4 December 2025

Global Markets Research

Daily Market Highlights

4 Dec: Sour ADP labour data cements rate cut bets

US stocks and treasuries gained; Dollar weakened against all G10 peers

US employers shed jobs; services ISM, IPI barely grew; flat import price

Softer 3Q GDP for Australia; Bullock: RBA is monitoring price pressure

- Wednesday saw US stocks closing up and Treasuries extending its rally after a much weaker than expected ADP data cemented bets of a quarter point cut in the December FOMC meeting. The 2Y UST yield closed the day 3bps lower at 3.48%, while the 10Y slid 2bps to 4.06%. Dow led gains at 0.9% d/d, outpacing S&P 500 and Nasdaq at 0.3% and 0.2% d/d respectively. On the corporate front, Macy's and Dollar Tree kicked off this week's retail earnings and they were mixed. Consumer stocks closed the day in the green.
- Elsewhere, Nikkei 225 (1.1% d/d) outperformed in a mixed trading day for Asian bourses, while Stoxx Eur was a shade higher by 0.1% d/d. 10Y European bond yields closed mixed and muted between +/-2bps.
- In the FX space, the Dollar weakened against all its G10 peers following the sour ADP report and the DXY tumbled 0.5% d/d to close the day at 98.85. GBP (1.1% d/d to 1.3353) outperformed all G10, while AUD whipsawed following its GDP miss, diving to as low at 0.6553 before rebounding to close the day 0.6% d/d stronger at 0.6601. Underpinning AUD strength was GDP details that suggest a still resilient domestic sector, and as RBA Governor Michele Bullock delivered a hawkish note overnight, saying that the central bank is closely monitoring inflationary pressure and is ready to act if they show signs of building up.
- JPY (0.4% d/d to 155.25) led regional gains against the greenback. MYR and SGD appreciated at a milder pace in tune to 0.2% d/d each, closing the day at 4.1217 and 1.2937.
- Crude oil prices climbed in tune to 0.4-0.5% d/d after the US-Russia talk failed to reach a deal to end the war in Ukraine, one that could have eased sanctions on Russia's oil sector. Brent closed the day at $62.67/barrel and the WTI at $58.95/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,882.90	0.86
S&P 500	6,849.72	0.30
NASDAQ	23,454.09	0.17
Stoxx Eur 600	576.22	0.10
FTSE 100	9,692.07	-0.10
Nikkei 225	49,864.68	1.14
CSI 300	4,531.05	-0.51
Hang Seng	25,760.73	-1.28
Straits Times	4,554.52	0.36
KLCI 30	1,622.84	-0.48
FX		
Dollar Index	98.85	-0.51
EUR/USD	1.1671	0.40
GBP/USD	1.3353	1.06
USD/JPY	155.25	-0.40
AUD/USD	0.6601	0.58
USD/CNH	7.0577	-0.13
USD/MYR	4.1217	-0.22
USD/SGD	1.2937	-0.22
USD/KHR	4,008.75	0.01
USD/THB	31.93	-0.24
Commodities		
WTI ($/bbl)	58.95	0.53
Brent ($/bbl)	62.67	0.35
Gold ($/oz)	4,199.30	0.30
Copper ($/MT)	11,487.50	3.07
Aluminum($/MT)	2,897.00	1.10
CPO (RM/tonne)	4,086.00	-0.30

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 2 Dec for CPO*

Upward revisions to services PMIs for most majors; Mixed regional PMIs, outlook ahead

- Save the US, the final November services PMIs were revised higher for the majors, +0.5ppts to 53.6 for the Eurozone (Oct: 53.0), +0.8ppts to 51.3 for the UK (Oct: 52.3) and +0.1ppts to 53.2 for Japan (Oct: 53.1). Services PMI for the US was revised 0.9ppts lower to 54.1 (Oct: 54.8), but businesses expect an upturn in growth over the year ahead.
- Fresh data showed that the RatingDog China Services PMI fell slightly from 52.6 to 52.1 for the same month. This marks its lowest level since 2Q, and as the contraction in employment, pressure on profit margins and softer growth expectations 1Y ahead dragged on growth.
- Hong Kong PMI improved to its strongest since March 2023 at 52.9 (prior: 51.2) but business expectations for the year ahead remained downbeat, weighed down by concerns over economic outlook, geopolitical tensions and the impact of higher trade tariffs.
- Unlike its official data, Singapore's PMI retreated to 55.4 (prior: 57.4) but forward-looking indicators like new orders, backlogs of work and future output indices suggest continued business activity growth in the coming months.

