

24 June 2026

Global Markets Research

Daily Market Highlights

24 June: Risk aversion in the financial markets

**Extended tech rout from US to Asia; flight to safety to bonds and haven FXs
Expansionary composite PMI for the US & Japan; contractionary for EU, UK & Aus
Inflation quickened for Hong Kong; held steady for Singapore**

- The tech rout continues to rattle equity markets from the US to Asia, while lower oil prices (WTI: -2.2% d/d to \$73.21/barrel, Brent: -1.1% d/d to \$77.08/barrel) amid eased geopolitical tension failed to provide support for stocks. In a flight to safety move, treasuries rose while haven currencies like JPY and CHF outperformed.
- In the US, the tech sell-off saw the S&P 500 and Nasdaq tumbling 1.4% d/d and 2.2% d/d, while the Dow also ended the session lower by 0.1% d/d. In Europe, Stoxx 600 shed 0.7% d/d, while in Asia, Kospi led losses in the region with a 10.0% d/d plunge. Nikkei 225 slid 3.6% d/d, while Hang Seng and CSI 300 fell 1.8% d/d and 2.8% d/d.
- In the bond space, treasury yields fell 0-3bps led by the shorter tenures, and the benchmark 2Y and 10Y yields closed the day at 4.20% (-3bps) and 4.50% (-1bps). Similarly, 10Y European bond yields retreated 1-6bps.
- Risk aversion saw the Dollar strengthening (DXY: 0.4% d/d to 101.41). JPY (just above flatline at 161.55 vs USD) and CHF (-0.1% d/d) outperformed their G10 peers. EUR (1.1382), GBP (1.3204) and AUD (0.6917) weakened 0.4-1.2% d/d against the greenback, with added dampener from their weak PMI prints.
- THB weakened 0.7% d/d to be Asia's worst performer ahead of the central bank's policy decision today, where a status quo at 1.00% is expected. Similarly, CNH and SGD depreciated 0.3% d/d each to 6.7948 and 1.2965 respectively, while MYR was one of the outliers with a 0.2% d/d gain at 4.1415, correcting from its overbought position.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,666.84	-0.09
S&P 500	7,365.46	-1.44
NASDAQ	25,587.04	-2.21
Stoxx Eur 600	634.63	-0.73
FTSE 100	10,428.85	-0.09
Nikkei 225	69,788.38	-3.55
CSI 300	4,919.39	-2.77
Hang Seng	23,336.28	-1.82
Straits Times	5,205.74	0.03
KLCI 30	1,679.92	-1.23
FX		
Dollar Index	101.41	0.38
EUR/USD	1.1382	-0.41
GBP/USD	1.3204	-0.35
USD/JPY	161.55	-0.01
AUD/USD	0.6917	-1.21
USD/CNH	6.7948	0.25
USD/MYR	4.1415	-0.15
USD/SGD	1.2965	0.25
USD/KHR	4,024.20	-0.03
USD/THB	33.14	0.65
Commodities		
WTI (\$/bbl)	73.21	-2.15
Brent (\$/bbl)	77.08	-1.05
Gold (\$/oz)	4,129.90	-1.24
Copper (\$/MT)	13,371.00	-2.04
Aluminum(\$/MT)	3,232.50	-3.91
CPO (RM/MT)	4,584.00	-0.35

Source: Bloomberg, HLBB Global Markets Research

Contractionary June composite PMIs for the Eurozone, UK and Australia on account of services; expansionary for the US and Japan

- Positive news from the Middle East restored confidence among US businesses in June, though the overall rate of economic growth (headline PMI better than expected at 52.2

vs 51.5) signalled a still slightly softer economy as compared to before the war (Jan-Feb: 52.5). Although improved, the services sector (51.3 vs 50.7) continues to grow at a soft pace reflecting low consumer confidence and push-backs from customers over high prices, while manufacturing (55.7 vs 55.1) unexpectedly quickened buoyed temporarily by inventory rebuilding. The data, however, contradicts regional Fed indices. The Richmond manufacturing index softened to 4 from 13 previously, while on the non-manufacturing front, Richmond's business conditions and Philadelphia index worsened to -9 (from 0) and -25.8 (from -23.6) respectively.

