20 February, 2026

Global Markets Research

Weekly Market Highlights

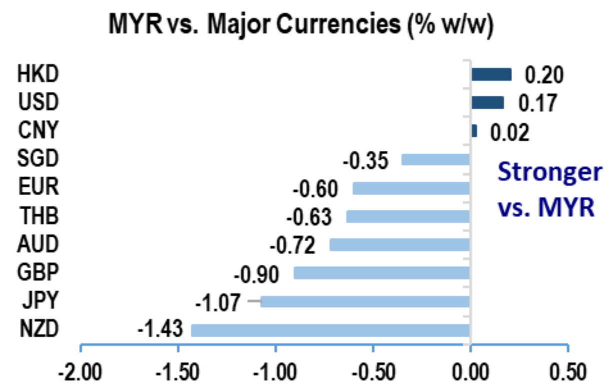
Markets

	Last Price	WOW%	YTD %
Dow Jones Ind.	49,395.16	-0.11	2.77
S&P 500	6,861.89	0.43	0.24
FTSE 100	10,627.04	2.16	7.00
Hang Seng	26,705.94	-1.21	4.20
KLCI	1,752.11	0.07	4.29
STI	5,001.56	-0.30	7.65
Dollar Index	97.93	1.03	-0.40
WTI oil ($/bbl)	66.43	5.71	15.69
Brent oil ($/bbl)	71.66	6.13	17.76
Gold ($/oz)	4,975.90	1.06	14.62
CPO (RM/ tonne)	4,043.00	0.76	2.80
Copper ($$/MT)	12,809.00	-0.52	3.11
Aluminum($/MT)	3,067.50	-1.05	2.40

Source: Bloomberg
**13-16 Feb for CPO*

- **Wall Street closed mixed; crude oil rallied:** Despite a shortened trading week, US stocks were wavering between gains and losses, starting on a mixed note with a cooler than expected inflation reading failing to offset jitters over the disruptive potential of AI. Stocks clawed back early losses with tech stocks rebounding, but later turned sour again with the simmering US-Iran tension that prompted investors to shy away from equities. This comes following the military build-up in the Middle East after Iran ignored key US demands in the latest nuclear talks. At the end, the 3 major US stock indices closed mixed between -0.1% and +0.4% w/w, while crude oil prices were firmly on an upward trend, closing 5.7-6.1% higher during the week.
- **PBoC likely to maintain lending rates next week:** Next week, the PBoC will decide on their next policy action but are expected to maintain its 1Y and 5Y lending rates unchanged at 3.00% and 3.50% respectively. It will be a data light week, with only the US PPI, factory orders, Conference Board's Consumer Confidence index and home prices indicators on deck. Eurozone will release its Economic Confidence index, while UK will publish its GfK Consumer Confidence index. Both Japan and Singapore will release their IPI prints, the latter accompanied by inflation number, Japan by its retail sales and Tokyo's CPI.

