

Global Markets Research

Daily Market Highlights

10 Nov: Shutdown deal optimism spurred sentiments

US stocks boosted by US government shutdown talk/ deal optimism; UST and DXY fell
US NFP delayed again; US consumer sentiments and China exports reported big misses
Upside surprises in Malaysia IPI growth reaffirmed a robust 3Q GDP growth

- US equities ended mixed on Friday. The Dow and S&P500 erased all early session losses to close the day up 0.1-0.2% while the NASDAQ remained mire in red, albeit with narrower losses of 0.2% d/d at close. US stocks initially fell in early trading hours following a plunge in consumer sentiments to near record low and as the tech rout continued. However, optimism over a talk/ deal that could potentially end a 6-week record government shutdown in the US (with an offer from Democrats to Republican although this was rejected) provided a lift to US stocks in late trading hours. For the week, all three indices closed lower by 1.2-3.1% w/w to mark its first weekly loss in four amid concerns that stock prices have run ahead of valuations after relentless gains.
- Over in Europe, major stock indices saw extended losses, with the Stoxx Eur 600 and FTSE 100 both fell 0.6% on the day. Asian equities also closed largely weaker, led by Vietnam's VNI (-2.7% d/d), South Korean's KOSPI (-1.8% d/d) and Japan's Nikkei 225 (-1.2% d/d). Bucking the trend was KLCI and STI, which closed out Friday with marginal gains of 0.01% and 0.2% respectively. Futures are pointing to a mixed opening in Asia markets this morning tracking the mixed market sentiments. Overnight news citing Trump's tweet of a \$2000 tariff dividend to most Americans may be premature as it requires Congressional approval, but still, it may provide a lift to sentiments.
- In the bond space, sovereign bonds reversed course and fell. UST were seen trading sideways tracking stock market movement and the disappointing consumer sentiment index. UST yields closed up 0-2bps led by the ultralong end, bear steepening the curve. Meanwhile, 10-year European bond yields edged 1-3bps higher on the day, and was up by similar quantum w/w.
- Moving on to FX, the greenback saw continued losses on Friday amid extended government shutdown and lingering market uncertainty. The Dollar Index erased gains and lost ground in European session, but managed to narrow losses to close the day just 0.1% lower at 99.56, off an intraday low of 99.40. The

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,987.10	0.16
S&P 500	6,728.80	0.13
NASDAQ	23,004.54	-0.21
Stoxx Eur 600	564.79	-0.55
FTSE 100	9,682.57	-0.55
Nikkei 225	50,276.37	-1.19
CSI 300	4,678.79	-0.31
Hang Seng	26,241.83	-0.92
Straits Times	4,492.24	0.16
KLCI 30	1,619.13	0.01
FX		
Dollar Index	99.56	-0.14
EUR/USD	1.1566	0.16
GBP/USD	1.3162	0.19
USD/JPY	153.42	0.24
AUD/USD	0.6493	0.20
USD/CNH	7.1262	0.07
USD/MYR	4.1768	-0.15
USD/SGD	1.3012	-0.18
USD/KHR	4,022.25	-0.04
USD/THB	32.36	-0.10
Commodities		
WTI (\$/bbl)	59.84	0.52
Brent (\$/bbl)	63.70	0.20
Gold (\$/oz)	4,007.80	0.58
Copper (\$/MT)	10,695.00	0.07
Aluminum(\$/MT)	2,862.00	0.67
CPO (RM/tonne)	4,112.00	-0.10

Source: Bloomberg, HL Bank

* Closing as of 6 Nov for CPO

USD weakened against all G10s except the JPY (-0.2% to 153.42) and NZD (-0.2% to 0.5623). CAD, NOK and SEK gained the most, followed by AUD (+0.2% to 0.6493) and GBP (+0.2% to 1.3162). The EUR also strengthened by 0.2% d/d to 1.1566.

- On the regional front, most major Asian FX were weaker, but SGD (+0.2% d/d to 1.3012) and MYR (+0.2% d/d to 4.1768) strengthened against the greenback. The SGD was at its strongest against the USD in a week while the MYR closed below the 4.18 strong support for the first time in 13 months. We expect a range of 4.16-4.21 for the USDMYR in the week ahead.
- Commodities were firmer in trading on Friday. Global crude oil prices rose 0.2-0.5% d/d with the WTI and Brent reaching \$59.84/ barrel and \$63.70/ barrel respectively while gold saw renewed climb above \$4k/oz on the back of a weaker USD, and probably on near-end of recent consolidation and profit-taking.

