

19 January 2026

## Global Markets Research

### Daily Market Highlights

# 19 Jan: Kevin Warsh as the next Fed Chair?

**Trump's preference to keep Hassett 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 Hassett 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 Hassett in pushing for interest rate cuts.
- Trump's remark on Hassett 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 Hassett, 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 (%)
<b>Equities</b>		
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
<b>FX</b>		
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
<b>Commodities</b>		
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%
20-Jan	CH Property Investment YTD YoY (Dec)	-15.9%
	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*
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