HongLeong Bank

18 August 2026

Global Markets Research

Daily Market Highlights

18 Aug: Brent topped $90/barrel

Sell-off in Wall Street amid elevated oil prices; UST yields up across all tenures
Softer than expected data for China; Robust NODX growth for Singapore
Unexpectedly softer CPI for Malaysia; MYR outperformed within Asian FX space

- Dimming hopes for a US-Iran deal saw oil prices jumping more than 2% each overnight, and the WTI and Brent closing the day at $84.50/barrel and $90.87/barrel.
- In Wall Street, investors angst over inflation and surging government spending saw a broad sell off in treasuries and the 2Y, 10Y and 30Y treasury yields rose 1bps, 3bps and 5bps to 4.18%, 4.72% and 5.31% respectively, the latter to its highest in nearly 20 years.
- Jittery over the geopolitical environment and higher treasury yields also weighed on appetite for stocks and the S&P 500, Nasdaq and the Dow moved lower in tune to 0.3-0.5% d/d. Tech stocks gained but this optimism fell short of lifting the 3 major indices. Other from the FOMC meeting minutes, retailers including Walmart and Target will report earnings later in the week, giving investors more clues on the health of US consumers.
- In Europe, Stoxx 600 slipped 0.2% d/d in a light trading day weighed down by consumer stocks, while 10Y sovereign bond yields inched up 1-3bps. In contrast, Nikkei 225, Hang Seng and CSI 300 closed up between 0.7-1.6% d/d in Asia, but are likely to trade lower today with oil extending gains and tracking Wall Street.
- The DXY closed just below its flatline at 99.64 with the recent run of soft economic data saw traders paring Fed rate hike bets. EUR, GBP and AUD appreciated 0.1-0.3% d/d to 1.1580, 1.3544 and 0.7105 against USD, while JPY was the outlier within the G10 space, weakening 0.1% d/d to 159.46 following its 2Q GDP miss.
- Similarly, most regional currencies strengthened against the Dollar. MYR outperformed its Asian FX peers, strengthening 0.6% d/d to 4.0610, while SGD appreciated at a narrower pace of 0.1% d/d to 1.2776. CNH closed just above its flatline at 6.7431, narrowing its gains with its July's economic data missing forecasts.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,459.78	-0.51
S&P 500	7,745.06	-0.52
NASDAQ	26,644.91	-0.32
Stoxx Eur 600	656.41	-0.22
FTSE 100	10,720.30	-0.28
Nikkei 225	69,220.25	0.74
CSI 300	4,741.10	1.61
Hang Seng	25,453.23	1.34
Straits Times	5,768.46	0.43
KLCI 30	1,725.89	-0.09
FX		
Dollar Index	99.64	-0.03
EUR/USD	1.1580	0.09
GBP/USD	1.3544	0.04
USD/JPY	159.46	0.09
AUD/USD	0.7105	0.30
USD/CNH	6.7431	-0.02
USD/MYR	4.0610	-0.62
USD/SGD	1.2776	-0.07
USD/KHR	4,044.75	0.12
USD/THB	33.00	-0.47
Commodities		
WTI ($/bbl)	84.50	2.55
Brent ($/bbl)	90.87	2.65
Gold ($/oz)	4,417.80	0.85
Copper ($/MT)	14,157.50	-0.02
Aluminum($/MT)	3,266.50	0.45
CPO (RM/MT)	4,589.00	1.35

Source: Bloomberg, HLBB Global Markets Research

Better than expected NAHB Housing Market and Empire Manufacturing indices for the US

- Although better than expected at 35 in July (prior: 34.0), the NAHB Housing Market Index at this level suggests that builder sentiment remains muted from economic and geopolitical uncertainty, elevated mortgage rates and rising construction costs. The survey also continued to show signs of weakness in the home building market, with at least 30% of builders reportedly cutting prices to support demand.
- The Empire Manufacturing index unexpectedly improved to its highest in more than 4 years at 20.6 in August (prior: 15.6) as new orders and shipments sub-indices posted solid gains, unfilled orders increased notably, while employment levels rose modestly. Looking ahead, firms maintained an optimistic outlook for business activity.