- Eurozone's headline PMI (49.5 vs 48.5) suggests that the economy contracted at a narrower pace than expected as the services sector reported smaller contraction at 48.9 (prior: 47.7), while manufacturing (51.3 vs 51.6) continued to expand modestly. Services reflects recovering demand from tourism and leisure related industries, while manufacturing benefitted from inventory building. Business confidence improved, although sentiment over the coming year remains relatively subdued.
- UK's private sector contracted for the second month, as a sustained and worse than expected weakness in the services sector (48.7 vs 49.3) overshadowed boost from manufacturing (lower than expected at 53.1 vs 53.9). With the composite PMI below 50, this suggests that the economy contracted for a second successive month and could flatline in 2Q. Outlook ahead remains murky with new orders falling at its fastest pace in 14 months, while the unstable political environment are unsettling business confidence and delaying spending.
- Australia's headline PMI improved to 49.8 in June, up from 48.7 previously pointing to some stabilisation in economic activities. Both manufacturing (51.2 vs 50.7) and services (49.9 vs 48.7) sectors improved, but details suggest mixed outlook ahead. On a positive note, job creation improved and inflationary pressures eased, but on the flipside, new orders continued to fall and business confidence dropped to its lowest since the pandemic.
- Japan's headline PMI at 52.5 (May: 51.1) suggests that economic activity accelerated for the first time since the outbreak of the Middle East war. Manufacturers (54.9 vs 54.5) recorded one of the strongest gains in over a decade, while services saw a renewed upturn to 51.8 vs 50.0 previously. While this suggests a strong 2Q growth, it should be noted again that this was partly driven by stockpiling and thus, could possibly fade. Furthermore, concerns around inflation and supply chain disruption meant that forecasts for the year-ahead remained modest by historical standards.

Higher than expected inflation for Hong Kong

- Headline CPI quickened more than expected to 2.0% y/y in May from 1.7% y/y previously as increases in prices of fuel-related components continued to pick up, while price pressures on other components remained contained. With the latter largely stable and oil prices having eased, this should help keep overall inflation moderate for Hong Kong.

Steady inflation for Singapore; official CPI forecasts of 1.5-2.5% maintained for this year

- Both headline and core inflation undershot forecasts, holding steady at 1.8% y/y and 1.4% y/y in May, as a pick-up in private transport and accommodation inflation, alongside higher food and retail & other goods inflation, was offset by lower services inflation, the latter largely on account of a steeper decline in telecommunication services.
- Officials maintained their full year projection of 1.5-2.5% this year but cautioned upside risks from a slower-than-expected resumption in global energy supplies and continued shortages in key intermediate inputs. On the domestic front, services unit labour costs are likely to increase at a slower pace this year as nominal wage growth are expected to ease from a year ago.

Slight dip in Malaysia's foreign reserves

- Reserves fell \$0.1bn in 1H of June to \$130.5bn as at 15th June. This marks a reversal from +\$1.1bn in 2H of May, is sufficient to finance 4.6 months of imports of goods and services and is 0.9 times of total short-term external debt.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	99-103	100.63	99.80	97.96	96.48
EUR/USD	1.13-1.16	1.14	1.15	1.17	1.19
GBP/USD	1.30-1.34	1.31	1.32	1.34	1.35
USD/CHF	0.78-0.82	0.79	0.78	0.76	0.75
USD/JPY	158-163	159	155	152	152
AUD/USD	0.68-0.72	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.60	0.57	0.58	0.58	0.59
USD/CNY	6.74-6.80	6.93	6.88	6.84	6.77
USD/MYR	4.08-4.15	3.98	3.96	3.93	3.90
USD/SGD	1.27-1.31	1.29	1.28	1.27	1.25
USD/THB	32.42-33.44	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.7248	4.55	4.55	4.60	4.66
GBP/MYR	5.4794	5.23	5.23	5.26	5.28
AUD/MYR	2.8812	2.72	2.72	2.75	2.77
CNY/MYR	0.6097	0.58	0.58	0.58	0.58

SGD/MYR 3.1979 3.09 3.10 3.11 3.12

Rates, %	Current	2Q26	3Q26	4Q26	1Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.25	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	1.00	1.25	1.25
RBA	4.35	4.35	4.35	4.35	4.35
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	
24-Jun	AU CPI Trimmed Mean YoY (May)	3.40%
	US MBA Mortgage Applications (June 19)	0.90%
	US New Home Sales MoM (May)	-6.20%
25-Jun	AU Employment Change (May)	-18.6k
	AU Unemployment Rate (May)	4.50%
	AU Household Spending MoM (May)	-1.10%
	HK Exports YoY (May)	42.90%
	US Personal Income (May)	0.00%
	US Personal Spending (May)	0.50%
	US Chicago Fed Nat Activity Index (May)	0.14
	US Core PCE Price Index YoY (May)	3.30%
	US Durable Goods Orders (May P)	8.00%
	US Initial Jobless Claims (June 20th)	226k
	US Cap Goods Orders Nondef Ex Air (May P)	-1.00%
	US GDP Annualized QoQ (1Q T)	1.60%
US Kansas City Fed Manf. Activity (Jun)	8	

Source: Bloomberg

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