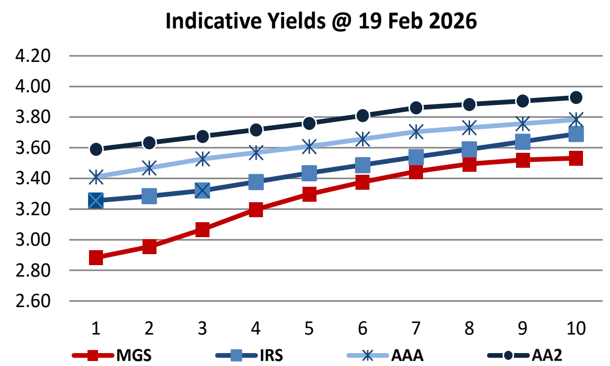
Forex



Source: Bloomberg

- **MYR:** MYR was softer against the USD in trading this week, losing ground by 0.2% to 3.9090 (prior: +1.2%) from 3.9025 the prior week, amidst an upward revision to the final 4Q and 2025 annual GDP figures and CPI for January holding steady as expected during the holiday-shortened week. Against the rest of the G10 currencies, the MYR was stronger across for the week, gaining versus the NZD (+1.4%) and JPY (+1.1%) but versus major regional currencies, it was mixed, gaining the most against the THB (+0.6%) and KRW (+0.6%), but losing ground against the PHP (-0.4%) and INR (-0.1%). We remain ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, looking at a likely trading range of 3.8850 – 3.9450. The coming week brings the release of the external trade figures for January, which will give a better picture of how the growth momentum was holding up in the new year thus far.
- **USD:** USD advanced in trading this week, with the DXY firming up by 1.0% w/w to 97.93 (prior: -0.9%) from 96.93 the week before, amidst CPI for January cooling by more than expected and industrial production for the month coming in north of expectations, with the minutes of the Jan 28 FOMC meet surprisingly revealing a hawkish tone amongst several members during the decision to hold rates steady. We continue to be ***Neutral-to Slightly Bullish*** on the USD for the coming week, foreseeing a possible trading range of 96.75 – 99.50 for the DXY. The week ahead sees the release of the advanced 4Q GDP figures and core PCE for January, as well as the Conference Board's measure of consumer confidence for February and the preliminary S&P Global US PMIs for the month.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** US Treasuries were slightly stronger for the week in review, amidst heightened geopolitical tensions and minutes from the Jan 28 FOMC meet that were more hawkish than expected, with several Fed members seeing a possible need to hike rates down the road on renewed inflationary concerns with the labour markets showing recent signs of stabilization. **Overall benchmark yields for the week were lower by between 0 and 3bps w/w** (prior: -11 to +1bp) as of the close of business on Thursday. The benchmark 2Y UST yield was little changed for the week at 3.46% while the benchmark 10Y UST saw its yield decline by 3bps to 4.07%, resulting in the UST curve flattening slightly for the week. **We expect USTs to trade with a constructive tone for the coming week.** The week ahead sees the release of the core PCE prices for December and advanced 4Q GDP, with the preliminary PMIs for February also due for release.
- **MGS/GII:** Local government bonds were firmer for the holiday-shortened week in review, amidst CPI for January holding steady from the previous month's level as expected and a well-received re-opening of RM3bn of the benchmark 20Y GII 5/45, which drew a BTC of 2.896x, the largest in government bond auctions thus far this year. **Overall benchmark MGS/GII yields closed the week mixed by between -4 and +1bp w/w** (prior: -2 to +6bps). The benchmark 5Y MGS 5/30 yield was 1bp lower for the week at 3.28%, while the benchmark 10Y MGS 7/35 yield declined by 3bps to 3.52%. **For the week ahead, we expect local govvies to continue to trade with a bullish bias.** The coming week sees the release of the trade figures for January, which will give a better picture on how the growth momentum was at the start of the year. and we will also get the announcement of the re-opening of the MGS 6/31, which will take over as benchmark 5Y MGS, and we expect RM5bn to be put up for sale.

Macroeconomic Updates

- **Wall Street closed mixed; crude oil rallied:** Despite a shortened trading week, US stocks were wavering between gains and losses, starting on a mixed note with a cooler than expected inflation reading failing to offset jitters over the disruptive potential of AI. Stocks clawed back early losses with tech stocks rebounding, but later turned sour again with the simmering tension between the US and Iran saw investors shying away from equities. This comes following the military build-up in the Middle East after Iran ignored key US demands in the latest nuclear talks. At the end, the 3 major US stock indices closed mixed by -0.1% to +0.4% w/w, while crude oil prices were firmly on an upward trend, closing 5.7-6.1% higher during the week.

- **RBNZ maintained rates; FOMC meeting minutes suggests a rate pause for now:** In terms of monetary policy, we saw the Reserve Bank of New Zealand (RBNZ) leaving its official cash rates unchanged at 2.25%, as expected but its Governor tempered future rate hike bets, saying that the central bank is not planning to raise rates until they see more inflationary pressures and a stronger economy.

  In the US, minutes to the latest FOMC meeting suggests that there is little support for a rate cut for now with several/some FOMC participants commenting that disinflation has been slower and more uneven than expected and thus, it would likely be appropriate to hold the policy rate steady for some time until there is clear indication that disinflation is firmly back on track. More importantly, FOMC members would have supported a neutral tone on future interest rate decisions, reflecting the prospects of a rate cut or a rate hike as evenly balanced going forward.

