

## Global Markets Research

### Daily Market Highlights

## 18 Nov: Risk-off ahead of key earnings and data releases

**Global stocks tumbled ahead of Nvidia and Walmart results, US non-farm payroll**

**EC expects the bloc to keep growing into 2027 amid resilient labour market, easing CPI**

**Japan's 3Q GDP contracted for the first quarter in six; strong gains in Singapore's NODX**

- Risk-off flows weighed on Wall Street overnight, with investors staying jittery ahead of key releases this week, including earnings from Nvidia and Walmart, as well as the slew of delayed economic releases, notably the September' non-farm payroll report. The Dow lost 1.2%, while the S&P 500 and Nasdaq sank 0.9% d/d and 0.8% d/d. Nvidia shares lost nearly 2% d/d ahead of its 3Q earnings due for release after the bell on Wednesday.
- Monday's market caution was also visible across other major markets. In Europe, Stoxx 600 was down 0.5% d/d, while Asian markets traded mostly in red. Nikkei 225 slid 0.1% d/d with the added dampener from rising friction between Japan-China, as well as the first contraction in its economic growth in 6 quarters.
- Treasury yields closed mixed ahead of a packed week of economic releases. The 2Y yield closed the day just above its flatline at 3.61%, but the 10Y fell 1bps to 4.14%. 10Y European bond yields were mostly lower between 1-4bps.
- In the forex space, the Dollar appreciated against all its G10 peers and most regional currencies ahead of the key event risks. Within the G10, AUD (-0.7% d/d to 0.6494), NZD (-0.4% d/d) and JPY (-0.5% d/d to 155.26) were laggards, the latter after data showed that the economy shrank in 3Q and leaving traders on alert to the threat of intervention from Japanese authorities to stem the yen's decline. GBP weakened 0.1% d/d to 1.3156 as speculation continues to swirl around the government's highly anticipated autumn budget. On the regional front, MYR and SGD depreciated in tune to 0.4% d/d each to 4.1502 and 1.3033.
- In the commodity world, crude oil prices retreated 0.3% d/d as loading activities resumed at Russia's Novorossiysk export hub after its recent suspension following Ukraine's attack. Brent closed the day at \$64.20/barrel, and the WTI at \$59.91/barrel.

#### Key Market Metrics

|                    | Level     | d/d (%) |
|--------------------|-----------|---------|
| <b>Equities</b>    |           |         |
| Dow Jones          | 46,590.24 | -1.18   |
| S&P 500            | 6,672.41  | -0.92   |
| NASDAQ             | 22,708.07 | -0.84   |
| Stoxx Eur 600      | 571.68    | -0.54   |
| FTSE 100           | 9,675.43  | -0.24   |
| Nikkei 225         | 50,323.91 | -0.10   |
| CSI 300            | 4,598.05  | -0.65   |
| Hang Seng          | 26,384.28 | -0.71   |
| Straits Times      | 4,543.59  | -0.05   |
| KLCI 30            | 1,627.43  | 0.11    |
| <b>FX</b>          |           |         |
| Dollar Index       | 99.59     | 0.29    |
| EUR/USD            | 1.1592    | -0.25   |
| GBP/USD            | 1.3156    | -0.11   |
| USD/JPY            | 155.26    | 0.46    |
| AUD/USD            | 0.6494    | -0.67   |
| USD/CNH            | 7.1083    | 0.13    |
| USD/MYR            | 4.1502    | 0.42    |
| USD/SGD            | 1.3033    | 0.36    |
| USD/KHR            | 4,010.00  | -0.02   |
| USD/THB            | 32.43     | 0.09    |
| <b>Commodities</b> |           |         |
| WTI (\$/bbl)       | 59.91     | -0.30   |
| Brent (\$/bbl)     | 64.20     | -0.30   |
| Gold (\$/oz)       | 4,074.50  | -0.48   |
| Copper (\$/MT)     | 10,778.50 | -0.68   |
| Aluminum(\$/MT)    | 2,813.50  | -1.57   |
| CPO (RM/tonne)     | 4,052.50  | -0.76   |

Source: Bloomberg, HL Bank

\* Closing as of 14 Nov for CPO

### **Growth for US construction spending; improvement in manufacturing activities for the New York district**

- Positive economic data from the US. Construction spending unexpectedly grew 0.2% m/m in August, maintaining the same pace after July's upwardly revised 0.2% m/m gain. Still, elevated housing inventory compounded by the government shutdown will remain a drag on growth in the near term.
- The Empire State Manufacturing Index rose more than expected by 8 points to 18.7 in November, its fourth positive reading in the last 5 months, suggesting that business activity increased at a solid pace in the New York region. Although firms expect conditions to improve in the months ahead, businesses were nonetheless not as optimistic as compared to a month ago.

### **EC expects the economy to continue expanding into 2027**

- In its Autumn 2025 Economic Forecast, the European Commission (EC) projects real GDP growth for the Euro area to accelerate from 0.9% in 2024 to 1.3% in 2025, 1.2% in 2026 and by 1.4% in 2027. Growth is expected to be supported by a resilient labour market, easing inflationary pressure (2024: 2.4%, 2025: 2.1%, 2026: 1.9%, 2027: 2.0%) and favourable financing conditions. Policy support from the Recovery and Resilience Facility and other EU funding is also expected to cushion the effect of tighter fiscal policy in several member states.

