24 July 2026

Global Markets Research

Daily Market Highlights

24 July: Oil shock and AI capex fears rattle markets

Broad losses across US and European bourses; tech led the decline on AI spending anxiety
Brent surges past $100/barrel; yields rise across the curve as Fed hike bets mount
US initial jobless claims fall to lowest level since 1969; Australia jobs blew past consensus

- Houthi missile strikes on two Saudi oil tankers in the Red Sea — opening a new front in the Iran war alongside the already-disrupted Strait of Hormuz — combined with Alphabet's shock capex guidance to send the 3 major stock indices closing lower between −0.97% and −2.15% d/d overnight. The Nasdaq Composite bore the brunt of the selloff, falling −2.15% d/d to 25,137.69, as the Magnificent Seven shed $797 billion in market value — their worst single-day loss since the April 2025 tariff tantrum. The S&P 500 fell −1.21% d/d to 7,408.30 and the Dow Jones Industrial Average declined −0.97% d/d to 51,711.65. Technology and communication services led losses, with Tesla the session's standout laggard, tumbling approximately −14.5% d/d after its Q2 operating profit missed consensus by a wide margin. Industrials were the lone sector in positive territory, buoyed by energy-services names riding the oil surge.
- Elsewhere, the Stoxx Europe 600 fell −1.18% d/d to 639.27, dragged by tech and energy-import-sensitive names as Brent breached $100/barrel, while the FTSE 100 declined a more modest −0.73% d/d to 10,639.17, partly cushioned by its heavy weighting in energy producers. Sentiment in Asia was more resilient — the Hang Seng rose +1.28% d/d to 25,210.81, its highest close since 4 June, led by HSBC and energy-related names, while the Nikkei 225 gained +0.46% d/d to 66,422.60 and the CSI 300 edged up +0.23% d/d to 4,728.00, supported by policy-driven buying and a chip-sector rally on expectations that Alphabet's AI capex would benefit regional semiconductor suppliers. The STI slipped −0.24% d/d to 5,581.76, while the FBMKLCI eked out a +0.19% d/d gain to 1,714.59.
- In the bond space, a confluence of surging oil prices, a blowout US jobless claims print, and mounting Fed rate-hike expectations drove a broad selloff across the curve. The benchmark 2Y and 10Y Treasury yields closed the day at 4.347% (+4.9bps) and 4.693% (+3.9bps) respectively, with the 10Y briefly touching 4.70% intraday — its highest level since early 2025. European sovereigns sold off in tandem, with the German 10Y Bund rising +3.2bps to 3.203% — it's highest since 2011 — and the UK 10Y Gilt leading the move at +6.8bps to 5.102%,

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,711.65	-0.97
S&P 500	7,408.30	-1.21
NASDAQ	25,137.69	-2.15
Stoxx Eur 600	639.27	-1.18
FTSE 100	10,639.17	-0.73
Nikkei 225	66,422.60	0.46
CSI 300	4,728.00	0.23
Hang Seng	25,210.81	1.28
Straits Times	5,581.76	-0.24
KLCI 30	1,714.59	0.19
FX		
Dollar Index	101.44	0.32
EUR/USD	1.1377	-0.31
GBP/USD	1.3315	-0.45
USD/JPY	163.86	0.44
AUD/USD	0.6969	-0.40
USD/CNH	6.7775	0.04
USD/MYR	4.0890	0.05
USD/SGD	1.2921	0.07
USD/KHR	4,040.75	0.06
USD/THB	33.82	0.13
Commodities		
WTI ($/bbl)	92.19	6.17
Brent ($/bbl)	100.69	7.04
Gold ($/oz)	4,050.20	-2.45
Copper ($/MT)	13,594.50	-1.55
Aluminum($/MT)	3,188.00	-0.14
CPO (RM/MT)	4,596.00	1.46

Source: Bloomberg, HLBB Global Markets Research pressured by the dual shock of oil-driven inflation and the ECB's hawkish hold signal. Treasuries have now fallen for four consecutive sessions as markets price in a Fed hike as early as the 16 September meeting.

- The DXY rose +0.31% d/d to 101.44, supported by the strong US labour data and risk-off demand for the dollar amid the Middle East escalation. Among G10 currencies, the AUD retreated −0.40% d/d to 0.6969, with risk-off sentiment overwhelming the domestic positive from Australia's blowout jobs print. The JPY was the lone ranger among majors, depreciating +0.44% d/d to 163.86 against the dollar, as the BoJ's ultra-loose stance left it exposed to the yield differential widening. GBP/USD fell −0.45% d/d to 1.3315 and EUR/USD eased −0.31% d/d to 1.1377. On the regional front, Asian currencies traded mostly stable against the greenback. The MYR weakened marginally +0.05% d/d to 4.0890, while the SGD closed just above its flatline at 1.2921 (+0.07% d/d). The CNH was broadly steady, with USD/CNH edging +0.04% d/d to 6.7775. The THB was nearly unchanged at 33.807 (+0.01% d/d), and the KHR held at 4,040.75 (+0.06% d/d).
- Amid Houthi missile strikes on two Saudi oil tankers in the Red Sea — threatening to choke a second critical energy corridor alongside the Strait of Hormuz — oil prices surged, with Brent vaulting past the $100/barrel mark for the first time in two months, closing +7.03% d/d at $100.68/barrel, while WTI rose +6.17% d/d to $92.19/barrel. Gold retreated −1.96% d/d to $4,049.48/oz as the firmer dollar and rising real yields offset safe-haven demand.

