

Global Markets Research

Daily Market Highlights

2 Dec: Crypto slide weighed on appetite for risky assets

US stocks snapped its winning streak; global bonds remained on a back-foot
JPY outperformed peers after Ueda's hawkish signal; DXY inched lower
Mixed regional manufacturing PMI; contractionary for China PMI & US ISM

- A crypto slide saw traders shunning risky assets in the markets and US stocks snapping its 5-day winning streak. The Dow led losses at 0.9% d/d, while the S&P 500 and Nasdaq shed 0.5% d/d and 0.4% d/d. Bitcoin, the flagship cryptocurrency, dropped more than 5% d/d and dented appetite for crypto-related stocks like Coinbase and Strategy as well.
- Elsewhere, Stoxx Eur 600 (-0.2% d/d) started December in a negative territory, while Asian markets closed mixed. Hang Seng and the CSI 300 were up 0.7-1.1% d/d, but Nikkei 225 tumbled 1.9% d/d after BOJ Governor Kazuo Ueda signalled the possibility of an interest rate hike later this month.
- Despite the risk-off sentiment, global bonds kicked off December on a back foot. In the treasury space, yields closed the day higher between 4-8bps and the benchmark 2Y yield at 3.53% (+4bps) and the 10Y at 4.09% (+7bp). 10Y European bond yields jumped 4-9bps.
- In the FX space, JPY (0.5% d/d to 155.46) outperformed all its G10 peers with Ueda commenting that the central bank will consider the pros and cons of raising the policy rate in December, and with this, the DXY closed 0.1% d/d lower at 99.41. The Dollar closed weaker against EUR (0.1% d/d to 1.1610) and DKK (0.1% d/d), but strengthened against the rest of its G10 peers notably GBP (-0.2% d/d to 1.3213). Asian currencies traded mixed against the greenback, with MYR and SGD closing just above their flatlines at 4.1315 and 1.2965.
- In the commodity space, crude oil prices closed mixed, with the Brent down 0.1% d/d at \$63.17/barrel, but WTI rallied 1.3% d/d to \$59.32/barrel. Largely supporting prices were drone attacks by Ukraine on Russia which damaged the key Black Sea terminal, and the closure of Venezuelan airspace by the US. OPEC+ also decided to leave output levels unchanged in 1Q of 2026.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,289.33	-0.90
S&P 500	6,812.63	-0.53
NASDAQ	23,275.92	-0.38
Stoxx Eur 600	575.27	-0.20
FTSE 100	9,702.53	-0.18
Nikkei 225	49,303.28	-1.89
CSI 300	4,576.49	1.10
Hang Seng	26,033.26	0.67
Straits Times	4,526.22	0.05
KLCI 30	1,624.57	1.25
FX		
Dollar Index	99.41	-0.05
EUR/USD	1.1610	0.10
GBP/USD	1.3213	-0.17
USD/JPY	155.46	-0.46
AUD/USD	0.6544	-0.09
USD/CNH	7.0719	0.02
USD/MYR	4.1315	-0.03
USD/SGD	1.2965	-0.02
USD/KHR	4,008.00	-0.01
USD/THB	31.99	-0.63
Commodities		
WTI (\$/bbl)	59.32	1.32
Brent (\$/bbl)	63.17	-0.05
Gold (\$/oz)	4,239.30	0.50
Copper (\$/MT)	11,252.00	0.56
Aluminum(\$/MT)	2,893.00	0.87
CPO (RM/tonne)	4,090.00	1.68

Source: Bloomberg, HL Bank

* Closing as of 28 Nov for CPO

Mixed regional manufacturing PMIs and revisions for the majors

- The final November manufacturing PMI for the US was revised 0.3ppts higher to 52.2 (Oct: 52.5), 0.1ppts lower each for the Eurozone (49.6 vs Oct: 50.0) and Japan (48.7 vs 48.2) and left unchanged at 50.2 for the UK.
- Australia's manufacturing PMI was also left unchanged at 51.6 in November (Oct: 49.7). That said, anecdotal evidence on prices was mixed with the PMI signalling that goods producers faced difficulties in passing on increased costs to clients, but separate data by the Melbourne Institute showed that inflation gauge accelerated to 3.2% y/y (prior: 3.1% y/y).
- The RatingDog China manufacturing PMI unexpectedly turned contractionary at 49.9 in November (prior: 50.6) amid a softening in the pace of new order growth to a near-neutral level. In tandem with this, manufacturers lowered their staffing and purchasing levels, and were cautious with their inventory holdings. That said, business confidence improved m/m.
- Malaysian manufacturing saw operating conditions moving back into positive territory albeit fractionally with the PMI at 50.1 (prior: 49.5). New orders drove the turnaround and in tandem with this, business confidence soared to its highest since July 2013.
- Despite reports of disruption in supply chains and production lines caused by stormy weather, Vietnam's manufacturing PMI remained solid at 53.8 (prior: 54.5). With firms increasing staffing levels for the second month and as firms playing catch up with delayed projects, Vietnamese manufacturing sector looks to be enjoying a positive end to the year and likely into 2026.

