23 July 2026

Global Markets Research
Daily Market Highlights

23 July: Risk-off amid tech concerns and geopolitical risks

Renewed decline in US equities; oil and UST yields saw extended rallies
Jitters over Alphabet's higher capex plans; IBM downgraded sales outlook
Mixed and modest FX moves amid lack of fresh catalysts

- US stocks saw renewed declines amid ongoing concerns over high capex plans and overvaluation of mega caps, while increased hostilities in West Asia did not help either. The Dow ended marginally lower by 0.01% d/d, the broader S&P 500 was down 0.1% while the Nasdaq fell 0.6% on the day. Alphabet's share tank over 5.0% despite earnings beat on concerns over higher capex plan for 2026. Tesla also fell nearly 3.0% as higher costs resulted in lower than expected profits, while IBM lost 3.3% as it downgraded its full year sales outlook amid a drop in mainframe demand. Elsewhere, European stocks stood out with decent gains while Asian bourses were largely in red. Futures are pointing to a mixed opening in Asia markets this morning.
- Meanwhile, global crude oil prices charged ahead for the 4th consecutive day, roiled by escalating tension as Yemen's Houthi threatened tankers at Red Sea, and as both the US and Iran continued to play down prospects of peace talks. WTI rose 1.8% d/d to $86.48/ barrel and Brent crude jumped 4.2% d/d to $95.50/ barrel as at Wednesday's close, its highest in six weeks.
- Gains in oil continued to spur inflation and rate hike expectations, pushing bond yields higher. UST yields climbed 1-4bps higher on the day (prior: 2-6bps), with the curve bear flattening for a second day. 2Y note yields rose 4bps to 4.30% while 10Y bond yields added 3bps to 4.65%. 10Y European sovereign bond yields also continued to inch up albeit more modestly by 1-2bps (prior: 1-4bps)
- On the FX front, the Dollar Index closed with a minor loss for the first day in five (-0.05% d/d to 101.14, but has been holding firmly above the 100-handle for a good five weeks. G10s traded mixed with muted moves of +/-0.2% for most pairs except the 0.5% advance seen in NOK. EUR strengthened 0.1% on the day to 1.1412 at close, JPY firmed up just 0.01% d/d to 163.15 while the GBP (-0.01% d/d to 1.3375) and AUD (-0.03% d/d to 0.6997) saw minute losses. The same mixed and miniscule move was also seen in regional FX. The CNH weakened 0.1% d/d to 6.7751, but the MYR and SGD posted marginal gains of 0.03% (4.0868)

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,218.58	-0.01
S&P 500	7,498.96	-0.14
NASDAQ	25,690.90	-0.57
Stoxx Eur 600	646.93	0.58
FTSE 100	10,716.97	1.24
Nikkei 225	66,115.60	-0.18
CSI 300	4,717.24	-0.46
Hang Seng	24,892.66	-0.95
Straits Times	5,595.42	1.24
KLCI 30	1,711.37	-0.52
FX		
Dollar Index	101.14	-0.05
EUR/USD	1.1412	0.12
GBP/USD	1.3375	-0.01
USD/JPY	163.15	-0.01
AUD/USD	0.6997	-0.03
USD/CNH	6.7751	0.09
USD/MYR	4.0868	-0.03
USD/SGD	1.2912	-0.01
USD/KHR	4,038.50	0.01
USD/THB	33.78	0.21
Commodities		
WTI ($/bbl)	86.48	1.75
Brent ($/bbl)	95.50	4.21
Gold ($/oz)	4,135.00	1.29
Copper ($/MT)	13,806.50	-0.71
Aluminum($/MT)	3,192.50	0.98
CPO (RM/MT)	4,531.00	-0.09

Source: Bloomberg, HLBB Global Markets Research and 0.01% (1.2912) respectively against the USD in the absence of fresh catalysts.

