

28 May 2026

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

## 28 May: All eyes on US core-PCE and geopolitical news today

**US 1Q GDP, personal income/spending data are also on deck to shed more lights**

**UST yields and DXY closed flattish amid mixed geopolitical news**

**NZD outperformed after RBNZ maintained rates but signalled rate hikes ahead**

- Mixed signals of a prospective US-Iran peace deal saw crude oil prices and US equities wavering between gains and losses. Oil prices eventually closed the day in red but equities managed to clock in some gains overnight. In gist, White House dismissed an early Iranian report that showed a draft framework with the US which includes restoring traffic at the Straits of Hormuz within a month, yet Secretary of State Marco Rubio also said that the US will give diplomacy “every chance to succeed.” The latter saw the WTI and Brent tumbling more than 5.0% d/d each to \$88.68/barrel (WTI) and \$94.29/barrel (Brent), the lowest in almost six weeks for Brent.
- In Wall Street, the Dow rose 0.4% d/d to another record, the S&P 500 eked out a tiny gain, while Nasdaq inched up by 0.1% d/d. In corporate guidance, Salesforce gave a tepid outlook while Snowflake raised its sales forecast. Treasuries traded little changed amid mixed signals on the geopolitical front and ahead of US core-PCE today. Yields closed flattish at 4.03% and 4.48% respectively for the 2Y and 10Y.
- Elsewhere, 10Y European bond yields closed mixed between -5 to +2bps, while Stoxx Eur 600 inched up less than 0.1% with major bourses in London and Paris finishing in the green. Asian markets traded mixed, while futures pointed to small declines for major regional bourses later today. Nikkei 225 closed just above its flatline, while Hang Seng and CSI 300 slid 1.1% d/d and 0.8% d/d respectively.
- In the FX space, the DXY closed just above its flatline at 99.21. NZD (1.1% d/d) outperformed all G10 peers after the Reserve Bank of New Zealand (RBNZ) kept the official cash rate unchanged at 2.25% as expected but signalled that it will most likely need to raise rates soon. AUD (-0.4% d/d to 0.7141) lagged peers on Australia’s CPI miss, while JPY (159.52) weakened at a narrower pace of 0.1% d/d amid continuous hawkish tones from BOJ policy makers, the latest from Governor Kazuo Ueda. EUR closed below its flatline at 1.1626

**Key Market Metrics**

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	50,644.28	0.36
S&P 500	7,520.36	0.02
NASDAQ	26,674.73	0.07
Stoxx Eur 600	628.18	0.03
FTSE 100	10,505.01	0.13
Nikkei 225	64,999.41	0.01
CSI 300	4,908.17	-0.80
Hang Seng	25,328.23	-1.06
Straits Times	5,028.80	-0.82
KLCI 30	1,699.02	-0.55
<b>FX</b>		
Dollar Index	99.21	0.04
EUR/USD	1.1626	-0.04
GBP/USD	1.3427	-0.14
USD/JPY	159.52	0.14
AUD/USD	0.7141	-0.39
USD/CNH	6.7790	-0.09
USD/MYR	3.9710	0.46
USD/SGD	1.2772	-0.04
USD/KHR	4,025.99	0.12
USD/THB	32.55	-0.28
<b>Commodities</b>		
WTI (\$/bbl)	88.68	-5.55
Brent (\$/bbl)	94.29	-5.31
Gold (\$/oz)	4,448.40	-1.20
Copper (\$/MT)	13,531.00	-0.68
Aluminum(\$/MT)	3,636.00	-0.99
CPO (RM/MT)	4,429.00	0.43

Source: Bloomberg, HLBB Global Markets Research  
 \*Dated 26<sup>th</sup> May for Straits Times, KLCI, USD/MYR, CPO

after French consumer confidence fell more than expected in May, underscoring risks to the bloc's second largest economy.

- KRW (0.5% d/d) led gains in Asian FX on chip optimism on a thinly traded day as some markets were closed for a holiday. CNH and SGD appreciated less than 0.1% d/d each at 6.7790 and 1.2772. MYR closed 0.5% d/d weaker at 3.9710 on Tuesday ahead of the public holiday.

### **Slight dip in US consumer confidence; signs of a broadening and deepening in the housing market slowdown**

- Although above expectations, May's Conference Board Consumer confidence index dipped slightly by 0.7ppts to 93.1 as price shocks from the Middle East conflict persists and saw consumers assessment of current conditions (121.2 vs 124.4) less positive, but this was offset by modest improvement in consumers' expectations (74.4 vs 73.4) 6-months down the road.
- March saw FHFA house price index holding steady at 1.7% y/y, while the S&P Cotality House Price index edged up just 0.7% y/y (prior: 0.8% y/y). According to the latter, more than half of the 20 major US housing markets recorded yearly declines, reflecting a broadening and deepening housing slowdown, especially amid elevated mortgage rates.
- Separate data showed that mortgage rates rose its 9-month high of 6.65% for the week of May 22, dampening home purchase activity (-0.4% w/w vs -4.1% w/w) while there was a sharp pull-back in refinancing (-18.1% w/w vs -0.1% w/w). As a result, total applications fell at a wider pace of 8.5% w/w from -2.3% w/w the week before.

