

Global Markets Research

Daily Market Highlights

6 Oct: FOMC minutes in focus this week

**US ISM services missed forecast; NFP release delayed amid government shutdown
DXY fell after disappointing ISM services; USTs closed in red amid risk-on appetite
SGD closed above flatline after its PMI and retail sales data gathered momentum**

- The S&P 500 retreated from another record on Friday, but held on miniscule gains despite the US government shutdown dragging on for the third day. The broad index closed just above its flatline, while the Dow settled higher by 0.5% d/d. Nasdaq lost 0.3% d/d with technology stocks down a bit in afternoon trading. Elsewhere, healthcare stocks extended gains and led Stoxx Eur 600 up 0.5% d/d, while Asian markets closed mixed.
- In the bond space, treasuries ended the day in red on risk-on appetite, sending yields higher 2-5bps across the curve. The benchmark 2Y and 10Y yields closed the day 4bps higher each to 3.58% and 4.12%. Trading in 10Y European bond yields stayed muted and closed the day mixed between +/-2bps.
- In the forex space, the DXY tumbled to as low as 97.60 after the ISM Services missed forecast, before paring its losses to close the day 0.1% d/d weaker at 97.72. SEK (0.4% d/d), GBP (0.3% d/d to 1.3480) and CHF (0.3% d/d) led gains against the greenback, while JPY (-0.1% d/d to 147.47) slipped for the second day with markets focused on the Liberal Democratic Party election during the weekend and cautious tone by BOJ Governor Kazuo Ueda, who stressed the importance of keeping financial conditions accommodative. Regional currencies closed mixed against USD, with MYR closing just slightly weaker at 4.2078, and SGD slightly stronger at 1.2888.
- In the commodity space, crude oil prices rebounded by 0.7% d/d each to \$64.53/barrel for the Brent and \$60.88/barrel for the WTI on geopolitical risk premium. This comes after the President Trump warned Hamas of stark consequences if it does not agree to his plan to end the war in Gaza.

Mixed revisions to the final services PMIs for the majors; strongest PMI in a year for Singapore

- Mixed revisions to the September services PMIs for the majors, upwardly revised for the US (+0.3ppts to 54.2 vs Aug: 54.5) and Japan (+0.3ppts to 53.3 vs Aug: 53.1) and downward revisions for the Eurozone (-0.1ppts to 51.3 vs Aug: 50.5) and the UK (-1.1ppts to 50.8 vs 54.2).

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,758.28	0.51
S&P 500	6,715.79	0.01
NASDAQ	22,780.51	-0.28
Stoxx Eur 600	570.45	0.50
FTSE 100	9,491.25	0.67
Nikkei 225	45,769.50	1.85
CSI 300	4,640.69	0.45
Hang Seng	27,140.92	-0.54
Straits Times	4,411.95	0.38
KLCI 30	1,635.06	-0.17
FX		
Dollar Index	97.72	-0.13
EUR/USD	1.1742	0.23
GBP/USD	1.3480	0.30
USD/JPY	147.47	0.14
AUD/USD	0.6604	0.12
USD/CNH	7.1364	0.05
USD/MYR	4.2078	0.03
USD/SGD	1.2888	-0.02
USD/KHR	4,012.50	0.00
USD/THB	32.39	0.07
Commodities		
WTI (\$/bbl)	60.88	0.66
Brent (\$/bbl)	64.53	0.66
Gold (\$/oz)	3,880.80	1.07
Copper (\$/MT)	10,715.50	2.14
Aluminum(\$/MT)	2,709.50	0.63
CPO (RM/tonne)	4,399.50	1.23

Source: Bloomberg, HL Bank

* Closing as of 2 Oct for CPO, 30 Sep for CSI 300

- Fresh September PMI data also saw Singapore's private sector expanding at a sharp pace of 56.4 (prior: 51.2). Forward-looking indicators, including the new orders, backlogs of work and future output indices, further pointed to continued growth momentum into the start of 4Q.

Weaker than expected ISM services activity for the US

- ISM Services came in weaker than expected, dropping from 52.0 to 50.0 in September. The details suggest that business activity dropped to 49.9 from 55.0, its lowest since the pandemic in May 2020. The employment sub-index remains below the neutral level although improved slightly to 47.2 from 46.5, indicating slower pace of job losses during the month. New orders remained in expansion with a reading of 50.4 (prior: 56.0), while prices remained elevated at 69.4 (+0.2ppts). As it is, the price index has exceeded 60 for 10 straight months, its longest such streak since October 2020-March 2023.

Sharp retreat in Eurozone's PPI due to energy

- Producer prices (PPI) fell more than expected by 0.6% y/y and 0.3% m/m in August (prior: 0.2% y/y and 0.3% m/m). On a yearly basis, the decline was mainly due to lower energy prices (-4.1% y/y vs -1.0% y/y). Prices for intermediate, capital and durable consumer goods were unchanged at -0.3% y/y, 1.8% y/y and 1.6% y/y, while non-durable good accelerated slightly to 2.0% y/y from 1.9% y/y previously.

Singapore's retail sales continued to gather momentum on CDC vouchers and tourism

- Supported by CDC vouchers and tourism, retail sales accelerated more than expected to 5.2% y/y in September from 4.6% y/y previously. The majority of industries recorded positive growth, led by discretionary goods like jewellery, recreational items and motor vehicle. With sales picking up momentum since May, this suggests that consumer sentiment and spending may be turning the corner after the softness in 1H, partly cushioning the blow from weaker exports in 3Q.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DX	96.50-99.25	96.45	95.57	94.24	92.99
EUR/USD	1.15-1.19	1.19	1.20	1.22	1.24
GBP/USD	1.32-1.36	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	145-149	146	145	142	140
AUD/USD	0.64-0.67	0.67	0.67	0.68	0.68
NZD/USD	0.56-0.60	0.59	0.60	0.60	0.60
USD/CNY	7.10-7.15	7.08	7.06	6.99	6.94
USD/MYR	4.18-4.23	4.20	4.15	4.10	4.10
USD/SGD	1.27-1.30	1.28	1.26	1.24	1.23
USD/THB	31.55-33.10	32.25	32.30	32.20	32.00

Rates, %	Current	4Q25	1Q26	2Q26	3Q26
Fed	4.00-4.25	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	3.00	2.75	2.75	2.75	2.75
BNM	2.75	2.75	2.75	2.75	2.75

Source: HL Bank

Up Next

Date	Events	Prior
5-Oct	HK S&P Global Hong Kong PMI (Sep)	50.7
	VN CPI YoY (Sep)	3.24%
	VN GDP YoY (3Q)	7.96%
	VN Exports YoY (Sep)	14.50%
	VN Industrial Production YoY (Sep)	8.90%
	VN Retail Sales YoY (Sep)	10.60%
	EC Sentix Investor Confidence (Oct)	-9.2
	EC Retail Sales MoM (Aug)	-0.50%
6-Oct	AU Westpac Consumer Conf SA MoM (Oct)	-3.10%
	JN Household Spending YoY (Aug)	1.40%
	JN Leading Index CI (Aug P)	106.1
	MA Foreign Reserves	\$122.8b
	US Trade Balance (Aug)**	-\$78.3b

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.