US employers shed 32k jobs in November; flat import prices; services ISM and IPI growth improved marginally for September

- The labor market slowdown intensified in November, with private companies cutting 32k jobs according to ADP. This marks a sharp stepdown from October's +47k as well as consensus estimate's +10k. The decline was led by a pullback among small businesses, and particularly weak in the manufacturing, professional & business services, information and construction sectors as employers weather cautious consumers and an uncertain macroeconomic environment. In tandem with this, pay growth also slowed to 4.4% y/y for job-stayers (prior 4.5% y/y) and 6.3% y/y for job-changers (prior: 6.7% y/y).
- In terms of prices, import prices was softer than expected and flat in September (prior: 0.1% m/m) as higher costs for industrial supplies and consumer goods excluding motor vehicles offset cheaper energy prices.
- In the services sector, the ISM index unexpectedly improved 0.2ppts to 52.6 in November. Continued expansion in both the Business Activity and New Orders (52.9 vs 56.2) sub-indices, as well as the highest Backlog of Orders index since February 2025 are positive signs of sustained growth going forward. On the downside, tariffs and the government shutdown weighed

on the labour market and the Employment index stayed contractionary at 48.9 (prior: 48.2).

- Industrial production (IPI) barely rose in September, restrained by flat manufacturing output. Matching expectations, the 0.1% m/m increase in IPI followed a downwardly revised -0.3% m/m the prior month. As it is, the manufacturing sector has been struggling amid uncertainty over the tariff policy, but supply-chain disruptions among vehicle producers beginning mid-September also likely weighed on the production numbers.
- The 30Y mortgage rates fell to its 1-month low at 6.32%, boosting purchase activities but not enough to make much of a difference in total applications for the week of November 28 (-1.4% w/w vs 0.2% m/m).

Softer 3Q GDP for Australia does not alter our view of a status quo for the RBA

- 3Q GDP unexpectedly slowed to 0.4% q/q from 0.7% q/q previously, largely on account of softer household spending (0.4% q/q vs 0.9% q/q) notably for discretionary items, and as net trade detracted 0.1ppts to GDP growth (imports: 1.5% q/q vs exports: 1.0% q/q). In contrast, private and public investments saw a pick-up, the former driven by firms looking to support AI and cloud computing capabilities, and the latter by investment in renewable energy and water.
- Despite the disappointment, quarterly growth has largely held steady and in line with average growth since the end of the pandemic. Amid elevated inflationary pressures, there is thus no change in our view that the RBA will maintain its rate unchanged at 3.60% later this month.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	98-101	97.33	95.92	94.52	93.15
EUR/USD	1.14-1.18	1.17	1.19	1.21	1.23
GBP/USD	1.31-1.34	1.32	1.34	1.35	1.37
USD/CHF	0.78-0.82	0.80	0.79	0.78	0.77
USD/JPY	153-159	151	148	145	142
AUD/USD	0.64-0.67	0.66	0.67	0.68	0.68
NZD/USD	0.55-0.58	0.57	0.57	0.58	0.59
USD/CNY	7.08-7.13	7.03	6.94	6.86	6.77
USD/MYR	4.10-4.17	4.12	4.08	4.05	4.05
USD/SGD	1.28-1.31	1.28	1.26	1.25	1.24
USD/THB	32.31-32.55	32.30	32.20	32.10	32.00

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.8004	4.83	4.86	4.89	4.97
GBP/MYR	5.4731	5.44	5.45	5.48	5.55
AUD/MYR	2.7129	2.72	2.73	2.74	2.77

CNY/MYR	0.5835	0.59	0.59	0.59	0.60
SGD/MYR	3.1824	3.21	3.23	3.24	3.27

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.75-4.00	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	4.00	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.50	0.75	0.75	0.75	0.75
RBA	3.60	3.60	3.60	3.60	3.60
RBNZ	2,25	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-Dec	AU Trade Balance (Oct)	A$3938m
	AU Household Spending MoM (Oct)	0.20%
	EC Retail Sales MoM (Oct)	-0.10%
	US Challenger Job Cuts YoY (Nov)	175.30%
	US Initial Jobless Claims	216k
5-Dec	JN Household Spending YoY (Oct)	1.80%
	SI Retail Sales SA MoM (Oct)	-1.40%
	JN Leading Index CI (Oct P)	108.6
	EC GDP SA QoQ (3Q T)	0.20%
	US Personal Income (Sep)	0.40%
	US U. of Mich. Sentiment (Dec P)	51
	US Personal Spending (Sep)	0.60%
	US Core PCE Price Index YoY (Sep)	2.91%

Source: Bloomberg
Note: Due to lapse in government services, US release dates are subject to change

Hong Leong Bank Berhad
Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.