

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 (%)
Equities			
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	
FX			
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	
Commodities			
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 16th 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

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	4.7364	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

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
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
	US Kansas City Fed Manf. Activity (Jan)	1
23-Jan	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

JN BOJ Target Rate

0.75%

Source: Bloomberg

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