25 September 2026

Global Markets Research

Daily Market Highlights

25 Sep: Spikes in bond yields weighed on global sentiment

Global bond sell-off worsened and weighed on stocks; DXY strengthened

2 months extension in US-China trade truce; reports of phased deal to open Hormuz

Positive US data: lower initial jobless claims and jump in new home sales

- Thursday saw the global bond sell-off worsen, weighing on stocks. A fresh jump in oil prices and yields, coupled with concerns over government debt pushed the 2Y-, 10Y- and 30Y UST yields up to 4.92% (+3bps), 5.20% (+8bps) and 5.48% (+8bps) overnight, the latter hitting an intraday high of 5.50%, a level not seen in more than 20 years. European bond markets saw a similar sell-off. The 10Y sovereign bond yields jumped 3-7bps, albeit narrower from +5 to +15bps the previous day.
- The bond selloffs weighed on risk sentiment, sending the 30-stock Dow down 0.3% d/d, while the S&P 500 ticked down just below its flatline. Nasdaq closed just above its flatline with some Magnificent Seven stocks outperforming overnight. Stoxx Eur 600 dropped 0.6% d/d with tech and interest-sensitive stocks lagging, while in Asia, Hang Seng and CSI 300 edged down by 0.3% d/d and 1.7% d/d. Nikkei 225 was an outlier, gaining 0.8% d/d after reopening from a 3-day holiday.
- On the forex front, the DXY (0.2% d/d to 101.29) rose for its fourth straight session amid the higher treasury yields, while the slew of hawkish Fed speaks calling for additional hike(s) also bode well for the greenback. All G10 FX weakened against the Dollar, with AUD (-0.4% d/d to 0.7012) and JPY (-0.3% d/d to 158.86) notable laggards, the latter despite verbal interventions from Japanese officials. EUR and GBP depreciated 0-0.2% to 1.1380 and 1.3219, the latter likely to trade on a steady note today with UK's GfK consumer confidence index unexpectedly improving to -13 in September from -14 previously. With the exception of the SGD (0.1% d/d to 1.2794), most regional FX also depreciated against the greenback. MYR and CNH traded 0.1-0.2% d/d weaker to close the day at 4.0865 and 6.7159 vs the USD.
- In the commodity space, crude oil prices rose but were off session highs amid reports that the US and Iran are discussing a phased deal to end the standoff. The WTI and

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,349.98	-0.31
S&P 500	7,704.13	-0.02
NASDAQ	26,939.37	0.01
Stoxx Eur 600	636.43	-0.55
FTSE 100	10,679.99	-0.24
Nikkei 225	65,513.99	0.76
CSI 300	4,439.15	-1.73
Hang Seng	24,761.13	-0.29
Straits Times	5,683.37	-0.46
KLCI 30	1,672.31	-0.25
FX		
Dollar Index	101.29	0.19
EUR/USD	1.1380	-0.02
GBP/USD	1.3219	-0.15
USD/JPY	158.86	0.34
AUD/USD	0.7012	-0.38
USD/CNH	6.7159	0.07
USD/MYR	4.0865	0.16
USD/SGD	1.2794	-0.05
USD/KHR	4,057.50	0.05
USD/THB	33.48	0.69
Commodities		
WTI ($/bbl)	94.61	2.66
Brent ($/bbl)	106.60	3.41
Gold ($/oz)	4,265.10	-0.46
Copper ($/MT)	14,621.00	0.02
Aluminum($/MT)	3,250.00	-0.15
CPO (RM/MT)	4,564.00	-0.80

Source: Bloomberg, HLBB Global Markets Research

Brent closed the day more than 2.0% d/d higher each at $94.61/barrel and $106.60/barrel respectively.