ECB hold unanimously; September hike firmly on the table as oil reignites inflation risk

- The ECB held all three key rates unchanged at its 23 July meeting — deposit facility at 2.25%, main refinancing rate at 2.40%, marginal lending facility at 2.65% — in line with unanimous consensus across all 63 surveyed economists. The decision was unanimous, but President Lagarde disclosed that some Governing Council members had raised the question of acting immediately rather than waiting, before the Council collectively opted to pause and assess incoming data. Lagarde laid the groundwork for a possible September hike, noting that the full inflation impact of the energy shock has yet to play out, while stopping short of pre-committing to a particular rate path. Despite the hold, market pricing moved decisively hawkish: swaps implied approximately 24bps of hikes for September, with a full quarter-point increase virtually priced by year-end — implying the market sees the September move as near-certain.

Strongest US jobless claims print since 1969; Fed July meeting now a live event

- US initial jobless claims for the week ended 18 July plunged 22,000 to 187,000 — the lowest reading since 1969 and far below the Bloomberg consensus of 210,000 (range: 195k–220k; prior week revised up to 209k from 208k). Continuing claims for the week ended 11 July fell to 1,796,000 (prior: 1,798k revised; consensus: 1,809k), and the four-week moving average declined to 207,500 from 214,250 — suggesting that employers remain reluctant to lay off workers. The Chicago Fed National Activity Index for June printed at −0.02 (prior: −0.19 revised; consensus: 0.00), broadly in line and consistent with near-trend growth.
- The claims surprise, arriving alongside surging oil prices, saw traders add to bets on a Fed rate hike as early as the 29 July meeting, with market-implied probability of a July hike reportedly climbing to approximately 36% intraday. The Kansas City Fed Manufacturing Activity index for July printed at 9 (prior: 11; consensus: 12) — a mild miss that did little to offset the labour market signal.

Stronger than expected June employment for Australia; participation rate hits new high

- Australia's employment change for June surprised strongly to the upside, printing at +76,343 (prior: +44,000 revised; consensus: +15,000) — more than five times the Bloomberg median estimate and the strongest monthly gain in several months. Full-time employment rose 29,298 (prior: +7,200 revised) and part-time employment added 47,044 (prior: +36,800 revised), indicating broad-based hiring across both categories. The participation rate climbed to 67.01% (prior: 66.70%; consensus: 66.70%), a new high, underscoring the depth of labour demand. The unemployment rate held at 4.43% (prior: 4.40%; consensus: 4.40%) — marginally above consensus, as the surge in participation absorbed much of the new hiring.

Singapore's June CPI quickens; core inflation picks up ahead of MAS review

- Singapore's headline CPI rose 1.9% y/y in June (prior: 1.8% y/y; consensus: 2.0% y/y), a tad softer than expected, with MoM flat at 0.0% (prior: +0.7% m/m). Core CPI — the MAS's preferred gauge, excluding housing and private transport — accelerated to 1.6% y/y (prior: 1.4% y/y; consensus: 1.65% y/y), its fastest pace in several months, driven in part by higher global energy costs filtering through services and food prices. The acceleration in core inflation, coming alongside Brent's breach of $100/barrel, keeps the door open to a further tightening of the SGD NEER slope at the July MAS policy review — though the headline miss relative to consensus suggests the pass-through remains measured for now.

China: CNY payments share rises; policy support underpins equities

- 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.

UK CBI surveys: business optimism recovers sharply; orders and prices

- The UK CBI Business Optimism index for July improved sharply to −36 (prior: −65), suggesting a meaningful recovery in corporate sentiment even as the absolute level remains deeply negative. CBI Trends Total Orders held at −45 (prior: −45; consensus: −40), a tad softer than expected, while CBI Trends Selling Prices eased to 11 from 22 — indicating some moderation in price pressures at the firm level.

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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	5.47	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	
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
27-Jul	JN PPI Services YoY (Jun)	3.30%
	SI Singapore MAS July 2026 Monetary Policy Statement ()	
	CH Industrial Profits YTD YoY (Jun)	18.80%
	SI Industrial Production YoY (Jun)	13.00%
	JN Leading Index CI (May F)	116.8
	JN Coincident Index (May F)	118.5
	HK Exports YoY (Jun)	40.80%
	US Durable Goods Orders (Jun P)	-4.50%
	US Dallas Fed Manf. Activity (Jul)	-

Source: Bloomberg

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