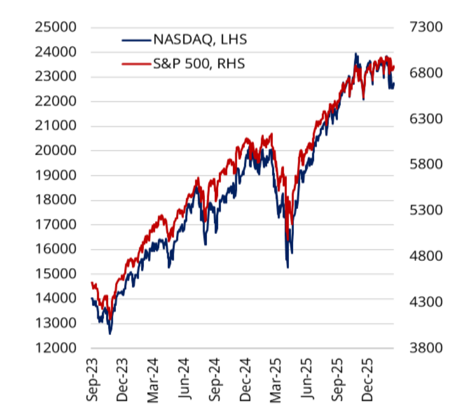
  As it is, a solid slew of economic data and CPI will give leeway for the Fed to maintain status quo (or maneuver) for now. In terms of prices, January's headline CPI was up 0.2% m/m and 2.4% y/y (prior: 0.3% m/m and 2.7% y/y). Absent a 6.5% m/m jump in airfares, inflation for most components were well contained. Real data was mostly robust and positive, especially on the capex front. Capex nondef ex-air (0.6% m/m in Dec vs 0.8% m/m in Nov) increased more than forecast, imports grew led by capital goods while manufacturing output (0.6% m/m) saw strong gains for business equipment (and consumer goods). Outside of capex, data showed that trade deficit narrowed to $901.5bn in 2025 (2024: -$903.5bn), suggesting little contributions from net exports to real GDP growth in 2025. Housing-related indicators were mixed. Housing starts and building permits were stronger at 6.2% m/m and 4.3% m/m in December (prior: 3.9% m/m and -1.6% m/m) but pending home sales unexpectedly fell 0.8% m/m in January.

- **"Material shift" in economic outlook and risks behind RBA's February rate hike:** In Australia, minutes to the latest RBA policy meeting showed that the central bank assessed that economic outlook and risks had "materially shifted" when it decided to make a U-turn and raised rates by 25bps to 3.85% earlier this month. In particularly, the decision rested on their judgements that inflationary pressures would persist (reflecting greater capacity pressure) and that financial conditions were currently not restrictive enough to bring inflation back to target within a reasonable period. Given the prevailing uncertainties, policy makers also opined that it was not possible to have a high degree of confidence in any particular path for the cash rate, that future policy decisions would need to respond to these evolving risks, but in our opinion, the RBA will deliver another quarter point hike by the 2026, especially since a tight labour market (unemployment rate steady at 4.1% in January with hiring strong at +17.8k) and still elevated wage growth (3.4% y/y and 0.8% q/q in 4Q) will reinforce inflation challenge for the central bank.

- **GDPs in 4Q continued to be mixed but positive:** Similar to the prior week, 4Q GDPs released were mixed across the globe, disappointing but still a rebound for Japan (0.2% q/q in 4Q vs -2.6% q/q in 3Q), steady for the Eurozone (0.3% q/q) and ended on a high note for Malaysia, the latter clocking in an impressive 6.3% y/y expansion, which was upwardly revised from the advanced estimate of +5.7% y/y, and a pick-up from 3Q's +5.4% y/y increase (revised 0.2ppt up from +5.2% y/y). This marked its 2nd straight quarter of pick-up and to its best growth pace in three years, as momentum built into the very last month of the year. US will release its 4Q print later today and as it is, consensus is expecting growth to come in softer at 2.8% after 3Q's bumpy 4.4%.

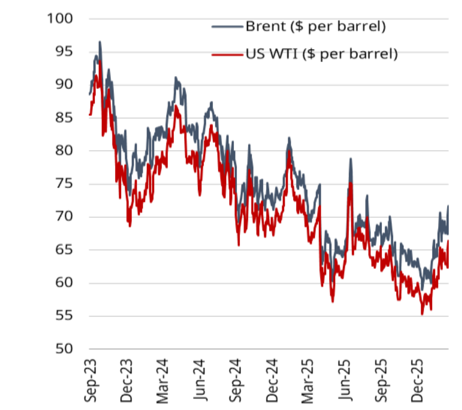
- **PBoC likely to maintain lending rates next week:** Next week, the People's Bank of China (PBoC) will decide on their next policy action. It is widely expected that they will maintain its 1Y and 5Y lending rates unchanged at 3.00% and 3.50% respectively despite still weak data, the latest being new loans falling short of expectations at 4.7tn yuan in January, while new and used home prices also continued to fall at 0.4% m/m and 0.5% m/m. It will also be an equally data light week, with only the US PPI, factory orders, Conference Board's Consumer Confidence index and home prices indicators from the FHFA to S&P Cotality up on deck. Eurozone will release its Economic Confidence index, while UK will publish its GfK Consumer Confidence index. Both Japan and Singapore will release their IPI prints, the latter accompanied by inflation number, Japan by its retail sales and Tokyo's CPI.

