

5 October 2026

Global Markets Research

Daily Market Highlights

5 Oct: US non-farm job gains sharply surprised on the downside

Traders further eased rate hike bets post-NFP; UST yields fell briefly; Dollar weakened

Crude oil tumbled after G7 agreed to release 100m barrels of fuel reserves

Eurozone CPI surprised on the upside; Vietnam's 3Q GDP growth hit a 4-year high at 10%

- Friday saw a much softer than expected non-farm payroll. This saw traders further scaling back expectations of a Fed rate hike in the FOMC meeting, pushing treasury yields down although yields reversed higher to end the day. Both the benchmark 2Y and 10Y yields were 3bps higher each to close the day at 4.83% and 5.27%.
- In the equity space, pared rate hike bets saw traders piling riskier corners of the markets like consumer discretionary and tech stock, sending the Dow up 0.5% d/d, S&P 500 0.7% d/d higher while Nasdaq climbed 1.2% d/d.
- Outside of the US, energy inflation worries and fiscal concern saw French yields surging on the shorter-tenures. Yields to the 2Y jumped 6bps to 3.72%, while the 10Y fell 5bps to 4.87%. Similarly, yields to the 2Y German bunds rose 1bps to 3.07%, while the 10Y fell 5bps to 3.46%. Yields to the 2Y UK gilts inched up 2bps to 4.81%, while the 10Y also slid 3bps to 5.37%.
- The DXY sank 0.2% d/d to 101.93 after the softer than expected payroll report, while EUR (1.1255) and JPY (157.85) appreciated 0.1-0.2% d/d each against the Dollar, supported by the higher-than-expected CPI prints for the Eurozone and Tokyo region. GBP and AUD traded 0.3-0.4% d/d stronger at 1.3241 and 0.6956 vs the greenback. Similarly, most regional currencies outperformed the greenback. CNH, MYR and SGD appreciated 0-0.2% d/d to 6.7058, 4.0842 and 1.2781 respectively against the USD.
- In the commodity space, the WTI and Brent pulled back after the G7 agreed to release 100m barrels of fuel and diesel reserves over the next 4 months to address surging fuel prices. The WTI and Brent were 1.9% d/d and 0.1% d/d lower at \$91.11/barrel and \$102.25/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,176.96	0.49
S&P 500	7,722.72	0.73
NASDAQ	27,190.86	1.19
Stoxx Eur 600	631.35	0.75
FTSE 100	10,461.95	0.32
Nikkei 225	68,309.46	-0.94
CSI 300	4,357.62	0.29
Hang Seng	23,972.29	-2.60
Straits Times	5,634.82	-0.58
KLCI 30	1,630.87	0.03
FX		
Dollar Index	101.93	-0.16
EUR/USD	1.1255	0.10
GBP/USD	1.3241	0.33
USD/JPY	157.85	-0.15
AUD/USD	0.6956	0.36
USD/CNH	6.7058	-0.13
USD/MYR	4.0842	-0.04
USD/SGD	1.2781	-0.19
USD/KHR	4,055.08	0.00
USD/THB	33.57	-0.39
Commodities		
WTI (\$/bbl)	91.11	-1.90
Brent (\$/bbl)	102.25	-0.06
Gold (\$/oz)	4,133.70	-0.94
Copper (\$/MT)	14,258.50	0.11
Aluminum(\$/MT)	3,100.50	-0.72
CPO (RM/MT)	4,354.00	-0.46

Source: Bloomberg, HLBB Global Markets Research

Cooler than expected US NFP supports an October FOMC pause

- September saw the non-farm payroll (NFP) registered a softer than expected gain. Job addition unexpectedly moderated sharply to +29k from +133k previously. The 60k downward revisions to the prior two months data, surprised uptick in

unemployment rate by 0.1ppts to 4.2% due to higher participation rate, and slower increases in average hourly earnings (0.1% m/m and 3.0% y/y vs August: 0.3% m/m and 3.1% y/y), all pointing to a softening labour market.

- Payrolls for the construction, manufacturing, private education & healthcare, as well as leisure & hospitalities gained, offsetting losses from the finance, professional business services and government sectors. In wake of the recent dovish Fed speaks, softer than expected inflation and jobs data, there is no change in our view for a Fed rate pause in October, with the next move likely in December this year, if any.
- Wrapping up, factory orders came in a tad softer than expected at 0.1% m/m in August (prior: 0.8% m/m) as a drop in commercial aircraft orders outweigh increases for motor vehicle bodies, parts & trailers rose 0.8% and machinery orders soared 1.1%. Orders for computers and electronic products were unchanged, but were higher than a year ago.

