

28 January 2026

Global Markets Research

Daily Market Highlights

28 Jan: DXY briefly dipped below the 96-handle

Coordinated intervention talk and Trump's comment weighed on USD; JPY gained
US consumer confidence plunged; first industrial profit for China since 2021
All eyes on FOMC and MAS' policy decisions early tomorrow morning

- US stocks closed mixed, with healthcare stocks taking a beating amid news that the government is proposing to keep Medicare payment rates flat next year, a disappointment to investors. UnitedHealth also issued a soft revenue guidance, saw its shares skidding, weighing on the Dow (-0.8% d/d). Outside of insurers, optimism over solid corporate earnings kept powering market gains, pushing the S&P 500 and Nasdaq up 0.4% d/d and 0.9% d/d.
- In Europe, Stoxx 600 gained 0.6% d/d after the EU reached a free trade agreement with India, while Kospi hit fresh record despite Trump's tariff threat. Elsewhere, regional markets were also mostly up, with Nikkei 225 and Hang Seng trading 0.9% and 1.4% d/d higher.
- In the bond space, the treasury yield curve steepened overnight with the 2Y yield down 1bps to 3.57%, while the 10Y rose 3bps to 4.24%. 10Y European bond yields closed mixed between +/-3bps.
- In the FX space, the DXY briefly dipped below the 96-handle, its lowest in almost four years, before closing 0.9% d/d weaker at 96.22 amid talks of coordinated currency intervention by the US and Japan to support the JPY (1.3% d/d to 152.21). Trump's comment that he is not concern over a decline in the USD added fuel to fire. Other G10 currencies also strengthened against the greenback, with EUR, GBP and AUD appreciating between 1.2-1.4% d/d to 1.2041, 1.3849 and 0.7011 respectively.
- On the regional front, MYR (0.3% d/d to 3.9535) and SGD (0.7% d/d to 1.2613) led regional gains against the Dollar, SGD ahead of MAS' policy decision early tomorrow morning where a status quo is expected. The FOMC is also expected to maintain Fed funds rate unchanged at 3.50-3.75%.
- In the commodity space, gold stayed above the \$5.0k/oz level with uncertainty continuing to fuel haven bids. Crude oil prices also jumped around 3% d/d each with the US winter storm hobbling production and with President Trump touting

| Key Market Metrics | | |
|--------------------|-----------|---------|
| | Level | d/d (%) |
| Equities | | |
| Dow Jones | 49,003.41 | -0.83 |
| S&P 500 | 6,978.60 | 0.41 |
| NASDAQ | 23,817.10 | 0.91 |
| Stoxx Eur 600 | 613.11 | 0.58 |
| FTSE 100 | 10,207.80 | 0.58 |
| Nikkei 225 | 53,333.54 | 0.85 |
| CSI 300 | 4,705.69 | -0.03 |
| Hang Seng | 27,126.95 | 1.35 |
| Straits Times | 4,923.02 | 1.28 |
| KLCI 30 | 1,771.25 | 1.56 |
| FX | | |
| Dollar Index | 96.22 | -0.85 |
| EUR/USD | 1.2041 | 1.36 |
| GBP/USD | 1.3849 | 1.24 |
| USD/JPY | 152.21 | -1.28 |
| AUD/USD | 0.7011 | 1.36 |
| USD/CNH | 6.9337 | -0.22 |
| USD/MYR | 3.9535 | -0.29 |
| USD/SGD | 1.2613 | -0.65 |
| USD/KHR | 4,023.00 | -0.01 |
| USD/THB | 31.05 | -0.09 |
| Commodities | | |
| WTI (\$/bbl) | 62.39 | 2.90 |
| Brent (\$/bbl) | 67.57 | 3.02 |
| Gold (\$/oz) | 5,082.60 | 0.00 |
| Copper (\$/MT) | 13,006.50 | -1.46 |
| Aluminum(\$/MT) | 3,207.00 | 0.58 |
| CPO (RM/tonne) | 4,111.00 | 0.49 |

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 26 Jan for CPO

growing US military presence in Iran. The WTI closed the day at \$62.39/barrel and Brent at \$67.57/barrel.

