8 October 2025

Global Markets Research

Daily Market Highlights

8 Oct: Flight to safety bids amid risk-off sentiments

Haven buying boosted demand for the Dollar, USTs & gold; US stocks took a breather

US consumer credit softened sharply; all eyes on the FOMC meeting minutes today

World Bank: Malaysia to grow 4.1% in 2025 & 2026; WTO trimmed global trade forecast

- It was risk-off overnight. Wall Street opened with small gains but profit taking and a drop in Oracle shares saw the S&P 500 and Nasdaq pulling back from Monday's record highs and closing the day 0.4-0.7% d/d lower. The 30-stock Dow continued to tumble, albeit at a narrower pace of 0.2% d/d. Oracle led the decline in some tech stocks, amid reports that its cloud margin is lower than expected.
- Elsewhere, Stoxx Eur 600 fell 0.2% d/d while CAC 40 stabilised, closing just marginally higher with focus largely on France's political crisis. Asian stocks traded mixed with Nikkei 225 paring gains to close flattish after hitting a record high earlier in the session. With Wall Street hitting a pause and ahead of the FOMC meeting minutes, trading in Asian stocks will likely be mild today.
- Treasuries rallied, causing the yields to the benchmark 2Y and 10 to fall 3bps each, closing the day at 3.56% and 4.12% respectively. 10Y European bond yields closed mixed in tune to +/-2bps.
- DXY was a winner overnight, rallying 0.5% d/d to 98.58 supported by the weaker JPY (-1.0% d/d to 151.90) and EUR (-0.5% d/d to 1.1657), as well as NZD (-0.8% d/d). As it is, the softer than expected labour cash earnings data (1.5% y/y in Aug vs 3.4% y/y in July) this morning will likely continue to dampen appetite for JPY today.
- Asian currencies closed mixed with SGD weakening 0.1% d/d to 1.2933 but the MYR eked out a marginal gain to 4.2142 against the greenback.
- In the commodity space, crude oil prices swung between gains and losses before closing mixed after the more modest output hike from OPEC+ and after Saudi Arabia kept the price to its main grade to Asia. The WTI rose 0.1% d/d to $61.73/barrel, while Brent closed just below its flatline at $65.45/barrel. Meanwhile, haven demand saw gold prices rallying 0.7% d/d, creeping closer to $4000/oz.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,602.98	-0.20
S&P 500	6,714.59	-0.38
NASDAQ	22,788.36	-0.67
Stoxx Eur 600	569.27	-0.17
FTSE 100	9,483.58	0.05
Nikkei 225	47,950.88	0.01
CSI 300	4,640.69	0.45
Hang Seng	26,957.77	-0.67
Straits Times	4,472.26	1.14
KLCI 30	1,630.03	-0.49
FX		
Dollar Index	98.58	0.48
EUR/USD	1.1657	-0.46
GBP/USD	1.3426	-0.44
USD/JPY	151.90	1.03
AUD/USD	0.6581	-0.54
USD/CNH	7.1459	0.03
USD/MYR	4.2142	-0.03
USD/SGD	1.2933	0.12
USD/KHR	4,015.75	0.04
USD/THB	32.51	0.20
Commodities		
WTI ($/bbl)	61.73	0.06
Brent ($/bbl)	65.45	-0.03
Gold ($/oz)	3,976.60	0.71
Copper ($/MT)	10,761.00	1.00
Aluminum($/MT)	2,741.50	0.61
CPO (RM/tonne)	4,379.00	-1.03

Source: Bloomberg, HL Bank
** Closing as of 6 Oct for CPO, 30 Sep for CSI 300*

US consumer credit slowed to its lowest in 6 months

- Consumer credit rose at its slowest pace in 6 months at $0.4bn August (prior: $18.1bn). This was below consensus forecast, weighed down by the sharp pullback in credit-card balances as consumers turned more cautious given the softer labour market.

Japan's leading index improved for the fourth month

- August's leading and coincident indices beat expectations. The leading index improved to 107.4 (Jul: 106.1) while the coincidence index eased to 113.4 (Jul: 114.1). The pace of increase for the leading index has gained momentum for the fourth month, and was largely driven by a rebound in producer's final demand, consumer confidence index, stock prices and small business sales forecasts components.

World Bank expects Malaysia's economy to grow by 4.1% in 2025 & 2026; foreign reserves rose to $123.6bn as of end-September

- According to the World Bank, ***Malaysia's economy is expected to hold steady at 4.1% in 2025 and 2026, decelerating from 5.1% in 2024***. Growth will be driven by domestic demand and supported by initiatives like the Johor-Singapore Special Economic Zone, investment in data centers and programs to boost SMEs. Coupled with expectations of a modest global recovery, this is expected to cushion the impact of higher tariffs in 2026.
- The World Bank also warned that Malaysia risks losing its US export market share to competing countries with lower tariffs in the electrical and electronics (E&E) sector.
- Coincidentally, ***the WTO downgraded its 2026 forecast for global merchandise trade volume growth to 0.5% (-1.3ppts), citing expected delayed impacts from US' tariff. This marks a slowdown from 2.4% for 2025 and 2.8% in 2024***.
- Foreign reserves rose by a wider pace of $0.8bn in 2H to $123.6bn as at end-September (+$0.1bn in 1H to $122.8bn as at 12 Sept). That said, the reserves level has taken into account the quarterly foreign exchange revaluation changes and is sufficient to finance 4.8 months of imports of goods and services.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	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
8-Oct	NZ RBNZ Official Cash Rate	3.00%
	JN Eco Watchers Survey Outlook SA (Sep)	47.5
	US MBA Mortgage Applications	-12.7%
9-Oct	US FOMC Meeting Minutes	
	US Initial Jobless Claims **	228k
9-15 Oct	CH New Yuan Loans CNY YTD (Sep)	13460.0b

Source: Bloomberg

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

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