### **Softer than expected CPI for Australia; softer growth momentum in line with our hawkish hold for the RBA**

- Softer than expected April inflation suggests that government measures are helping to contain direct hit by the oil prices surge for now, but expectations of broader spillovers and upside risks to CPI remains intact, especially with the impact of higher oil prices having trickled into goods and services tied with high freight and logistics costs like parcel delivery and building materials.
- Headline CPI came in at 0.4% m/m and 4.2% y/y in April (prior: 1.1% m/m and 4.6% y/y), while trimmed mean matched expectations with a slight acceleration to 0.3% m/m and 3.4% (prior: 0.2% m/m and 3.3% y/y). Of the 11 groups in the CPI, 7 experienced a slowdown in inflation, with transport prices moderating the most due to lower fuel prices, while housing cost kept prices elevated.

- The Westpac leading index showed marginal growth of 0.04% m/m in April after dipping 0.07% m/m previously. The 6-months annualised growth rate nonetheless worsened and recorded its below-trend read since late 2024, suggesting that the economy is clearly losing momentum. As it is, sentiment and financial market indicators will likely remain weak and could likely worsen with the full impact of interest rate and fuel price shocks still emerging.

### Jump in industrial profits for China

- Industrial profits grew a solid 24.7% y/y in April, picking up momentum from 15.8% y/y previously. YTD, profits were up 18.2% y/y with sectors like mining as well as high-tech industries (telecommunication) chalking strong growth, while electrical machinery and equipment manufacturing and metal products saw profits falling YTD. The data suggests that despite the strong headline data, recovery remains uneven, sector specific-driven and lack of sustainable domestic demand.

### Robust IPI growth for Singapore thanks to AI

- Singapore's growth engine remained intact, with industrial output (IPI) surprising on the upside at 17.6% y/y in April (prior: 9.2% y/y). The surge was primarily driven by electronics output which surged 30.0% y/y (prior: 23.4% y/y), while output of biomedical and chemical tumbled, the latter on account of lower output in the petroleum & petrochemicals segments due to disruptions in feedstock supply. While the impact from the war has remained manageable so far, cost pressures and supply chains disruptions are beginning to surface, likely to result in more moderate growth in 2H of the year.

### House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	98-101	100.63	99.80	97.96	96.48
EUR/USD	1.15-1.18	1.14	1.15	1.17	1.19
GBP/USD	1.32-1.36	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.81	0.79	0.78	0.76	0.75
USD/JPY	156-161	159	155	152	152
AUD/USD	0.70-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.77-6.83	6.93	6.88	6.84	6.77
USD/MYR	3.93-3.99	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	31.70-33.30	31.60	31.80	31.80	31.40
FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6205	4.55	4.55	4.60	4.66

GBP/MYR	5.3545	5.23	5.23	5.26	5.28
AUD/MYR	2.8447	2.72	2.72	2.75	2.77
CNY/MYR	0.5852	0.58	0.58	0.58	0.58
SGD/MYR	3.1056	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	3.25-3.50	3.25-3.50
ECB	2.00	2.25	2.50	2.50	2.50
BOE	3.75	4.00	4.25	4.25	4.25
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	1.00	1.00	1.00	1.00
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

Date	Events	Prior	
28-May	AU Private Capital Expenditure (1Q)	0.40%	
	AU Household Spending MoM (Apr)	1.60%	
	EC Economic Confidence (May)	93	
	US Personal Income (Apr)	0.60%	
	US Personal Spending (Apr)	0.90%	
	US Core PCE Price Index YoY (Apr)	3.20%	
	US Durable Goods Orders (Apr P)	0.80%	
	US Initial Jobless Claims	209k	
	US Cap Goods Orders Nondef Ex Air (Apr P)	3.40%	
	US GDP Annualized QoQ (1Q S)	2.00%	
	US New Home Sales MoM (Apr)	7.40%	
	29-May	JN Tokyo CPI Ex-Fresh Food, Energy YoY (May)	1.90%
		JN Jobless Rate (Apr)	2.70%
JN Retail Sales MoM (Apr)		1.30%	
JN Industrial Production MoM (Apr P)		-0.40%	
AU Private Sector Credit MoM (Apr)		0.70%	
JN Consumer Confidence Index (May)		32.2	
US Advance Goods Trade Balance (Apr)	-\$87.9b		
US MNI Chicago PMI (May)	49.2		

Source: Bloomberg

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