29 July 2026

Global Markets Research

Daily Market Highlights

29 July: All eyes on FOMC for any hints of a near term rate hike

Consecutive gains in US equities and treasuries amid extended decline in oil prices
Dollar Index fell for the first time in four days but held on to the 101-handle
All eyes on FOMC meeting and Kevin Warsh's rhetoric; and Australia CPI today

- Continuous pullback in global oil prices reinforced risk-on market sentiments, overshadowing ongoing tech concerns. Oil prices fell for a 3rd consecutive day, on hopes of a peace effort to end the 5-month long Middle East conflict following the meeting between President Trump and Israel PM Netanyahu. Global crude oil prices closed the day lower by more than 3.0%, with the WTI and Brent crude last settled at $79.13/ barrel and $85.05/ barrel respectively.
- Equities and sovereign bonds in the US and Europe saw back to back gains. The Dow added 1.0% on the day shored up by materials and healthcare sectors while the broader S&P 500 advanced a modest 0.2% d/d. Tech-heavy Nasdaq extended its decline for the 5th trading session, closing the day lower by 0.2% d/d, reinforcing concerns if the high AI spending commensurate with returns, especially ahead of earnings reporting from Microsoft, Meta, Apple and Amazon. Bonds also saw extended gains, pushing UST yields down by 4-5bps. 2-year UST yields fell 4bps to 4.28% while the 10s also retreated 4bps to 4.61%. In Europe, 10Y sovereign bond yields fell between 2-5bps.
- On the contrary, Asian markets traded on a more downbeat note with losses as much as 11% (KOSPI) in equities and 10Y benchmark government bond yields were seen mixed between -4bps (South Korea) to +2bps (Philippines) as at yesterday's close. Sentiments appeared to have improved tracking overnight gains in the US and European markets, with futures suggesting a higher opening for Asian stocks this morning.
- On the FX front, the Dollar Index halted a 3-day winning streak and weakened 0.1% d/d to 101.39 at close, as investors pared positions ahead of tonight's FOMC meeting, where we expect a continued hawkish pause. Market pricing for Fed rate hike for 2026 remained little changed at 43bps but odds of a September rate hike has increased to 71% at the point of writing. G10s traded mixed against the greenback, with SEK and NZD leading gainers while AUD and NOK led

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,747.32	1.03
S&P 500	7,428.78	0.21
NASDAQ	24,876.91	-0.22
Stoxx Eur 600	646.89	0.35
FTSE 100	10,871.02	0.83
Nikkei 225	62,364.92	-3.95
CSI 300	4,569.52	-2.83
Hang Seng	25,310.85	0.41
Straits Times	5,616.11	-0.07
KLCI 30	1,712.48	-0.04
FX		
Dollar Index	101.39	-0.12
EUR/USD	1.1387	0.16
GBP/USD	1.3289	0.00
USD/JPY	163.85	0.06
AUD/USD	0.6975	-0.24
USD/CNH	6.7711	0.08
USD/MYR	4.0918	0.20
USD/SGD	1.2919	0.07
USD/KHR	4,041.50	0.02
USD/THB	33.55	-0.21
Commodities		
WTI ($/bbl)	79.13	-3.39
Brent ($/bbl)	85.05	-3.14
Gold ($/oz)	4,028.80	-1.22
Copper ($/MT)	13,644.50	-0.84
Aluminum($/MT)	3,148.50	-0.77
CPO (RM/MT)	4,530.00	-0.46

Source: Bloomberg, HLBB Global Markets Research underperformers. EUR edged 0.2% d/d higher to 1.1387 wile the GBP closed flat at 1.3289 against the USD. JPY weakened slightly to 163.85, hovering near its 40-year low against the USD, and will continue to keep intervention risks alive.

- Regional FX traded mixed against the USD yesterday. KRW outperformed with a 1.0% d/d gain despite selloffs in the KOSPI. Meanwhile, MYR erased early session gains (4.0835) and weakened 0.2% d/d to 4.0918 vs the USD at close, despite positive newsflows where BNM Governor reiterated at an annual symposium of the central bank that growth for the Malaysia economy will come in at the higher end of the official forecast range of 4.0-5.0%. CNH and SGD also weakened albeit slightly more modestly by 0.1% d/d each, last closing at 6.7711 and 1.2919 vs the greenback.

Mixed bag of US data pointed to uneven growth in the US economy

- Regional activity readings generally improved, mirroring similar gauges and PMI prints released recently that are expected to translate into a better ISM print due for release on 1 August. Richmond Fed manufacturing index inched up, albeit less than expected to 5 in July (Jun: 4), thanks to upticks in shipment, new orders, and employment. Dallas Fed services activity also turned out positive, picking up more than expected to 6.6 in July (Jun: 2.9), its highest in 19 months.
- Conference Board consumer confidence staged a surprised pullback in July (90.8 vs 92.2). Consumers turned less upbeat about current situation although there was no change to their expectations on future outlook. Elevated energy prices as well as perception of a weaker labour market were the main factors suppressing consumer confidence, and this, if persists, could be detrimental to consumption going forward.
- On the housing front, both FHFA house price index and S&P Cotality showed rebounds in house prices in May. The FHFA house price index rebounded to increase 0.3% m/m (Apr: -0.1% m/m) while S&P Cotality house prices also bounced back up from -0.03% to 0.15% m/m in May. While the increases were small, it nevertheless suggests the housing market was still holding up despite higher borrowing costs and subdued demand.

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	100-103	102.28	100.86	99.42	98.07
EUR/USD	1.12-1.15	1.13	1.14	1.16	1.18
GBP/USD	1.31-1.35	1.29	1.30	1.32	1.33
USD/CHF	0.80-0.82	0.81	0.81	0.80	0.79
USD/JPY	160-165	162	159	155	153
AUD/USD	0.68-0.71	0.68	0.70	0.71	0.72
NZD/USD	0.57-0.60	0.56	0.56	0.57	0.57

USD/CNY	6.76-6.80	6.85	6.78	6.72	6.65
USD/MYR	4.06-4.13	4.15	4.11	4.07	4.03
USD/SGD	1.28-1.31	1.31	1.30	1.28	1.27
USD/THB	33.00-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.65	4.68	4.71	4.73	4.75
GBP/MYR	5.43	5.37	5.36	5.36	5.36
AUD/MYR	2.85	2.83	2.86	2.87	2.89
CNY/MYR	0.60	0.61	0.61	0.61	0.61
SGD/MYR	3.16	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	
29 Jul	AU CPI YoY (Jun)	4.00%
	AU CPI Trimmed Mean YoY (Jun)	3.60%
	JN Machine Tool Orders YoY (Jun F)	52.80%
	UK Mortgage Approvals (Jun)	56.2k
	US MBA Mortgage Applications (24-Jul)	1.9%
30 Jul	US FOMC Rate Decision (Upper Bound)	3.75%
	AU Building Approvals MoM (Jun)	-1.10%
	JN Consumer Confidence Index (Jul)	33.8
	EC Economic Confidence (Jul)	95
	EC GDP SA QoQ (2Q A)	-0.20%
	EC Unemployment Rate (Jun)	6.20%
	UK Bank of England Bank Rate	3.75%
	US Personal Income (Jun)	0.70%
	US Personal Spending (Jun)	0.70%
	US Real Personal Spending (Jun)	0.30%
	US PCE Price Index YoY (Jun)	4.10%
	US Core PCE Price Index YoY (Jun)	3.40%
	US Initial Jobless Claims (25-Jul)	187k
	US GDP Annualized QoQ (2Q A)	2.10%

Source: Bloomberg

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