4 November 2026

Global Markets Research

Daily Market Highlights

4 Nov: All eyes on the US midterm election results

RBA raised the cash rate target; signaled wait-and-see stance for future path

CNH weakened after the PBoC upped the FX RRR by 2ppts wef 15 November

Stronger US job openings and factory orders; Hong Kong 3Q GDP quickened

- Traders snapped up some US tech stocks after the recent selling, lifting the S&P 500 and Nasdaq up 0.4% and 0.8% d/d respectively on election day, where the Democrats are expected to take control of the House of Representative and Senate. The Dow lagged its peers and fell 0.4% d/d weighed down by Apple shares after the iPhone maker reported disappointing profit margin. AMD nonetheless, saw its earnings topping estimates on soaring AI chip demand.
- Outside the equity space, bonds fell on the election day while the Dollar strengthened. Yields to the benchmark 2Y and 10Y rose 4-5bps to 4.63% and 4.97%, while the DXY closed up 0.1% d/d higher at 101.89, the latter aided by the better than expected US jobs data.
- GBP and EUR appreciated 0.1% d/d each against the Dollar to 1.1193 and 1.3415, while JPY and AUD lagged, weakening 0.5% d/d each to 158.69 and 0.6967, the latter after RBA Governor's Michelle Bullock signalled a wait and see approach to further tightening.
- Regional currencies closed mixed against USD, but MYR and SGD traded 0.1-0.2% d/d weaker at 4.0755 and 1.2816, while CNH (-0.3% d/d to 6.6701) lagged most peers after the PBoC raised the forex reserve requirement ratio by 2ppts (to 6%) wef 15 November, suggesting that the central bank's intention to keep a lid on yuan's recent strength.
- Outside the US, Stoxx Eur 600 fell 0.6% d/d as crude oil prices (WTI: -0.4% d/d to $96.09/barrel, Brent: -1.1% d/d to $103.60/barrel) whipsawed amid worries over the trajectory of the US-Iran peace talk. 10Y European sovereign bond yields meanwhile rose 2-7bps save for the Norwegian bonds.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,786.72	-0.38
S&P 500	7,568.92	0.36
NASDAQ	25,372.01	0.83
Stoxx Eur 600	645.66	-0.58
FTSE 100	10,638.43	-1.14
Nikkei 225	63,081.86	-0.33
CSI 300	4,008.88	-0.20
Hang Seng	23,525.97	0.57
Straits Times	5,269.29	-0.65
KLCI 30	1,621.85	0.14
FX		
Dollar Index	101.89	0.14
EUR/USD	1.1193	0.05
GBP/USD	1.3415	0.07
USD/JPY	158.69	0.47
AUD/USD	0.6967	-0.46
USD/CNH	6.6701	0.34
USD/MYR	4.0755	0.07
USD/SGD	1.2816	0.23
USD/KHR	4,082.85	0.00
USD/THB	33.74	-0.06
Commodities		
WTI ($/bbl)	96.09	-0.38
Brent ($/bbl)	103.60	-1.12
Gold ($/oz)	3,940.40	-0.74
Copper ($/MT)	14,036.00	-2.15
Aluminum($/MT)	3,044.50	-1.60
CPO (RM/MT)	4,350.00	-1.87

Source: Bloomberg, HL Bank

- Major Asian bourses closed mixed again, with Hang Seng up 0.6% d/d, while the CSI 300 and Nikkei 225 declined 0.2-0.3% d/d.

RBA raised its cash rate target in a divided move

- In a 9-3 majority vote, the Reserve Bank of Australia (RBA) decided to increase the cash rate target by 25bps to 4.85%. 3 members voted to leave the cash rate target unchanged at 4.60%. The accompanying outlook also incorporated a broadly flat cash-projection, in line with our base case for a hold for the RBA for the rest of 2026.
- The RBA reiterated that it will do what it considers necessary to bring inflation sustainably back to target in its statement, while acknowledging that financial conditions have tightened, the economy is slowing (GDP growth to ease from 2.1% in mid-2026 to 1.6% in mid-2027), housing prices have fallen significantly and that the unemployment rate has risen (unemployment rate revised up 0.3ppts to 5.1% by the end of 2028 vs 4.7% currently). In term of inflation, trimmed mean inflation is expected to remain above 3.0% until the end of 2027, only easing gradually to 2.5% around mid-2028, likely keeping the RBA on a hawkish note in the near term.

Better than expected job openings and factory orders data for the US

- In the US, JOLTS job openings increased sharper than forecast by 7523k in September (prior: 7190k), a sign that labour demand remains firms although not unusually tight. Gains were broad based led by job gains for professional & business services, manufacturing, as well as trade, transportation & utilities for the private sector. The number of vacancies/unemployment worker rose to 1.06 from 1.02, hiring rate increased to 3.4% from 3.3% previously, while the quit rate jumped to 2.1% from 1.9%, suggesting that the workers were more confident over their employment prospects.
- Also beating forecasts were factory orders which grew by 1.8% m/m in September following the 0.3% m/m gain the previous month. The stronger growth was driven by a 28.3% m/m jump in bookings for the volatile civilian aircraft and parts component. Other than this, the AI buildout and strong consumption also anchored orders for electronics & electrical goods, as well as consumer goods.

