22 July 2026

Global Markets Research
Daily Market Highlights

22 July: Tariff headlines are making an unwelcome return

Global equities rebounded as tech gains outweighed geopolitical and tariff jitters
Rate hike expectations kept gains in UST yields and the Dollar Index intact
More upbeat Philly Fed activities and ZEW survey; softer UK job reports

- Global equities snapped a 3-day losing streak on Tuesday, as a rebound in tech stocks outweighed geopolitical concerns. Tariff headlines have also started to resurface as the 24th July deadline on the 10% global tariff imposed under Section 112 are set to legally expire if no extension is granted to the 150 days limit. Just to recap, earlier in the week, the US vowed to impose a fresh 50% tariff on some Canadian goods, and this morning, President Trump threatened a 100% tariff on generic drugs beginning in August 2028.
- The Dow rose 0.7% d/d while the broader S&P 500 closed 0.9% higher on the day, led by gains in information technology and energy. The tech heavy NASDAQ closed the day even higher by 1.3% d/d on positive tech-related headlines and ahead of corporate earnings and guidance by mega caps starting today till next week. Major European bourses also ended the day in green with the Eur Stoxx 600 and FTSE 100 each clocking in 0.6% d/d. Asian equities closed out Tuesday in a mixed note, with rebound in KOSPI, Nikkei 225 and STI, while KLCI posted back-to-back losses, down 0.1% on the day. Futures point to a mixed opening in Asia markets this morning.
- Sovereign bonds globally remained under pressure as protracted Middle East tension continued to drive oil prices higher and kept expectations for Fed rate hikes intact. Both WTI and Brent crude climbed higher for the 3rd consecutive day, by 2.0% d/d to $84.91/ barrel for the WTI and $91.01/ barrel for the Brent. At the point of writing, market is pricing in a 45bps hike for the year, compared to about 30bps prior to the renewed escalation in the conflict. UST yields closed 2-6bps higher on the day, led by the front end. 2-year UST yield added 6bps to 4.26% while the 10-year rose 4bps to 4.63%, bear flattening the curve. 10-year European bond yields added 1-4bps overall but the 10-year UK gilt yield ended marginally lower, correcting from the sharp spike on Monday.
- In the FX space, the Dollar Index maintained its steady upward trajectory for the 4th straight day, edging out another

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,224.64	0.74
S&P 500	7,509.20	0.89
NASDAQ	25,837.21	1.29
Stoxx Eur 600	643.19	0.56
FTSE 100	10,585.91	0.58
Nikkei 225	66,232.19	3.26
CSI 300	4,739.23	3.06
Hang Seng	25,132.29	-0.04
Straits Times	5,526.72	0.51
KLCI 30	1,720.37	-0.11
FX		
Dollar Index	101.17	0.22
EUR/USD	1.1398	-0.14
GBP/USD	1.3376	-0.41
USD/JPY	163.17	0.41
AUD/USD	0.6999	0.01
USD/CNH	6.7689	0.00
USD/MYR	4.0880	-0.11
USD/SGD	1.2913	0.02
USD/KHR	4,038.00	0.02
USD/THB	33.71	0.22
Commodities		
WTI ($/bbl)	84.91	2.02
Brent ($/bbl)	91.01	2.01
Gold ($/oz)	4,076.40	1.51
Copper ($/MT)	13,885.00	1.93
Aluminum($/MT)	3,158.00	0.57
CPO (RM/MT)	4,535.00	-0.72

Source: Bloomberg, HLBB Global Markets Research

0.2% gain on the day to 101.17, just shy of its intraday high of 101.21, and marked its highest in six trading days. The greenback saw broad-based gains against all G10s except for NOK and AUD. JPY led underperformers, weakening pass the 163 handle to a fresh low in four decades, closing the day weaker by 0.4% at 163.17 against the greenback. The sterling (-0.4% d/d to 1.3376) also remained under pressure as the new PM stoke fiscal spending concerns while the EUR slipped a more modest 0.1% d/d to 1.1398 amid a sharp pick-up in investor expectation survey.

