

8 October 2026

Global Markets Research

Daily Market Highlights

8 Oct: FOMC minutes hint for another rate hike to end 2026

FOMC: Insurance hike against persistent inflationary pressures

Treasuries closed mixed; US stocks lower; Dollar stronger amid haven bids

Sell-offs in French bonds resumed; EUR underperformed its G10 peers again

- Treasuries ended the day on a mixed note after elevated yields drew investors demand at a 10Y auction. The 2Y closed the day 3bps lower at 4.77%, while the 10Y closed just above its flatline at 5.28%, retreating from its intraday high of 5.36%.
- In Europe, yields on the French government bonds resumed their upward trend, jumping 6-12bps across most maturities, while 10Y yields for the rest of its European counterparts were also mostly higher, albeit at a narrower pace between 1-10bps.
- In the equity space, still elevated bond yields and crude oil prices despite the daily pullback saw the recent run-up in stocks taking a breather. The Dow lost 0.7% d/d, while Nasdaq and S&P 500 shed 0.2% d/d each. Consumer stocks notably lagged in the S&P 500 stock universe. Stoxx 600 in Europe tumbled 1.0% d/d with banking stocks hammered by the recent bond sell-off, while the Nikkei 225 and Hang Seng slipped 0.9% d/d and 0.6% d/d in the Asia equity space.
- Haven bids amid concerns over the geopolitical tension in the Middle East and fiscal status in Europe saw the Dollar strengthening against all its G10 peers save for the JPY (just above flatline at 158.08). EUR lagged, depreciating 0.6% d/d to 1.1197, while GBP and AUD traded 0.3-0.5% d/d weaker at 1.3214 and 0.6963 vs the USD. The DXY closed the day 0.4% d/d up at 102.24, with traders taking the FOMC minutes in stride, keeping their expectations of a Fed rate hike by year-end intact.
- Regional FX traded mixed against the greenback, with IDR (0.1% d/d) outperforming its regional peers, while MYR and SGD underperformed, weakening 0-0.2% d/d to 4.0863 and 1.2800 against the greenback.
- In the commodity space, crude oil prices fell 0.4-1.3% d/d after the IEA pledged to accelerate the release of oil stocks to contain surging fuel prices, eclipsing the increasing Iranian attacks in the Strait of Hormuz. Brent closed the day at \$100.20/barrel and the WTI at \$88.28/barrel.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,179.87	-0.66
S&P 500	7,801.77	-0.22
NASDAQ	27,538.69	-0.22
Stoxx Eur 600	630.25	-1.00
FTSE 100	10,458.50	-0.79
Nikkei 225	70,035.71	-0.92
CSI 300	4,357.62	0.29
Hang Seng	24,130.50	-0.62
Straits Times	5,608.44	-1.63
KLCI 30	1,611.78	-1.32
FX		
Dollar Index	102.24	0.40
EUR/USD	1.1197	-0.55
GBP/USD	1.3214	-0.47
USD/JPY	158.08	-0.01
AUD/USD	0.6963	-0.27
USD/CNH	6.7026	0.02
USD/MYR	4.0863	0.03
USD/SGD	1.2800	0.20
USD/KHR	4,063.75	0.03
USD/THB	33.70	0.22
Commodities		
WTI (\$/bbl)	88.28	-1.30
Brent (\$/bbl)	100.20	-0.38
Gold (\$/oz)	4,113.80	-1.09
Copper (\$/MT)	14,475.50	0.42
Aluminum(\$/MT)	3,117.00	-0.53
CPO (RM/MT)	4,310.00	-0.69

Source: Bloomberg, HLBB Global Markets Research

FOMC meeting minutes signals another rate hike by end year; in line with our house view for one hike in 4Q

- Highlights from the minutes to the latest FOMC meeting include: 1) **Most FOMC participants opined that another fed fund rate hike would likely be appropriate by year-end, but gave no indications when specifically**, emphasizing that it would depend on the incoming information and its implications on outlook and balance of risks. 2) Many emphasized that the higher rate will provide insurance against persistent inflationary pressures stemming from stronger-than-expected demand or further adverse supply shocks. 3) Several view that the current policy rate as not restrictive or only mildly restrictive. 4) Participants emphasized that inflation remained elevated, the economy is solid and that the labor market appeared to be near full employment, with some signs of strengthening. 5) **Inflation risks were tilted to the upside, but risks to the labor market had diminished and were now broadly balanced.**
- Data wise, higher mortgage rates (30Y fixed rate: 7.49%) continues to weigh on mortgage applications for the week ended October 2 (-4.2% w/w vs -6.0% w/w), while consumer credit was softer than expected, rising \$8.3bn in August (prior: \$17.7bn) weighed down by a decline in credit card and other revolving credit (-\$4.8bn vs \$2.8bn). Led by auto sales, non-revolving credit jumped \$13.1bn (prior: \$15.0bn) but will face headwinds as financing costs become more challenging.

Firm wage growth for Japan

- August saw labour cash earnings easing, albeit less than forecast by 3.8% y/y (prior: 4.3% y/y), likely reflecting a pullback in summer bonuses. Despite this, the underlying trend remains firm, with real cash earnings still positive and scheduled full time pay steady, aided by healthy corporate earnings, and in line with the BOJ's view that wage growth should support consumer spending and push CPI gradually towards its 2% target.
- Leading index rose 0.4pts to 118.0 in August from previously, while the assessment for the current situation was left as "improving." Gains was broad based, but notable deterioration was observed for housing starts and producers' inventory ratio, the latter likely the consequence of supply chain disruption.

House View and Forecasts

FX	This Week	4Q-26	1Q-27	2Q-27	3Q-27
DX	100-104	102.22	100.87	99.53	98.21
EUR/USD	1.11-1.14	1.12	1.14	1.16	1.18

GBP/USD	1.30-1.34	1.31	1.32	1.33	1.34
USD/CHF	0.81-0.85	0.79	0.80	0.81	0.84
USD/JPY	156-160	157	155	153	150
AUD/USD	0.68-0.71	0.69	0.69	0.70	0.70
NZD/USD	0.54-0.58	0.58	0.57	0.57	0.56
USD/CNY	6.68-6.73	6.74	6.67	6.61	6.54
USD/MYR	4.06-4.12	4.12	4.07	4.02	3.97
USD/SGD	1.26-1.30	1.29	1.27	1.25	1.23
USD/THB	33.10-34.00	33.0	33.0	33.0	32.8

FX	Last close	4Q-26	1Q-27	2Q-27	3Q-27
EUR/MYR	4.5765	4.63	4.64	4.66	4.67
GBP/MYR	5.4071	5.41	5.38	5.36	5.33
AUD/MYR	2.8477	2.83	2.82	2.81	2.79
CNY/MYR	6.7060	0.61	0.61	0.61	0.61
SGD/MYR	3.1938	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	4.60	4.60	4.60	4.60
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	
8-Oct	JN Eco Watchers Survey Outlook SA (Sep)	48.3
	US Initial Jobless Claims (2-Oct)	-6.0%
9-Oct	JN Household Spending YoY (Aug)	-3.60%
	MA Industrial Production YoY (Aug)	4.70%
	MA Manufacturing Sales Value YoY (Aug)	9.10%
	MA Budget 2027	
	US U. of Mich. Sentiment (Oct P)	48.1

Source: Bloomberg

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