

Global Markets Research

Daily Market Highlights

14 Oct: US stocks rebounded amid softening trade tension

Strong China trade data could give China an upper hand in trade negotiation

MAS kept policy stance unchanged; advanced 3Q GDP estimate surprised on the upside

Today: RBA policy meeting minutes; corporate earnings season starting with big banks

- The US bond market was closed for Columbus Day, but in the equity space, tech shares led the rebound in stocks with the US and China signalling willingness to keep trade negotiations alive. The Dow closed up 1.3% d/d, while the S&P 500 and Nasdaq climbed 1.6% d/d and 2.2% d/d respectively. The recovery was broad-based but despite this, the market is facing other concerns with the earnings season kicking off this week and major banks such as JP Morgan Chase and Goldman Sachs set to report 3Q results.
- In Europe, Stoxx 600 gained 0.4% d/d at close with mining stocks leading gains, while 10Y sovereign bond yields fell in tune to 1-5bps. Earlier in the day, Hang Seng (-1.5% d/d) and CSI 300 (-0.5% d/d) led declines in regional markets on the US-China trade spat, while Japan markets were closed for a holiday.
- In the forex space, the DXY recouped some of Friday's losses and rose 0.3% d/d to 99.27. Haven currencies CHF (-0.6% d/d) and JPY (-0.7% d/d to 152.28) led G10 losses amid the risk-on sentiment, while AUD outperformed, appreciating 0.6% d/d to 0.6515.
- Asian currencies traded mixed against the Dollar with CNH leading gains at 0.1% d/d to 7.1383 after its trade data beat. MYR and SGD, on the other hand, depreciated 0.1% d/d each to 4.2277 and 1.2986, the latter likely to strengthen given the upward surprise in Singapore's advanced 3Q GDP this morning.
- In the commodity space, crude oil prices recouped its losses and closed up between 0.9-1.0% d/d after Trump softened his tone on a China trade deal, while the ceasefire between Israel-Hamas kept a lid on prices. The WTI stayed just below the \$60/barrel level, while Brent settled at \$63.32/barrel.

MAS maintained policy stance; 3Q GDP eased less than expected amid softer growth across the board

- As expected, the MAS maintained the prevailing rate of appreciation of the S\$NEER policy band this morning, and there will be no change to its width and the level at which it is centred. In the statement, MAS also said that Singapore's economic

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,067.58	1.29
S&P 500	6,654.72	1.56
NASDAQ	22,694.61	2.21
Stoxx Eur 600	566.63	0.44
FTSE 100	9,442.87	0.16
Nikkei 225	48,088.80	-1.01
CSI 300	4,593.98	-0.50
Hang Seng	25,889.48	-1.52
Straits Times	4,389.84	-0.84
KLCI 30	1,615.19	-0.44
FX		
Dollar Index	99.27	0.29
EUR/USD	1.1570	-0.42
GBP/USD	1.3333	-0.20
USD/JPY	152.28	0.72
AUD/USD	0.6515	0.63
USD/CNH	7.1383	-0.10
USD/MYR	4.2277	0.12
USD/SGD	1.2986	0.13
USD/KHR	4,019.25	-0.01
USD/THB	32.72	0.41
Commodities		
WTI (\$/bbl)	59.49	1.00
Brent (\$/bbl)	63.32	0.94
Gold (\$/oz)	4,108.60	3.34
Copper (\$/MT)	10,820.50	2.88
Aluminum(\$/MT)	2,763.00	0.55
CPO (RM/tonne)	4,505.50	0.31

Source: Bloomberg, HL Bank

* Closing as of 10 Oct for CPO, Nikkei 225 and USD/THB

growth has turned out stronger than expected and the output gap will remain positive in 2025 and come in around 0% next year. MAS Core Inflation should trough in the near term and rise gradually over the course of 2026 as temporary factors dampening inflation fade.

- On a separate note, advanced 3Q GDP came above street forecast, decelerating less than expected to 1.3% q/q and 2.9% y/y (2Q: 1.5% q/q and 4.5% y/y). On a yearly basis, growth eased across the board led by manufacturing (0.0% vs 5.0% y/y). Construction and services also eased to 3.1% y/y and 3.5% y/y respectively. (The GDP growth forecasts for 2025 and 2026 will be announced in November by MTI).

China's trade numbers beat forecasts; non-US shipments offset the plunge in exports to the US

- September's exports (8.3% y/y vs 4.4% y/y) grew at the fastest in six months, exceeding forecasts in a sign of resilience that could give Beijing an upper hand in the latest trade negotiation with the US. While exports to the US (-27% y/y vs -33% y/y) plunged, this was offset by stronger growth to shipments outside the US (14.8% y/y vs 11.2% y/y), notably to the EU (YTD: 21.5% y/y) and ASEAN economies (YTD: 23.9% y/y). Imports also jumped 7.4% y/y after growing 1.3% y/y previously, sharply beating forecasts and its strongest April 2024 in a sign of stable, if not recovering domestic demand.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	99-101	96.45	95.57	94.24	92.99
EUR/USD	1.14-1.17	1.19	1.20	1.22	1.24
GBP/USD	1.31-1.35	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	0.64-0.67	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	4.19-4.25	4.20	4.15	4.10	4.10
USD/SGD	1.28-1.32	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	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
14-Oct	AU NAB Business Confidence (Sep)	4
	AU RBA Minutes of Sept. Policy Meeting	
	UK Average Weekly Earnings 3M/YoY (Aug)	4.70%
	UK ILO Unemployment Rate 3Mths (Aug)	4.70%
	UK Payrolled Employees Monthly Change (Sep)	-8k
15-Oct	EC ZEW Survey Expectations (Oct)	26.1
	US NFIB Small Business Optimism (Sep)	100.8
	AU Westpac Leading Index MoM (Sep)	-0.04%
	CH PPI YoY (Sep)	-2.90%
	CH CPI YoY (Sep)	-0.40%
	EC Industrial Production SA MoM (Aug)	0.30%
	US MBA Mortgage Applications	-4.7%
	US Empire Manufacturing (Oct)	-8.7
	US Core CPI YoY (Sep)**	3.10%
	US Real Avg Weekly Earnings YoY (Sep)**	0.40%
	US Fed Releases Beige Book	

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.