

## Global Markets Research

### Daily Market Highlights

## 4 Nov: All eyes on the RBA today

**Expect a hawkish hold from RBA; AUD weakened ahead of the policy decision**

**DXY fell after weaker ISM manufacturing; regained ground following mixed Fed speaks**

**Broadly softer regional manufacturing PMIs vs improvement in the major economies**

- Wall Street closed mixed on a relatively quiet Monday. While the Dow lagged and fell 0.5% d/d, Nasdaq and S&P 500 rose 0.2-0.5% d/d with Amazon shares extending its run-up following news of its \$38bn deal with OpenAI. Kenvue's stock also jumped after Kimberly-Clark agreed to buy the Tylenol maker for over \$40bn.
- Meanwhile, investors were and are watching for further updates on the US-China trade deal front. and the government shutdown. Fed speaks were mixed with President Goolsbee saying that he is more concerned over inflation than the labour market, President Daly commenting that officials should "keep an open mind" in the December meeting, while Governor Miran repeated his view that the policy rate remains restrictive at this level.
- Elsewhere, European and Asian stocks mostly rose, with Kospi hitting a record high. As it is, Asian stocks are poised to track Wall Street's tech rally after the Amazon deal, and following futures.
- Treasuries continued to lag following Powell's hawkish tilt recently, and yields were up 3-4 across the curve. The 2Y yield closed the day at 3.61%, and the 10Y at 4.11%. Similarly, 10Y European bond yields were up 2-3bps.
- In the FX space, DXY briefly took a tumble following the weak ISM reading before rebounding to close slightly higher by 0.1% d/d to 99.87. GBP (-0.1% d/d to 1.3140) and AUD (-0.1% d/d to 0.6537) are in focus this week ahead of the Bank of England (BOE) and Reserve Bank of Australia's (RBA) policy decisions, where status quo are expected for both.
- With the exception of PHP (0.1% d/d), Asian currencies weakened against the greenback with THB (-0.4% d/d), TWD (-0.3% d/d), SGD (-0.3% d/d to 1.3047) and MYR (-0.3% d/d to 4.1997) the notable laggards.
- Crude oil prices closed little changed after OPEC+ decided to halt its production hikes starting from January. The Brent fell 0.3% d/d to \$64.89/barrel, but the WTI closed up 0.1% d/d to \$61.05/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	47,336.68	-0.48
S&P 500	6,851.97	0.17
NASDAQ	23,834.72	0.46
Stoxx Eur 600	572.28	0.07
FTSE 100	9,701.37	-0.16
Nikkei 225	52,411.34	2.12
CSI 300	4,653.40	0.27
Hang Seng	26,158.36	0.97
Straits Times	4,444.33	0.35
KLCI 30	1,622.42	0.82
<b>FX</b>		
Dollar Index	99.87	0.07
EUR/USD	1.1520	-0.15
GBP/USD	1.3140	-0.09
USD/JPY	154.22	0.15
AUD/USD	0.6537	-0.12
USD/CNH	7.1266	0.06
USD/MYR	4.1997	0.27
USD/SGD	1.3047	0.28
USD/KHR	4,022.00	0.02
USD/THB	32.46	0.38
<b>Commodities</b>		
WTI (\$/bbl)	61.05	0.11
Brent (\$/bbl)	64.89	-0.28
Gold (\$/oz)	4,014.00	0.44
Copper (\$/MT)	10,855.00	-0.30
Aluminum(\$/MT)	2,902.00	0.62
CPO (RM/tonne)	4,215.00	-0.57

Source: Bloomberg, HL Bank

\* Closing as of 31 Oct for CPO

### **Broadly softer manufacturing PMIs for Asia save for Vietnam**

- The final manufacturing PMIs for the US (+0.3ppts to 52.5 vs Sep: 52.0) and the UK (+0.1ppts to 49.7 vs Sep: 46.2) were revised higher for October but left unchanged at 50.0 for the Eurozone. On the contrary, regional PMIs were broadly softer, likely due to headwinds from softer global demand.
- China manufacturing PMI expanded at a slower pace of 50.6 in October (prior: 51.2) with only the employment sub-index showing positive m/m change. Heightened trade uncertainty caused new export orders to fall sharply into contraction territory and dampened output growth. Meanwhile, the divergence of rising raw material prices vs falling finished goods prices will likely keep corporate profit margins under pressure.
- For Malaysia, October PMI (49.5 vs 49.8) signalled another moderation in the Malaysia's manufacturing sector and challenging conditions in 4Q. Weighing on the headline was a renewed reduction in new orders, resulting in a scaling back of production volumes as well as moderation in both employment and stock holdings. Despite this, outlook for the year ahead rose to its 2.5-year high.
- The official Singapore PMI slowed slightly from 50.1 to 50.0 in October, while the electronics sector continued with its fifth month of expansion at 50.4 (prior 50.7). Notably, the contractions in output, supplier deliveries and future business indices signals slowing momentum ahead.
- Vietnam PMI (54.5 vs 50.4) was the outlier and moved up in October driven by sharp increases in output and new orders, while employment expanded for the first time in just over a year. As a result, business confidence also hit a 16-month high.

### **ISM manufacturing contracted at a faster pace**

- The ISM-Manufacturing index unexpectedly fell 0.4ppts to 48.7 in October, dragged lower by the contractions in productions and inventories sub-indices. This comes as the short gains from Aug-Sep's new orders and production failed to translate into sustained growth for the sector, a reflection of continuing economic uncertainty for the US economy.

