

22 January 2026

## Global Markets Research

### Daily Market Highlights

## 22 Jan: Touted Greenland deal restored sentiments

**US stocks, USTs and the Dollar rebounded; gold held above \$4,800/oz**

**Uptick in UK CPI partly due to seasonal factor; expected to reach 2% by 2Q**

**All eyes on US core-PCE prices today; BNM expected to maintain OPR**

- Sentiments restored, major equity and bond markets largely rebounded overnight after President Trump said that he had reached a framework of a Greenland deal with NATO, taking away the need for new tariffs on Europe.
- In the equity space, all the 3 major US stock indices jumped 1.2% d/d with all sectors closing in greens. In Europe, Stoxx 600 closed below its flatline trimming earlier losses, with regional bourses and sectors closing mixed. Asian bourses closed mixed before Trump's comment, but are set to gain today with Trump touting a Greenland deal. Hang Seng closed 0.4% d/d higher, CSI 300 gained 0.1% d/d but Nikkei 225 lost 0.4% d/d overnight.
- In the bond space, longer term JGBs rebounded after Japanese Finance Minister Satsuki Katayama called for calm in the still volatile market. Yields to the 40Y tenure stayed above 4% but fell 18bps d/d. Similarly, UST yields fell 1-6bps across the curve, with the benchmark 2Y ending at 3.58% (-1bps), and the 10Y at 4.25% (-5bps).
- In the FX space, DXY climbed 0.1% d/d to 98.76, while haven CHF weakened 0.7% d/d and was the worst performer within the G10 space, followed by EUR (-0.3% d/d to 1.1685). GBP and JPY depreciated 0.1% d/d each to 1.3429 and 158.30, while regional currencies closed mixed against the greenback. SGD closed 0.1% d/d weaker at 1.2846, while MYR appreciated 0.2% d/d to 4.0480 ahead of BNM's policy decision today. We expect no change in the OPR rate at 2.75% and little change to the policy tone.
- In the commodity space, the gold rally cooled and the bullion erased gains, but still closed up 1.5% d/d above the \$4.8k/oz level. Crude oil price closed 0.5% d/d higher following Trump's comment and amid a temporary shutdown at two large fields in Kazakhstan. Brent closed the day at \$65.24/barrel and the WTI at \$60.62/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b><u>Equities</u></b>		
Dow Jones	49,077.23	1.21
S&P 500	6,875.62	1.16
NASDAQ	23,224.82	1.18
Stoxx Eur 600	602.67	-0.02
FTSE 100	10,138.09	0.11
Nikkei 225	52,774.64	-0.41
CSI 300	4,723.07	0.09
Hang Seng	26,585.06	0.37
Straits Times	4,809.88	-0.38
KLCI 30	1,705.81	0.40
<b><u>FX</u></b>		
Dollar Index	98.76	0.12
EUR/USD	1.1685	-0.34
GBP/USD	1.3429	-0.07
USD/JPY	158.30	0.09
AUD/USD	0.6762	0.37
USD/CNH	6.9600	0.06
USD/MYR	4.0480	-0.18
USD/SGD	1.2846	0.05
USD/KHR	4,026.50	0.04
USD/THB	31.09	0.03
<b><u>Commodities</u></b>		
WTI (\$/bbl)	60.62	0.46
Brent (\$/bbl)	65.24	0.49
Gold (\$/oz)	4,837.50	1.50
Copper (\$/MT)	12,810.00	0.44
Aluminum(\$/MT)	3,115.00	0.24
CPO (RM/tonne)	4,056.50	1.15

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 20 Jan for CPO

### **Mixed housing prints for the US**

- Mixed housing data from the US but all in, still suggests a soft patch to the US economy. On the supply side, construction spending was stronger than expected at 0.5% m/m in October. This comes after contracting 0.6% m/m the previous and was weaker as compared to a year ago.
- On the demand side, lower mortgage rates (30Y @ 6.16%, lowest since September 2024) boosted purchase mortgage applications up 5.1% w/w to its highest since January 2023 for the week ended 16<sup>th</sup> January and total applications registering its second week of double-digit gain at 14.1% w/w (prior: 28.5% w/w). Pending home sales fell 9.3% m/m and 3.0% y/y in December. While this is partially due to seasonal factor, the latest prints nonetheless largely echoed the Beige Book that housing and construction activities has softened in the US.