AI-related trades and geopolitical newsflows drove Wall Street



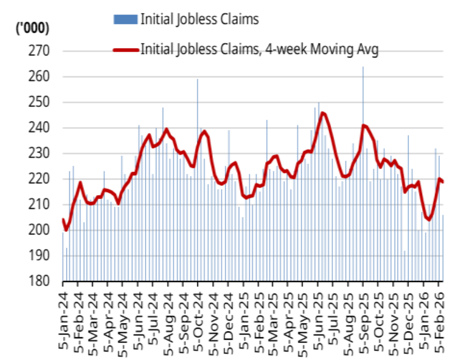
Source: Bloomberg

Heightened US-Iran tension saw crude oil prices jumping; eclipsing any oversupply risks



Source: Bloomberg

Initial jobless claims dipped below 210k and offered comfort of a still stable labour market



Source: Bloomberg

Foreign Exchange

- **MYR:** MYR was softer against the USD in trading this week, losing ground by 0.2% to 3.9090 (prior: +1.2%) from 3.9025 the prior week, amidst an upward revision to the final 4Q and 2025 annual GDP figures and CPI for January holding steady as expected during the holiday-shortened week. Against the rest of the G10 currencies, the MYR was stronger across for the week, gaining versus the NZD (+1.4%) and JPY (+1.1%) but versus major regional currencies, it was mixed, gaining the most against the THB (+0.6%) and KRW (+0.6%), but losing ground against the PHP (-0.4%) and INR (-0.1%). We remain ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, looking at a likely trading range of 3.8850 – 3.9450. The coming week brings the release of the external trade figures for January, which will give a better picture of how the growth momentum was holding up in the new year thus far.

- **USD:** USD advanced in trading this week, with the DXY firming up by 1.0% w/w to 97.93 (prior: -0.9%) from 96.93 the week before, amidst CPI for January cooling by more than expected and industrial production for the month coming in north of expectations, with the minutes of the Jan 28 FOMC meet surprisingly revealing a hawkish tone amongst several members during the decision to hold rates steady. We continue to be ***Neutral-to Slightly Bullish*** on the USD for the coming week, foreseeing a possible trading range of 96.75 – 99.50 for the DXY. The week ahead sees the release of the advanced 4Q GDP figures and core PCE for January, as well as the Conference Board's measure of consumer confidence for February and the preliminary S&P Global US PMIs for the month.

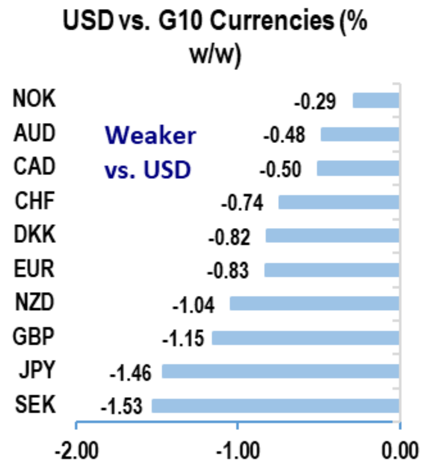
- **EUR**: EUR was weaker in trading this week, declining against the USD by 0.8% w/w (prior: +0.8%) to 1.1773 from 1.1871 the prior week, amidst the second reading of Eurozone 4Q GDP coming in as per expected with no changes versus the advanced reading released last month, and talk of ECB chief Christine Lagarde possibly stepping down early from her position. We are ***Neutral*** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1650 – 1.1900. The coming week brings the release of the final CPI for January, negotiated wages figures for 4Q as well as the preliminary Eurozone PMIs for February.

- **GBP**: GBP depreciated in trading this week, falling by 1.2% w/w (prior: +0.7%) to 1.3465 against the greenback from 1.3622 the week before, amidst the monthly UK employment report coming in softer than expected, resulting in heightened expectations that the Bank of England may ease more in the near future. We are ***Neutral*** on the Cable for the coming week, looking at a likely trading range of 1.3325 – 1.3600 for the pair. The week ahead sees the release of retail sales for January as well as the preliminary UK PMIs for February.

