30 July 2026

Global Markets Research
Daily Market Highlights

30 July: Fed hold and Iran war rattle markets

Broad losses across US bourses; Nikkei dragged by tech; HSI and STI outperformed
Oil surged ~8% on Iran escalation; long-end yields hit highest since 2007
Softer than expected Australia Q2 CPI; all eyes on BOE rate decision today

- A fresh flare-up in US-Iran hostilities and a fractured Federal Reserve decision — with three officials dissenting in favour of a hike — saw investors retreat overnight, with the 3 major stock indices closing lower between -1.5% and -2.2% d/d. The Dow Jones Industrial Average fell -2.2% d/d to 51,594.14, the S&P 500 by -1.5% d/d to 7,316.15, and the Nasdaq Composite by -1.7% d/d to 24,442.94. Industrials led losses (-3.2%), weighed by Lennox International, Vertiv, and Caterpillar on earnings disappointments and an AI infrastructure retreat; technology followed (-2.5%), with Nvidia shedding 3.6% and the Philadelphia Semiconductor Index slumping 5.3% as the Nasdaq 100 entered a technical correction, now down 11% from its June peak.
- Sentiment elsewhere was mixed. The Stoxx Eur 600 slipped -0.3% d/d to 645.01, while the FTSE 100 bucked the trend, rising +0.3% d/d to 10,908.41, supported by energy-sector gains on the oil surge. In Asia, the Nikkei 225 fell -1.5% d/d to 61,434.19 — its lowest close since May 20 — dragged by AI-linked chipmakers amid caution ahead of the Fed decision; in contrast, the Hang Seng gained +2.0% d/d to 25,807.92, underpinned by a rotation into technology. The STI added +1.7% d/d to 5,713.19, boosted by banking heavyweights, and the FBMKLCI edged up +0.2% d/d to 1,715.56. With the Fed's hawkish hold and the oil shock now fully in view, this will be a negative overhang for regional bourses today.
- In the bond space, a combination of the Fed's 9-3 hold — with three dissenters favouring a 25bps hike — and surging oil prices stoking inflation fears drove a sharp selloff at the long end of the US curve. The 2Y yield closed the day 1.4bps lower at 4.27%, and the 10Y by +7.1bps to 4.68%; the 30-year yield surged +11.2bps to 5.20%, its highest level since 2007.
- The DXY fell -0.52% d/d to 100.89, as the Fed's decision to hold rates prompted traders to pare September rate hike bets. EUR (+0.70% d/d) and CHF (+0.66% d/d) led gainers against the USD, while AUD was the lone ranger, depreciating -0.27% d/d to 0.6956 against the Dollar, pressured by softer-than-

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,594.14	-2.19
S&P 500	7,316.15	-1.52
NASDAQ	24,442.94	-1.74
Stoxx Eur 600	645.01	-0.29
FTSE 100	10,908.41	0.34
Nikkei 225	61,434.19	-1.49
CSI 300	4,600.26	0.67
Hang Seng	25,807.92	1.96
Straits Times	5,713.19	1.73
KLCI 30	1,715.56	0.18
FX		
Dollar Index	100.89	-0.52
EUR/USD	1.1467	0.70
GBP/USD	1.3370	0.61
USD/JPY	163.41	-0.27
AUD/USD	0.6956	-0.27
USD/CNH	6.7605	-0.16
USD/MYR	4.0905	-0.03
USD/SGD	1.2892	-0.21
USD/KHR	4,041.00	-0.01
USD/THB	N/A	N/A
Commodities		
WTI ($/bbl)	84.46	6.56
Brent ($/bbl)	90.74	7.91
Gold ($/oz)	4,036.30	-0.06
Copper ($/MT)	13,581.00	-0.76
Aluminum($/MT)	3,180.00	1.03
CPO (RM/MT)	4,557.00	0.37

Source: Bloomberg, HLBB Global Markets Research expected Australian CPI data released earlier in the session. On the regional front, Asian currencies traded mostly stronger against the greenback. The CNH strengthened +0.16% d/d to 6.7605, while the MYR firmed a tad, +0.03% d/d to 4.0905.

- Amid a fresh escalation in US-Iran hostilities — with Iran's IRGC firing ballistic missiles at US forces in Jordan and the US and Saudi Arabia striking Tehran-backed militias in Iraq — crude oil prices surged, with WTI jumping +6.6% d/d to $84.46/barrel and Brent +7.9% d/d to $90.74/barrel. An EIA report showing US commercial crude inventories fell more than 7 million barrels to their lowest since 2018, with Cushing stocks back below 20 million barrels, amplified the geopolitical premium.

