Global Markets Research

Daily Market Highlights

16 June: Unwinding of haven trade

Global stocks and bonds rallied as oil prices eased; haven currencies weakened
US manufacturing output growth stalled; Eurozone's IPI grew for the 3rd month
RBA expected to deliver a hawkish hold, BOJ to raise policy rate to 1.00% today

- Global stocks and bonds rallied, while oil fell to their lowest levels since March after the US-Iran agreed to sign a deal that would reopen the Straits of Hormuz. In Wall Street, the 3 major stock indices closed up 0.9-3.1% d/d. Tech and consumer discretionary stocks led gainers, while SpaceX extended its rally to close the day at $192.50.
- The gains followed strong performance in major European (Stoxx 600: 0.2% d/d) and Asian (Nikkei 225: 5.0% d/d, CSI 300: 2.4% d/d, Hang Seng: 0.5% d/d) bourses, while oil tumbled nearly 5% d/d to close the day at $80.75/barrel for the WTI and $83.17/barrel for Brent.
- Global bond yields retreated as lower oil prices eased inflation concerns. In the US, traders pared back expectations of a Fed rate hike, pushing yields lower on most tenors led by the shorter maturities. The 2Y yield fell 2bps to 4.07%, while the 10Y slid 1bps to 4.47%. 10Y European bond yields fell 2-5bps, while the 2Y fell in tune to 1-7bps.
- The unwinding of haven trade saw the Dollar weakening against most of its G10 peers and the DXY inched down 0.1% d/d to 99.63. SEK (0.9% d/d) led gainers within G10, while EUR, GBP and AUD appreciated 0.1-0.4% d/d to 1.1590, 1.3414 and 0.7073 against USD, the latter as the RBA is expected to maintain its cash rate unchanged at 4.35% today. JPY depreciated 0.1% d/d to 160.34 despite expectations that the BOJ will deliver a policy rate hike by 25bps to 1.00% later today. The PHP (1.4% d/d) outpaced its Asian peers in a relief rally, while CNH, MYR and SGD appreciated 0.1-0.2% d/d to 6.7593, 4.0507 and 1.2827.

US manufacturing output growth stalled for the first time in 2026

- Manufacturing output unexpectedly stalled for the first time this year, was below expectations and marked a pullback from 0.7% m/m previously as gains in durable goods offset contractions in non-durables. In tandem with this, industrial

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,671.03	0.92
S&P 500	7,554.29	1.65
NASDAQ	26,683.94	3.07
Stoxx Eur 600	634.44	0.19
FTSE 100	10,430.62	-0.39
Nikkei 225	69,317.50	4.99
CSI 300	4,891.71	2.39
Hang Seng	24,842.67	0.50
Straits Times	5,077.29	1.02
KLCI 30	1,691.39	0.46
FX		
Dollar Index	99.63	-0.12
EUR/USD	1.1590	0.19
GBP/USD	1.3414	0.06
USD/JPY	160.34	0.06
AUD/USD	0.7073	0.37
USD/CNH	6.7593	-0.06
USD/MYR	4.0507	-0.22
USD/SGD	1.2827	-0.12
USD/KHR	4,025.00	0.10
USD/THB	32.57	-0.30
Commodities		
WTI ($/bbl)	80.75	-4.87
Brent ($/bbl)	83.17	-4.76
Gold ($/oz)	4,328.00	2.68
Copper ($/MT)	13,745.00	0.34
Aluminum($/MT)	3,379.50	-4.40
CPO (RM/MT)	4,430.00	0.41

Source: Bloomberg, HLBB Global Markets Research output (IPI) also undershot expectations at 0.1% m/m vs 0.9% m/m previously. Details suggests increased oil and gas well drilling activities as companies started to respond to the higher prices, while the strong demand for durable goods likely reflect date center build out as well as onshore capital spending plans.

- The NAHB Housing Market index, a measure of builder sentiment, remained weak at 35 in June (prior: 37) as rising material costs, elevated mortgage rates and affordability challenges continue to weigh on housing demand. The survey also showed that more builders cut prices and/or ramp up sales initiatives to boost sale.

Eurozone's IPI grew for the third month, trade surplus has narrowed since the war

- Industrial output growth matched expectations and held firm with a 0.1% m/m gain in April (prior: 0.4% m/m) despite the energy crisis unfolding. This marks its third consecutive month of increase and growth was rather broad-based between consumer and intermediate goods. Still, the PMI for the bloc suggests that demand is under pressure going forward amid higher costs, while signs that the seasonally adjusted trade surplus having shrunk to just €1.3bn in April as compared to 1Q (amid higher energy imports due to higher oil prices) does not bode well for GDP calculation in 2Q.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	98-102	100.63	99.80	97.96	96.48
EUR/USD	1.14-1.17	1.14	1.15	1.17	1.19
GBP/USD	1.32-1.36	1.31	1.32	1.34	1.35
USD/CHF	0.7-0.81	0.79	0.78	0.76	0.75
USD/JPY	157-162	159	155	152	152
AUD/USD	0.69-0.72	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.75-6.80	6.93	6.88	6.84	6.77
USD/MYR	4.03-4.09	3.98	3.96	3.93	3.90
USD/SGD	1.27-1.30	1.29	1.28	1.27	1.25
USD/THB	32.40-33.10	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.7014	4.55	4.55	4.60	4.66
GBP/MYR	5.4387	5.23	5.23	5.26	5.28
AUD/MYR	2.8642	2.72	2.72	2.75	2.77
CNY/MYR	0.5995	0.58	0.58	0.58	0.58
SGD/MYR	3.1599	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	3.50-3.75	3.50-3.75

ECB	2.25	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
16-June	CH New Home Prices MoM (May)	-0.19%
	CH Used Home Prices MoM (May)	-0.23%
	CH Retail Sales YTD YoY (May)	1.90%
	CH Industrial Production YTD YoY (May)	5.60%
	CH Fixed Assets Ex Rural YTD YoY (May)	-1.60%
	CH Surveyed Jobless Rate (May)	5.20%
	AU RBA Cash Rate Target	4.35%
	EC ZEW Survey Expectations (Jun)	-9.1
	US Import Price Index YoY (May)	4.20%
	US New York Fed Services Business Activity (Jun)	-5.8
	US Housing Starts MoM (May)	-2.80%
	JN BOJ Target Rate	0.75%
17-June	JN Exports YoY (May)	14.80%
	JN Core Machine Orders MoM (Apr)	-9.40%
	AU Westpac Leading Index MoM (May)	0.04%
	SI Non-oil Domestic Exports YoY (May)	24.50%
	UK CPI Core YoY (May)	2.50%
	UK PPI Input NSA YoY (May)	7.70%
	UK House Price Index YoY (Apr)	0.00%
	EC CPI Core YoY (May F)	2.50%
	US MBA Mortgage Applications (June 12)	10.8%
	US Retail Sales Advance MoM (May)	0.50%
	US Pending Home Sales MoM (May)	1.40%

Source: Bloomberg

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