### **Contained inflationary pressure for the UK keeps our rate cut bet intact**

- Headline CPI was a tad higher than expected at 3.4% y/y in December (prior: 3.2% y/y), but core undershot expectations and held steady at 3.2% y/y. Largely driving the uptick was food and travel, while softer housing & household services helped contain prices.
- With services inflation below expectations (4.5% y/y vs 4.4% y/y) and largely due to seasonal temporary factors like air fares, easing PPI-input (0.8% y/y and 1.1% y/y) and on expectation that CPI will moderate towards the 2.0% target in 2Q of the year, there is no change in our view that the BOE will deliver a quarter point cut in policy rate in 2026.

### **Japan's exports continued to increase despite dispute with China**

- Albeit softer than expected, exports rose for the fourth month by 5.1% y/y in December (Nov: 6.1% y/y) with demand from China still steady despite the ongoing dispute. Shipments to China rose 5.6%, while those to the EU also increased 2.6% y/y, more than offsetting the 11.1% decline in exports to the US.
- With external demand still positive and trade balance firmly in surplus, this will keep the moderate growth momentum in line with BOJ's projections and the central bank on track for a gradual rate hike path. We are maintaining our view of no change in the policy rate tomorrow but expect a quarter point hike in 3Q of this year.

### **House View and Forecasts**

<b>FX</b>	<b>This Week</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
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

<b>FX</b>	<b>Last close</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
EUR/MYR	4.7364	4.78	4.82	4.85	4.84
GBP/MYR	5.4285	5.44	5.45	5.45	5.41
AUD/MYR	2.7314	2.72	2.75	2.78	2.76
CNY/MYR	0.5813	0.58	0.58	0.58	0.58
SGD/MYR	3.1522	3.17	3.21	3.23	3.22

<b>Rates, %</b>	<b>Current</b>	<b>1Q26</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>
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

<b>Date</b>	<b>Events</b>	<b>Prior</b>
22-Jan	AU Unemployment Rate (Dec)	4.30%
	MA Foreign Reserves	\$125.5b
	MA BNM Overnight Policy Rate	2.75%
	HK CPI Composite YoY (Dec)	1.20%
	US GDP Annualized QoQ (3Q T)	4.30%
	US Personal Income (Nov)	0.40%
	US Personal Spending (Nov)	0.40%
	US Core PCE Price Index YoY (Nov)	2.80%
	US Initial Jobless Claims	198k
	EC Consumer Confidence (Jan P)	-13.1
23-Jan	US Kansas City Fed Manf. Activity (Jan)	1
	AU S&P Global Australia PMI Mfg (Jan P)	51.6
	AU S&P Global Australia PMI Services (Jan P)	51.1
	JN Natl CPI YoY (Dec)	2.90%
	UK GfK Consumer Confidence (Jan)	-17
	JN S&P Global Japan PMI Mfg (Jan P)	50
	JN S&P Global Japan PMI Services (Jan P)	51.6
	SI CPI Core YoY (Dec)	1.20%
	UK Retail Sales Inc Auto Fuel MoM (Dec)	-0.10%
	EC HCOB Eurozone Manufacturing PMI (Jan P)	48.8
	EC HCOB Eurozone Services PMI (Jan P)	52.4
	UK S&P Global UK Services PMI (Jan P)	51.4
	UK S&P Global UK Manufacturing PMI (Jan P)	50.6
	US S&P Global US Manufacturing PMI (Jan P)	51.8
	US S&P Global US Services PMI (Jan P)	52.5
	US U. of Mich. Sentiment (Jan F)	54
	US Leading Index (Nov)	-0.30%

## 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](mailto: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.