US consumer sentiments softened more than expected to near record low; 1Y inflation expectations ticked high but longer term inflation expectations moderated

- University of Michigan consumer sentiment pulled back more than expected to 50.3 in November (Oct: 53.6), marking its lowest since Jun-22, which is a record low. Sharp deterioration was seen in both the present and expectation subindices as the government shutdown dampened economic outlook and consumer confidence, while inflationary concerns weighed on personal finances. 1Y inflation expectations unexpectedly inched up from 4.6% to 4.7% while 5-10Y inflation expectations eased more than expected from 3.9% to 3.6%. Personal finances fell to its lowest in six years, and consumers are expecting further weakening in the labour market.
- Dailing back to September, consumer spending remained healthy back then. Consumer credit rose more than expected by \$13.1bn in September (Aug: \$3.1bn upwardly revised), signalling consumers' willingness to spend at that time. The increase was mainly spurred by non-revolving credit (\$11.4bn), the highest this year, for the purchase of motor vehicles and school tuition, while revolving credit (mainly credit card) rose \$1.6bn.

China's export growth missed consensus forecast by a large margin; mild upside surprises in China's CPI and PPI readings

- Exports unexpectedly fell by 1.1% y/y in October (prior: 8.3% y/y). This marks its first contraction since February, weighed down by high base effect, and likely due to fading effect from the front-loading momentum as well as escalating trade tensions with the US (YTD: -17.8% y/y) before the trade deal. Despite signs of softening ahead, export growth has remained strong since beginning of the year and as such, there is no

change in our view that Beijing will likely achieve its growth target of “around 5%” for 2025.

- The latest inflation report confirmed deflationary condition in China despite the surprised uptick in CPI back above zero at 0.2% y/y in October (Sept: -0.3% y/y) while PPI fell less than expected by 2.1% y/y (Sept: -2.3% y/y). Lack of demand-pull inflation and excess capacity in the China economic system will likely keep price conditions weak in the foreseeable future.

Malaysia's IPI picked up more than expected amid broad-based growth across key sectors; foreign reserves rose to a 11-year high as at 31-Oct

- Industrial Production Index (IPI) expanded at a faster than expected pace of 5.7% y/y in September (Aug: +4.8% y/y), marking its 4th straight month of upside surprises and its fastest growth pace in 17 months. The faster expansion was driven by quicker gains in manufacturing (+5.0% vs +2.8% y/y) and electricity (+2.8% vs +1.2% y/y) output, while the mining sector registered more moderate but still double-digit growth of 10.2% y/y during the month. IPI growth more than doubled to 4.9% y/y in 3Q (2Q: +2.0% y/y), suggesting the final 3Q GDP reading due to be released on 14-November will be maintained above 5.0% (advanced estimate: +5.2% y/y), provided there is no downside surprises from the services sector. (Please refer to Research Alert “Continued good traction in September's IPI” dated 7th November).
- In a separate release, BNM foreign reserves rose \$0.4bn to \$123.8bn as at end-October (15-Oct: \$123.4bn), its highest since 2014. This level of reserves is sufficient to finance 4.8 months of imports of goods & services, and is 0.9x the short term external debt.

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	150-155	146	145	142	140
AUD/USD	0.63-0.67	0.67	0.67	0.68	0.68
NZD/USD	0.55-0.59	0.59	0.60	0.60	0.60
USD/CNY	7.08-7.14	7.08	7.06	6.99	6.94
USD/MYR	4.16-4.21	4.20	4.15	4.10	4.10
USD/SGD	1.29-1.32	1.28	1.26	1.24	1.23
USD/THB	31.40-33.50	32.25	32.30	32.20	32.00
FX	Last close	4Q-25	1Q-26	2Q-26	3Q-26
SGD/MYR	3.2031	3.28	3.29	3.30	3.33
EUR/SGD	1.5056	1.53	1.52	1.52	1.52
GBP/SGD	1.7138	1.74	1.72	1.71	1.71
AUD/SGD	0.8440	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
10-Nov	JN Leading Index CI (Sep P)	107
	EC Sentix Investor Confidence (Nov)	-5.4
11-Nov	AU Westpac Consumer Conf SA MoM (Nov)	-3.50%
	JN Bank Lending Incl Trusts YoY (Oct)	3.80%
	AU NAB Business Confidence (Oct)	7
	JN Eco Watchers Survey Outlook SA (Oct)	48.5
	UK Weekly Earnings ex Bonus 3M/YoY (Sep)	4.70%
	UK ILO Unemployment Rate 3Mths (Sep)	4.80%
	UK Payrolled Employees Monthly Change (Oct)	-10k
	EC ZEW Survey Expectations (Nov)	22.7
	US NFIB Small Business Optimism (Oct)	98.8
11-18		
Nov	CH FDI YTD YoY CNY (Oct)	-10.40%

Source: Bloomberg

** Releases likely delayed by the US government shutdown

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