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Global Markets Research

Daily Market Highlights

14 Oct: All eyes on US CPI and Fed Beige Book today

Fed's Williams opines that one more hike is appropriate this year; none in 2027

RBA minutes: Bank will increase the cash rate target further if required

Surprised hold from MAS; advanced 3Q GDP growth beat forecasts at 5.4% y/y

- The S&P 500 closed below its flatline, Nasdaq lost 0.2% d/d while the Dow slipped 0.4% d/d overnight with financial stocks struggling for momentum even after banking giants like JP Morgan, Wells Fargo, Goldman Sachs and Citi all reported higher profits, albeit missing expectations for some. Tech stocks rebounded slightly, but memory stocks like Micron were under pressure after China's CXMT reportedly made progress on new designs, sparking fears of competition from their China's counterparts.
- In Fed speak, Fed's John Williams reiterated his stance that he sees one more hike as appropriate this year and does not think more needs to be done beyond that, barely moving a needle for the FX nor treasury yields. The 2Y UST yield closed just above its flatline at 4.79%, while the 10Y fell 3bps to 5.21%.
- In Europe, Stoxx 600 inched down 0.1% d/d with tech, industrial and healthcare stocks underperforming, while 10Y European bond yields were lower between 1-6bps save the UK gilts.
- In Asia, Hang Seng rose 0.3% d/d, while Nikkei 225 and CSI 300 tumbled 1.8% d/d and 0.3% d/d respectively. The sell-off in tech stocks saw Kospi dipping below the 6k mark briefly, triggering a circuit breaker before closing the day 5.5% d/d lower overnight.
- In the forex space, the DXY slipped 0.4% d/d to 102.22 in line with the lower price for the WTI and predominantly lower treasury yields. JPY (0.2% d/d to 158.33) strengthened against the Dollar but lagged the rest of its G10 peers. EUR, GBP and AUD appreciated 0.4% d/d each to 1.1199, 1.3255 and 0.6984, the latter supported by a hawkish note in the RBA minutes.
- Following its chip sell-off, KRW weakened 0.5% d/d against USD and underperformed its regional peers. MYR and CNH

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,670.10	-0.35
S&P 500	7,805.45	-0.02
NASDAQ	27,204.38	-0.15
Stoxx Eur 600	635.01	-0.10
FTSE 100	10,650.33	-0.06
Nikkei 225	67,777.52	-1.82
CSI 300	4,275.68	-0.29
Hang Seng	24,345.22	0.30
Straits Times	5,430.50	0.28
KLCI 30	1,623.35	0.33
FX		
Dollar Index	102.22	-0.36
EUR/USD	1.1199	0.39
GBP/USD	1.3255	0.36
USD/JPY	158.33	-0.18
AUD/USD	0.6984	0.36
USD/CNH	6.6926	-0.03
USD/MYR	4.0850	0.02
USD/SGD	1.2799	-0.05
USD/KHR	4,069.08	0.11
USD/THB	33.53	33.61
Commodities		
WTI (\$/bbl)	94.14	0.43
Brent (\$/bbl)	105.69	-0.90
Gold (\$/oz)	4,152.90	-0.31
Copper (\$/MT)	14,578.00	-0.28
Aluminum(\$/MT)	3,039.00	-0.44
CPO (RM/MT)	4,398.00	4.71

Source: Bloomberg, HL Bank

closed flattish at 6.6926 and 4.0850, while SGD appreciated 0.1% d/d to 1.2799 vs the USD.

- In the commodity space, crude oil prices closed mixed with traders weighing prospects of more Russian energy entering global markets, while concerns over the geopolitical tension limited losses. Brent fell 0.9% d/d to \$105.69/barrel, while the WTI gained 0.4% d/d to \$94.14/barrel.

Unexpected hold by the MAS; still robust 3Q GDP growth for Singapore

- In an unexpected move, MAS kept its monetary policy unchanged, pausing after two consecutive tightening this year. Accordingly, the current appreciating policy band will allow the S\$NEER to continue to strengthen and lean against the anticipated near-term rise in imported inflation, ensuring the gradual easing of inflationary pressures in 2027.
- The decision came against a backdrop of robust economic activity. Advanced 3Q GDP growth came above forecast at 5.4% y/y (2Q: upwardly revised to 6.2% y/y). Within the sub-sectors, growth for manufacturing eased to 7.5% y/y (prior: 12.9% y/y), but this was slightly offset by a steady services sector (5.2% y/y) and a pick-up in construction activities (8.8%y/y vs 6.1% y/y).

