18 September 2026

# Global Markets Research
# Daily Market Highlights

## 18 Sep: BOE delivered a hawkish hold

### US stocks and bonds rebounded from Wednesday's sell-offs; DXY closed flattish
### GBP underperformed; FTSE 100 and UK gilts rallied post BOE's decision
### Cautious trading expected for JPY ahead of BOJ's decision today, slower CPI

- Thursday saw US stocks and bonds clawing back losses from the prior day after the FOMC delivered a hawkish hike. All three major US stock indices closed sharply higher, driven by a broad, tech-led rally that put the Nasdaq (1.7% d/d) out front. The Dow and S&P 500 also gained, albeit at a narrower pace of 0.6% d/d and 1.1% d/d.
- Meanwhile, treasury yields pulled back as oil prices fell. The 10Y yield retreated below 5.0%, plunging 9bps to 4.93%, while the 2Y dropped 7bps to 4.66%. The WTI and Brent fell at least 0.5% d/d each to close the day at $101.91/barrel and $104.82/barrel as supply disruption fears were calmed by reports of Saudi oil moving through Oman.
- In Europe, Stoxx Eur 600 gained 0.9% d/d with utilities and tech stocks outperforming, while energy and communication services lagged. 10Y sovereign bond yields fell 1-4bps.
- In the UK, FTSE 100 jumped 1.2% d/d, while yields to the UK gilts tumbled 2-18bps across the maturities after the BOE maintained its policy rate and said that it would reduce the stock of UK government bond purchases held for monetary policy purposes.
- Trading in regional bourses were mixed, with Nikkei 225 closing up 0.3% d/d, while Hang Seng and CSI 300 slipped between 0.4-0.5% d/d. Asian stocks are nonetheless expected to gain today, following Wall Street's rally and the pullback in crude oil prices overnight.
- On the forex front, the Dollar was steady, mostly holding gains from Wednesday's move and the DXY closed flattish at 100.25. GBP (-0.2% d/d to 1.3359) underperformed all its G10 peers after BOE's policy decisions, while SEK outperformed at 0.5% d/d. JPY appreciated 0.2% d/d to 155.97 ahead of BOJ's policy decision today, where market is pencilling a 25bps hike to 1.25%, while EUR and AUD strengthened 0.1-0.3% d/d to 1.1476 and 0.7111 against USD.
- We are neutral for the JPY pending BOJ's decision. That said, the downward surprise for Japan's CPI for the month of August (unchanged at 1.9% for headline, eased to 1.7% y/y for

**Key Market Metrics**

| | Level | d/d (%) |
|---|---|---|
| **Equities** | | |
| Dow Jones | 51,778.04 | 0.61 |
| S&P 500 | 7,637.76 | 1.14 |
| NASDAQ | 26,418.30 | 1.69 |
| Stoxx Eur 600 | 642.60 | 0.86 |
| FTSE 100 | 10,816.14 | 1.19 |
| Nikkei 225 | 64,136.25 | 0.33 |
| CSI 300 | 4,460.16 | -0.45 |
| Hang Seng | 24,604.29 | -0.44 |
| Straits Times | 5,660.52 | 0.45 |
| KLCI 30 | 1,674.74 | -0.27 |
| **FX** | | |
| Dollar Index | 100.25 | 0.00 |
| EUR/USD | 1.1476 | 0.10 |
| GBP/USD | 1.3359 | -0.16 |
| USD/JPY | 155.97 | -0.19 |
| AUD/USD | 0.7111 | 0.32 |
| USD/CNH | 6.7041 | -0.13 |
| USD/MYR | 4.0995 | 0.31 |
| USD/SGD | 1.2754 | -0.17 |
| USD/KHR | 4,052.49 | -0.01 |
| USD/THB | 33.37 | 0.25 |
| **Commodities** | | |
| WTI ($/bbl) | 101.91 | -0.51 |
| Brent ($/bbl) | 104.82 | -0.95 |
| Gold ($/oz) | 4,365.50 | 0.28 |
| Copper ($/MT) | 14,491.50 | 1.82 |
| Aluminum($/MT) | 3,301.50 | 0.99 |
| CPO (RM/MT) | 4,712.00 | 2.50 |

*Source: Bloomberg, HLBB Global Markets Research* core) could likely see traders cautious, potentially weighing on the yen this morning. Just to note, August marks the first-time core inflation has slowed in 4 months, largely reflecting effect of government subsidies.

- Regional currencies traded mixed. SGD (0.2% d/d to 1.2754) led gains amongst its peers following the strong NODX print, while MYR (-0.3% d/d to 4.0995) lagged, the latter ahead of its August CPI (consensus and prior: 1.8% y/y) and trade data release at noon today.

**BOE delivered a hawkish hold**

- The Bank of England (BOE), in a 6-3 majority vote, held the Bank Rate unchanged a 3.75%. The decision was within expectation, with the 3 members voting to increase the policy rate by 25bps to 4.00%. The overriding message from the statement was clear. While the policy makers opined that there has been little evidence so far of material second-round effects in price and wage-setting, policy makers were notably concerned over inflationary pressure, and as such, a November rate hike remains on the table and will depend entirely on energy prices.
- At the same time, the central bank also voted unanimously to reduce the stock of UK government bond purchases held for monetary policy purposes, and financed by the issuance of central bank reserves, to zero. This will be conducted through a multi-year plan, such that the remaining stock is unwound at an annual average pace of £46bn by the end of 2034, through annual sales of £20bn alongside maturing gilts.

