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Global Markets Research

Daily Market Highlights

27 Jan: Gold smashed another record

Tariff threats added to the gold rally; UST yields lower ahead of FOMC meeting
USD weakened against most G10 and regionals; JPY & MYR were notable gainers
AI boom supported US capital goods orders and Singapore's manufacturing

- Gold smashed through another milestone overnight, with tariff threats against Canada and the possibility of a fresh US government shutdown adding fuel to the metal's recent rally. The bullion closed up 2.1% d/d to new all-time high of \$5,082.50/oz and briefly surpassed \$5,100/oz.
- At the point of writing, President Trump also threatened to raise tariffs on South Korean goods, citing failure for the country's legislature to approve the deal with the US. At 25% (15% currently), the new tariff rate would apply to autos, lumber, pharmaceutical products and all other goods subjected to the reciprocal tariffs.
- Macro concerns didn't trip up stocks nonetheless. The Dow, S&P 500 and Nasdaq gained 0.6% d/d, 0.5% d/d and 0.4% d/d respectively, the latter supported by jumps in a few of the "Magnificent Seven" names ahead of their earnings results. As it is, the earnings season will pick up steam this week with more than a third of the S&P 500's market capitalization expected to disclose results.
- In Europe, Stoxx Eur 600 closed 0.2% d/d higher with most major bourses in the green but sectors mixed. Similarly, the week sees earnings season get underway with ASML, Volvo, LVMH and Deutsche Bank amongst those filing their latest figures. Asian markets closed mixed with Nikkei 225 down 1.8% d/d while Hang Seng and CSI 300 closed up 0.1% d/d.
- In the bond space, UST yields fell 1-3bps across the curve at the start of the week of FOMC meeting. The 2Y dipped less than 1bps to 3.59%, while the 10Y fell 1bps to 4.21%. 10Y European bond yields were down 2-5bps.
- The Dollar (-0.6% d/d to 97.04) sank for the third day, while JPY jumped to its 2-month high of 154.18 (1.0% d/d), amid mounting speculation of a joint U.S.-Japan currency intervention and after remarks from Japan's prime minister who said that the government is prepared to take action to stem the volatility in Japanese markets. USD also weakened

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	49,412.40	0.64
S&P 500	6,950.23	0.50
NASDAQ	23,601.36	0.43
Stoxx Eur 600	609.57	0.20
FTSE 100	10,148.85	0.05
Nikkei 225	52,885.25	-1.79
CSI 300	4,706.96	0.09
Hang Seng	26,765.52	0.06
Straits Times	4,860.93	-0.62
KLCI 30	1,744.07	1.40
FX		
Dollar Index	97.04	-0.57
EUR/USD	1.1880	0.44
GBP/USD	1.3680	0.27
USD/JPY	154.18	-0.98
AUD/USD	0.6917	0.33
USD/CNH	6.9488	-0.01
USD/MYR	3.9650	-1.04
USD/SGD	1.2696	-0.24
USD/KHR	4,023.50	-0.05
USD/THB	31.08	-0.38
Commodities		
WTI (\$/bbl)	60.63	-0.72
Brent (\$/bbl)	65.59	-0.44
Gold (\$/oz)	5,082.50	2.06
Copper (\$/MT)	13,199.00	0.64
Aluminum(\$/MT)	3,188.50	0.62
CPO (RM/tonne)	4,091.00	-0.85

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 23 Jan for CPO

against the rest of its G10 peers save for NOK and CAD (-0.1 to 0%).

- Similarly, most regional currencies strengthened against the greenback led by KRW (1.5% d/d) and MYR (1.0% d/d), the latter closing the day at 3.9650, its highest since 2018 amid confidence in the nation's economic growth. SGD strengthened 0.2% d/d to 1.2696 against the greenback, its highest since 2014 amid safe haven flows and on expectations that the MAS will maintain its policy settings unchanged later this week.
- Crude oil prices edged down 0.4-0.7% d/d with the resumption in oil supply from Kazakhstan overshadowing supply disruption and heightened demand fears from the US' winter storm. The WTI closed the day at \$60.63/barrel and Brent at \$65.59/barrel.