RBA minutes flagged risk of a 5th rate hike

- The latest RBA minutes of September policy meeting was hawkish, highlighting that the RBA will continue to do what it considered necessary to achieve the dual mandate of delivering price stability and full employment, and this includes **increasing the cash rate target further if required**. This essentially leaves the door open to a fifth-rate hike, especially since: 1) the board is committed to stabilise its inflation even if part of the persistence was driven by factors beyond the influence of monetary policy, and 2) the upward surprise in underlying inflation was more likely to reflect greater domestic capacity pressures (demand-pull) rather than strong pass-through of cost increases flowing from the Middle East conflict.
- Economic data were downbeat. The Westpac Leading index fell at a wider pace of 0.06% m/m in September (prior: -0.02% m/m), while the NAB Business Confidence index worsened to -13 in (prior: -9), the latter weighed down by concerns over elevated energy prices, higher funding costs and slower domestic growth. Details also suggest that confidence

remained negative across all industries save for the mining sector.

IMF expects the global economy to remain resilient in 2026-2027

- Key highlights from the latest World Economic Outlook include: 1) Despite persistent energy market disruption, **global growth is projected at 3.1% in 2026 and 3.4% in 2027** (2025: 3.5%), unchanged for 2026 and revised moderately upward for 2027 versus projections made in April this year. 2) Accordingly, two main factors helped the global economy withstand the latest shock. These include the AI-driven investment boom and on the energy front, cushioned by the rerouting of energy supplies, increased energy production in other countries, inventory drawdowns and substitution to other sources of energy. 3) Risks remained skewed to the downside stemming from the geopolitical tension and extreme weather which could keep energy, food prices and policy rates elevated, reassessment of AI-related profitability and productivity prospects, fiscal vulnerabilities and renewed trade tensions. 4) Global headline inflation is forecasted to accelerate from 4.1% in 2025 to 4.7% in 2026, before easing to 4.1% in 2027. This marks a cumulative upward revision of 0.7ppts with the temporary increase driven mainly by energy and food prices.

US existing home sales rebounded; small business optimism weakened

- Existing home sales were better than expected, rebounding 1.5% m/m in September after contracting 3.2% m/m previously. Despite the small monthly gain, Aug-Sep marked the two slowest months for sales this year and further increases in mortgage rates suggest more drag on housing activities in 4Q of the year. Median sales price rose 1.3% y/y to US\$417.5k, while the supply of previously owned homes for sale climbed to 1.6m or 4.8 months of supply at the current sales pace, staying at the more than decade high it reached in August.
- The NFIB Small Business Optimism index fell more than expected by 0.8ppts to 97.9 in September, as concerns over business conditions, labor quality and inflation weighed on sentiment. The index at this level remains near its long term and marks its second month of decline.



House View and Forecasts

FX	This Week	4Q-26	1Q-27	2Q-27	3Q-27
DXY	101-104	102.22	100.87	99.53	98.21
EUR/USD	1.11-1.14	1.12	1.14	1.16	1.18
GBP/USD	1.31-1.34	1.31	1.32	1.33	1.34
USD/CHF	0.81-0.85	0.79	0.80	0.81	0.84
USD/JPY	156-160	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	6.68-6.72	6.74	6.67	6.61	6.54
USD/MYR	4.07-4.12	4.12	4.07	4.02	3.97
USD/SGD	1.27-1.30	1.29	1.27	1.25	1.23
USD/THB	33.30-33.80	33.0	33.0	33.0	32.8

FX	Last close	4Q-26	1Q-27	2Q-27	3Q-27
SGD/MYR	3.1919	3.20	3.21	3.22	3.23
EUR/SGD	1.4333	1.45	1.45	1.45	1.45
GBP/SGD	1.6965	1.69	1.68	1.66	1.65
AUD/SGD	0.8938	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	4.60	4.60	4.60	4.60	4.60
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	
14-Oct	CH PPI YoY (Sep)	3.80%
	CH CPI YoY (Sep)	0.80%
	US MBA Mortgage Applications (9 Oct)	-4.2%
	US Real Avg Weekly Earnings YoY (Sep)	0.30%
	US Core CPI YoY (Sep)	2.40%
	CH Exports YoY (Sep)	25.00%
	US Fed Releases Beige Book	
15-Oct	JN Core Machine Orders MoM (Aug)	-3.70%
	AU Employment Change (Sep)	39.5k
	AU Unemployment Rate (Sep)	4.60%
	UK Monthly GDP (MoM) (Aug)	0.40%
	EC Industrial Production SA MoM (Aug)	-0.10%
	US Retail Sales Advance MoM (Sep)	1.20%
	US Philadelphia Fed Business Outlook (Oct)	37.8
	US Initial Jobless Claims (10-Oct)	197k
	US PPI Final Demand YoY (Sep)	5.40%

Source: Bloomberg



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