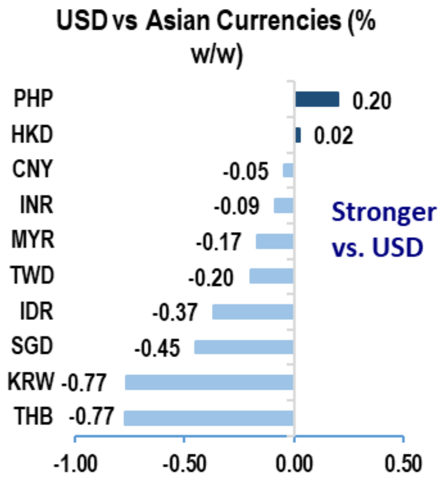
- **JPY**: JPY sold off against the USD in trading this week, declining by 1.5% to 155.01 (prior: +2.8%) from 152.74 the prior week, amidst preliminary 4Q GDP falling short of expectations, driven by business spending for the quarter that was lower than anticipated. We are ***Neutral*** on USD/ JPY for the week ahead, foreseeing a possible trading range of 152.50 – 157.50. After the national CPI figures for January cooled slightly more than expected and the preliminary February PMIs rose further from January's readings this morning, the coming week is a pretty quiet one for Tier-1 economic data releases.

- **AUD**: AUD fell slightly against the USD in trading this week, receding by 0.5% to 0.7056 (prior: +2.4%) from 0.7090 the week before, amidst the unemployment rate unexpectedly holding steady at 4.1%, driven by another marked rise in full-time employment. RBA minutes of the February policy meeting revealed that the central bank raised rates in response to an economic outlook that had "materially shifted" but stopped short of signalling any future rate hikes. We continue to be ***Neutral-to-Slightly Bearish*** on AUD/USD for the coming week, eyeing a probable trading range of 0.6925 – 0.7175. The week ahead sees the release of private capital expenditure figures for 4Q, CPI for January and the preliminary Australian PMIs for February.

- **SGD**: SGD was lower against the greenback in trading this week, declining by 0.5% (prior: +1.0%) to 1.2683 from 1.2626 the prior week, amidst a smaller than expected rise for non-oil domestic exports in January. Against other G10 currencies, the SGD was stronger across the board for the week, except against the NOK (-0.2%), but versus major regional currencies, it was a mixed bag, gaining ground against the THB (+0.3%) and KRW (+0.3%) but declining versus the PHP (-0.7%) and INR (-0.4%). We are ***Neutral*** on the USD/SGD for the week ahead, looking at a likely trading range of 1.2575 – 1.2800 for the currency pair. The coming week will see the release of CPI figures for January, as well as the industrial production numbers for the month.



Source: Bloomberg



Source: Bloomberg

Forecasts

	Q1-26	Q2-26	Q3-26	Q4-26
DXY	96.71	95.13	94.70	95.49
EUR/USD	1.20	1.22	1.22	1.21
GBP/USD	1.36	1.37	1.37	1.35
USD/JPY	153	149	147	147
AUD/USD	0.68	0.69	0.70	0.69
USD/MYR	4.00	3.97	3.97	4.00
USD/SGD	1.26	1.23	1.23	1.24
USD/CNY	6.90	6.83	6.85	6.90
	Q1-26	**Q2-26**	**Q3-26**	**Q4-26**
EUR/MYR	4.78	4.82	4.85	4.84
GBP/MYR	5.44	5.45	5.45	5.41
AUD/MYR	2.72	2.75	2.78	2.76
SGD/MYR	3.17	3.21	3.23	3.22
CNY/MYR	0.58	0.58	0.58	0.58