Jump in US durable and capital goods orders

- Durable goods order beat forecasts and rose by the most in six months at 5.3% m/m in December (prior: -2.1% m/m). In tandem with this, core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, also increased a larger-than-forecast 0.7% m/m (prior: 0.3% m/m). Gains were broad-based led by commercial aircraft, while the AI boom continued to boost demand and investment for/in AI-related industries. Outside of investment in AI, businesses may also be growing more comfortable about spending as uncertainty about trade policy ease slightly and as businesses take advantage of the tax provisions from the One Big Beautiful Bill Act. After the durables report, the Federal Reserve Bank of Atlanta's GDPNow forecast real gross private domestic investment to grow by 6.4% in 4Q (previous estimate: 3.2%).
- Regional indicators also saw better than expected improvements. The Chicago Fed National Activity Index (CFNAI) increased to -0.04 in November from -0.42 in October, suggesting that economic growth increased during the month, while January's Dallas Fed Manufacturing Activity index jumped 10 points to -1.2, with the near-zero reading indicating no change in activity from December. Expectations are for increased manufacturing activity six months from now.

Singapore industrial production recorded its fourth month of growth

- Led by electronics and the transport engineering cluster, industrial production capped off 2025 with a fourth straight month of growth in December and was better than expected. Although a deceleration, output grew by 8.3% y/y (prior:

upward revised 18.2% y/y) amid continuous double-digit growth recorded for the two clusters, while the volatile biomedical manufacturing turned negative and weighed on the headline. As it is, the latest print is largely in line with SIA's forecast of robust growth for the semiconductor sector in 2025 and 2026, the linchpin of Singapore's economy, and in line with our expectations that the economy will grow at the upper range of MAS' GDP forecast of 1-3% for 2026. With this, there is also no change in our expectations that MAS will maintain its policy stance later this week.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.16-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.33-1.38	1.36	1.37	1.37	1.35
USD/CHF	0.76-0.82	0.78	0.78	0.78	0.78
USD/JPY	153-161	153	149	147	147
AUD/USD	0.67-0.71	0.68	0.69	0.70	0.69
NZD/USD	0.56-0.61	0.58	0.59	0.59	0.58
USD/CNY	6.94-6.98	6.90	6.83	6.85	6.90
USD/MYR	3.95-4.00	4.00	3.97	3.97	4.00
USD/SGD	1.25-1.30	1.26	1.23	1.23	1.24
USD/THB	30.70-31.70	32.2	32.1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.7030	4.78	4.82	4.85	4.84
GBP/MYR	5.4209	5.44	5.45	5.45	5.41
AUD/MYR	2.7446	2.72	2.75	2.78	2.76
CNY/MYR	0.5702	0.58	0.58	0.58	0.58
SGD/MYR	3.1260	3.17	3.21	3.23	3.22

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.50-3.75	3.25-3.50	3.00-3.25	2.75-3.00
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	0.75	1.00	1.00
RBA	3.60	3.60	3.60	3.60	3.60
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	Prior
27-Jan	AU NAB Business Confidence (Dec)	1
	CH Industrial Profits YTD YoY (Dec)	0.10%
	HK Exports YoY (Dec)	18.80%
	US ADP Weekly Employment Change	8k
	US FHFA House Price Index MoM (Nov)	0.40%
	US S&P Cotality CS US HPI YoY NSA (Nov)	1.36%
	US Richmond Fed Manufact. Index (Jan)	-7
	US Richmond Fed Business Conditions (Jan)	-11

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damansara
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

	US Conf. Board Consumer Confidence (Jan)	89.1
	US Dallas Fed Services Activity (Jan)	-3.3
28-Jan	AU CPI Trimmed Mean YoY (Dec)	3.20%
	US MBA Mortgage Applications	14.1%
	US FOMC Rate Decision (Upper Bound)	3.75%
	US FOMC Rate Decision (Lower Bound)	3.50%

Source: Bloomberg

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