Strongest GDP growth for Hong Kong in 5 years

- Underpinned by stronger export growth and solid domestic demand, 3Q GDP growth unexpectedly quickened to its fastest pace in 5 years at 5.2% y/y, following a downwardly revised 4.2% y/y the previous quarter. YTD, the economy grew 5.1% y/y, suggesting that growth this year could likely beat official projection of 3.5-4.5%.
- On the domestic demand side, private consumption grew by 2.8% y/y (prior: 2.9% y/y), while investment growth surged 7.3% y/y (prior: 3.7% y/y), the latter supported by the property market rebound and as the infrastructure development for the Northern Metropolis gathers pace. Exports of goods jumped 30.4% y/y (prior: 28.9% y/y) in line with the robust AI boom, while exports of services also picked up pace at 4.3% y/y (prior: 3.2% y/y) amid inbound tourism, vibrant cross-boundary traffic and active financial market activities.

Record high trade surplus for Vietnam

- October saw trade surplus widening more than expected to its record high at $7.3bn (prior: $1.3bn) as export growth accelerated more than expected by 51.4% y/y (prior: 39.1% y/y) in line with the government pushing exports in its pursuit to achieve its 10% growth this year, and amid triple digit growth for electronics and electrical goods. Import growth unexpectedly eased to 43.1% y/y from 45.8% y/y previously, with raw materials, equipment and spare parts continuing to account for the bulk of the inbound shipments. YTD, US remained the biggest export market for Vietnam, while Vietnam had a trade deficit with China, its top source for raw materials and components.
- In line with the stronger exports, IPI growth also quickened to 15.0% y/y from 14.2% y/y driven by manufacturing, while on the domestic front, retail sales grew by 14.7% y/y, picking up pace from 14.1% y/y previously amid rather broad-based gains.
- Defying expectations for a pick-up, inflation unexpectedly held steady a 5.1% y/y, with softer food prices offset by higher transport costs. This brings YTD inflation at 4.6% y/y, in line with our 4.4-4.9% y/y CPI forecast for 2026.

House View and Forecasts

FX	This Week	4Q-26	1Q-27	2Q-27	3Q-27
DXY	100-103	102.22	100.87	99.53	98.21
EUR/USD	1.11-1.13	1.12	1.14	1.16	1.18

GBP/USD	1.32-1.34	1.31	1.32	1.33	1.34
USD/CHF	0.80-0.83	0.79	0.80	0.81	0.84
USD/JPY	156-160	157	155	153	150
AUD/USD	0.69-0.71	0.69	0.69	0.70	0.70
NZD/USD	0.55-0.58	0.58	0.57	0.57	0.56
USD/CNY	6.64-6.68	6.74	6.67	6.61	6.54
USD/MYR	4.02-4.06	4.12	4.07	4.02	3.97
USD/SGD	1.27-1.29	1.29	1.27	1.25	1.23
USD/THB	33.40-34.00	33.0	33.0	33.0	32.8

FX	**Last close**	**4Q-26**	**1Q-27**	**2Q-27**	**3Q-27**
SGD/MYR	3.1824	3.20	3.21	3.22	3.23
EUR/SGD	1.4342	1.45	1.45	1.45	1.45
GBP/SGD	1.7190	1.69	1.68	1.66	1.65
AUD/SGD	0.8926	0.89	0.88	0.87	0.86

Rates, %	**Current**	**4Q26**	**1Q27**	**2Q27**	**3Q27**
Fed	3.75-4.00	4.00-4.25	4.25-4.50	4.25-4.50	4.25-4.50
ECB	2.50	2.75	2.75	2.75	2.75
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.25	1.25	1.50	1.50	1.75
RBA	4.85	4.85	4.85	4.85	4.85
RBNZ	2.75	3.00	3.00	3.00	3.00
BNM	2.75	2.75	3.00	3.00	3.00

Source: HL Bank

Up Next

Date	**Events**	
4-Nov	AU S&P Global Australia PMI Services (Oct F)	47.8
	HK S&P Global Hong Kong PMI (Oct)	49.2
	SI S&P Global Singapore PMI (Oct)	58.1
	AU Household Spending MoM (Sep)	0.00%
	CH RatingDog China PMI Services (Oct)	51.6
	EC S&P Global Eurozone Services PMI (Oct F)	51.7
	UK S&P Global UK Services PMI (Oct F)	53.1
	EC CPI Core YoY (Oct P)	2.50%
	US MBA Mortgage Applications (30-Oct)	3.40%
	US ADP Employment Change (Oct)	90k
	US Treasury Quarterly Refunding Announcement	
	US Trade Balance (Sep)	-$105.6b
	US S&P Global US Services PMI (Oct F)	57.9
	US ISM Services Index (Oct)	54.9
5-Nov	JN S&P Global Japan PMI Services (Oct F)	52
	SI Retail Sales YoY (Sep)	0.70%
	MA BNM Overnight Policy Rate	2.75%
	EC PPI YoY (Sep)	8.20%
	US Challenger Job Cuts YoY (Oct)	-19.90%
	UK Bank of England Bank Rate	3.75%
	US Nonfarm Productivity (3Q P)	1.40%
	US Initial Jobless Claims (31 Oct)	194k

Source: Bloomberg

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