Softer and data miss for China

- Economic growth slowed further in the early of 3Q with all major economic indicators falling below expectations. Notably, retail sales grew a mere 0.6% y/y in July, slowing from 1.0% y/y previously amid fading support from the trade-in initiatives and weak consumer sentiment. Industrial output growth moderated more than expected to 4.5% y/y from 5.3% y/y previously, while the contraction in fixed asset investment deepened more than expected to -6.7% y/y for the first seven months of the year. Hi-tech industries continue to outperform for both output and investment, while traditional and property-related sectors largely lagged.
- While officials attributed weather effects in the data miss, indicators have broadly softened since the 2Q of the year, worsening the growth imbalance and suggests a possible miss to the official GDP growth target of 4.5-5.0% this year.

Robust NODX growth for Singapore

- Although missing forecast, Singapore's non-oil domestic exports (NODX) growth accelerated to 24.2% y/y in July from 20.8% y/y previously as electronics shipments surged a record pace of 112.0% y/y (prior: 105.1% y/y) supported by robust AI-related demand and driven mainly by disk media products, ICs and PCs. Non-electronics shipments fell with pharmaceuticals, petrochemicals and food preparations recording double-digit contractions. US, China and Taiwan, meanwhile, led expansions for NODX to the top 10 markets, while exports to the EU fell during the month.

Softer than expected CPI for Malaysia should allay inflationary fear

- Defying expectations for a steady inflation, consumer prices eased for the second month to 1.8% y/y in July, easing from 1.9% y/y in June and 2.0% y/y in May, and bringing inflation to average a mere 1.8% y/y in the first seven months of the year.

The downtick reflects a sharply tamer transportation cost (1.4% y/y vs 2.8% y/y), as prices for RON97, diesel and unsubsidized RON95 eased to RM4.07/litre (prior: RM4.33/litre), RM4.14/litre (prior: RM4.50/litre) and RM3.47/litre (RM3.69/litre) eased in line with softer global energy prices, and following the implementation of the BUDI Diesel mechanism wef 1st July, the latter expected to benefit 400k private diesel vehicles in Peninsular Malaysia and 300k owners in East Malaysia (Refer to Research Alert "Unexpectedly softer CPI for the second month" dated 17th August).

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99.00-101.25	102.28	100.86	99.42	98.07
EUR/USD	1.14-1.17	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	156-162	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	32.80--33.50	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.7093	4.68	4.71	4.73	4.75
GBP/MYR	5.5063	5.37	5.36	5.36	5.36
AUD/MYR	2.8938	2.83	2.86	2.87	2.89
CNY/MYR	0.6027	0.61	0.61	0.61	0.61
SGD/MYR	3.1823	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	
18-Aug	AU Westpac Consumer Conf SA MoM (Aug)	4.10%
	UK ILO Unemployment Rate 3Mths (Jun)	4.90%
	UK Payrolled Employees Monthly Change (Jul)	-4k
	EC ZEW Survey Expectations (Aug)	23.4
	US New York Fed Services Business Activity (Aug)	8.7
	US Import Price Index YoY (Jul)	7.10%
	US Housing Starts MoM (Jul)	19.00%

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	US Industrial Production MoM (Jul)	0.10%
	US Pending Home Sales MoM (Jul)	-5.40%
19-Aug	JN Core Machine Orders MoM (Jun)	-12.40%
	AU Wage Price Index YoY (2Q)	3.30%
	UK CPI Core YoY (Jul)	2.60%
	EC Labour Costs YoY (2Q P)	3.20%
	EC CPI Core YoY (Jul F)	2.50%
	US MBA Mortgage Applications (14-Aug)	3.60%

Source: Bloomberg