11 November 2026

**Global Markets Research**

**Daily Market Highlights**

# 11 Nov: Hot US CPI reading strengthens rate hike case

## Hotter than expected US CPI spurred a sell-off in Wall Street; DXY jumped

## Fed's Waller: 25-50bps hike in Dec; Logan: at least two additional 25bps hikes

## Faster than expected IPI growth for Malaysia; double-digit gains in China's trade

- US CPI came in hotter than expected, and Fed Chris Waller's and Lorie Logan's hawkish comments prompted traders to pencil with certainty that the FOMC will deliver a quarter point hike in the December FOMC meeting, while upping their bets for more hikes in 2027.
- In short, Waller said that he backs a 25bps hike in December and could even opt for a 50bps hike, while Logan is pencilling in at least 2 additional quarter point increases. These spurred a self-off in both US stocks and bonds, with short-dated treasuries bearing the brunt of the sell-off for bonds. The 2Y yield jumped 18bps to 4.74%, while the 10Y increased 11bps to 4.99%.
- In the equity space, the Dow and S&P 500 lost 0.3% d/d and 0.4% d/d, while Nasdaq lagged at -0.7% d/d. Tech stocks notably underperformed, with added dampener from extended losses in Nvidia's shares.
- In the forex space, DXY jumped to its intraday high of 102.41, before paring its gains to close 0.6% d/d higher at 102.22. All G10 currencies weakened against the Dollar led by NOK (-1.2% d/d) and AUD (-0.9% d/d to 0.6866). EUR, GBP and JPY depreciated 0.5-0.7% d/d to 1.1164, 1.3344 and 158.75 against the USD.
- On the regional front, MYR strengthened 0.1% d/d to 4.0565 after its IPI beat, while SGD and CNH closed 0.1-0.2% d/d weaker at 1.2812 and 6.6766 against USD.
- Elsewhere, European (Stoxx 600: 0.3% d/d) and Asian equity markets (Nikkei 225: 2.9% d/d, Hang Seng: 0.4% d/d, CSI 300: 0.1% d/d) outperformed their US counterparts, while 10Y European bond yields jumped 3-9bps led by UK gilts.
- On a bright note, crude oil prices continued to slide on expectations of a de-escalation in the war. Brent and the WTI

**Key Market Metrics**

| | Level | d/d (%) |
|---|---|---|
| **Equities** | | |
| Dow Jones | **52,231.89** | **-0.30** |
| S&P 500 | **7,520.93** | **-0.38** |
| NASDAQ | **25,065.88** | **-0.74** |
| Stoxx Eur 600 | **658.32** | **0.27** |
| FTSE 100 | **10,751.59** | **-0.29** |
| Nikkei 225 | **60,459.58** | **2.87** |
| CSI 300 | **4,059.11** | **0.07** |
| Hang Seng | **24,557.04** | **0.44** |
| Straits Times | **5,258.59** | **1.53** |
| KLCI 30 | **1,604.07** | **-0.77** |
| **FX** | | |
| Dollar Index | **102.22** | **0.55** |
| EUR/USD | **1.1164** | **-0.53** |
| GBP/USD | **1.3344** | **-0.73** |
| USD/JPY | **158.75** | **0.53** |
| AUD/USD | **0.6866** | **-0.88** |
| USD/CNH | **6.6766** | **0.11** |
| USD/MYR | **4.0565** | **-0.06** |
| USD/SGD | **1.2812** | **0.20** |
| USD/KHR | **4,081.75** | **-0.10** |
| USD/THB | **33.40** | **-0.43** |
| **Commodities** | | |
| WTI ($/bbl) | **86.04** | **-0.93** |
| Brent ($/bbl) | **91.49** | **-1.17** |
| Gold ($/oz) | **4,030.20** | **-2.05** |
| Copper ($/MT) | **13,679.00** | **-1.57** |
| Aluminum($/MT) | **3,010.50** | **-1.83** |
| CPO (RM/MT) | **4,040.00** | **-0.22** |

*Source: Bloomberg, HL Bank*

closed the day at $91.49/barrel (-1.2% d/d) and $86.04/barrel (-0.9% d/d).

## US core inflation held steady; defying expectations for a softer increase

- Inflation prints came in hotter than expected with headline and core CPI coming in at 0.4% m/m and 0.3% m/m (prior: 0.6% m/m and 0.3% m/m). No y/y rates were released as no data was collected during the government shutdown in October 2025. There was some softness in the details of the inflation report. Prices for AI-related driven goods moderated, new vehicle prices held steady while those for used cars/trucks fell. On the flip side, inflation for food prices quickened, while those of services held steady and elevated.
- As it is, a stronger than expected readings for both nonfarm payroll and CPI recently essentially strengthened, if not sealed, the case for another quarter point hike in the upcoming December FOMC meeting.
- In a separate release, although below forecast, the NFIB Small Business Optimism index were relatively steady at 97.8 in October (-0.1ppts) with more owners reporting that their businesses are in good/excellent health and actual sales improved, offsetting persistent inflation, labor shortages and policy risks concerns.

