

26 June 2026

**Global Markets Research**
**Daily Market Highlights**

## 26 June: US data kept Fed policy rate expectation intact

**Expected pick-up in US PCE prints; but easing oil prices soothed inflation fear  
Upside surprises in personal income & spending; final 1Q GDP growth upgraded  
Front-end UST yields & DXY closed lower; US equities fell on continued tech-rout**

- Despite blowout results from Micron, tech sell-off stayed extended in Wall Street with the Nasdaq closing the day 0.5% lower. Micron rallied more than 15% d/d, but other major tech companies largely closed in red. Shares of Apple led the sell-off after the tech giant announced price increases on MacBook and iPad due to the surge in prices for components, while Microsoft shares also tumbled after announcing hike in prices for the Xbox consoles.
- Elsewhere, technology stocks had rallied earlier in the day from Europe to Asia after Micron's results restored confidence in AI stocks. Stoxx Eur 600 rose 0.8% d/d, while Nikkei 225 and CSI 300 jumped 4.6% d/d and 1.6% d/d respectively.
- Meanwhile, oil prices rose on the day after Iran attacked a vessel on the Strait of Hormuz. The WTI and Brent rose more than 2% d/d each to \$71.92/barrel and \$75.26/barrel.
- Treasury yields closed mixed (fell in front end and rose in back end) as the US PCE price prints came in within expectations and capped inflation fear. The 2Y yield fell 2bps to 4.12%, while the 10Y closed flattish at 4.39%.
- On the FX front, the DXY fell 0.2% d/d to 101.43 after the release of the PCE prints. JPY also remained under pressure and closed just below its flatline at 161.79. We nonetheless expect the yen to rebound today after Tokyo's June inflation rate, a precursor to broad Japan's inflation, came in higher than expected at 1.7% y/y for headline at 1.9% y/y for core (prior: 1.4% y/y and 1.6% y/y). EUR, GBP and AUD appreciated between 0.1-0.2% d/d to 1.1370, 1.3192 and 0.6910 against the Dollar.
- MYR (0.4% d/d to 4.1188) outperformed its Asian peers for the second day after the central bank's pledge to ensure market conditions for the Ringgit, while CNH and SGD appreciated at a narrower pace of 0.1-0.2% d/d to 6.8015 and 1.2963 respectively against the greenback.

**Key Market Metrics**

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	51,920.62	0.14
S&P 500	7,357.49	-0.01
NASDAQ	25,358.60	-0.46
Stoxx Eur 600	640.21	0.80
FTSE 100	10,529.89	0.65
Nikkei 225	72,366.34	4.61
CSI 300	5,020.10	1.56
Hang Seng	23,076.91	-1.43
Straits Times	5,218.96	0.06
KLCI 30	1,663.82	-1.09
<b>FX</b>		
Dollar Index	101.43	-0.18
EUR/USD	1.1370	0.11
GBP/USD	1.3192	0.18
USD/JPY	161.79	0.01
AUD/USD	0.6910	0.13
USD/CNH	6.8015	-0.17
USD/MYR	4.1188	-0.42
USD/SGD	1.2963	-0.08
USD/KHR	4,022.50	-0.07
USD/THB	33.35	-0.23
<b>Commodities</b>		
WTI (\$/bbl)	71.92	2.25
Brent (\$/bbl)	75.26	2.06
Gold (\$/oz)	4,030.50	1.01
Copper (\$/MT)	13,270.00	1.40
Aluminum(\$/MT)	3,164.50	1.35
CPO (RM/MT)	4,566.00	1.17

Source: Bloomberg, HLBB Global Markets Research

### **Hot inflation, personal spending and capex data for the US**

- A slew of positive data from the US. Expected pick-up in headline and core PCE, coupled with resilient personal spending will likely keep the Fed hawkish and cautious, but in our opinion, softer global energy prices recently suggest that inflation may have peaked, supporting our views for a disinflation trend and status quo for the Fed funds rate for now.
- In fact, Fed President John Williams commented that while prices are indeed elevated, he expects inflation to ease towards 3.5% by year end and opines that the current policy stance is well positioned to lower prices.
- Headline PCE broke above the 4.0% level for the first time in 3 years at 4.1% y/y in May, matching forecasts and a pick-up from 3.8% y/y previously. Core also grew at a faster pace of 3.4% (prior: 3.3% y/y) and were largely concentrated in services. Despite the pick-up in inflation readings, real personal spending held sturdy and accelerated to 0.3% m/m after stagnating previously, with the pick-up largely underpinned by goods purchases and supported by a resilient labour market, a pick-up in wage growth (personal income: 0.7% m/m vs 0%), while elevated tax refunds and favourable wealth effects may have given an additional boost to spending.
- Orders for core capital goods rebounded sharper than expected by 1.6% m/m in May (prior: -0.7% m/m) amid broad-based gains across most core categories and notably for computer and electronic products. While the increase in orders likely reflected higher prices, eased geopolitical tension and boost to business confidence, coupled with AI capex cycle will bode well for capex outlook in 2H.
- Rounding up, the final GDP was revised up by 0.5ppts to 2.1% q/q in 1Q (4Q25: 0.5% q/q) primarily reflecting a downward revision to imports, which more than offset the sharp downward revision in personal consumption growth (-0.9ppts to 0.5% q/q vs 1.9% q/q in 4Q of 2025).
- Partially reflecting distortion from the Juneteenth public holiday, initial jobless claims also fell more than expected by 12k to 215k for the week ended June 20 (prior: -3k).

### **Resilient labour and household spending data for Australia**

- Equally positive data for Australia but all in, household spending and labour data suggest resiliency in the economy. Coupled with elevated inflation, suggests that a rate hike remains at risk for now.
- Hiring rebounded more than expected by 40.3k in May, reversing from the prior month's losses of -40.7k. Job gains

were nonetheless driven primarily by part-time roles, pushing down jobless rates to 4.4% (prior: 4.5%).

- Household spending rose 1.3% m/m, reversing April's 1.1% m/m decline, amid strong gains on discretionary categories like hotels, cafes & restaurants and clothing & footwear, and as travel related refunds returned to normal after being significantly elevated in April due to flight cancellations associated with the Middle East conflict.

### Robust export growth for Hong Kong

- Although softer than expected, export growth stayed robust at 40.8% y/y in May (prior: 42.9% y/y), as demand for AI products and from most major markets remained strong. Moving forward, the AI-related upcycle should continue to support the nation's external demand, with additional relief from the recent easing of geopolitical tensions. Just a recap, the Semiconductor Industry Association has recently revised up its global semiconductor projection for 2026.

### 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	4.6786	4.55	4.55	4.60	4.66
GBP/MYR	5.4307	5.23	5.23	5.26	5.28
AUD/MYR	2.8419	2.72	2.72	2.75	2.77
CNY/MYR	0.6059	0.58	0.58	0.58	0.58
SGD/MYR	3.1758	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**

<b>Date</b>	<b>Events</b>	
26-Jun	SI Industrial Production SA MoM (May)	5.80%
	US Advance Goods Trade Balance (May)	-\$82.4b
	US U. of Mich. Sentiment (Jun F)	48.9
	US Kansas City Fed Services Activity (Jun)	10
29-Jun	JN Retail Sales MoM (May)	1.30%
	UK Mortgage Approvals (May)	65.9k
	EC Economic Confidence (Jun)	93.5
	US Dallas Fed Manf. Activity (Jun)	0.4

Source: Bloomberg

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