**US initial jobless claims unexpectedly fell; subdued housing-related indicators**

- Latest jobless claims data shows that layoffs remained limited, with the initial claims unexpectedly falling 10k to 196k for the week ended September 12 (prior: -1). This marks its lowest since July, partially attributable to Labour Day distortions. Similarly, continuing claims also dropped at a wider pace of 39k to 1730k for the week ended September 5 (prior: -6k).
- Pending home sales unexpectedly increased 0.3% m/m in August (prior: -2.6% m/m), though they remain subdued at this level as high mortgage rates continued to weigh on demand. Meanwhile, the declines in building permits and lower builder sentiment recently point to further weakness in the housing construction industry. Both housing starts and building permits fell more than expected by 2.6% m/m and 2.7% m/m (prior: -9.0% m/m and 4.3% m/m).
- The Philadelphia Fed Business Outlook index eased less than expected to 37.8 in September from 47.4 previously. The

index at this level suggests overall expansion for the region's manufacturing sector, supported by elevated new orders and shipments. Forward looking indicators continued to indicate overall increases in prices as well as growth over the next six months.

### Strong NODX growth for Singapore

- Non-oil domestic exports (NODX) surprised on the upside at 46.2% y/y in August, marking its second month acceleration and an uptick from 24.1% y/y. While robust AI-related demand supported growth, the headline also benefitted from low base effect in August 2025 (exports plunged 11.5% y/y in August 2025). Electronic NODX surged by 131.8% y/y compared to 112.0% y/y, while by destinations, exports to its top 10 markets grew double-digits save for Thailand (+8.9% y/y vs 18.1% y/y) and the EU 27 (-1.7% y/y vs -38.0% y/y).

### House View and Forecasts

| FX | This Week | 3Q-26 | 4Q-26 | 1Q-27 | 2Q-27 |
|---|---|---|---|---|---|
| DXY | 97-101 | 102.28 | 100.86 | 99.42 | 98.07 |
| EUR/USD | 1.15-1.17 | 1.13 | 1.14 | 1.16 | 1.18 |
| GBP/USD | 1.34-1.36 | 1.29 | 1.30 | 1.32 | 1.33 |
| USD/CHF | 0.80-0.82 | 0.81 | 0.81 | 0.80 | 0.79 |
| USD/JPY | 152-157 | 162 | 159 | 155 | 153 |
| AUD/USD | 0.70-0.73 | 0.68 | 0.70 | 0.71 | 0.72 |
| NZD/USD | 0.57-0.59 | 0.56 | 0.56 | 0.57 | 0.57 |
| USD/CNY | 6.70-6.72 | 6.85 | 6.78 | 6.72 | 6.65 |
| USD/MYR | 4.04-4.10 | 4.15 | 4.11 | 4.07 | 4.03 |
| USD/SGD | 1.25-1.28 | 1.31 | 1.30 | 1.28 | 1.27 |
| USD/THB | 32.50--33.50 | 32.50 | 32.30 | 32.0 | 32.0 |

| FX | Last close | 3Q-26 | 4Q-26 | 1Q-27 | 2Q-27 |
|---|---|---|---|---|---|
| EUR/MYR | 4.7020 | 4.68 | 4.71 | 4.73 | 4.75 |
| GBP/MYR | 5.4909 | 5.37 | 5.36 | 5.36 | 5.36 |
| AUD/MYR | 2.9148 | 2.83 | 2.86 | 2.87 | 2.89 |
| CNY/MYR | 0.6112 | 0.61 | 0.61 | 0.61 | 0.61 |
| SGD/MYR | 3.2116 | 3.18 | 3.17 | 3.17 | 3.17 |

| Rates, % | Current | 3Q26 | 4Q26 | 1Q27 | 2Q27 |
|---|---|---|---|---|---|
| Fed | 3.75-4.00 | 3.75-4.00 | 4.00-4.25 | 4.00-4.25 | 4.00-4.25 |
| ECB | 2.50 | 2.50 | 2.75 | 2.75 | 2.75 |
| 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 | 3.00 | 3.00 |

*Source: HLBB Global Markets Research*

## Up Next

| Date | Events | |
|---|---|---|
| 18-Sep | MA CPI YoY (Aug) | 1.80% |
| | MA Exports YoY (Aug) | 38.00% |
| | UK Retail Sales Inc Auto Fuel MoM (Aug) | -0.50% |
| | US Industrial Production MoM (Aug) | 0.20% |
| | US Leading Index (Aug) | 0.20% |
| | JN BOJ Target Rate | 1.00% |
| 21-Sep | UK Rightmove House Prices YoY (Sep) | -1.00% |
| | CH 1-Year Loan Prime Rate | 3.00% |
| | CH 5-Year Loan Prime Rate | 3.50% |
| | US Chicago Fed Nat Activity Index (Aug) | -0.08 |

*Source: Bloomberg*

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