- In the meantime, President Trump and XI addressed their intense competition over AI during the summit, just hours after US and China agreed to extend their trade truce by two months, pushing the new deadline to January 10, 2027

Jump in US new homes sales; lower initial jobless claims

- The latest jobless claims data continued to point to a steady labour market, with hiring uneven while historically low levels for initial claims suggest low firing for now. Initial jobless claims were lower than expected, falling 1k to 197k for the week ended Sept 19 (prior: -9k), while continuing claims rose 2k to 1719k the week ended Sept 12 (prior: -48k).
- While new home sales surprised on the upside with a rebound of 6.4% m/m to 684k in August (prior: -4.3% m/m), surging mortgage rates will likely keep new home demand under pressure in coming months. As it is, the monthly level is at its highest this year, as a mix of price cuts (median sales price: -5.8% y/y to $393.7k) and sales incentives help ease affordability constrains. The supply of new houses on the market was unchanged at 483k, and it would take 8.5 months to clear the inventory, down from 9.0 months previously.
- The Kansas City Fed Manufacturing Activity index unexpectedly improved to 14 in September (prior: 10) as manufacturing activity continued to grow. Expectations for future activity remained steady, while prices indices rose slightly m/m.

Australia's unemployment rate crept up due to higher labour participation rate

- August labour data was mixed, with the unemployment rate unexpectedly weakening to 4.6% in August from 4.5% previously amid higher labour participation rate (67.1% vs 66.9%), while employment change turned around with a 39.5k gain (prior: 15.9k) primarily driven by part-time employment. Despite the labour data being broadly softer than what RBA had anticipated, the recent run-up in energy prices suggests our hold call for the RBA is at risk for next week's policy meeting.

Japan's economic activity softened slightly, according to the PMI

- September's composite PMI (52.5 vs 53.5) suggests that growth slipped a notch to its slowest pace since May, amid moderation for both manufacturers (54.1 vs 54.9) and services producers (51.6 vs 52.5). Business confidence and employment sub-indicators nonetheless show encouraging signs, supported by the ongoing boom in AI-related demand as well as spending on defence and automobiles.

More than 50% yearly jump in export growth for Hong Kong

- Exports continued to outpace expectations in August, as robust demand for AI-related electronic products saw demand growth accelerating to 53.0% y/y (prior: 50.7% y/y), while exports to almost all major markets increased markedly. While sustained global demand for AI-related electronic products is expected to continue supporting export performance in the near term, the geopolitical tensions in the Middle East and continued protectionist trade measures continue to flag an uncertain external environment for exports.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	99-101	102.28	100.86	99.42	98.07
EUR/USD	1.14-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.32-1.35	1.29	1.30	1.32	1.33
USD/CHF	0.81-0.84	0.81	0.81	0.80	0.79
USD/JPY	154-159	162	159	155	153
AUD/USD	0.70-0.72	0.68	0.70	0.71	0.72
NZD/USD	0.56-0.59	0.56	0.56	0.57	0.57
USD/CNY	6.68-6.72	6.85	6.78	6.72	6.65
USD/MYR	4.06-4.11	4.15	4.11	4.07	4.03
USD/SGD	1.27-1.29	1.31	1.30	1.28	1.27
USD/THB	32.90--34.00	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6474	4.68	4.71	4.73	4.75
GBP/MYR	5.4063	5.37	5.36	5.36	5.36
AUD/MYR	2.8733	2.83	2.86	2.87	2.89
CNY/MYR	0.6087	0.61	0.61	0.61	0.61
SGD/MYR	3.1923	3.18	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.75-4.00	3.75-4.00	4.00-4.25	4.00-4.25	4.00-4.25
ECB	2.50	2.50	2.75	2.75	2.75
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.25	1.25	1.25	1.50	1.50
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	3.00	3.00

Source: HLBB Global Markets Research

Up Next

Date	Events	
25-Sep	US Durable Goods Orders (Aug P)	1.10%
	US Cap Goods Orders Nondef Ex Air (Aug P)	0.00%
	US U. of Mich. Sentiment (Sep F)	47.8

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	US Kansas City Fed Services Activity (Sep)	-3
28-Sep	JN PPI Services YoY (Aug)	3.60%
	CH Industrial Profits YTD YoY (Aug)	17.60%
	SI Industrial Production SA MoM (Aug)	2.30%
	US Dallas Fed Manf. Activity (Sep)	11.6

Source: Bloomberg