Slump in manufacturing ISM amid a slack in customers' demand

- Manufacturing activity, according to the ISM, contracted at a faster rate in November, with pullbacks in supplier deliveries, new orders (47.4 vs 49.4) and employment (44.0 vs 46.0) leading to an unexpected 0.5ppts decline in the headline to 48.2. The prices index remains elevated (58.5 vs 58.0), and of 6 the largest sectors, only 3 expanded (computer & electronic products; food, beverage & tobacco and machinery). As it is, tariff uncertainty saw customers continue to hold off orders until there is greater clarity on costs of goods, and as such, a sustainable turnaround remains a challenge for now.

Budget fears saw UK potential home buyers sitting on the sideline

- Although better than expected, mortgage approvals fell slightly to 65.0k in October from 65.6k previously with

prospective buyers putting off decisions to purchase amid fears of tax hikes on property in the Autumn Budget. In the event, a sweeping duty for the property market was not imposed, but a mansion tax on homes above £2m was introduced. With the uncertainty over and BOE on course to lower rates, we expect some pent-up demand into the spring selling season.

Softer capex for Japan in 3Q despite a jump in corporate profit

- Japan saw softer capital expenditure in 3Q (2.9% y/y vs 7.6% y/y) but optimism over the newly unveiled fiscal stimulus, with Washington lowering the tariffs on Japanese goods to 15% (from 25%), and with company profits surging double digit (19.7% y/y vs 0.2% y/y) for both manufacturing and non-manufacturing sectors, we expect growth in capex to remained resilient if not pick up towards 4Q.

Strong retail sales for Hong Kong led by discretionary goods

- Retail sales gathered momentum and grew 6.9% y/y in November (prior: 6.0% y/y). The result was better than forecast and marks its strongest growth since 2023. Sales of most sectors continued to grow, led by discretionary goods like electricals, consumer durables and jewellery, watches & clocks. As it is, the improvement in local consumer sentiment and visitor arrivals should continue to boost retail sales going forward.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	98-101	97.33	95.92	94.52	93.15
EUR/USD	1.14-1.18	1.17	1.19	1.21	1.23
GBP/USD	1.31-1.34	1.32	1.34	1.35	1.37
USD/CHF	0.78-0.82	0.80	0.79	0.78	0.77
USD/JPY	153-159	151	148	145	142
AUD/USD	0.64-0.67	0.66	0.67	0.68	0.68
NZD/USD	0.55-0.58	0.57	0.57	0.58	0.59
USD/CNY	7.08-7.13	7.03	6.94	6.86	6.77
USD/MYR	4.10-4.17	4.12	4.08	4.05	4.05
USD/SGD	1.28-1.31	1.28	1.26	1.25	1.24
USD/THB	32.31-32.55	32.30	32.20	32.10	32.00

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
SGD/MYR	3.1906	3.21	3.23	3.24	3.27
EUR/SGD	1.5051	1.51	1.50	1.51	1.52
GBP/SGD	1.7128	1.69	1.69	1.69	1.70
AUD/SGD	0.8483	0.85	0.84	0.85	0.85

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.75-4.00	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00

BOJ	0.50	0.75	0.75	0.75	0.75
RBA	3.60	3.60	3.60	3.60	3.60
RBNZ	2.25	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HL Bank

Up Next

Date	Events	Prior
2-Dec	AU Building Approvals MoM (Oct)	12.00%
	JN Consumer Confidence Index (Nov)	35.8
	EC Unemployment Rate (Oct)	6.30%
	EC CPI Core YoY (Nov P)	2.40%
	SI Purchasing Managers Index (Nov)	50
3-Dec	AU S&P Global Australia PMI Services (Nov F)	52.7
	HK S&P Global Hong Kong PMI (Nov)	51.2
	SI S&P Global Singapore PMI (Nov)	57.4
	JN S&P Global Japan PMI Services (Nov F)	53.1
	AU GDP SA QoQ (3Q)	0.60%
	CH RatingDog China PMI Services (Nov)	52.6
	EC HCOB Eurozone Services PMI (Nov F)	53.1
	UK S&P Global UK Services PMI (Nov F)	50.5
	EC PPI YoY (Oct)	-0.20%
	US MBA Mortgage Applications	0.20%
	US ADP Employment Change (Nov)	42k
	US Import Price Index YoY (Sep)	0.00%
	US Industrial Production MoM (Sep)	0.10%
	US S&P Global US Services PMI (Nov F)	55
	US ISM Services Index (Nov)	52.4

Source: Bloomberg

Note: Due to lapse in government services, US release dates are subject to change

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