

30 September 2025

Global Markets Research

Daily Market Highlights

30 Sept: All eyes on the RBA and US government shutdown deadline

Risk of a US government shutdown and upcoming job data kept a lid on risk sentiments

US stocks & bonds closed with modest gains ahead of quarter end; gold at record high

USD weakened; haven JPY outperformed peers; AUD appreciated ahead of rate decision

- US stocks and bonds posted modest gains ahead of the quarter end. In the equity space, the drop in treasury yields and rally in AI stocks helped boost the 3 major US stock indices up 0.2-0.5% d/d, while the threat of a potential US government shutdown and looming labour data kept a lid on market optimism.
- At the point of writing, there is little optimism that lawmakers will strike a deal ahead of the deadline, with markets putting the risk of a shutdown at over 60%, while Vice President JD Vance had said that he believes that the US is headed for a shutdown after talks with Democrats overnight.
- Elsewhere, Stoxx Eur 600 ended 0.2% d/d higher with most sectors in positive territory. Similarly, Asian markets were broadly in green, with Sony Financial Group soaring after spinning out of its parent Sony Group.
- In the treasury space, yields were down 2-5bps. The benchmark 2Y yield fell 2bps to 3.62%, while the 10Y dropped 4bps to 4.14%. 10Y European bond yields also fell between 1-5bps.
- In the forex space, the threat of the US government shutdown and anticipation that the upcoming slew of labour data will cement rate cut bets sent the US Dollar weakening against most of its G10 peers. The DXY tumbled 0.3% d/d to 97.91. Haven JPY (0.6% d/d to 148.59) outperformed all its G10 peers, while AUD strengthened 0.5% d/d to 0.6577 ahead of RBA's policy decision today where a hold in cash rate at 3.60% is expected.
- Regional currencies closed mixed, with MYR and SGD appreciating 0.1-0.2% d/d to 4.2157 and 1.2900. CNH also strengthened 0.2% d/d to 7.1293, but traders will be turning their focus on the slew of China PMIs due for release today.
- In the commodity space, crude oil prices plunged more than 3% d/d each with traders anticipating another OPEC+ production hike in November again, while gold continued its record run on the risk of a US shutdown. The WTI and Brent closed the day at \$63.45/barrel and \$67.97/barrel respectively, while gold rallied 1.2% d/d to close the day at \$3,820.90/oz.

Key Market Metrics

| | Level | d/d (%) |
|--------------------|-----------|---------|
| Equities | | |
| Dow Jones | 46,316.07 | 0.15 |
| S&P 500 | 6,661.21 | 0.26 |
| NASDAQ | 22,591.15 | 0.48 |
| Stoxx Eur 600 | 555.53 | 0.18 |
| FTSE 100 | 9,299.84 | 0.16 |
| Nikkei 225 | 45,043.75 | -0.69 |
| CSI 300 | 4,620.05 | 1.54 |
| Hang Seng | 26,622.88 | 1.89 |
| Straits Times | 4,269.98 | 0.09 |
| KLCI 30 | 1,610.95 | 0.12 |
| FX | | |
| Dollar Index | 97.91 | -0.25 |
| EUR/USD | 1.1727 | 0.21 |
| GBP/USD | 1.3429 | 0.20 |
| USD/JPY | 148.59 | -0.60 |
| AUD/USD | 0.6577 | 0.54 |
| USD/CNH | 7.1293 | -0.20 |
| USD/MYR | 4.2157 | -0.15 |
| USD/SGD | 1.2900 | -0.13 |
| USD/KHR | 4,007.50 | -0.02 |
| USD/THB | 32.26 | 0.04 |
| Commodities | | |
| WTI (\$/bbl) | 63.45 | -3.45 |
| Brent (\$/bbl) | 67.97 | -3.08 |
| Gold (\$/oz) | 3,820.90 | 1.18 |
| Copper (\$/MT) | 10,414.00 | 2.28 |
| Aluminum(\$/MT) | 2,679.00 | 0.88 |
| CPO (RM/tonne) | 4,360.50 | -0.01 |

Source: Bloomberg, HLBB Global Markets Research

* Closing as of 26 Sept for CPO

Strongest growth for US pending home sales in 5 months; slump in manufacturing activities in the Texas district

- Supported by lower mortgage rates, pending home sales came above forecast and rose 4.0% m/m in August (prior: -0.3% d/d), its strongest pace in 5 months. The Realtors Confidence Index survey also showed that 19% of NAR members expect an increase in buyer traffic over the next three months, up from 16% previously.
- The Dallas Fed Manufacturing Activity index unexpectedly fell 7 points to -8.7 in September. In tandem with this, expectations for manufacturing activity six months from now pointed to waning optimism and softer growth ahead, although the index remained positive.

