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Global Markets Research
Daily Market Highlights

3 Nov: All eyes on the upcoming US midterm election

Sell-off in US tech stocks overshowed the fall in oil prices; USTs closed mixed
Upward surprise to US ISM manufacturing; Malaysia's PMI returned to growth
Today's watch: US midterm elections; RBA's policy decision

- Overnight saw a sell-off in chipmakers continuing to weigh on US stocks, and overshadowed the slide in oil prices after both Washington and Iran signalled that they are open to a peace talk.
- The WTI and Brent plunged more than 7% d/d each to $96.46/barrel and $104.77/barrel, while in the equity space, the tech-heavy Nasdaq dipped 1.1% d/d, the S&P 500 shed 0.5% d/d, while the Dow was the outlier, rising 0.4% d/d. Notably, Apple shares fell ahead of its results after the bell, which topped consensus forecast, while outside of tech, most sectors within S&P 500 closed in green led by consumers, materials and financial stocks.
- In the bond space, long-dated treasuries outperformed, and the benchmark 10Y slid 2bps to 4.91%. The 2Y yield inched up 1bps to 4.60%.
- In a busy week for markets, traders will be watching for the midterm elections in the US, which will determine which party controls the Congress, as well as Friday's jobs report.
- In Europe, Stoxx 600 closed 0.4% d/d higher as the softer crude oil prices boosted appetite for cyclical stocks like consumer discretionary and real estate. 10Y sovereign bond yields fell 0-9bps.
- Major Asian bourses closed mixed, with Nikkei 225 falling 0.3% d/d, while Hang Seng and CSI 300 gained 0.4% d/d and 0.8% d/d.
- In the forex space, G10 traded mixed against the greenback and the DXY closed 0.1% d/d lower at 101.80. EUR and GBP strengthened 0.1-0.2% d/d to 1.1187 and 1.3406, while JPY and AUD depreciated 0.2-0.5% d/d to 157.94 and 0.6999, the latter ahead of RBA's decision today.
- CNH (0.1% d/d to 6.6476) outperformed its regional peers, while MYR and SGD traded 0.1-0.4% d/d weaker at 4.0728 and 1.2787 against USD.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,983.98	0.41
S&P 500	7,541.40	-0.51
NASDAQ	25,164.36	-1.07
Stoxx Eur 600	649.44	0.42
FTSE 100	10,761.33	0.29
Nikkei 225	63,081.86	-0.33
CSI 300	4,016.92	0.79
Hang Seng	23,393.32	0.42
Straits Times	5,303.83	-1.36
KLCI 30	1,619.51	0.24
FX		
Dollar Index	101.80	-0.08
EUR/USD	1.1187	0.24
GBP/USD	1.3406	0.11
USD/JPY	157.94	0.24
AUD/USD	0.6999	-0.47
USD/CNH	6.6476	-0.07
USD/MYR	4.0728	0.36
USD/SGD	1.2787	0.05
USD/KHR	4,082.75	0.03
USD/THB	33.76	0.24
Commodities		
WTI ($/bbl)	96.46	-7.36
Brent ($/bbl)	104.77	-10.94
Gold ($/oz)	3,969.60	1.81
Copper ($/MT)	14,345.00	1.35
Aluminum($/MT)	3,094.00	0.81
CPO (RM/MT)	4,433.00	-0.36

Source: Bloomberg, HLBB Global Markets Research

Expansionary manufacturing PMIs for regional economies

- Mixed revisions to the October manufacturing PMIs for the majors, revised lower for the US (-1.1ppts to 54.9 vs Sep: 55.9) and Australia (-0.1ppts to 49.6 vs Sep: 49.6), revised up for the Eurozone (+0.3ppts to 52.7 vs Sep: 52.9), and left steady for the UK (52.8 vs 51.9) and Japan (53.3 vs 54.1).
- Matching expectations, the RatingDog China manufacturing PMI was little changed at 52.0 in October (prior: 52.1), supported by higher new work inflows from both domestic and external sources, the latter amid greater demand from clients in Asia and Europe. In tandem with this, firms raised both their purchasing and hiring activities, while inventory levels also grew. That said, business confidence eased slightly and prices broadly eased, signs of still low inflationary pressure for the China economy.
- Despite the slight uptick, details from Vietnam's PMI (52.3 vs 51.9) suggest headwinds for the sector. New orders continued to rise, feeding through to a solid increase in production, but in both cases, rates of expansion slowed from the month before. Weighing on this was rising fuel and transportation costs, and reports that companies have difficulties importing and exporting products.
- Malaysia's PMI (51.0 vs 49.9) pointed to an improved picture at the start of 4Q, with new orders returning to growth amid stronger demand for AI-related products and a fresh rise in output. Firms continued to increase their staffing levels and their purchasing activity, the latter for the first time in 3 months. Despite this, supply chain pressures, cost concerns, uncertainty over the economic and geopolitical outlook saw manufacturers least optimistic since April this year.
- October saw Singapore's official PMI easing to 51.4 from 51.7 previously and the linchpin electronics sector falling to 52.5 from 52.9 the previous month. The softer growth momentum should be viewed as the sector taking a breather rather than a lost of momentum and strong exports, AI-linked orders and elevated backlogs are expected to continue driving manufacturing growth.

