

28 October 2025

Global Markets Research

Daily Market Highlights

28 Oct: Trade deal optimism buoyed risk sentiment

Major bourses at record highs amid optimism over a US-China trade pact

AUD outperformed within G10s; most regional currencies strengthened against USD

USTs closed mixed and muted; IEA expects crude oil prices to moderate ahead

- Major bourses across the world hit new record highs overnight after the US and Chinese officials reached a framework deal ahead of the Trump-Xi deal meeting later this week, while Asian markets also got an extra boost after the White House reached trade agreements with Malaysia, Cambodia, Thailand, Indonesia and Vietnam.
- The Dow, S&P 500 and Nasdaq gained 0.7-1.9% d/d to new all-time highs, while benchmarks in Japan, South Korea and Taiwan also struck new records. Most major European bourses were positive and the Stoxx Eur 600 closed up 0.2% d/d.
- Treasuries closed mixed, with the benchmark 2Y yield closing the day 1bps higher at 3.49%, while the 10Y fell 2bps to 3.98%. Save for the Norwegian sovereign bonds, 10Y European bond yields closed the day 1-3bps lower.
- DXY edged 0.2% d/d lower to 98.78 at close ahead of the FOMC meeting on 29-Oct where a 25bps cut is expected, and with AUD (0.7% d/d to 0.6556) outperforming after the US-China trade progress buoyed risk appetite.
- KRW (0.4% d/d) led gains within the Asia FX space after authorities said that they will take action to stabilize the market. Most regional currencies also strengthened after their respective trade deals. CNH and MYR appreciated between 0.2-0.3% d/d to 7.1093 and 4.2118, while SGD also strengthened 0.2% d/d to 1.2968.
- Crude oil prices took a breather from last week's rally, swinging between gains and losses before closing 0.3-0.5% d/d lower at \$61.31/barrel for the WTI and \$65.62/barrel for Brent. The International Energy Agency (IEA) said that prices are likely to moderate as a result of ample supply from the Americas.

Dallas manufacturing sector improved but remained negative

- The Dallas Fed Manufacturing Activity index improved more than expected but remained negative at -5.0 in October (prior: -8.7). Expectations for manufacturing activity six months from now remained positive though optimism waned, suggesting expansionary manufacturing activity ahead.

Key Market Metrics

	Level	d/d (%)
<u>Equities</u>		
Dow Jones	47,544.59	0.71
S&P 500	6,875.16	1.23
NASDAQ	23,637.46	1.86
Stoxx Eur 600	577.03	0.22
FTSE 100	9,653.82	0.09
Nikkei 225	50,512.32	2.46
CSI 300	4,716.02	1.19
Hang Seng	26,433.70	1.05
Straits Times	4,440.30	0.00
KLCI 30	1,618.38	0.32
<u>FX</u>		
Dollar Index	98.78	-0.17
EUR/USD	1.1645	0.15
GBP/USD	1.3336	0.19
USD/JPY	152.88	0.01
AUD/USD	0.6556	0.66
USD/CNH	7.1093	-0.24
USD/MYR	4.2118	-0.27
USD/SGD	1.2968	-0.15
USD/KHR	4,025.00	0.00
USD/THB	32.71	-0.19
<u>Commodities</u>		
WTI (\$/bbl)	61.31	-0.31
Brent (\$/bbl)	65.62	-0.49
Gold (\$/oz)	4,001.90	-2.83
Copper (\$/MT)	11,029.00	0.61
Aluminum (\$/MT)	2,874.50	0.54
CPO (RM/tonne)	4,401.00	0.15

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 24 Oct for CPO

Japan's services producer prices unexpectedly accelerated

- Services PPI unexpectedly accelerated to 3.0% y/y in September (prior: 2.7% y/y). This marked its strongest in 4 months, keeping rate hike expectations for 1Q of 2026 intact, and was driven by other services like hotels, information & communication as well as transportation & postal services.

China's industrial profits soared at double-digit pace

- Underpinned by profits at high-tech and equipment manufacturing firms, industrial profits soared 21.6% y/y in September from a year ago. This marks its second month of growth and its strongest since 2023, supported by low base effect and Beijing's policies aimed at curtailing price competition and overcapacity in selected sectors.

Still roust growth for Hong Kong's exports

- Exports continued to grow strongly and more than expected by 16.1% y/y in September (prior: 14.5% y/y), with exports to the Mainland and most other Asian markets chalking robust growth, while exports to the US and the EU also grew moderately. Exports of most major commodities increased, particularly for electrical equipment, machinery and mechanical appliances. Moving forward, US' trade policy will continue to cast uncertainties on the near-term trade outlook, but trade ties with different markets will help to negate this

House View and Forecasts

FX	This Week	4Q-25	1Q-26	2Q-26	3Q-26
DX	97-101	96.45	95.57	94.24	92.99
EUR/USD	1.15-1.18	1.19	1.20	1.22	1.24
GBP/USD	1.32-1.35	1.36	1.37	1.38	1.39
USD/CHF	0.78-0.82	0.78	0.78	0.77	0.76
USD/JPY	149-155	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	7.10-7.15	7.08	7.06	6.99	6.94
USD/MYR	4.20-4.25	4.20	4.15	4.10	4.10
USD/SGD	1.28-1.31	1.28	1.26	1.24	1.23
USD/THB	31.87-33.10	32.25	32.30	32.20	32.00

FX	Last close	4Q-25	1Q-26	2Q-26	3Q-26
EUR/MYR	4.9008	5.00	4.99	5.00	5.08
GBP/MYR	5.6208	5.71	5.67	5.64	5.68
AUD/MYR	2.7618	2.80	2.79	2.77	2.80
CNY/MYR	0.5928	0.59	0.59	0.59	0.59
SGD/MYR	3.2481	3.28	3.29	3.30	3.33

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	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
28-Oct	US FHFA House Price Index MoM (Aug)	-0.10%
	US S&P Cotality CS US HPI YoY NSA (Aug)	1.68%
	US Richmond Fed Manufact. Index (Oct)	-17
	US Richmond Fed Business Conditions (Oct)	-7
	US Conf. Board Consumer Confidence (Oct)	94.2
29-Oct	US Dallas Fed Services Activity (Oct)	-5.6
	AU CPI Trimmed Mean YoY (Sep)	2.60%
	JN Consumer Confidence Index (Oct)	35.3
	UK Mortgage Approvals (Sep)	64.7k
	US MBA Mortgage Applications	-0.3%
	US Advance Goods Trade Balance (Sep)**	-\$85.5b
	US Pending Home Sales MoM (Sep)	4.00%
	US FOMC Rate Decision (Upper Bound)	4.25%

Source: Bloomberg

** Releases likely delayed by the US government shutdown

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