

7 October 2025

## Global Markets Research

### Daily Market Highlights

## 7 Oct: Political changes in France and Japan hogged the headlines

**LDP appoints Takaichi as the new leader; France PM resigned just 1 month into the job**  
**EUR & JPY underperformed post political changes; CAC40 tumbled; Nikkei rallied**  
**Another record high for S&P500 and NASDAQ; muted trading in UST; USD advanced**

- Wall Street rallied to another record high as AMD's deal with OpenAI added fuel to the AI frenzy and defied all chatter of a bubble. The broad market S&P 500 gained 0.4% d/d, while tech-heavy Nasdaq rallied 0.7% d/d. The Dow was the outlier and closed the day 0.1% d/d lower. Notably, shares of AMD jumped almost 24% d/d after the deal was announced.
- Elsewhere, Nikkei 225 jumped over 4% d/d after the country's ruling Liberal Democratic Party elected Sanae Takaichi as its new leader, while CAC40 tumbled more than 1.0% d/d following the shock resignation of France's Prime Minister Sebastien Lecornu.
- Trading in Treasuries was languid amid the lack of official economic data. The 2Y yield closed the day 1bps higher at 3.59%, while the 10Y yield rose 3bps to 4.15%. Led by French sovereign bonds, 10Y European bond yields closed 2-6bps higher.
- In the forex space, the JPY (-2.0% d/d to 150.35) and EUR (-0.3% d/d to 1.1711) plummeted on fiscal and political stability concerns, sending DXY rallying 0.4% d/d to 98.11. That said, the better than expected household spending data (2.3% y/y for Aug vs 1.4% y/y) this morning could likely lend some support for JPY today.
- Meanwhile, Dollar-bloc currencies like NZD (0.2% d/d), CAD (0.1% d/d) and AUD (0.2% d/d to 0.6617) outperformed the G10 alongside CHF (0.1% d/d), while regional currencies closed mostly weaker against the greenback led by PHP (-0.8% d/d), SGD (-0.2% d/d to 1.2917) and MYR (-0.2% d/d to 4.2153).
- In the commodity space, crude oil prices rose more than 1.0% d/d each after OPEC+'s planned production hike for November was more modest than expected, tempering some concerns over the supply glut. Brent closed the day at \$65.47/barrel, while the WTI settled at \$61.69/barrel.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	46,694.97	-0.14
S&P 500	6,740.28	0.36
NASDAQ	22,941.67	0.71
Stoxx Eur 600	570.24	-0.04
FTSE 100	9,479.14	-0.13
Nikkei 225	47,944.76	4.75
CSI 300	4,640.69	0.45
Hang Seng	26,957.77	-0.67
Straits Times	4,421.71	0.22
KLCI 30	1,638.09	0.19
<b>FX</b>		
Dollar Index	98.11	0.39
EUR/USD	1.1711	-0.26
GBP/USD	1.3485	0.04
USD/JPY	150.35	1.95
AUD/USD	0.6617	0.20
USD/CNH	7.1441	0.11
USD/MYR	4.2153	0.18
USD/SGD	1.2917	0.23
USD/KHR	4,014.25	0.04
USD/THB	32.45	0.17
<b>Commodities</b>		
WTI (\$/bbl)	61.69	1.33
Brent (\$/bbl)	65.47	1.46
Gold (\$/oz)	3,948.50	1.74
Copper (\$/MT)	10,654.50	-0.57
Aluminum(\$/MT)	2,725.00	0.57
CPO (RM/tonne)	4,424.50	0.57

Source: Bloomberg, HLBB Global Markets Research

\* Closing as of 3 Oct for CPO, 30 Sep for CSI 300

### Improved retail sales and investors' confidence data for the Eurozone

- Matching expectations, Eurozone retail sales rose by 0.1% m/m in August after contracting 0.4% m/m previously. As it is, fundamentals for spending remained strong, with real wage growth still positive and labour market still resilient, but worried consumers suggest the consumer spending will likely be another soft one in 3Q of the year.
- The Sentix Investor Confidence index improved more than expected to -5.4 in October from -9.2 previously. Although still negative, both the current conditions and expectations sub-indices rose, suggesting stability in terms of sentiment.

### Australia consumer confidence continued softening

- The Westpac consumer confidence index fell at a larger pace of 3.5% m/m in October after September's -3.1% m/m. This marks its second month of contraction with declines observed across most sub-components, likely dampened by the hawkish hold by the RBA in its latest policy meeting.

### Hong Kong PMI eased slightly; downbeat expectations 1Y ahead

- PMI remained in positive territory, although growth softened slightly to 50.4 in September from 50.7 previously. New export orders fell at the sharpest rate in 3.5 years, and in tandem, business activity expectations for the year ahead remained downbeat due to uncertainty from US trade policy and global economic conditions. This was nonetheless partially offset by increased optimism over the health of the domestic economy.

### Vietnam's 3Q GDP growth staged a surprised pick-up to 8.2% y/y; fastest growth in three years

- Economic data released all beat forecasts. Notably, 3Q GDP growth accelerated to 8.2% y/y in 3Q from 8.0% y/y in 2Q. This marked its strongest growth in three years, bringing YTD growth to 7.9%. With this, the Government is also stepping up efforts to achieve its revised ambitious GDP growth target of 8.3–8.5% for 2025 (Please refer to Research Alert "Vietnam: Unexpected pick-up in 3Q GDP growth" dated 6<sup>th</sup> October).

### House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DX	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
7-Oct	JN Leading Index CI (Aug P)	106.1
	MA Foreign Reserves	\$122.8b
	US Trade Balance (Aug)**	-\$78.3b
8-Oct	US Consumer Credit (Aug)	\$16.010b
	JN Labor Cash Earnings YoY (Aug)	4.10%
	NZ RBNZ Official Cash Rate	3.00%
	JN Eco Watchers Survey Outlook SA (Sep)	47.5
	US MBA Mortgage Applications	-12.7%

Source: Bloomberg

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

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