## Slump in Australia's business confidence and conditions

- NAB business confidence (-15 vs -14) and conditions (-2 vs -1) both deteriorated again in October, and a sharp drop in forward orders suggests tougher trading conditions over the coming months. The decline was broad-based and led by construction and manufacturing sectors.

## Japan's Eco Watchers fell for the second month

- The Eco Watchers Survey outlook index fell more than expected and for the second month to 46.5 in October from 47.4 previously. Despite the downtick and lingering uncertainty, the economy is expected to continue growing, supported by still resilient external demand and consumption, the latter amid sustained wage growth.

## Solid trade data from China

- October saw import growth soaring more than expected and its fastest pace since 2021 at 41.6% y/y (prior: 31.0% y/y),

outpacing exports at 35.2% y/y (prior: 36.3% y/y). The latter was below forecast and largely reflect still sturdy demand for chips and other AI-related hardware. As it is, the strength in external demand has allowed policymakers to continue relying on moderate policy support to meet the country's annual growth target of 4.5%-5.0% this year.

## Malaysia's IPI growth surprised on the upside for a 2nd straight month

- Industrial Production Index (IPI) growth picked up more than expected for a 2nd straight month, to 6.3% y/y in September (Aug: 5.0% y/y). This marked its best growth in four months, spurred by faster increases in manufacturing (9.4% vs 7.4% y/y) and electricity (10.7% vs 9.0% y/y), while mining output contracted for the 3rd straight month (-9.4% vs -7.4% y/y). The positive trajectory in the manufacturing sector, where growth hit its highest in 4 years, was boosted by encouraging expansion in both the export- (10.7% vs 9.1% y/y) and domestic- (6.6% vs 3.9% y/y) oriented sectors.
- In a separate release, and in tandem with stronger IPI growth, manufacturing sales also picked up for the 2nd straight month to 12.9% y/y in September (Aug: 9.9% y/y), its fastest growth pace since Oct-22. We are also encouraged by labour market health for the manufacturing sector, with continuous pick-up in both salaries & wages (4.0% vs 3.5% y/y) and number of employed (1.4% vs 1.2% y/y). Please refer to Research Alert "Pleasant surprises in September IPI growth" dated 10th November for more details.

## 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 | 1.11-1.14 | 1.12 | 1.14 | 1.16 | 1.18 |
| GBP/USD | 1.33-1.36 | 1.31 | 1.32 | 1.33 | 1.34 |
| USD/CHF | 0.80-0.83 | 0.79 | 0.80 | 0.81 | 0.84 |
| USD/JPY | 155-160 | 157 | 155 | 153 | 150 |
| AUD/USD | 0.68-0.71 | 0.69 | 0.69 | 0.70 | 0.70 |
| NZD/USD | 0.55-0.58 | 0.58 | 0.57 | 0.57 | 0.56 |
| USD/CNY | 6.64-6.69 | 6.74 | 6.67 | 6.61 | 6.54 |
| USD/MYR | 4.02-4.07 | 4.12 | 4.07 | 4.02 | 3.97 |
| USD/SGD | 1.26-1.29 | 1.29 | 1.27 | 1.25 | 1.23 |
| USD/THB | 33.10-33.80 | 33.0 | 33.0 | 33.0 | 32.8 |

| FX | Last close | 4Q-26 | 1Q-27 | 2Q-27 | 3Q-27 |
|---|---|---|---|---|---|
| SGD/MYR | 3.1743 | 3.20 | 3.21 | 3.22 | 3.23 |

| | | | | | |
|---|---|---|---|---|---|
| EUR/SGD | 1.4307 | 1.45 | 1.45 | 1.45 | 1.45 |
| GBP/SGD | 1.7106 | 1.69 | 1.68 | 1.66 | 1.65 |
| AUD/SGD | 0.8802 | 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 | 4.00 | 4.00 | 4.25 | 4.25 | 4.25 |
| 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 | |
|---|---|---|
| 11-Nov | AU Home Loans Value QoQ (3Q) | -5.20% |
| | US MBA Mortgage Applications (6 Nov) | 189k |
| 11-17 Nov | CH FDI YTD YoY CNY (Oct) | -4.30% |
| 12-Nov | JN PPI YoY (Oct) | 6.80% |
| | UK GDP QoQ (3Q P) | 0.50% |
| | US Initial Jobless Claims (7 Nov) | 189k |
| | US Existing Home Sales MoM (Oct) | 1.50% |
| | US Federal Budget Balance (Oct) | -$284.3b |

*Source: Bloomberg*

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