29 June 2026

Global Markets Research
Daily Market Highlights

29 June: Tech rout continued to drag on global stocks

Lower oil prices and easing inflation fears sent UST yields and DXY lower
Wider goods trade deficit; upward revisions to consumer sentiment for the US
Deceleration in China's industrial profits and Singapore's IPI growth

- US stocks wrapped up last week with a whimper. The S&P 500 (-0.1% d/d) and Nasdaq (-0.2% d/d) posted its fifth straight session of losses as traders continued to rotate out of tech stocks into more defensive sectors like consumer and healthcare. Tech stocks continued to be weighed down by growing concerns of surging costs impact on device makers and lofty valuations of AI stocks, while reports of OpenAI considering delaying its IPO to 2027 also dampened appetite for AI trade.
- The sell-off in tech stocks was equally severe in Asia. Nikkei 225 plunged 4.2% d/d, weighed down by SoftBank Group's shares, a key backer of OpenAI, while CSI 300 and Hang Seng also slid 3.0% d/d and 1.8% d/d. In Europe, Stoxx 600 dropped 0.7% d/d.
- Oil whipsawed after Iran attacked a Singapore-flagged cargo ship in the Strait of Hormuz, before closing lower by more than 3.0% d/d each to $69.23/barrel for the WTI and $71.99/barrel for Brent as traffic continued to flow through the straits despite the attack.
- In the treasury space, the benchmark 2Y yield moved 3bps lower to 4.09% with the softer oil price continuing to ease inflation fears, and more than eclipsed Fed President Neel Kashkari's comment, a voting member of the FOMC, that he has changed his outlook and opines that one rate hike will be necessary this year. The 10 UST yield also dropped 2bps to 4.37%, while 10Y European bond yields closed mixed between -/+3bps.
- In the forex space, the DXY eased slightly to 101.36 (-0.1% d/d). JPY remained weak and closed little changed at 161.74, but will likely be well supported by the smaller than expected moderation in May's retail sales data for Japan released early this morning (1.9% m/m vs 2.1% m/m). EUR and GBP strengthened 0.1% d/d each to 1.3184 and 1.3200 against the greenback, while AUD weakened 0.2% d/d to 0.6896.
- On the regional front, MYR (0.7% d/d to 4.0890) outperformed its regional peers for the third day after the

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,876.11	-0.09
S&P 500	7,354.02	-0.05
NASDAQ	25,297.62	-0.24
Stoxx Eur 600	635.88	-0.68
FTSE 100	10,508.02	-0.21
Nikkei 225	69,360.88	-4.15
CSI 300	4,868.22	-3.03
Hang Seng	22,671.86	-1.76
Straits Times	5,191.73	-0.52
KLCI 30	1,667.74	0.24
FX		
Dollar Index	101.36	-0.07
EUR/USD	1.1384	0.12
GBP/USD	1.3200	0.06
USD/JPY	161.74	-0.03
AUD/USD	0.6896	-0.20
USD/CNH	6.8049	0.05
USD/MYR	4.0890	-0.72
USD/SGD	1.2940	-0.18
USD/KHR	4,024.50	0.05
USD/THB	33.36	0.03
Commodities		
WTI ($/bbl)	69.23	-3.74
Brent ($/bbl)	71.99	-4.34
Gold ($/oz)	4,078.70	1.20
Copper ($/MT)	13,357.50	0.66
Aluminum($/MT)	3,179.50	0.47
CPO (RM/MT)	4,504.00	-0.20

Source: Bloomberg, HLBB Global Markets Research central bank's pledge to ensure orderly market conditions for the Ringgit. Similarly, SGD strengthened 0.2% d/d to 1.2940 despite its IPI miss, but CNH closed 0.1% d/d weaker at 6.8049 against the greenback.

US goods trade deficit swelled; a drag to 2Q GDP

- Goods trade deficit swelled more than expected to its 14-month high of $105.8bn in May from -$83.0bn as exports pulled back, and imports continued to march steadily upwards, a drag to GDP calculation in 2Q. Exports fell 5.4% m/m (prior: 3.8% m/m) with declines observed across most categories including crude oil and petroleum products, while imports jumped 3.6% m/m (prior: 2.0% m/m) to its 14-month high, driven by a surge in automotive imports, as data centre buildout continues to spur demand for capital goods, and as businesses continued to front load imports ahead of potentially price increases and supply chain disruption.
- In another releases, the final University of Michigan Sentiment index was revised up 0.6ppts to 49.5 in June (May: 44.8), as consumers' worries over long-term consequences of the Iran conflict appear to be easing.
- The Kansas City Fed Services Activity index unexpectedly softened to 5 in June from 10 previously, weighed down by declines in retail trade and transportation services. Expectations for future activity nonetheless improved.

Softer industrial profits growth for China

- Strong export growth and price gains failed to offset the drag from tepid domestic demand, and saw industrial profits growth moderating from 24.7% y/y to 21.1% y/y in May. As it is, the moderation continues to reflect an imbalanced economy, with high-tech industries continuing to outperform while consumer related industries continue to underperform, weighing heavily on the bottom line for most domestic-oriented firms.

Downward surprise for Singapore's IPI growth

- Industrial output growth decelerated sharper than expected to 13.0% y/y in May following a downwardly revised 16.5% y/y in April. Save for electronics (35.8% y/y and 40.3% y/y), precision engineering and general manufacturing clusters recorded output growth while the rest of the clusters saw a decline. In our opinion, sustained capex in AI infrastructure will continue to underpin demand for Singapore's electronics clusters and accordingly, provide tailwind for the manufacturing sector at least into 2H of 2026.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	100-103	100.63	99.80	97.96	96.48
EUR/USD	1.12-1.15	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	0.67-0.71	0.68	0.69	0.70	0.71
NZD/USD	0.54-0.59	0.57	0.58	0.58	0.59
USD/CNY	6.77-6.82	6.93	6.88	6.84	6.77
USD/MYR	4.09-4.15	3.98	3.96	3.93	3.90
USD/SGD	1.28-1.31	1.29	1.28	1.27	1.25
USD/THB	32.22-33.65	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6638	4.55	4.55	4.60	4.66
GBP/MYR	5.4054	5.23	5.23	5.26	5.28
AUD/MYR	2.8220	2.72	2.72	2.75	2.77
CNY/MYR	0.6014	0.58	0.58	0.58	0.58
SGD/MYR	3.1605	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

Date	Events	
29-Jun	UK Mortgage Approvals (May)	65.9k
	EC Economic Confidence (Jun)	93.5
	US Dallas Fed Manf. Activity (Jun)	0.4
30-Jun	JN Jobless Rate (May)	2.50%
	JN Industrial Production MoM (May P)	0.50%
	AU RBA Minutes of June Policy Meeting	
	CH Manufacturing PMI (Jun)	50
	CH Non-manufacturing PMI (Jun)	50.1
	AU Private Sector Credit MoM (May)	0.70%
	UK GDP QoQ (1Q F)	0.60%
	US FHFA House Price Index MoM (Apr)	0.10%
	US S&P Cotality CS US HPI YoY NSA (Apr)	0.67%
	US MNI Chicago PMI (Jun)	62.7
	US Conf. Board Consumer Confidence (Jun)	93.1
	US JOLTS Job Openings (May)	7618k
	US Dallas Fed Services Activity (Jun)	-7.7

Source: Bloomberg

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