

Global Markets Research

Daily Market Highlights

3 Dec: Cautious trading ahead of key US economic prints

**Mild rebound for US stocks; Kospi led gains in Asia amid lowered auto tariffs
JPY continued to outperform G10 peers; DXY slightly lower, USTs mixed
Slight pick-up in Eurozone's inflation; Singapore's PMI held firmly above 50**

- US equity markets staged a cautious recovery overnight, a day after a global selloff in risky assets led by the crypto slide. The Dow and S&P 500 gained 0.4% d/d and 0.3% d/d respectively, while Nasdaq finished up 0.6% d/d. Bitcoin bounced back above \$90k, while tech players linked to the AI trade also closed in green. Losers nonetheless outnumbered gainers within S&P, with most non-tech stocks underwater led by energy and utility stocks.
- Elsewhere, Stoxx Eur 600 closed just 0.1% d/d higher with major regional bourses in mixed territory. Kospi (1.9% d/d) led gains in Asia after US lowered its tariffs on South Korean autos to 15% (from 25%). That will be retroactive to early November.
- In the bond space, treasury yields closed mixed and little changed. The 2Y yield fell 2bps to 3.51%, while the 10Y closed flattish at 4.09%. 10Y European bond yields closed mixed between -/+3bps.
- In the forex space, the DXY settled 0.1% d/d lower at 99.36 amid rate cut bets. Trading was nonetheless range bound between 99.32-99.57. JPY (0.3% d/d to 155.88) continued to outperform its G10 peers, as traders reaffirmed bets that the BOJ will hike rates later this month. The Dollar also traded weaker against NOK but strengthened against the rest of the G10 currencies, notably AUD (-0.3% d/d to 0.6563), CHF (-0.2% d/d) and CAD (-0.2% d/d). Regional currencies closed mixed against the greenback. MYR and SGD closed flattish at 4.1307 and 1.2966.
- Oil prices eased 1.1-1.2% d/d in a choppy session with markets watching the Russia-Ukraine peace negotiation. Brent tumbled to \$62.45/barrel and the WTI to \$58.64/barrel.

Steady unemployment rate for the Eurozone; slight pick-up in headline inflation

- Broadly steady data from the Eurozone. Albeit higher than expected, the unemployment rate was unchanged at 6.4% in October. On the price front, headline inflation unexpectedly inched up 0.1ppts to 2.2% y/y in November, while core inflation remained stable at 2.4% y/y as expected. Driving the uptick in

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,474.46	0.39
S&P 500	6,829.37	0.25
NASDAQ	23,413.67	0.59
Stoxx Eur 600	575.65	0.07
FTSE 100	9,701.80	-0.01
Nikkei 225	49,303.45	0.00
CSI 300	4,554.33	-0.48
Hang Seng	26,095.05	0.24
Straits Times	4,537.96	0.26
KLCI 30	1,630.60	0.37
FX		
Dollar Index	99.36	-0.06
EUR/USD	1.1625	0.13
GBP/USD	1.3213	0.00
USD/JPY	155.88	0.27
AUD/USD	0.6563	0.29
USD/CNH	7.0670	-0.07
USD/MYR	4.1307	-0.02
USD/SGD	1.2966	0.01
USD/KHR	4,008.50	0.01
USD/THB	32.01	0.04
Commodities		
WTI (\$/bbl)	58.64	-1.15
Brent (\$/bbl)	62.45	-1.14
Gold (\$/oz)	4,186.60	-1.24
Copper (\$/MT)	11,145.00	-0.95
Aluminum(\$/MT)	2,865.50	-0.95
CPO (RM/tonne)	4,098.50	0.21

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 1 Dec for CPO

CPI was a smaller negative contribution from energy prices, and a slight pick-up in services cost (3.5% y/y vs 3.4% y/y). As it is, core CPI has held steady around the 2.3-2.4% range since May, and amid a stable labour market and falling wage growth, there is no change in our view that the ECB will maintain its policy rate steady at 2.0% in the policy meeting later in the month.

Australia's building approvals fell sharply m/m; final services PMI revised a shade higher

- In Australia, building approvals fell more than expected by 6.4% m/m in October (prior: 11.1% m/m), but despite this drop, housing approvals remained 1.2% y/y higher than in October 2024. The final services PMI was revised 0.1ppts higher to 52.8 in November (prior: 52.5) and services companies in Australia were optimistic regarding business activity growth in the next 12 months, bolstered by supportive government policies.

Improving consumer confidence for Japan

- Consumer confidence improved more than expected to 37.5 in November (prior: 35.8), marking its fourth month of gain and its strongest since April 2024. Growth was broad-based, and coupled with improvement in employment and income situation, bodes well for a resilient consumption outlook for Japan.

Singapore's PMI held firmly above the expansionary zone

- Singapore's PMI rose to 50.2 in November (prior: 50.0), while its electronic sector, continued to outperform its headline manufacturing counterpart at 50.6 (+0.2ppts), putting the economy on a more solid footing for the final quarter of 2025.
- As it is, the electronics sector continued to benefit from sustained global demand for AI chips and server hardware, data centre infrastructure needs and seasonal demand for consumer electronics. The contracting order backlog, nonetheless suggest downside risk going forward, as a sustained contraction could signal fewer unfulfilled orders and production cutbacks.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DX	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	3.1838	3.21	3.23	3.24	3.27
EUR/SGD	1.5072	1.51	1.50	1.51	1.52
GBP/SGD	1.7135	1.69	1.69	1.69	1.70
AUD/SGD	0.8512	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
3-Dec	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
4-Dec	AU Trade Balance (Oct)	A\$3938m
	AU Household Spending MoM (Oct)	0.20%
	EC Retail Sales MoM (Oct)	-0.10%
	US Challenger Job Cuts YoY (Nov)	175.30%
	US Initial Jobless Claims	216k

Source: Bloomberg

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

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