US manufacturing ISM unexpectedly picked up, construction spending unexpectedly fell

- US indicators were mixed, with construction spending unexpectedly falling 1.9% m/m in September (prior: 2.0% m/m), while the manufacturing ISM unexpectedly picked up to 55.5 in October (prior: 54.5), the latter as new orders (55.5 vs 55.3) grew faster than the previous month, although employment growth slowed 0.3ppts to 52.4. General sentiment nonetheless worsened for the third month,

weighed down by concerns over prices (prices paid: 75.2 vs 77.9), longer lead times and impact from the Iran war.

Rebound in Australia's building approvals

- In the run-up to RBA's decision today where a hike is expected, building approvals rebounded more than expected to 5.1% m/m in September from -5.2% m/m previously, largely on account of higher apartment approvals.

House View and Forecasts

FX	This Week	4Q-26	1Q-27	2Q-27	3Q-27
DXY	100-103	102.22	100.87	99.53	98.21
EUR/USD	1.11-1.13	1.12	1.14	1.16	1.18
GBP/USD	1.32-1.34	1.31	1.32	1.33	1.34
USD/CHF	0.80-0.83	0.79	0.80	0.81	0.84
USD/JPY	156-160	157	155	153	150
AUD/USD	0.69-0.71	0.69	0.69	0.70	0.70
NZD/USD	0.55-0.58	0.58	0.57	0.57	0.56
USD/CNY	6.64-6.68	6.74	6.67	6.61	6.54
USD/MYR	4.02-4.06	4.12	4.07	4.02	3.97
USD/SGD	1.27-1.29	1.29	1.27	1.25	1.23
USD/THB	33.40-34.00	33.0	33.0	33.0	32.8

FX	Last close	4Q-26	1Q-27	2Q-27	3Q-27
EUR/MYR	4.5675	4.63	4.64	4.66	4.67
GBP/MYR	5.4664	5.41	5.38	5.36	5.33
AUD/MYR	2.8597	2.83	2.82	2.81	2.79
CNY/MYR	0.6127	0.61	0.61	0.61	0.61
SGD/MYR	3.1855	3.20	3.21	3.22	3.23

Rates, %	Current	4Q26	1Q27	2Q27	3Q27
Fed	3.75-4.00	4.00-4.25	4.25-4.50	4.25-4.50	4.25-4.50
ECB	2.50	2.75	2.75	2.75	2.75
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.25	1.25	1.50	1.50	1.75
RBA	4.60	4.85	4.85	4.85	4.85
RBNZ	2.75	3.00	3.00	3.00	3.00
BNM	2.75	2.75	3.00	3.00	3.00

Source: HLBB Global Markets Research

Up Next

Date	Events	
3-Nov	VN CPI YoY (Oct)	5.08%
	VN Exports YoY (Oct)	39.10%
	VN Industrial Production YoY (Oct)	16.70%
	VN Retail Sales YoY (Oct)	14.10%
	AU RBA Cash Rate Target	4.60%
	HK Retail Sales Value YoY (Sep)	5.60%
	HK GDP YoY (3Q A)	4.30%
	US JOLTS Job Openings (Sep)	7079k
	US Factory Orders (Sep)	0.10%
4-Nov	AU S&P Global Australia PMI Services (Oct F)	47.8
	HK S&P Global Hong Kong PMI (Oct)	49.2

SI S&P Global Singapore PMI (Oct)	58.1
AU Household Spending MoM (Sep)	0.00%
CH RatingDog China PMI Services (Oct)	51.6
EC S&P Global Eurozone Services PMI (Oct F)	51.7
UK S&P Global UK Services PMI (Oct F)	53.1
EC CPI Core YoY (Oct P)	2.50%
US MBA Mortgage Applications (30-Oct)	3.40%
US ADP Employment Change (Oct)	90k
US Treasury Quarterly Refunding Announcement	
US Trade Balance (Sep)	-$105.6b
US S&P Global US Services PMI (Oct F)	57.9
US ISM Services Index (Oct)	54.9

Source: Bloomberg

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