US consumer confidence fell sharply in January

- Conference Board's Consumer Confidence index fell sharper than expected by 9.7ppts to 84.5 in January. This marks its lowest since May 2014, as both the present situation (113.7 vs 123.6) and expectations (65.1 vs 74.6) sub-indices collapsed, the latter below the 80 threshold that signals a recession. Expectations for business and the labour market six months ahead fell further into negative territory, while outlook for household income were also less positive. That said, recent spending data has stayed robust, and this divergence is probably due to high income households driving the growth story, while the rest continues to tread water.
- Separately, the ADP weekly data showed that employment gains slowed further to 7.8k for the week ended January 2 from 8.0k previously, but home price indicators were steady-to-positive. The S&P Cotality Case-Shiller reported that home prices held steady at 1.4% y/y in November, still near the weakest showing since mid-2023, while the FHFA reported stronger price gains at 1.9% y/y and 0.6% m/m (prior: 1.7% y/y and 0.4% m/m). As it is, consumers' cautiousness in purchasing big-ticket items and elevated financing costs will continue to cast shadow over the housing market.

Rebound in Australia's business confidence

- NAB Business Confidence and Condition indices rose to 3 and 9 respectively in December (prior: 2 and 7), consistent with the view that momentum improved in the last quarter of 2025. Gains were rather broad-based but with price sub-indices showing an uptick, this will likely add to speculation that the central bank could raise the 3.60% policy rate to control stubborn inflationary pressure later in the year. The RBA will hold its first policy meeting of 2026 next week, and at the point of writing, there is no change in our view that the RBA will leave rates unchanged.

China recorded its first yearly growth for industrial profits since 2021

- Industrial profits rebounded to 5.3% y/y in December (prior: -13.1% y/y), bringing YTD growth to 0.6% y/y for 2025. This marks its first yearly increase in 4 years, with 40% of the profits attributable to equipment manufacturing, while high-tech industries also added to the momentum. As it is, profit margins have been largely squeezed by the weak domestic demand and to address this, Beijing will likely step up efforts

in boosting household spending for durable goods and services this year.

Hong Kong's exports ended 2025 on a high note

- Exports picked up strongly towards the end of 2025, unexpectedly accelerating to 26.1% y/y in December from 18.8% y/y previously. For 2025 as a whole, exports was a robust 15.4% y/y at \$5.2tn, a historical high as exports to Mainland China and other ASEAN economies continued to grow visibly. Exports to the US also showed a decent increase, while those to the EU fell. Gains were broad-based across most major commodities particularly for exports of electrical equipment, machinery and mechanical appliances. For 2025, a steady global economy, strong demand for AI products and enhanced economic and trade ties with new markets will continue to support for the year.

House View and Forecasts

| FX | This Week | 1Q-26 | 2Q-26 | 3Q-26 | 4Q-26 |
|-----------|------------------|--------------|--------------|--------------|--------------|
| DXY | 94-100 | 96.71 | 95.13 | 94.70 | 95.49 |
| EUR/USD | 1.16-1.22 | 1.20 | 1.22 | 1.22 | 1.21 |
| GBP/USD | 1.33-140 | 1.36 | 1.37 | 1.37 | 1.35 |
| USD/CHF | 0.76-0.82 | 0.78 | 0.78 | 0.78 | 0.78 |
| USD/JPY | 150-161 | 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 | 4.6997 | 4.78 | 4.82 | 4.85 | 4.84 |
| GBP/MYR | 5.4161 | 5.44 | 5.45 | 5.45 | 5.41 |
| AUD/MYR | 2.7388 | 2.72 | 2.75 | 2.78 | 2.76 |
| CNY/MYR | 0.5684 | 0.58 | 0.58 | 0.58 | 0.58 |
| SGD/MYR | 3.1200 | 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 |
|--------|-------------------------------------|--------|
| 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% |
| 29-Jan | SI MAS Monetary Policy Statement | |
| | JN Consumer Confidence Index (Jan) | 37.2 |
| | EC Economic Confidence (Jan) | 96.7 |
| | US Initial Jobless Claims | 200k |
| | US Exports MoM (Nov) | 2.60% |
| | US Factory Orders (Nov) | -1.30% |

Source: Bloomberg

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