5 November 2026

Global Markets Research

Daily Market Highlights

5 Nov: All eyes on BNM's policy decision today

Blue wave saw traders snapping up US stocks and treasuries; Dollar weakened

Softer than expected US ISM services; stronger than expected job gains

3Y high for Eurozone's inflation; China's services sector grew at a softer pace

- Markets rallied after the Democrat took control of both chambers of the Congress, as expected. While we opine there will be little change in economic policies from the divided government, expectations of higher fiscal discipline saw traders snapping up US assets like stocks and bonds. The Dow jumped 3.0% d/d, while the S&P 500 and Nasdaq gained 1.6% d/d and 1.4% d/d.
- Treasuries rose as crude oil prices sank with traders betting that the blue wave could usher a quicker end to the US-Iran war. The WTI and Brent fell more than 8.0% d/d each to $88.12/barrel and $94.62/barrel.
- In bond space, treasury yields tumbled 5-8bps across the curve and the benchmark 2Y and 10Y yields closed the day at 4.58% (-5bps) and 4.89% (-7bps) respectively.
- The Dollar nonetheless weakened against most of its G10 peers following the midterm election results and the DXY closed 0.4% d/d lower at 101.49. NZD (0.6% d/d) and AUD (0.6% d/d to 0.7005) led gainers against the USD, the latter aided by the better than expected household spending data from Australia. EUR appreciated 0.3% d/d to 1.1228, GBP strengthened 0.4% d/d to 1.3471 while JPY gained 0.2% d/d to 158.43 against USD.
- Regional currencies closed mixed against the greenback. CNH depreciated 0.1% d/d to 6.6739 vs the USD, while SGD and MYR appreciated 0.3% d/d each to 1.2784 and 4.0633, the latter ahead of BNM's policy decision today where a hold is expected.
- Elsewhere, Asian (Hang Seng: 1.7% d/d, CSI 300: 2.3% d/d) and European equity markets rallied. Stoxx 600 closed 1.8% d/d higher led by gains in banking and consumer

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	53,356.12	3.03
S&P 500	7,688.62	1.58
NASDAQ	25,736.51	1.44
Stoxx Eur 600	657.40	1.82
FTSE 100	10,829.21	1.79
Nikkei 225	62,188.63	-1.42
CSI 300	4,101.34	2.31
Hang Seng	23,919.50	1.67
Straits Times	5,268.63	-0.01
KLCI 30	1,616.56	-0.33
FX		
Dollar Index	101.49	-0.37
EUR/USD	1.1228	0.31
GBP/USD	1.3471	0.42
USD/JPY	158.43	-0.16
AUD/USD	0.7005	0.55
USD/CNH	6.6739	0.06
USD/MYR	4.0633	-0.30
USD/SGD	1.2784	-0.25
USD/KHR	4,086.50	0.09
USD/THB	33.64	-0.31
Commodities		
WTI ($/bbl)	88.12	-8.29
Brent ($/bbl)	94.62	-8.67
Gold ($/oz)	4,073.00	3.37
Copper ($/MT)	14,011.00	-0.18
Aluminum($/MT)	3,047.00	0.08
CPO (RM/MT)	4,300.00	-1.15

Source: Bloomberg, HL Bank
**Dated 4th November for Nikkei 225*

discretionary stocks. 10Y sovereign bond yields fell 3-18bps, led by French bonds,

China's services PMI eased but remains expansionary; Hong Kong's headline PMI returned to growth, while Singapore's PMI continues to signal robust manufacturing sector