Fed holds at 3.50%–3.75%; largest dissent bloc in recent memory signals hike risk

- The FOMC voted 9-3 to hold the federal funds rate at 3.50%–3.75% at its July meeting (prior: 3.50%–3.75%), marking the fifth consecutive hold. Key highlights include: 1) Dallas Fed President Logan, Cleveland's Hammack, and Minneapolis' Kashkari all dissented in favour of a 25bps hike — the largest dissent bloc in recent memory; 2) Chair Warsh insisted the hold was not "inertia," reiterating the Fed's commitment to tackling inflation; 3) the post-meeting statement was identical to the one issued following their June meeting; 4) Economic activity is expanding at a solid pace from strong capital investment and productivity growth; 5) Climbing market rates are doing some tightening work for the policymakers. The decision points to a Fed that is holding its nerve for now, but where the internal balance of risks is shifting toward tightening.

US mortgage applications pulled back

- US MBA mortgage applications fell -6.4% for the week ending 24 July (prior: +1.9%), reversing the prior week's gain as rising long-end Treasury yields weighed on both refinancing and purchase activity — a dynamic that is set to persist given the further yield surge following the FOMC decision.

UK mortgage approvals surprised on the upside in June; housing credit rebounds from two-year low

- UK mortgage approvals rose to 58,200 in June (prior: 56,205; consensus: 57,100), recovering from May's two-year low and beating expectations, with the housing market showing resilience despite elevated borrowing costs. Net mortgage lending surged to £7.7bn (prior: ~£3.3bn; consensus: ~£3.9bn), and net consumer credit edged up to £1.8bn (prior: £1.7bn), while M4 money supply growth accelerated to 5.0% y/y (prior: 4.3% y/y). The data is unlikely to shift the BOE's calculus materially — approvals remain below the six-month average of 61,435 — but the beat will be noted ahead of today's rate decision.

- On a separate note, the BOE announces its rate decision today; market consensus leans toward a hold at 3.75%, though the combination of surging oil prices and the Fed's hawkish hold overnight has lifted UK rate expectations, with gilt yields rising +9.2bps to 5.04% — a level that will add to the MPC's deliberations on the inflation outlook.

Japan's machine tool orders confirmed solid in June

- Japan's machine tool orders grew 52.7% y/y in June (final; prior: 52.8% y/y flash estimate), a marginal downward revision that leaves the headline unchanged in substance, consistent with sustained capex demand underpinned by semiconductor and automation investment.

Softer than expected Australia Q2 CPI; RBA rate hike bets slashed sharply

- Australia's trimmed mean CPI — the RBA's preferred gauge — came in softer than expected at 0.8% q/q in Q2 2026 (prior: 0.8% q/q; consensus: 0.9% q/q), with the annual rate printing at 3.6% y/y (prior: 3.5% y/y; consensus: 3.7% y/y). The monthly headline CPI for June also came in below consensus at 3.8% y/y (prior: 4.0% y/y; consensus: 4.0% y/y), with transportation the primary driver of the deceleration. The data points to a gradual, if uneven, disinflationary trend, though the trimmed mean remains above the RBA's 2–3% midpoint target. Money markets slashed bets on a further RBA hike this year following the release.
- In short, the data continues to paint a picture of inflation that is moving in the right direction but remains sticky enough to keep the RBA on alert. The RBA's August meeting will be closely watched; market consensus now leans toward a hold, though any upside surprise in the July monthly CPI — due in late August — could quickly revive hike expectations.

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	4.66	4.68	4.71	4.73	4.75
GBP/MYR	5.44	5.37	5.36	5.36	5.36

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AUD/MYR	2.84	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

Up Next

Date	Events	
30-Jul	AU Building Approvals MoM (Jun)	-1.10%
	JN Consumer Confidence Index (Jul)	33.8
	EC Economic Confidence (Jul)	95
	EC Industrial Confidence (Jul)	-7.7
	EC Services Confidence (Jul)	3.2
	EC Consumer Confidence (Jul F)	--
	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%
31-Jul	SI Unemployment rate SA (Jun)	2.10%
	JN Tokyo CPI YoY (Jul)	1.70%
	JN Jobless Rate (Jun)	2.50%
	JN Retail Sales MoM (Jun)	1.90%
	JN Industrial Production MoM (Jun P)	0.10%
	CH Manufacturing PMI (Jul)	50.3
	CH Non-manufacturing PMI (Jul)	50.2
	JN Housing Starts YoY (Jun)	33.90%
	HK GDP YoY (2Q A)	5.90%
	EC CPI YoY (Jul P)	2.80%
	US MNI Chicago PMI (Jul)	56.7
	US U. of Mich. Sentiment (Jul F)	54.4
	JN BOJ Target Rate	1.00%

Source: Bloomberg

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