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Global Markets Research

Daily Market Highlights

4 Nov: All eyes on the RBA today

Expect a hawkish hold from RBA; AUD weakened ahead of the policy decision

DXY fell after weaker ISM manufacturing; regained ground following mixed Fed speaks

Broadly softer regional manufacturing PMIs vs improvement in the major economies

- Wall Street closed mixed on a relatively quiet Monday. While the Dow lagged and fell 0.5% d/d, Nasdaq and S&P 500 rose 0.2-0.5% d/d with Amazon shares extending its run-up following news of its \$38bn deal with OpenAI. Kenvue's stock also jumped after Kimberly-Clark agreed to buy the Tylenol maker for over \$40bn.
- Meanwhile, investors were and are watching for further updates on the US-China trade deal front. and the government shutdown. Fed speaks were mixed with President Goolsbee saying that he is more concerned over inflation than the labour market, President Daly commenting that officials should "keep an open mind" in the December meeting, while Governor Miran repeated his view that the policy rate remains restrictive at this level.
- Elsewhere, European and Asian stocks mostly rose, with Kospi hitting a record high. As it is, Asian stocks are poised to track Wall Street's tech rally after the Amazon deal, and following futures.
- Treasuries continued to lag following Powell's hawkish tilt recently, and yields were up 3-4 across the curve. The 2Y yield closed the day at 3.61%, and the 10Y at 4.11%. Similarly, 10Y European bond yields were up 2-3bps.
- In the FX space, DXY briefly took a tumble following the weak ISM reading before rebounding to close slightly higher by 0.1% d/d to 99.87. GBP (-0.1% d/d to 1.3140) and AUD (-0.1% d/d to 0.6537) are in focus this week ahead of the Bank of England (BOE) and Reserve Bank of Australia's (RBA) policy decisions, where status quo are expected for both.
- With the exception of PHP (0.1% d/d), Asian currencies weakened against the greenback with THB (-0.4% d/d), TWD (-0.3% d/d), SGD (-0.3% d/d to 1.3047) and MYR (-0.3% d/d to 4.1997) the notable laggards.
- Crude oil prices closed little changed after OPEC+ decided to halt its production hikes starting from January. The Brent fell 0.3% d/d to \$64.89/barrel, but the WTI closed up 0.1% d/d to \$61.05/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,336.68	-0.48
S&P 500	6,851.97	0.17
NASDAQ	23,834.72	0.46
Stoxx Eur 600	572.28	0.07
FTSE 100	9,701.37	-0.16
Nikkei 225	52,411.34	2.12
CSI 300	4,653.40	0.27
Hang Seng	26,158.36	0.97
Straits Times	4,444.33	0.35
KLCI 30	1,622.42	0.82
FX		
Dollar Index	99.87	0.07
EUR/USD	1.1520	-0.15
GBP/USD	1.3140	-0.09
USD/JPY	154.22	0.15
AUD/USD	0.6537	-0.12
USD/CNH	7.1266	0.06
USD/MYR	4.1997	0.27
USD/SGD	1.3047	0.28
USD/KHR	4,022.00	0.02
USD/THB	32.46	0.38
Commodities		
WTI (\$/bbl)	61.05	0.11
Brent (\$/bbl)	64.89	-0.28
Gold (\$/oz)	4,014.00	0.44
Copper (\$/MT)	10,855.00	-0.30
Aluminum(\$/MT)	2,902.00	0.62
CPO (RM/tonne)	4,215.00	-0.57

