

19 January 2026

Global Markets Research

Daily Market Highlights

19 Jan: Kevin Warsh as the next Fed Chair?

Trump's preference to keep Hasset in his current role saw Warsh as a top contender

Traders shaved rate cut bets slightly; UST yields & DXY closed up; stocks lower

Eight European nations face 25% US tariffs if Greenland is not sold to the US by June

- The 3 major US stock indices closed last Friday slightly lower between 0.1-0.2% d/d in a choppy trading session hit by a raft of comments made by President Trump. The most striking was his remark that he'd rather have National Economic Council Director Kevin Hasset stay in his current role, suggesting that he might not be named as the next Fed Chair. With this, former Fed Governor Kevin Warsh, who was historically a hawk, moved ahead in the race and is viewed to be potentially less aggressive than Hasset in pushing for interest rate cuts.
- Trump's remark on Hasset saw traders easing some of their rate cut bets to just a tad below 2 cuts now, jolted the bond market and sent treasury yields up 2-6bps across the curve. The benchmark 2Y yield closed the day 2bps higher at 3.59%, while the 10Y jumped 5bps to 4.22%.
- At the point of writing, President Trump also said that 8 European nations (Denmark, Norway, Sweden, France, Germany, UK, Netherlands and Finland) will face 10% tariff on all goods sent to the US wef February 1, and potentially shooting up to 25% on June 1 if Greenland is not sold to the US.
- In the FX space, the DXY reversed early losses and jumped to its intraday high of 99.49 following Trump's comment about Hasset, closing the day 0.1% d/d higher 99.39. JPY, NOK (0.2% d/d) and NZD (0.2% d/d) outperformed their G10 peers, while AUD (-0.2% d/d to 0.6683) and CAD (-0.2% d/d) lagged, the latter despite Canada inking a trade agreement with China to lower trade barriers and rebuild ties.
- In the regional space, PHP (0.2% d/d) and TWD (0.1% d/d) led gains against the greenback, the latter after Taiwan inked the trade deal with the US. MYR and SGD closed 0-0.1% d/d weaker at 4.0575 and 1.2889.
- In the commodity space, crude oil prices clawed back some of their losses on Iran risks heading into the weekend. The WTI

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,359.33	-0.17
S&P 500	6,940.01	-0.06
NASDAQ	23,515.39	-0.06
Stoxx Eur 600	614.38	-0.03
FTSE 100	10,235.29	-0.04
Nikkei 225	53,936.17	-0.32
CSI 300	4,731.87	-0.41
Hang Seng	26,844.96	-0.29
Straits Times	4,849.10	0.33
KLCI 30	1,712.74	-0.14
FX		
Dollar Index	99.39	0.07
EUR/USD	1.1598	-0.09
GBP/USD	1.3380	-0.01
USD/JPY	158.12	-0.32
AUD/USD	0.6683	-0.24
USD/CNH	6.9678	0.07
USD/MYR	4.0575	0.04
USD/SGD	1.2889	0.05
USD/KHR	4,023.00	0.00
USD/THB	31.40	0.04
Commodities		
WTI (\$/bbl)	59.44	0.42
Brent (\$/bbl)	64.13	0.58
Gold (\$/oz)	4,595.40	-0.61
Copper (\$/MT)	12,803.00	-2.31
Aluminum (\$/MT)	3,134.00	-1.06
CPO (RM/tonne)	3,980.50	-0.66

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 15 Jan for CPO

closed 0.4% d/d higher at \$59.44/barrel, while Brent rose 0.6% d/d to \$64.13/barrel.

Upward surprise to US IPI growth due to utilities

- IPI surprised on the upside and held steady at 0.4% m/m in December. Details nonetheless suggest some underlying weakness, with the bulk of the monthly gain attributed to utilities. Growth in manufacturing output eased to 0.2% m/m from 0.3% m/m previously, while output of consumer durables also declined for the month of December.
- On the housing front, the NAHB Housing Market index unexpectedly fell 2 points to 37 in January. In a further sign of ongoing challenges for the housing market, the survey showed that 40% of builders responded by saying they have cut prices and 65% said they have used sales incentive to boost sales during the month, the latter marking the 10th consecutive month this share has exceeded 60%.

Singapore's NODX growth at 4.8% for 2025 beat official forecast; growth momentum slowed in December

- Defying US tariffs, Singapore's 2025 exports (4.8% y/y) grew faster than official forecast (around 2.5%), although growth momentum slowed in the last month of the year and is expected to ease to 0-2% in 2026 with the tariff impact expected to be more pronounced and as front-loading eases. For December, exports grew by 6.1% y/y versus the 10.1% y/y growth consensus had estimated, and was a moderation from 11.5% y/y the prior month. The downtick was largely due to non-electronic products, while electronic NODX logged its fourth month of double-digit growth at 24.9% y/y (prior: 12.9% y/y). By destination, NODX to China, Taiwan and Malaysia increased, while shipment to the US, Japan and Hong Kong fell.

Upside surprises in Malaysia's advanced 4Q GDP growth reaffirmed expectations for an OPR pause next week

- Malaysia's economy accelerated more than expected to 5.7% y/y in 4Q (3Q: 5.2% y/y) as services (5.4% y/y vs 5.0% y/y) and manufacturing (6.0% y/y vs 4.1% y/y) picked up momentum, while on the expenditure side, it is likely supported by continued strength of domestic demand in view of tourism activities, festive spending and cash-aid boost. The advanced reading also showed that the economy grew by 4.9% y/y in 2025 (2024: 5.1% y/y), a tad higher than ours and official forecast. For 2026, we expect growth to remain resilient between 4.0-4.5%, while inflation remains tame, essentially cementing our view for a rate pause next week and for the whole of 2026.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	97-101	96.71	95.13	94.70	95.49
EUR/USD	1.15-1.18	1.20	1.22	1.22	1.21
GBP/USD	1.32-1.36	1.36	1.37	1.37	1.35
USD/CHF	0.78-0.82	0.78	0.78	0.78	0.78
USD/JPY	155-161	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	6.96-6.99	6.90	6.83	6.85	6.90
USD/MYR	4.02-4.07	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	4.7107	4.78	4.82	4.85	4.84
GBP/MYR	5.4356	5.44	5.45	5.45	5.41
AUD/MYR	2.7192	2.72	2.75	2.78	2.76
CNY/MYR	0.5822	0.58	0.58	0.58	0.58
SGD/MYR	3.1500	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
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%
	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)	-15.9%
20-Jan	CH 5-Year Loan Prime Rate	3.50%
	CH 1-Year Loan Prime Rate	3.00%
	MA CPI YoY (Dec)	1.40%
	MA Exports YoY (Dec)	7.00%
	UK Average Weekly Earnings 3M/YoY (Nov)	4.70%
	UK Employment Change 3M/3M (Nov)	-16k
	UK Payrolled Employees Monthly Change (Dec)	-38k
	HK Unemployment Rate SA (Dec)	3.80%
	EC ZEW Survey Expectations (Jan)	33.7
	US ADP Weekly Employment Change	11.75k
	US Philadelphia Fed Non-Manufacturing Activity (Jan)	-16.8

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.