28 August 2026

Global Markets Research

Daily Market Highlights

28 Aug: All eyes on Kevin Warsh's speech

Mixed Fed speaks; UST yields slightly higher; DXY flattish ahead of Warsh's speech

Widest goods trade deficit since March 2025 for the US; lower initial jobless claims

Strong household spending growth for Australia; softer industrial profits for China

- Nvidia's blowout results spurred a rally in tech stocks, pushing the Nasdaq up 1.6% d/d, while the Dow and S&P 500 closed higher at a narrower pace of 0.2% d/d and 0.7% d/d. While tech stocks rallied, other sectors within the S&P nonetheless finished lower, with traders likely cautious ahead of Fed Chair Kevin Warsh's speech at the Jackson Hole Symposium and amid rumbles that the US is considering a fresh round of tariffs on semiconductors.
- Fed speaks, meanwhile, were mixed. While Fed Presidents Jeff Schmid and Beth Hammack suggest that policy makers should raise rates to curb inflation, their counterparts Auston Goolsbee and Susan Collins signalled a more cautious approach, the later saying that the Fed rates are mildly restrictive.
- In the bond space, treasuries fell for the second day, pushing yields up slightly by 2bps to 4.23% for the 2Y, and 3bps to 4.68% for the 10Y.
- On the forex space, the DXY closed just below its flatline at 99.16. GBP and JPY traded 0-0.1% d/d weaker at 1.3593 and 159.39, while EUR and AUD traded stronger by 0-0.3% d/d at 1.1653 and 0.7194, the latter as the recent hot inflation prints saw traders pencilling another rate hike by end 2026. JPY, meanwhile, is expected to strengthen after Tokyo's core CPI print accelerated for the third month to 1.8% in August (prior: 1.7% y/y), bolstering case for another BOJ rate hike this year.
- Regional currencies closed mixed, with TWD (0.4% d/d) and KRW (0.2% d/d) outperforming their peers, the latter after the Bank of Korea delivered a 25bps rate hike to 3.00%, as expected. CNH and SGD appreciated 0.1% d/d each to 6.7194 and 1.2713, while MYR weakened 0.2% d/d to 4.0330 vs the USD.
- In the commodity space, oil rebounded after Washington said that it was not in peace talks with Iran, dimming hopes for a sustainable resumption of oil flows through the Strait of Hormuz. Brent climbed 2.1% d/d to $89.70/barrel, and the WT gained 1.6% d/d to $83.53/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,569.44	0.20
S&P 500	7,730.99	0.72
NASDAQ	26,541.35	1.57
Stoxx Eur 600	651.85	-0.69
FTSE 100	10,792.54	-0.79
Nikkei 225	66,131.98	-0.20
CSI 300	4,630.28	0.86
Hang Seng	25,565.74	-0.34
Straits Times	5,684.12	-0.65
KLCI 30	1,741.72	-0.39
FX		
Dollar Index	99.16	-0.01
EUR/USD	1.1653	0.02
GBP/USD	1.3593	-0.01
USD/JPY	159.39	0.05
AUD/USD	0.7194	0.33
USD/CNH	6.7194	-0.05
USD/MYR	4.0330	0.16
USD/SGD	1.2713	-0.05
USD/KHR	4,045.75	-0.02
USD/THB	32.87	0.35
Commodities		
WTI ($/bbl)	83.53	1.58
Brent ($/bbl)	89.70	2.12
Gold ($/oz)	4,609.70	0.25
Copper ($/MT)	14,282.50	0.21
Aluminum($/MT)	3,234.50	0.29
CPO (RM/MT)	4,593.00	-0.80

Source: Bloomberg, HLBB Global Markets Research

Largest goods trade deficit for the US since March 2025; initial jobless claims remained low

