

Global Markets Research

Daily Market Highlights

6 Nov: All eyes on BOE's and BNM's policy decisions today

Wall Street stabilized after the tech rout; hearing on Trump's tariffs on investors' radar
USTs lost ground after ISM services and ADP jobs data improved; DXY jumped briefly
GBP and MYR strengthened ahead of BOE and BNM policy meets; no change expected

- It was a calmer Wednesday with dip buying helping Wall Street to rebound and the three major averages closing up between 0.4-0.7% d/d led by the tech-heavy Nasdaq. On the tariff front, investors were also tracking a Supreme Court hearing on the legality of some of Trump's sweeping tariffs, likely raising hopes that some of the tariffs may be rolled back.
- Elsewhere, European stocks (Stoxx Eur 600: 0.2% d/d) also closed higher tracking Wall Street's recovery but regional markets sank with investors fleeing AI-related stocks.
- Treasuries lost ground and yields closed the day higher between 5-8bps. Driving this was pared rate cut bets following the better ISM and ADP employment prints, and on the supply front, with the Treasury Department announcing that it is considering increasing its debt auction size. The 2Y yield closed the day at 3.63% and the 10Y at 4.16%. 10Y European bond yields closed the day higher between 1-4bps.
- The DXY briefly jumped after the solid jobs and services reading, but pared its gains to close the day just below its flatline at 100.20. The G10 currencies traded in a tight range between +/-0.3% d/d against the greenback with NZD (0.3% d/d) and AUD (0.2% d/d to 0.6505) outperforming, while JPY underperformed (-0.3% d/d to 154.12). That said, the stronger labour cash earnings data (matching expectations at 1.9% y/y for Sep vs 1.3% y/y) released this morning will likely lend some support for JPY today.
- Regional currencies closed mixed against the Dollar. MYR (0.1% d/d to 4.1915) led gains ahead of BNM's policy decision today where a pause and neutral tone is expected. SGD and CNH also traded 0.1% d/d stronger at 1.3070 and 7.1313 respectively.
- It was a lacklustre trading day for crude oil, but supply concerns continue to weigh on prices. The WTI closed the day 1.6% d/d lower at \$59.60/barrel, while Brent slid 1.4% d/d to \$63.52/barrel.

Generally positive PMI services

- On the data front, we saw downward revision to October's services PMI for the US (-0.4ppts to 54.8 vs Sep: 54.2), but

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,311.00	0.48
S&P 500	6,796.29	0.37
NASDAQ	23,499.80	0.65
Stoxx Eur 600	571.90	0.23
FTSE 100	9,777.08	0.64
Nikkei 225	50,212.27	-2.50
CSI 300	4,627.26	0.19
Hang Seng	25,935.41	-0.07
Straits Times	4,417.12	-0.13
KLCI 30	1,621.55	-0.12
FX		
Dollar Index	100.20	-0.02
EUR/USD	1.1492	0.09
GBP/USD	1.3050	0.22
USD/JPY	154.12	0.29
AUD/USD	0.6505	0.23
USD/CNH	7.1313	-0.05
USD/MYR	4.1915	-0.13
USD/SGD	1.3070	-0.07
USD/KHR	4,021.50	0.05
USD/THB	32.54	-0.05
Commodities		
WTI (\$/bbl)	59.60	-1.59
Brent (\$/bbl)	63.52	-1.43
Gold (\$/oz)	3,992.90	0.82
Copper (\$/MT)	10,697.50	0.32
Aluminum(\$/MT)	2,850.00	-0.31
CPO (RM/tonne)	4,123.50	-0.41

Source: Bloomberg, HL Bank

* Closing as of 4 Nov for CPO

upward revisions for the Eurozone (+0.4ppts to 53.0 vs Sep: 51.3), the UK (+1.2ppts to 52.3 vs Sep: 50.8) and Japan (+0.7ppts to 53.1 vs Sep: 53.3).

- On the regional front, the RatingDog China services PMI came above street estimates at 52.6 in October (prior: 52.9). Although the trade environment put downward pressure on export business, improvement in domestic demand supported growth for new orders. Future business activity expectations remained high, but the contraction in employment and pressure on corporate profit margins will put a dampener on the sector.
- Hong Kong's headline PMI (51.2 vs 50.4) showed that business conditions improved in October as it entered 4Q. This marks its quickest rate since November 2024, supported by the first increase in demand in 9 months, although limited to the domestic market and from China. Of note, price pressures persisted, with firms reporting solid increases in average cost burdens as well as selling price.
- Similarly, Singapore's headline PMI (57.4 vs 56.4) also strengthened in October and forward-looking indicators, including the future output sub-index, point to the likelihood of continued activity growth in the coming months.

ISM-Services and ADP employment data beat expectations and improved

- In the US, the ISM services index improved more than expected to 52.4 in October (prior: 50.0) led by rebounds in both the business activity and new orders (56.2 vs 50.4) indices. That said, the continued contraction in the employment index (48.2 vs 47.2) signalled a lack of confidence in the economy going forward. The prices index remained elevated and rose to 70.0, its highest since 70.7 in October 2022.
- According to the ADP survey, private employers added jobs in October (more than expected at 42k vs Sep: -29k) for the first time since July, but hiring was modest relative to early 2025 and was not broad-based, driven by the education & health care, as well as trade, transportation, & utilities sectors. Salary growth was largely flat m/m, a sign that supply and demand are balanced.
- Mortgage applications fell 1.9% w/w for the week ended October 31 (prior: 7.1% w/w) with both purchase and refinance applications declining on a weekly basis and as the mortgage rates largely steady (30Y fixed rate: 6.31%).

Singapore's retail sales slowed

- Retail sales slowed more than forecast to 2.8% y/y in September from 5.3% y/y previously. Driving the slowdown was a decline in sales at petrol service stations, presumably due to lower crude oil prices, and retailers of wearing apparel &

footwear. In contrast, sales of discretionary goods like jewellery, recreational goods and motor vehicles remained strong and grew double-digit.

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	3.2070	3.28	3.29	3.30	3.33
EUR/SGD	1.5020	1.53	1.52	1.52	1.52
GBP/SGD	1.7059	1.74	1.72	1.71	1.71
AUD/SGD	0.8502	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	3.60	3.60	3.60	3.60
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
6-Nov	AU Trade Balance (Sep)	A\$1825m
	VN CPI YoY (Oct)	3.38%
	VN Exports YoY (Oct)	24.70%
	VN Industrial Production YoY (Oct)	13.60%
	VN Retail Sales YoY (Oct)	11.30%
	MA BNM Overnight Policy Rate	2.75%
	EC Retail Sales MoM (Sep)	0.10%
	UK Bank of England Bank Rate	4.00%
	US Challenger Job Cuts YoY (Oct)	-25.80%
	US Nonfarm Productivity (3Q P) **	3.30%
	US Initial Jobless Claims **	219k
7-Nov	JN Household Spending YoY (Sep)	2.30%
	MA Industrial Production YoY (Sep)	4.90%
	MA Manufacturing Sales Value YoY (Sep)	2.70%
	MA Foreign Reserves	\$123.4b
	US Change in Nonfarm Payrolls (Oct) **	22k
	US U. of Mich. Sentiment (Nov P)	53.6
	CH Exports YoY (Oct)	8.30%

Source: Bloomberg

** Releases likely delayed by the US government shutdown

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