### **Stronger household spending and building approvals data from Australia**

- Data released was broadly stronger, reinforcing our expectations that the RBA will likely maintain its cash rates unchanged at 3.60% today. Although below expectations, household spending rose 0.2% m/m in September following a flat result the prior month. Spending on non-discretionary items like food, health, and petrol drove the overall rise, while households spending on discretionary spending was flat.

Housing data was also robust, with building approvals jumping more than expected by 12.0% m/m after August's -3.6% m/m.

### House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	98-101	96.45	95.57	94.24	92.99
EUR/USD	1.14-1.17	1.19	1.20	1.22	1.24
GBP/USD	1.30-1.33	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	151-157	146	145	142	140
AUD/USD	0.64-0.67	0.67	0.67	0.68	0.68
NZD/USD	0.56-0.59	0.59	0.60	0.60	0.60
USD/CNY	7.09-7.14	7.08	7.06	6.99	6.94
USD/MYR	4.17-4.22	4.20	4.15	4.10	4.10
USD/SGD	1.30-1.33	1.28	1.26	1.24	1.23
USD/THB	31.00-33.50	32.25	32.30	32.20	32.00

FX	Last close	4Q-25	1Q-26	2Q-26	3Q-26
SGD/MYR	3.2221	3.28	3.29	3.30	3.33
EUR/SGD	1.5031	1.53	1.52	1.52	1.52
GBP/SGD	1.7143	1.74	1.72	1.71	1.71
AUD/SGD	0.8530	0.85	0.85	0.84	0.84

Rates, %	Current	4Q25	1Q26	2Q26	3Q26
Fed	3.75-4.00	3.50-3.75	3.25.-3.50	3.00.-3.25	3.00.-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.75	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.50	0.75	0.75	0.75
RBA	3.60	3.35	3.10	3.10	3.10
RBNZ	2.50	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
4-Nov	JN S&P Global Japan PMI Mfg (Oct F)	48.3
	AU RBA Cash Rate Target	3.60%
	US Trade Balance (Sep)**	-\$78.31b
	US JOLTS Job Openings (Sep)**	7227k
	US Factory Orders (Sep)**	-1.30%
5-Nov	AU S&P Global Australia PMI Services (Oct F)	53.1
	HK S&P Global Hong Kong PMI (Oct)	50.4
	SI S&P Global Singapore PMI (Oct)	56.4
	CH RatingDog China PMI Services (Oct)	52.9
	SI Retail Sales SA MoM (Sep)	0.50%
	EC HCOB Eurozone Services PMI (Oct F)	52.6
	UK S&P Global UK Services PMI (Oct F)	51.1
	US MBA Mortgage Applications	7.10%
	US ADP Employment Change (Oct)	-32k
	US S&P Global US Services PMI (Oct F)	55.2
	US ISM Services Index (Oct)	50

Source: Bloomberg

\*\* Releases likely delayed by the US government shutdown

#### **General Disclaimer by the Bank**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained in this report does not constitute the provision of investment advice and is not to be regarded as an offer to sell or a solicitation of an offer to buy with respect to the purchase or sale of any of the financial instruments mentioned in this report and/or to participate in any trading strategy. This report will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by HL Bank to be reliable and in good faith, but no warranties or guarantees, representations are made by HL Bank with regard to the accuracy, completeness, correctness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HL Bank or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected in this report may change without notice and the opinions do not necessarily correspond to the opinions of HL Bank. HL Bank does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient in the event that any matter stated in this report, or any opinion, projection, forecast, valuation or estimate in this report, changes or subsequently becomes inaccurate. The information contained in this report may be incomplete, condensed and it may not contain all material information concerning the company or currency referred to in this report.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter nor will any liability be accepted for any loss whatsoever that may arise from any use and/or reliance on this report. HL Bank may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities or currencies mentioned in this report. The past performance of financial instruments is not indicative of future results. The value of and the income that is produced by the financial instruments mentioned in this report may fluctuate so that an investor may get back less than originally invested. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described in this report would yield favorable investment results. Recipients should seek the advice of their independent financial advisor before taking any investment decision based on any recommendations that may be contained in this report. Any recommendation that may be contained in this report does not consider the specific investment objectives, financial situation, suitability and the particular needs of a particular customer. This report is for the information of the addressee only and is not to be taken in substitution for the exercise of judgment by the addressee who should obtain separate independent legal or financial advice.

Past performance does not always indicate future performance or future results. The value of any investment or income from any investment may go up as well as down. All investments involve an element of risk including the potential to lose the entire amount that is invested.

HL Bank may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HL Bank endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HL Bank does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced, copied, duplicated or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HL Bank. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient agrees to be bound by all limitations contained in this report.

This report is being distributed in Singapore by HL Bank (Company registration number S56FC1182L) to Accredited Investors, Expert Investors or Institutional Investors, as defined in the Securities and Futures Act (Chapter 289 of Singapore). HL Bank is an Exempt Financial Adviser, as defined in the Financial Advisers Act (Chapter 110 of Singapore), and regulated by the Monetary Authority of Singapore. HL Bank is a branch of Hong Leong Bank Berhad, a limited liability company incorporated in Malaysia. HL Bank holds a full bank license in Singapore. Hong Leong Bank Berhad is also a member of the Hong Leong Group Malaysia.