Source: HLBB Global Markets Research

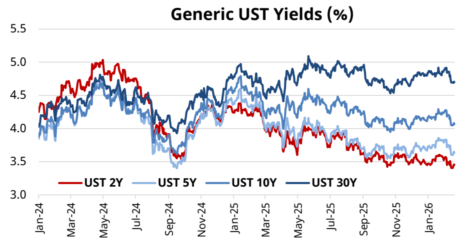
Fixed Income

- **UST:** US Treasuries were slightly stronger for the week in review, amidst heightened geopolitical tensions and minutes from the Jan 28 FOMC meet that were more hawkish than expected, with several Fed members seeing a possible need to hike rates down the road on renewed inflationary concerns with the labour markets showing recent signs of stabilization. Economic data releases for the week saw CPI for January come in slightly cooler than expected, while industrial production for the month was better than anticipated. The amount of Fed cuts priced for 2026 was little changed during the week, with the futures markets pricing in 58bps worth of reductions for the year ahead versus the 59bps of cuts priced the week before. **Overall benchmark yields for the week were lower by between 0 and 3bps w/w** (prior: -11 to +1bp) as of the close of business on Thursday. The benchmark 2Y UST yield was little changed for the week at 3.46% while the benchmark 10Y UST saw its yield decline by 3bps to 4.07%, resulting in the UST curve flattening slightly for the week. **We expect USTs to trade with a constructive tone for the coming week.** The week ahead sees the release of the core PCE prices for December and advanced 4Q GDP, with the preliminary PMIs for February also due for release.

- **MGS/GII:** Local government bonds were firmer for the holiday-shortened week in review, amidst CPI for January holding steady from the previous month's level as expected and a well-received re-opening of RM3bn of the benchmark 20Y GII 5/45, which drew a BTC of 2.896x, the largest in government bond auctions thus far this year. **Overall benchmark MGS/GII yields closed the week mixed by between -4 and +1bp w/w** (prior: -2 to +6bps). The benchmark 5Y MGS 5/30 yield was 1bp lower for the week at 3.28%, while the benchmark 10Y MGS 7/35 yield declined by 3bps to 3.52%. Secondary market activity declined for the week, with the average daily secondary market volume for MGS/GII falling by 50% to RM3.17bn for the week in review versus the daily average of RM6.36bn seen the prior week. Trading for the week was led by the benchmark 10Y MGS 7/35, which saw RM0.96bn swapping hands, and keen interest was also seen in the off-the-run MGS 7/26 and the benchmark 7Y GII 10/31, with RM0.93bn and RM0.88bn traded respectively. GII trades totalled 49% of government bond trading for the week, receding from the 52% share seen the prior week. **For the week ahead, we expect local govvies to continue to trade with a bullish bias.** The coming week sees the release of the trade figures for January, which will give a better picture on how the growth momentum was at the start of the year. and we will also get the announcement of the re-opening of the MGS 6/31, which will take over as the benchmark 5Y MGS, and we expect RM5bn to be put up for sale.

- **MYR Corporate bonds/ Sukuk**: Trading in the secondary corporate bond/sukuk market was mixed for the shortened week in review. Secondary market activity fell markedly for the week, with the average daily volume traded plunging by 66% to RM0.45bn (prior week: RM1.30bn). Trading for the week was led by the GG segment of the market, where the interest was led by LPPSA 4/33, with RM230m traded for the week and the bond last switching hands at 3.57%. Keen interest was also seen in PRASA 12/33, with RM210m changing hands during the week and last being traded at 3.59%. In the AAA-rated space, PHB 9/27 led the activity for the week, with RM60m swapping hands and last being traded at 3.64%. Interest was also seen in CELCOMDIGI 12/30, which saw RM30m being traded and last switching hands for the week at 3.56%. Over in the AA-rated arena, trading was led by SPSETIA 6/30, with RM110m changing hands for the week and last being traded at 3.67%, while decent interest was also seen in EXSIM 6/27 and UEMS 2/38, which saw RM45m of each bond being traded and last settling at 4.80% and 4.07% respectively. In the A-rated segment of the market, trading was led by DIALOG 4.15% Perps, where RM10m swapping hands for the week with the bond last traded at 3.83%. Contrary to the trading of secondary bonds, issuance activity for the week grew versus that in the prior week, with government guaranteed LPPSA leading the way, coming to the market with RM5.5bn worth of 7 IMTNs with maturities ranging from 5yrs to 30yrs and coupons ranging from 3.42% to 4.19%. Government guaranteed DANUM was also seen issuing RM1.4bn of 2 IMTNs (RM400m 3yr at 3.42% and RM1bn 10yr at 3.82%), while AA3-rated 7-Eleven printed RM250m of a 5yr IMTN at 4.56%.