Eurozone's economic confidence improved but remain below long-term average

- Eurozone's Economic Sentiment Indicator (ESI) unexpectedly improved (+0.2ppts to 95.5) in September, but remained below their long-term average of 100. The increase was driven by improved confidence in industry, services and among consumers, but worsened for retail trade and remained broadly stable in construction. Among the largest economies, the uptick was led by Spain and Italy,

Mortgage approvals fell in the UK; consumer credit held steady

- Matching expectations, mortgage approvals fell to 64.7k in August from 65.2k in July. The drop was not a surprise amid the front-loading before the stamp duty hike. Accompanying data also showed that net consumer credit was unchanged at £1.7bn, with the drop in net borrowing through credit cards offset by higher credit in other forms.

Japan's IPI and retail sales fell and undershot forecasts

- Disappointing data from Japan this morning. Both the IPI and retail sales print undershot expectations with a 1.2% m/m (Jul: -1.2% m/m) and 1.1% m/m (Jul: -1.6% m/m) contraction in August. The drop in IPI marks its second straight month of contraction as businesses remained cautious on the back of a murky global trade outlook especially amid Trump's latest round of sectoral tariffs. Coupled with the soft retail spending print, this reaffirms our policy rate hold for the BOJ in its next meeting scheduled at the end of the month.

House View and Forecasts

| FX | This Week | 4Q-25 | 1Q-26 | 2Q-26 | 3Q-26 |
|-----------|------------------|--------------|--------------|--------------|--------------|
| DX | 97.00-99.75 | 96.45 | 95.57 | 94.24 | 92.99 |
| EUR/USD | 1.16-1.20 | 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 | 147-152 | 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 | 7.11-7.15 | 7.08 | 7.06 | 6.99 | 6.94 |
| USD/MYR | 4.18-4.24 | 4.20 | 4.15 | 4.10 | 4.10 |
| USD/SGD | 1.28-1.31 | 1.28 | 1.26 | 1.24 | 1.23 |
| USD/THB | 31.50-33.00 | 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 |
|--------|--|--------|
| 30-Sep | AU Building Approvals MoM (Aug) | -8.20% |
| | CH Manufacturing PMI (Sep) | 49.4 |
| | CH Non-manufacturing PMI (Sep) | 50.3 |
| | AU Private Sector Credit MoM (Aug) | 0.70% |
| | CH RatingDog China PMI Services (Sep) | 53 |
| | CH RatingDog China PMI Mfg (Sep) | 50.5 |
| | AU RBA Cash Rate Target | 3.60% |
| | UK GDP QoQ (2Q F) | 0.30% |
| | US FHFA House Price Index MoM (Jul) | -0.20% |
| | US S&P Cotality CS US HPI YoY NSA (Jul) | 1.89% |
| | US MNI Chicago PMI (Sep) | 41.5 |
| | US JOLTS Job Openings (Aug) | 7181k |
| | US Conf. Board Consumer Confidence (Sep) | 97.4 |
| | AU S&P Global Australia PMI Mfg (Sep F) | 51.6 |
| 1-Oct | JN Tankan Large Mfg Index (3Q) | 13 |
| | JN S&P Global Japan PMI Mfg (Sep F) | 48.8 |
| | MA S&P Global Malaysia PMI Mfg (Sep) | 49.9 |
| | VN S&P Global Vietnam PMI Mfg (Sep) | 50.4 |
| | EC HCOB Eurozone Manufacturing PMI (Sep F) | 49.5 |
| | UK S&P Global UK Manufacturing PMI (Sep F) | 46.2 |
| | EC CPI Core YoY (Sep P) | 2.30% |
| | US MBA Mortgage Applications | 0.60% |
| | US ADP Employment Change (Sep) | 54k |
| | US S&P Global US Manufacturing PMI (Sep F) | 52.0 |
| | US ISM Manufacturing (Sep) | 48.7 |

Source: Bloomberg

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