-0.3% d/d) lagged its peers after the Bank of Korea kept its base rate at 2.50% as expected, while TSMC's results sent TWD (0.1% d/d) to one of the region's top performers. MYR and SGD were 0-0.2% d/d weaker at 4.0560 and 1.2882 respectively
- On the commodity front, signs of easing US-Iran tension sent crude oil prices plunging more than 4.0% d/d and gold sliding 0.3% d/d as well. The WTI and Brent closed the day at \$59.19/barrel and \$63.76/barrel, while gold remains firmly above the \$4.6k/oz level.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,442.44	0.60
S&P 500	6,944.47	0.26
NASDAQ	23,530.02	0.25
Stoxx Eur 600	614.57	0.49
FTSE 100	10,238.94	0.54
Nikkei 225	54,110.50	-0.42
CSI 300	4,751.43	0.20
Hang Seng	26,923.62	-0.28
Straits Times	4,833.34	0.43
KLCI 30	1,715.16	0.25
FX		
Dollar Index	99.32	0.27
EUR/USD	1.1609	-0.30
GBP/USD	1.3381	-0.46
USD/JPY	158.63	0.11
AUD/USD	0.6699	0.25
USD/CNH	6.9632	-0.10
USD/MYR	4.0560	0.17
USD/SGD	1.2882	0.02
USD/KHR	4,023.00	0.01
USD/THB	31.39	-0.12
Commodities		
WTI (\$/bbl)	59.19	-4.56
Brent (\$/bbl)	63.76	-4.15
Gold (\$/oz)	4,623.70	-0.26
Copper (\$/MT)	13,106.00	-0.63
Aluminum (\$/MT)	3,167.50	-0.58
CPO (RM/tonne)	4,007.00	-0.52

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 14 Jan for CPO

Better than expected initial jobless claims saw traders dialling back on their rate cut bets

- Initial jobless claims unexpectedly fell 9k to 198k for the week ended January 10 (prior: +7k), while continuing claims also dropped 19k to 1884 for the week ended January 3 (prior: 47k). While the drop could likely reflect seasonal distortions, the labour market remains broadly on the low hiring, low firing trend, especially with the aggressive trade and immigration policies dampening both demand for and supply of workers.
- On the price front, import prices increased 0.4% over the two months from September to November and were tame at 0.1% y/y as compared to November 2024. Details suggest that higher prices for nonfuel industrial supplies & materials and for capital goods drove prices up, more than offsetting lower prices for automotive vehicles, foods, feeds & and beverages and consumer goods. With limited pass through from the tariff hikes on inflation and the labour market still on a “holding” pattern, FOMC is expected to keep its benchmark policy rates unchanged in the 3.50%-3.75% range at its January 27-28 meeting.

Eurozone's IPI grew for the third consecutive month

- November's robust 0.7% m/m (prior: 0.7% m/m) gain for industrial output beat forecast and marks the third consecutive rise in production. Growth was underpinned by capital goods (2.8% m/m vs 0.5% m/m), while output growth eased for intermediate and fell for energy and consumers. While bumper fiscal policies will continue to lift production, a meaningful recovery remains uncertain given that the manufacturing PMI is showing signs of weakness and amid a still softish export growth (1.1% m/m and -3.4% y/y in November).

UK's GDP beat expectations in November; likely to eke out small growth in 4Q

- UK GDP expanded by 0.3% m/m in November, beating expectations and a rebound from -0.1% m/m the prior month. Largely driving up the uptick was a strong manufacturing sector (2.1% m/m vs 0.4% m/m), pushed up by the recovery in the auto industry following August's cyberattacks at Jaguar Land Rover. Services also grew by 0.3% m/m after falling 0.3% m/m previously underpinned by real estate activities, but construction fell 1.3% m/m (prior: -1.2%). With the rolling 3-months growth at 0.1% (prior: stagnant), this suggests that the economy could beat BOE's forecasts, eking out a small

growth in 4Q, especially with the drags from auto output disruption and jittery due to the Autumn budget fading.

Household weighs on lending in 2025 for China

- Government and corporate loans drove credit growth above forecasts in December. However, household lending continues to fall amid weak consumer confidence, and clampdowns on “hidden” or off-balance sheet debt sent new yuan loans financing to its 7Y low of 16.3tn yuan for the whole of 2025.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	97-100	96.71	95.13	94.70	95.49
EUR/USD	1.15-1.18	1.20	1.22	1.22	1.21
GBP/USD	1.33-1.36	1.36	1.37	1.37	1.35
USD/CHF	0.79-0.81	0.78	0.78	0.78	0.78
USD/JPY	154-159	153	149	147	147
AUD/USD	0.65-0.69	0.68	0.69	0.70	0.69
NZD/USD	0.56-0.59	0.58	0.59	0.59	0.58
USD/CNY	6.96-7.00	6.90	6.83	6.85	6.90
USD/MYR	4.04-4.09	4.00	3.97	3.97	4.00
USD/SGD	1.27-1.30	1.26	1.23	1.23	1.24
USD/THB	31-32	32.2	32.1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.7204	4.78	4.82	4.85	4.84
GBP/MYR	5.4499	5.44	5.45	5.45	5.41
AUD/MYR	2.7157	2.72	2.75	2.78	2.76
CNY/MYR	0.5822	0.58	0.58	0.58	0.58
SGD/MYR	3.1515	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	3.00-3.25	2.75-3.00
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	3.60	3.60	3.60	3.60	3.60
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
16-Jan	SI Non-oil Domestic Exports YoY (Dec)	11.60%
	MA GDP Annual YoY (2025 A)	5.10%
	US New York Fed Services Business Activity (Jan)	-20
	US Industrial Production MoM (Dec)	0.20%
	US NAHB Housing Market Index (Jan)	39
19-Jan	JN Core Machine Orders MoM (Nov)	7.00%
	CH New Home Prices MoM (Dec)	-0.39%
	CH Used Home Prices MoM (Dec)	-0.66%

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CH GDP YoY (4Q)	4.80%
CH GDP YTD YoY (4Q)	5.20%
CH Retail Sales YoY (Dec)	1.30%
CH Industrial Production YoY (Dec)	4.80%
CH Fixed Assets Ex Rural YTD YoY (Dec)	-2.60%
CH Surveyed Jobless Rate (Dec)	5.10%
CH Property Investment YTD YoY (Dec)	-15.90%

Source: Bloomberg

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