- **Singapore Government Securities:** SGS were slightly firmer in trading this week, amidst a shortened trading week that saw non-oil domestic exports (NODX) for January fall short of expectations. Benchmark yields closed the week mixed by between -3 and +1bp (prior week: 3 to 6bps lower). **The benchmark SGS 2Y yield was 1bp higher for the week at 1.33%, while the benchmark SGS 10Y yield declined by 3bps for the week to 1.93%** as of Thursday's close, resulting in the 2s10s SGS curve flattening to 61bps. The slight advance in bond prices for the week resulted in Bloomberg's Total Return Index unhedged SGD gaining by 0.2% for the week (prior week: +0.5%). The coming brings the release of industrial production figures for January, which will give a better picture of how the economy began the year, as well as the CPI for the month which is expected to head higher.



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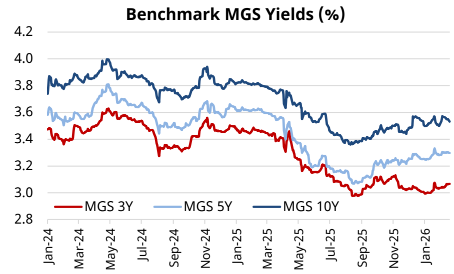

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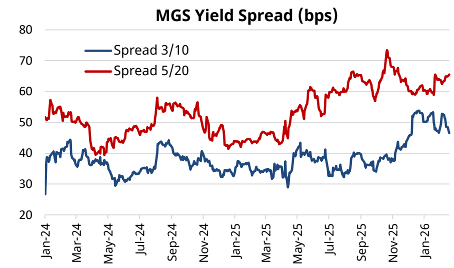

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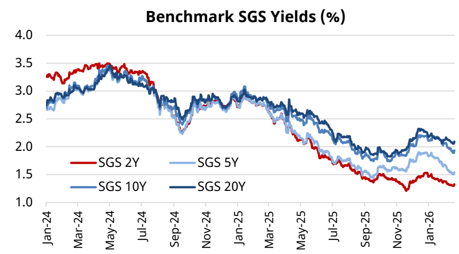

Source: Bloomberg

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: MARC/RAM

Economic Calendar

Date	Time	Country	Event	Period	Prior
23-Feb	13:00	SI	CPI YoY	Jan	1.20%
	21:30	US	Chicago Fed Nat Activity Index	Jan	-0.04
	23:00	US	Factory Orders	Dec	2.70%
	23:30	US	Dallas Fed Manf. Activity	Feb	-1.2
24-Feb	9:00	CH	5-Year Loan Prime Rate	0:00	3.50%
	9:00	CH	1-Year Loan Prime Rate	0:00	3.00%
	15:00	MA	Foreign Reserves	0:00	$126.9b
	21:30	US	Philadelphia Fed Non-Manufacturing Activity	Feb	-4.2
	22:00	US	FHFA House Price Index MoM	Dec	0.60%
	22:00	US	House Price Purchase Index QoQ	4Q	0.20%
	22:00	US	S&P Cotality CS US HPI YoY NSA	Dec	1.36%
	23:00	US	Richmond Fed Manufact. Index	Feb	-6
	23:00	US	Richmond Fed Business Conditions	Feb	-6
	23:00	US	Conf. Board Consumer Confidence	Feb	84.5
	23:30	US	Dallas Fed Services Activity	Feb	2.7
25-Feb	8:30	AU	CPI Trimmed Mean YoY	Jan	3.30%
	16:30	HK	CPI Composite YoY	Jan	1.40%
	20:00	US	MBA Mortgage Applications	0:00	2.80%
		HK	GDP Annual YoY	2025 F	3.50%
		HK	GDP YoY	4Q F	3.80%
26-Feb	13:00	SI	Industrial Production SA MoM	Jan	-13.30%
	18:00	EC	Economic Confidence	Feb	99.4
	21:30	US	Initial Jobless Claims	0:00	206k
27-Feb	0:00	US	Kansas City Fed Manf. Activity	Feb	0
	7:30	JN	Tokyo CPI Ex-Fresh Food YoY	Feb	2.00%
	7:50	JN	Retail Sales MoM	Jan	-2.00%
	7:50	JN	Industrial Production MoM	Jan P	-0.10%
	8:01	UK	GfK Consumer Confidence	Feb	-16
	8:30	AU	Private Sector Credit MoM	Jan	0.80%
	16:30	HK	Exports YoY	Jan	26.10%
	21:30	US	PPI Final Demand YoY	Jan	3.00%
	22:45	US	MNI Chicago PMI	Feb	54
	23:00	US	Construction Spending MoM	Dec	0.50%

Source: Bloomberg

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