Eurozone's inflation blew past forecast at 3.8%

- September saw the headline inflation soaring to its fastest pace since 2023 at 3.8% y/y (prior: 3.2% y/y). Core nonetheless matched forecasts and was broadly in line with the ECB's projection at 2.5% y/y (prior: 2.4% y/y), suggesting limited pass through from the higher energy costs to other inflation categories and no rush for the ECB to tighten its policy rate. With this, there is no change in our view that the ECB will deliver one more rate hike this year to 2.75%.

Unexpected pick up in Hong Kong's retail sales

- Retail sales unexpectedly grew at a stronger pace of 5.6% y/y in August (prior: 4.5% y/y), amid sustained growth to many retail outlets, while online retail sales value grew notably, reflecting a continued shift in consumer spending towards online channels. Moving forward, tourist spending, sustained economic growth and resilient labour earnings should support local consumption sentiment and spending, albeit with headwinds coming from the external sector.

Singapore PMI signal widening gap between the electronics sector and headline PMI

- September saw the headline PMI (+0.2ppts to 51.7) and the electronics PMI (+.3ppts to 52.9) rising to its highest levels since 2018, benefitting from the AI boom and closed trade linkages to regional upstream players. Growing order backlogs and declining finished goods inventories suggest that manufacturers are working to meet demand, while

managing persistent supply constraints and rising input costs that have and are intensifying operational pressures.

Vietnam saw 3Q GDP growth surpassing expectations at 10.0%

- 3Q saw Vietnam registering its strongest growth since 3Q of 2022 by 10.0% y/y, accelerating from 8.8% y/y in 2Q. 3Q growth continues to be driven by strong exports and robust investment in infrastructure, but remains short of the country's full-year growth target of 10.0% (YTD: 9.0%). YTD 9-month growth showed broad-based improvement - the industry/construction picked up to increase 11.2% y/y (1H: 10.5% y/y), agriculture, forestry & fishery expanded by 4.0% y/y (1H: 3.9% y/y) while the services sector grew by 8.7% y/y (1H: 8.3% y/y).

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	100-104	101.45	100.86	99.42	98.07
EUR/USD	1.11-1.14	1.1330	1.14	1.16	1.18
GBP/USD	1.30-1.34	1.3265	1.30	1.32	1.33
USD/CHF	0.81-0.85	0.8358	0.81	0.80	0.79
USD/JPY	156-160	157.41	159	155	153
AUD/USD	0.68-0.71	0.6947	0.70	0.71	0.72
NZD/USD	0.54-0.58	0.5634	0.56	0.57	0.57
USD/CNY	6.68-6.73	6.7060	6.78	6.72	6.65
USD/MYR	4.06-4.12	4.0798	4.11	4.07	4.03
USD/SGD	1.26-1.30	1.2772	1.30	1.28	1.27
USD/THB	33.10-34.00	33.56	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.5953	4.6344	4.71	4.73	4.75
GBP/MYR	5.3959	5.4179	5.36	5.36	5.36
AUD/MYR	2.8345	2.8436	2.86	2.87	2.89
CNY/MYR	0.6093	0.6084	0.61	0.61	0.61
SGD/MYR	3.1929	3.1958	3.17	3.17	3.17

Rates, %	Current	3Q26	4Q26	1Q27	2Q27
Fed	3.75-4.00	3.75-4.00	4.00-4.25	4.00-4.25	4.00-4.25
ECB	2.50	2.50	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	1.25	1.50	1.50
RBA	4.60	4.60	4.60	4.60	4.60
RBNZ	2.50	2.50	2.50	2.50	2.50
BNM	2.75	2.75	2.75	3.00	3.00

Source: HLBB Global Markets Research

Up Next

Date	Events	
5-Oct	AU S&P Global Australia PMI Services (Sep F)	51.4
	SI S&P Global Singapore PMI (Sep)	59.4
	JN S&P Global Japan PMI Services (Sep F)	51.6

	SI Retail Sales YoY (Aug)	1.50%
	JN Consumer Confidence Index (Sep)	35.5
	EC S&P Global Eurozone Services PMI (Sep F)	53
	EC Sentix Investor Confidence (Oct)	5.1
	UK S&P Global UK Services PMI (Sep F)	51.7
	EC PPI YoY (Aug)	5.80%
	US S&P Global US Services PMI (Sep F)	58.7
	US ISM Services Index (Sep)	55.4
6-Oct	AU Westpac Consumer Conf SA MoM (Oct)	-5.20%
	HK S&P Global Hong Kong PMI (Sep)	49.5
	EC Retail Sales MoM (Aug)	-0.60%
	US Trade Balance (Aug)	-\$88.6b

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.