- Meanwhile, major Asian currencies continued to trade on a mixed note. TWD and KRW took a turn from leading gainers to leading losers, while IDR and INR from the top two underperformers to the top two outperformers. Trading in CNY, MYR and SGD was notably more muted. The MYR traded less than 100pips between 4.08-4.09 against the USD for most of the trading hours yesterday before closing near its day-low at 4.0880. CNY firmed marginally to 6.7689 while the SGD weakened marginally to 1.2913 vs the USD as at Tuesday's close.

Strong rebound in US Philly Fed activity index points to a stronger ISM print

- Philly Fed non-manufacturing index for the month of July bounced back to a positive print for the first time since Oct-24 (7.4 vs -25.8). New orders and full time employment led the rebound, reinforced by improved sales, unfilled orders, and capex. The 6-month ahead regional business activity index also registered a massive turnaround from -10.5 to 15.7, and so was the firm business activity, which rebounded from -0.3 to 41.9 in July. The broadly positive index signalled a more upbeat services sector and is expected to translate into a stronger ISM services print for July.

Eurozone ZEW expectation survey jumped to a 5-month high

- ZEW survey on expectations posted a commendable pick-up from 9.5 in June to 23.4 in July. This marked its best level since the outbreak of the Middle East conflict in February but investors may turn wary again following the collapse of the interim peace deal.

Softening signs in UK employment to keep BOE in wait and see stance

- Job data out of the UK came in on the weaker side and is expected to keep the BOE in a wait and see mode to better access policy needs. Growth in average weekly earnings unexpectedly slowed to 4.3% y/y in the three months to May (Apr: 4.4% y/y), monthly payrolled employees fell 4k in Jun

(May: 3k), likely taken the hit from higher energy costs and tighter funding conditions. On a less downbeat note, ILO jobless rate held steady at 4.9% in the three months to May, below BOE's projection of 5.1% for 2Q. Tentative signs of weakness in the labour market suggest the BOE will stay cautious on its policy path, hence no change to our rate pause view for the BOE this year.

Hong Kong CPI stabilized at 2.0% y/y in June but inflation risks remain tilted to the upside

- Hong Kong composite CPI unexpectedly stabilized at 2.0% y/y in Jun (May: 2.0%), as faster price gains in utilities (9.2% vs 6.6% y/y) and transport (5.3% vs 5.1% y/y) were offset by softer increases in most other categories especially food (0.3% vs 0.7% y/y) and alcohol & tobacco (0.1% vs 2.5% y/y). Despite the stable inflation print, there are still upside risks to inflation going forward as spillover from higher energy prices feed through the system.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99-102	102.28	100.86	99.42	98.07
EUR/USD	1.13-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.33-1.36	1.29	1.30	1.32	1.33
USD/CHF	0.79-0.82	0.81	0.81	0.80	0.79
USD/JPY	159-164	162	159	155	153
AUD/USD	0.68-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57
USD/CNY	6.76-6.80	6.85	6.78	6.72	6.65
USD/MYR	4.05-4.10	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.30	1.31	1.30	1.28	1.27
USD/THB	33.00-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.67	4.68	4.71	4.73	4.75
GBP/MYR	5.49	5.37	5.36	5.36	5.36
AUD/MYR	2.87	2.83	2.86	2.87	2.89
CNY/MYR	0.60	0.61	0.61	0.61	0.61
SGD/MYR	3.17	3.18	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.50	2.50	2.50	2.50
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	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	
22 Jul	JN Exports YoY (Jun)	17.00%
	AU Westpac Leading Index MoM (Jun)	-0.04%
	UK CPI Core YoY (Jun)	2.60%
	UK PPI Input NSA YoY (Jun)	8.70%
	MA Foreign Reserves (15-Jul)	$132.6b
	US MBA Mortgage Applications (17-Jul)	-2.7%
23 Jul	AU Employment Change (Jun)	40.3k
	AU Unemployment Rate (Jun)	4.40%
	SI CPI Core YoY (Jun)	1.40%
	EC ECB Deposit Facility Rate	2.25%
	EC ECB Main Refinancing Rate	2.40%
	EC ECB Marginal Lending Facility	2.65%
	US Initial Jobless Claims (17-Jul)	208k
	US Chicago Fed Nat Activity Index (Jun)	-0.1
	EC Consumer Confidence (Jul P)	-17.7
	US Kansas City Fed Manf. Activity (Jul)	11

Source: Bloomberg

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