Source: Bloomberg, HLBB Global Markets Research
* Closing as of 31 Oct for CPO

Broadly softer manufacturing PMIs for Asia save for Vietnam

- The final manufacturing PMIs for the US (+0.3ppts to 52.5 vs Sep: 52.0) and the UK (+0.1ppts to 49.7 vs Sep: 46.2) were revised higher for October but left unchanged at 50.0 for the Eurozone. On the contrary, regional PMIs were broadly softer, likely due to headwinds from softer global demand.
- China manufacturing PMI expanded at a slower pace of 50.6 in October (prior: 51.2) with only the employment sub-index showing positive m/m change. Heightened trade uncertainty caused new export orders to fall sharply into contraction territory and dampened output growth. Meanwhile, the divergence of rising raw material prices vs falling finished goods prices will likely keep corporate profit margins under pressure.
- For Malaysia, October PMI (49.5 vs 49.8) signalled another moderation in the Malaysia's manufacturing sector and challenging conditions in 4Q. Weighing on the headline was a renewed reduction in new orders, resulting in a scaling back of production volumes as well as moderation in both employment and stock holdings. Despite this, outlook for the year ahead rose to its 2.5-year high.
- The official Singapore PMI slowed slightly from 50.1 to 50.0 in October, while the electronics sector continued with its fifth month of expansion at 50.4 (prior 50.7). Notably, the contractions in output, supplier deliveries and future business indices signals slowing momentum ahead.
- Vietnam PMI (54.5 vs 50.4) was the outlier and moved up in October driven by sharp increases in output and new orders, while employment expanded for the first time in just over a year. As a result, business confidence also hit a 16-month high.

ISM manufacturing contracted at a faster pace

- The ISM-Manufacturing index unexpectedly fell 0.4ppts to 48.7 in October, dragged lower by the contractions in productions and inventories sub-indices. This comes as the short gains from Aug-Sep's new orders and production failed to translate into sustained growth for the sector, a reflection of continuing economic uncertainty for the US economy.

Stronger household spending and building approvals data from Australia

- Data released was broadly stronger, reinforcing our expectations that the RBA will likely maintain its cash rates unchanged at 3.60% today. Although below expectations, household spending rose 0.2% m/m in September following a flat result the prior month. Spending on non-discretionary items like food, health, and petrol drove the overall rise, while

households spending on discretionary spending was flat. Housing data was also robust, with building approvals jumping more than expected by 12.0% m/m after August's -3.6% m/m.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	98-101	96.45	95.57	94.24	92.99
EUR/USD	1.14-1.17	1.19	1.20	1.22	1.24
GBP/USD	1.30-1.33	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	151-157	146	145	142	140
AUD/USD	0.64-0.67	0.67	0.67	0.68	0.68
NZD/USD	0.56-0.59	0.59	0.60	0.60	0.60
USD/CNY	7.09-7.14	7.08	7.06	6.99	6.94
USD/MYR	4.17-4.22	4.20	4.15	4.10	4.10
USD/SGD	1.30-1.33	1.28	1.26	1.24	1.23
USD/THB	31.00-33.50	32.25	32.30	32.20	32.00

FX	Last close	4Q-25	1Q-26	2Q-26	3Q-26
EUR/MYR	4.8364	5.00	4.99	5.00	5.08
GBP/MYR	5.5124	5.71	5.67	5.64	5.68
AUD/MYR	2.7494	2.80	2.79	2.77	2.80
CNY/MYR	0.5898	0.59	0.59	0.59	0.59
SGD/MYR	3.2221	3.28	3.29	3.30	3.33

Rates, %	Current	4Q25	1Q26	2Q26	3Q26
Fed	3.75-4.00	3.50-3.75	3.25-3.50	3.00-3.25	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.75	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.50	0.75	0.75	0.75
RBA	3.60	3.35	3.10	3.10	3.10
RBNZ	2.50	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
4-Nov	JN S&P Global Japan PMI Mfg (Oct F)	48.3
	AU RBA Cash Rate Target	3.60%
	US Trade Balance (Sep)**	-\$78.31b
	US JOLTS Job Openings (Sep)**	7227k
	US Factory Orders (Sep)**	-1.30%
5-Nov	AU S&P Global Australia PMI Services (Oct F)	53.1
	HK S&P Global Hong Kong PMI (Oct)	50.4
	SI S&P Global Singapore PMI (Oct)	56.4
	CH RatingDog China PMI Services (Oct)	52.9
	SI Retail Sales SA MoM (Sep)	0.50%
	EC HCOB Eurozone Services PMI (Oct F)	52.6
	UK S&P Global UK Services PMI (Oct F)	51.1
	US MBA Mortgage Applications	7.10%
	US ADP Employment Change (Oct)	-32k
	US S&P Global US Services PMI (Oct F)	55.2
	US ISM Services Index (Oct)	50

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**** Releases likely delayed by the US government shutdown**

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