- The final October services PMIs were revised lower for the US (-1.8ppts to 56.1 vs Sept: 58.8), Eurozone (-0.3ppts to 51.4 vs 53.0) and the UK (-0.3ppts to 52.8 vs 53.1) but were revised higher for Australia (+0.7ppts to 48.5 vs 51.9)
- The RatingDog China Services PMI unexpectedly retreated to 50.8 in October from 51.6 previously, its slowest growth in 3 months. Operational constraints again contributed to the latest slowdown, even as new business inflows and hiring continued to rise at a solid pace. Business confidence also eased amid intense market competition and as input cost inflation intensified.
- Hong Kong's headline PMI (50.2 vs 49.2) suggests that the private sector activities returned to growth amid some tentative improvements in new orders. Details nonetheless flag a caution note. Inflationary pressures picked up, impacting firms' hiring decisions and saw confidence in the year-ahead outlook dropping to its 6-year low.
- Singapore's headline PMI (56.7 vs 58.1) suggests that business conditions continued to grow at a robust pace at the start of the quarter but more importantly, forward-looking indicators, including new orders, backlogs of work and future output indices all suggest continued growth in the near term.

US services ISM fell; employment gains steadied; trade deficit narrowed

- US services ISM fell more than expected by 0.4ppts to 54.5 in October as the new orders index dropped 3.9ppts to 55.9, below its 12-month average. The employment index remained in expansion territory for the second month in a row with a reading of 51.4 (prior: 50.1), above its 12-month average, while prices paid stayed elevated at 73.0 (prior: 74.0). Tariffs and fuel cost impacts continued to be the most-cited concerns impacting supply chains, and many respondents also indicated that they have yet to see the full impact of these cost escalations or have not passed them through to customers.
- Hiring showed solid growth for the second month with private sector employers adding more jobs than expected by

86k in October (prior: 86k). According to ADP, job gains were led by the trade, transportation & utilities as well as education & health services sectors. There were nonetheless weak spots. Professional & business services lost jobs for the third straight month. Pay gains for job stayers were steady at 4.4%, while those for job changers accelerated to 7.6% from 7.4%.

- Trade deficit unexpectedly narrowed to $105.0bn in September from $105.7bn previously as export growth quickened to 1.9% m/m (prior: 1.6% m/m) on capital goods and food & beverages, and outpaced import growth at 1.2% m/m (prior: 4.4% m/m), the latter on account of still strong domestic demand supported by resilient consumer spending and the AI boom.
- Housing market related indicators, meanwhile, continued to languish. Mortgage applications fell 1.2% m/m for the week ending 30th October (prior: 3.4% m/m) as elevated mortgage rates (30Y: 7.30%) continue to keep potential home buyers and thus, purchases on the sideline.

A 3-year high for Eurozone's headline inflation

- October saw headline CPI rising to 4.0% y/y in October (prior: 3.8% y/y) as expected, its highest level in 3 years largely due to spike in energy cost (20.8% y/y vs 18.9% y/y). Underlying inflation nonetheless remained steady and tame at 2.5% y/y, suggesting limited spillover from energy to core, in line with our call for the final increase in ECB policy rates next month.

Robust household spending for Australia

- Household spending grew a robust 0.6% m/m in September, better than expected and rebounding from -0.1% m/m previously. Household spending rose across both essential and discretionary categories, led by transport due to fuel-related spending, health with the flu season driving greater demand for GP visits and medicine, as well as recreation & culture, the latter partially due to major sporting events.

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	3.1792	3.20	3.21	3.22	3.23
EUR/SGD	1.4359	1.45	1.45	1.45	1.45
GBP/SGD	1.7228	1.69	1.68	1.66	1.65
AUD/SGD	0.8958	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**	
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 Unit Labor Costs (3Q P)	1.20%
	US Initial Jobless Claims (31 Oct)	194k
6-Nov	JN Scheduled Full-Time Pay - Same Base YoY (Sep)	2.80%
	MA Foreign Reserves	$132.1b
	EC Retail Sales MoM (Sep)	0.10%
	US Change in Nonfarm Payrolls (Oct)	29k
	US Average Hourly Earnings YoY (Oct)	3.00%
	US Average Weekly Hours All Employees (Oct)	34.4
	US Unemployment Rate (Oct)	4.20%
	US U. of Mich. Sentiment (Nov P)	48
	US Consumer Credit (Sep)	$8.281b

Source: Bloomberg

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