- Initial jobless claims remained low, easing concerns over the state of the labour market. At 203k (-4k) for the week ended August 22, this marks a second week of decline and was better than what consensus had forecast. Continuing claims, a proxy for hiring, was also 18k lower at 1778k for the week ended August 15, a turnaround from +15k the week prior to that.
- Goods trade deficit widened more than expected to $118.8bn in July from -$101.4bn previously. This marks its largest goods trade deficit since March 2025, as imports jumped 3.7% m/m (prior: -2.4% m/m) led by capital goods and, likely tied to equipment needed to power the AI investment boom, while exports posted a deeper fall of 2.9% m/m (prior: -1.8% m/m) led by industrial supplies which includes crude oil and petroleum products.
- Figures on inventories which were released alongside the trade numbers, showed a 0.7% m/m increase for retail goods and 1.3% m/m for wholesale (prior: -0.2% m/m and 0.3% m/m), helping to offset the negative net export contributions to GDP at the start of the quarter.

Unexpected drop in Australia's capex; stronger than expected household spending

- Economic data was mixed, with private capex unexpectedly declining 3.6% q/q in 2Q (prior: 6.9% q/q) amid a 53.0% plunge in spending on information media and telecommunications equipment, after record investment in server racks and processing equipment for data centres the previous quarter. Despite the quarterly fall, total capital expenditure remains 10.7% higher on a yearly basis.
- Household spending, on the other hand, saw its third consecutive month of gains and beat forecast at 1.1% m/m in June (prior: 1.0% m/m). Gains were driven by spending on recreation & culture spurred by gambling activities, major sporting events and cinema attendance; food due to higher prices and as well as at hotels, cafes and restaurants.

China recorded its slowest industrial profit growth in 2026

- Industrial profit growth slowed to its weakest pace this year at 11.2% y/y in July (prior: 15.1% y/y), bringing YTD growth to 17.6% y/y. Details suggests that profits for exports and high-tech sectors remained strong, while consumer and property-related industries continues to lag amid subdued domestic demand as well as weak consumer and business confidence. With the recent upticks in producer prices and widening tech gap, the economic environment remains complex and challenging for China's economy.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	97-101	102.28	100.86	99.42	98.07
EUR/USD	1.15-1.18	1.13	1.14	1.16	1.18
GBP/USD	1.34-1.38	1.29	1.30	1.32	1.33
USD/CHF	0.78-0.82	0.81	0.81	0.80	0.79
USD/JPY	157-161	162	159	155	153
AUD/USD	0.69-0.73	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.61	0.56	0.56	0.57	0.57
USD/CNY	6.70-6.75	6.85	6.78	6.72	6.65
USD/MYR	4.02-4.08	4.15	4.11	4.07	4.03
USD/SGD	1.26-1.29	1.31	1.30	1.28	1.27
USD/THB	32.50--33.30	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6948	4.68	4.71	4.73	4.75
GBP/MYR	5.4748	5.37	5.36	5.36	5.36
AUD/MYR	2.8938	2.83	2.86	2.87	2.89
CNY/MYR	0.6001	0.61	0.61	0.61	0.61
SGD/MYR	3.1707	3.18	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
ECB	2.25	2.50	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	1.25	1.25	1.25
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	2.75	2.75

Source: HLBB Global Markets Research

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Date	Events	
28-Aug	EC Economic Confidence (Aug)	96.9
	US MNI Chicago PMI (Aug)	57.6
	US Prelim. Benchmark Payrolls Revision (2026)	-911k
	US U. of Mich. Sentiment (Aug F)	51
	US Kansas City Fed Services Activity (Aug)	14
31-Aug	JN Retail Sales MoM (Jul)	-4.10%
	JN Industrial Production MoM (Jul P)	1.90%
	AU Private Sector Credit MoM (Jul)	0.80%
	CH Manufacturing PMI (Aug)	49.2
	CH Non-manufacturing PMI (Aug)	49
	HK Retail Sales Value YoY (Jul)	4.60%
	US Dallas Fed Manf. Activity (Aug)	1.3

Source: Bloomberg

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