### **Japan's economy contracted for the first time in 6 quarters**

- Although better than expected, the economy contracted for the first time in 6 quarters by an annualized rate of 1.8% q/q in 3Q (prior: 2.3% q/q), supporting the Prime Minister's case for aggressive fiscal spending to shore the economy as well as our expectations that the central bank will likely maintain its policy rate unchanged at 0.50% on December 19th. Private residential investment and net exports (-0.2% vs 0.2%) were the main drags to overall output, while consumer spending also softened to 0.1% from 0.4% previously.

### **Robust NODX for Singapore**

- Singapore's non-oil domestic exports (NODX) accelerated more than expected to 22.2% y/y in October from 7.0% y/y previously. Growth was broad based led by both electronics (33.2% y/y vs 30.4% y/y) and non-electronics, the former underpinned by ICs, PCs as well as disk media, and the latter was supported by sturdy demand for non-monetary gold, specialised machinery as well as pharmaceuticals. Within its top 10 markets, NODX to Taiwan, Thailand and Hong Kong expanded but fell for Japan and the US.

## House View and Forecasts

| FX      | This Week   | 1Q-26 | 2Q-26 | 3Q-26 | 4Q-26 |
|---------|-------------|-------|-------|-------|-------|
| DXY     | 97-101      | 97.33 | 95.92 | 94.52 | 93.15 |
| EUR/USD | 1.15-1.18   | 1.17  | 1.19  | 1.21  | 1.23  |
| GBP/USD | 1.30-1.34   | 1.32  | 1.34  | 1.35  | 1.37  |
| USD/CHF | 0.78-0.82   | 0.80  | 0.79  | 0.78  | 0.77  |
| USD/JPY | 151-157     | 151   | 148   | 145   | 142   |
| AUD/USD | 0.64-0.67   | 0.66  | 0.67  | 0.68  | 0.68  |
| NZD/USD | 0.55-0.58   | 0.57  | 0.57  | 0.58  | 0.59  |
| USD/CNY | 7.08-7.13   | 7.03  | 6.94  | 6.86  | 6.77  |
| USD/MYR | 4.10-4.17   | 4.12  | 4.08  | 4.05  | 4.05  |
| USD/SGD | 1.28-1.32   | 1.28  | 1.26  | 1.25  | 1.24  |
| USD/THB | 32.14-32.73 | 32.30 | 32.20 | 32.10 | 32.00 |

| FX      | Last close | 1Q-26 | 2Q-26 | 3Q-26 | 4Q-26 |
|---------|------------|-------|-------|-------|-------|
| SGD/MYR | 3.1879     | 3.21  | 3.23  | 3.24  | 3.27  |
| EUR/SGD | 1.5108     | 1.51  | 1.50  | 1.51  | 1.52  |
| GBP/SGD | 1.7145     | 1.69  | 1.69  | 1.69  | 1.70  |
| AUD/SGD | 0.8462     | 0.85  | 0.84  | 0.85  | 0.85  |

| Rates, % | Current   | 1Q26      | 2Q26      | 3Q26      | 4Q26      |
|----------|-----------|-----------|-----------|-----------|-----------|
| Fed      | 3.75-4.00 | 3.25-3.50 | 3.00-3.25 | 3.00-3.25 | 3.00-3.25 |
| ECB      | 2.00      | 2.00      | 2.00      | 2.00      | 2.00      |
| BOE      | 4.00      | 3.50      | 3.50      | 3.50      | 3.50      |
| SNB      | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      |
| BOJ      | 0.50      | 0.75      | 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     |
|--------|--------------------------------------------------|-----------|
| 18-Nov | AU RBA Minutes of Nov. Policy Meeting            |           |
|        | US Import Price Index YoY (Oct) **               | 0.00%     |
|        | US New York Fed Services Business Activity (Nov) | -23.6     |
|        | US Industrial Production MoM (Oct) **            | 0.10%     |
|        | US NAHB Housing Market Index (Nov)               | 37        |
|        | US Factory Orders (Aug)                          | -1.30%    |
|        | US ADP Weekly Employment Preliminary Estimates   |           |
| 19-Nov | AU Westpac Leading Index MoM (Oct)               | -0.03%    |
|        | JN Exports YoY (Oct)                             | 4.20%     |
|        | JN Core Machine Orders MoM (Sep)                 | -0.90%    |
|        | AU Wage Price Index YoY (3Q)                     | 3.40%     |
|        | MA Exports YoY (Oct)                             | 12.20%    |
|        | UK CPI Core YoY (Oct)                            | 3.50%     |
|        | UK PPI Input NSA YoY (Oct)                       | 0.80%     |
|        | UK House Price Index YoY (Sep)                   | 3.00%     |
|        | EC CPI Core YoY (Oct F)                          | 2.40%     |
|        | US MBA Mortgage Applications                     | 0.60%     |
|        | US Trade Balance (Aug)                           | -\$78.3bn |
|        | US FOMC Meeting Minutes                          |           |

Source: Bloomberg

\*\* Releases that may still be delayed by the recent US government shutdown

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