

6 October 2025

Global Markets Research

Daily Market Highlights

6 Oct: FOMC minutes in focus this week

US ISM services missed forecast; NFP release delayed amid government shutdown
DXY fell after disappointing ISM services; USTs closed in red amid risk-on appetite
SGD closed above flatline after its PMI and retail sales data gathered momentum

- The S&P 500 retreated from another record on Friday, but held on miniscule gains despite the US government shutdown dragging on for the third day. The broad index closed just above its flatline, while the Dow settled higher by 0.5% d/d. Nasdaq lost 0.3% d/d with technology stocks down a bit in afternoon trading. Elsewhere, healthcare stocks extended gains and led Stoxx Eur 600 up 0.5% d/d, while Asian markets closed mixed.
- In the bond space, treasuries ended the day in red on risk-on appetite, sending yields higher 2-5bps across the curve. The benchmark 2Y and 10Y yields closed the day 4bps higher each to 3.58% and 4.12%. Trading in 10Y European bond yields stayed muted and closed the day mixed between +/-2bps.
- In the forex space, the DXY tumbled to as low as 97.60 after the ISM Services missed forecast, before paring its losses to close the day 0.1% d/d weaker at 97.72. SEK (0.4% d/d), GBP (0.3% d/d to 1.3480) and CHF (0.3% d/d) led gains against the greenback, while JPY (-0.1% d/d to 147.47) slipped for the second day with markets focused on the Liberal Democratic Party election during the weekend and cautious tone by BOJ Governor Kazuo Ueda, who stressed the importance of keeping financial conditions accommodative. Regional currencies closed mixed against USD, with MYR closing just slightly weaker at 4.2078, and SGD slightly stronger at 1.2888.
- In the commodity space, crude oil prices rebounded by 0.7% d/d each to \$64.53/barrel for the Brent and \$60.88/barrel for the WTI on geopolitical risk premium. This comes after the President Trump warned Hamas of stark consequences if it does not agree to his plan to end the war in Gaza.

Mixed revisions to the final services PMIs for the majors; strongest PMI in a year for Singapore

- Mixed revisions to the September services PMIs for the majors, upwardly revised for the US (+0.3ppts to 54.2 vs Aug: 54.5) and Japan (+0.3ppts to 53.3 vs Aug: 53.1) and downward revisions

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,758.28	0.51
S&P 500	6,715.79	0.01
NASDAQ	22,780.51	-0.28
Stoxx Eur 600	570.45	0.50
FTSE 100	9,491.25	0.67
Nikkei 225	45,769.50	1.85
CSI 300	4,640.69	0.45
Hang Seng	27,140.92	-0.54
Straits Times	4,411.95	0.38
KLCI 30	1,635.06	-0.17
FX		
Dollar Index	97.72	-0.13
EUR/USD	1.1742	0.23
GBP/USD	1.3480	0.30
USD/JPY	147.47	0.14
AUD/USD	0.6604	0.12
USD/CNH	7.1364	0.05
USD/MYR	4.2078	0.03
USD/SGD	1.2888	-0.02
USD/KHR	4,012.50	0.00
USD/THB	32.39	0.07
Commodities		
WTI (\$/bbl)	60.88	0.66
Brent (\$/bbl)	64.53	0.66
Gold (\$/oz)	3,880.80	1.07
Copper (\$/MT)	10,715.50	2.14
Aluminum(\$/MT)	2,709.50	0.63
CPO (RM/tonne)	4,399.50	1.23

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 2 Oct for CPO, 30 Sep for CSI 300

for the Eurozone (-0.1ppts to 51.3 vs Aug: 50.5) and the UK (-1.1ppts to 50.8 vs 54.2).

- Fresh September PMI data also saw Singapore's private sector expanding at a sharp pace of 56.4 (prior: 51.2). Forward-looking indicators, including the new orders, backlogs of work and future output indices, further pointed to continued growth momentum into the start of 4Q.

Weaker than expected ISM services activity for the US

- ISM Services came in weaker than expected, dropping from 52.0 to 50.0 in September. The details suggest that business activity dropped to 49.9 from 55.0, its lowest since the pandemic in May 2020. The employment sub-index remains below the neutral level although improved slightly to 47.2 from 46.5, indicating slower pace of job losses during the month. New orders remained in expansion with a reading of 50.4 (prior: 56.0), while prices remained elevated at 69.4 (+0.2ppts). As it is, the price index has exceeded 60 for 10 straight months, its longest such streak since October 2020-March 2023.

Sharp retreat in Eurozone's PPI due to energy

- Producer prices (PPI) fell more than expected by 0.6% y/y and 0.3% m/m in August (prior: 0.2% y/y and 0.3% m/m). On a yearly basis, the decline was mainly due to lower energy prices (-4.1% y/y vs -1.0% y/y). Prices for intermediate, capital and durable consumer goods were unchanged at -0.3% y/y, 1.8% y/y and 1.6% y/y, while non-durable good accelerated slightly to 2.0% y/y from 1.9% y/y previously.

Singapore's retail sales continued to gather momentum on CDC vouchers and tourism

- Supported by CDC vouchers and tourism, retail sales accelerated more than expected to 5.2% y/y in September from 4.6% y/y previously. The majority of industries recorded positive growth, led by discretionary goods like jewellery, recreational items and motor vehicle. With sales picking up momentum since May, this suggests that consumer sentiment and spending may be turning the corner after the softness in 1H, partly cushioning the blow from weaker exports in 3Q.

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DXY	96.50-99.25	96.45	95.57	94.24	92.99
EUR/USD	1.15-1.19	1.19	1.20	1.22	1.24
GBP/USD	1.32-1.36	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	145-149	146	145	142	140
AUD/USD	0.64-0.67	0.67	0.67	0.68	0.68
NZD/USD	0.56-0.60	0.59	0.60	0.60	0.60

USD/CNY	7.10-7.15	7.08	7.06	6.99	6.94
USD/MYR	4.18-4.23	4.20	4.15	4.10	4.10
USD/SGD	1.27-1.30	1.28	1.26	1.24	1.23
USD/THB	31.55-33.10	32.25	32.30	32.20	32.00

Rates, %	Current	4Q25	1Q26	2Q26	3Q26
Fed	4.00-4.25	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	3.00	2.75	2.75	2.75	2.75
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
5-Oct	HK S&P Global Hong Kong PMI (Sep)	50.7
	VN CPI YoY (Sep)	3.24%
	VN GDP YoY (3Q)	7.96%
	VN Exports YoY (Sep)	14.50%
	VN Industrial Production YoY (Sep)	8.90%
	VN Retail Sales YoY (Sep)	10.60%
	EC Sentix Investor Confidence (Oct)	-9.2
	EC Retail Sales MoM (Aug)	-0.50%
6-Oct	AU Westpac Consumer Conf SA MoM (Oct)	-3.10%
	JN Household Spending YoY (Aug)	1.40%
	JN Leading Index CI (Aug P)	106.1
	MA Foreign Reserves	\$122.8b
	US Trade Balance (Aug)**	-\$78.3b

Source: Bloomberg

** Releases likely delayed by the US government shutdown

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