US MBA mortgage applications rebounded led by new purchases

- US mortgage applications rebounded to increase 1.9% for the week ended 17-Jul (prior: -2.7% w/w), snapping a 2-week decline. New purchases rebounded (5.5% vs -7.3% w/w) and was partly offset by renewed fall in refinancing (-2.4% vs 3.5% w/w). Average 30-year fixed rate rose slightly from 6.65% to 6.69% during the week. The rebound does not change the overall soft housing market outlook in the US, which is plagued by weak sentiments, stretched affordability, and above average mortgage rates.

Overall softer inflation outlook in the UK; BOE to stay the course next week

- UK headline CPI moderated more than expected to 2.6% y/y in June (May: 2.8%), dragged by a decline in fuel prices and more moderate services inflation (3.6% vs 3.7% y/y). Contrary to the softer than expected headline CPI, core CPI unexpectedly held steady at 2.6% y/y and RPI tapered off less than expected from 3.1% to 3.0% y/y, suggesting inflation risks have not fully abated.
- At the producer level, prices turned out on the softer side, and this will help contain consumer prices going forward. PPI output pulled back to 3.5% y/y as expected (May: 3.7% downwardly revised) while PPI input surprised on the downside with a bigger than expected pullback to 7.3% y/y, from an upwardly revised 9.3% y/y in May.

Japan exports and imports surprised on the upside; trade deficit unexpectedly widened posing a drag to 2Q GDP

- Both exports and imports surprised on the upside in June but trade deficit unexpectedly widened as a result of the relatively faster increase in impots vis-à-vis exports. Exports growth picked up from 16.8% y/y to 19.3% y/y in June while imports growth doubled to 25.4% y/y (May: 12.5% y/y). Trade deficit unexpectedly widened to ¥406.9bn in June (May: -¥391.8bn), as a weaker JPY and higher oil prices inflated import values, and will exert a drag on 2Q GDP growth. Looking ahead, demand for AI chips and E&E will continue to underpin Japan’s exports but overall contribution to GDP growth may be capped by continued pressure on the trade deficit position.

Australia Westpac leading index saw modest rebound in June

- Westpac leading index registered a mild rebound of 0.04% m/m in June (May: -0.08% m/m downwardly revised), continuing its usual trend of between small gains and small losses. The small gain was underpinned by continued albeit small increase in industrial production, and smaller losses in Westpac- MI CSI expectations index, as well as RBA commodity prices. The 6-month annualized growth rate saw a bigger decline of -0.4% in June (May: -0.25%), signalling a dimmer growth outlook ahead that will keep RBA on hold.

Malaysia foreign reserves slipped but remained near a 12-year high

- Foreign reserves inched lower by $0.8bn to $131.8bn as at 15-July (end-June: $132.6bn), but remaining near a 12-year high, providing sufficient buffer in the event of any external shocks. This level of reserves is sufficient to cover 4.7 months of imports of goods and services, and is 0.9x the short term external debt.

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	4.66	4.68	4.71	4.73	4.75
GBP/MYR	5.46	5.37	5.36	5.36	5.36
AUD/MYR	2.86	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	
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
24 Jul	AU S&P Global Australia PMI Mfg (Jul P)	51.5
	AU S&P Global Australia PMI Services (Jul P)	50.5
	UK GfK Consumer Confidence (Jul)	-23
	JN Natl CPI Ex Fresh Food YoY (Jun)	1.40%
	JN S&P Global Japan PMI Mfg (Jul P)	54.8
	JN S&P Global Japan PMI Services (Jul P)	52.2
	UK Retail Sales Inc Auto Fuel MoM (Jun)	1.20%
	EC S&P Global Eurozone Manufacturing PMI (Jul P)	51.4
	EC S&P Global Eurozone Services PMI (Jul P)	49.4
	UK S&P Global UK Manufacturing PMI (Jul P)	52.5
	UK S&P Global UK Services PMI (Jul P)	48.8
	US S&P Global US Manufacturing PMI (Jul P)	53.9
	US S&P Global US Services PMI (Jul P)	51.2
	US New Home Sales MoM (Jun)	-7.30%
	US Kansas City Fed Services Activity (Jul)	5

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

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