19 November 2026

Global Markets Research
Daily Market Highlights

19 Nov: FOMC meeting minutes signal more tightening ahead

USD & treasuries supported by FOMC minutes and prospects of an outsized rate hike

Weak US housing data; UK inflation surged to a one-year high

Malaysia's final 3Q GDP growth revised up to 5.5%; upgrading 2026 growth to 5.4%

- Wednesday saw US stocks closing mixed ahead of the highly anticipated Anthropic's IPO, the latter priced at $83/share, above the marketed range. Nasdaq outperformed with a 0.4% d/d gain, while the Dow and S&P 500 extended their losing streak, sliding 1.1% d/d and 0.2% d/d, the latter as Nvidia's post-earnings rally quickly fizzled out.
- Similarly, Stoxx Eur 600 sank 1.0% d/d dragged lower by mining stocks, while major Asian bourses closed mixed. Nikkei 225 and CSI 300 gained 0.3% d/d and 0.2% d/d, while Hang Seng tumbled 0.9% d/d overnight.
- In the bond space, Fed Governor Christopher Waller's call for a 50bps hike in December briefly weighed on the market, but softer crude oil prices (Brent: -1.3% d/d to $91.95/barrel, WTI: -3.2% d/d to $83.26/barrel) lent support to treasuries. The benchmark 2Y yield closed the day flattish at 4.80%, while the 10Y slid 4bps to 5.07%. Again, 10Y European bond yields closed mostly lower between 1-8bps.
- In the forex space, the Dollar (DXY: 0.3% d/d to 103.81) strengthened against most of its G10 peers with traders holding to their bets of more rate hikes, while GBP (-0.5% d/d to 1.3149) lagged, weakening to its lowest level in almost a year after its CPI print. EUR and AUD traded 0.2-0.3% d/d weaker at 1.0975 and 0.6716.
- JPY was the outlier, closing just above its flatline at 159.35 against USD, but could see some weakness today following the weaker than expected core machine orders data (-0.3% m/m vs 5.2% m/m) for the month of September. Core machine orders grew by 1.2% q/q in 3Q, but are expected to pick-up momentum to 4.3% q/q in 4Q led by the non-manufacturing sector.
- Asian currencies were mixed. MYR (-0.5% d/d to 4.1147) lagged after the strong 3Q GDP print was overshadowed by cautious growth outlook due to some unwinding tech optimism. Similarly, CNH and SGD depreciated between 0-0.1% d/d to 6.6693 and 1.2895 against the USD.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	50,198.17	-1.11
S&P 500	7,323.63	-0.23
NASDAQ	24,429.88	0.42
Stoxx Eur 600	644.05	-1.03
FTSE 100	10,551.17	-1.30
Nikkei 225	59,024.28	0.28
CSI 300	3,983.77	0.18
Hang Seng	23,294.75	-0.91
Straits Times	5,054.89	-1.06
KLCI 30	1,566.73	-0.53
FX		
Dollar Index	103.81	0.32
EUR/USD	1.0975	-0.21
GBP/USD	1.3149	-0.45
USD/JPY	159.35	-0.02
AUD/USD	0.6716	-0.30
USD/CNH	6.6693	0.03
USD/MYR	4.1147	0.50
USD/SGD	1.2895	0.09
USD/KHR	4,068.47	-0.03
USD/THB	33.95	0.44
Commodities		
WTI ($/bbl)	83.26	-3.20
Brent ($/bbl)	91.95	-1.28
Gold ($/oz)	3,741.90	-3.16
Copper ($/MT)	12,471.00	-5.71
Aluminum($/MT)	2,822.50	-3.80
CPO (RM/MT)	4,186.00	-0.90

Source: Bloomberg, HLBB Global Markets Research

FOMC meeting minutes suggest further tightening ahead

- Key highlight to the latest FOMC meeting minutes in our opinion, is that almost all participants judged that ***further tightening in the fed funds rates would be appropriate in the months ahead***, in line with our forecast of 2 more quarter point hikes by the end of 1Q next year. Other salient points include: 1) ***A couple of participants noted that an increase of more than 25bps is warranted in December*** if incoming inflation data were unfavorable, 2) Officials expressed concerns over AI as a source of financial instability, noting that off-balance-sheet leasing commitments and circular financing arrangements among AI-related firms could amplify losses if returns on AI investment were to disappoint. 3) Officials also opined that inflation pressures in the economy were broad based, inflation risks remained skewed to the upside, but also expects inflation to step down sharply next year.
- Two consecutive months of record low pending home sales point to a very sluggish housing market in 4Q. October's pending home sales fell more than expected by 4.7% m/m (prior: -7.2% m/m), while the decline in mortgage applications (-2.3% for the week ended 13 Nov vs 6.2% w/w previously) signal that sales likely remained soft heading into November.
- On the supply side, housing starts surged more than expected to 9.9% m/m in October (prior: -7.0% m/m), but worse than expected building permits (-7.4% m/m vs -0.4% m/m) suggest that housing/construction activities remain challenged by high mortgage rates and construction costs. As it is, Fed of Atlanta's GDPNow forecast now shows that residential investment may subtract 0.3ppts from growth in 4Q, while Fannie Mae sees minimal improvement in construction activities through at least the end of 2028.

UK headline inflation quickened, while core and services CPI held steady

- No surprises on the inflation front. Headline inflation accelerated to 3.6% y/y in October (prior: 3.5% y/y), its highest in a year amid a surge in energy bills and motor costs, yet core and services CPI remained steady at 2.8% y/y and 3.7% y/y, providing officials some comfort that the energy shock has limited spillover through the wider CPI basket at the point of writing. There is nonetheless no change in our view that cost pressure is set to rise further and in line with this, the BOE is set to tighten its policy rates again in 1Q of 2027 to ensure that inflation returns to the 2% target sustainably.

Strongest quarterly wage growth for Australia since 2023

- 3Q saw wage growth accelerating more than expected to 1.1% q/q from 0.7% q/q, its strongest quarterly wage growth since December quarter 2023, while on a yearly basis, annual growth was also a tad higher at 3.5% y/y (prior: 3.4% y/y). Both private and public sector annual wage growth picked up, reflecting the recent Fair Work Commission decision and some pass-through from higher inflation to private enterprise bargaining agreements and individual arrangement. With this, wage growth is expected to stay around the current level before easing only in 2H of 2027.

Malaysia's final 3Q GDP growth eased less than expected to 5.5%

- The Malaysian economy moderated less than initially estimated, to 5.5% y/y in 3Q26 (2Q: 6.0% y/y), marking a 0.2ppt upgrade from the advance estimate of 5.3% y/y. The more moderate growth spanned across both domestic demand and net exports. The slower gain in domestic demand was due to the high base effect as a result of the larger cash transfer in 3Q last year, while the sharply slower increase in net exports was a result of faster growth in imports vis-à-vis exports growth. Growth momentum also softened on a q/q basis, from 2.5% to 1.5% q/q in 3Q, with the sharp pick-up in September GDP to 6.9% y/y being the saving grace after two straight months of slower growth of 4.8% y/y in July and August. Please refer to Research Alert "Upward revision to final 3Q26 GDP growth" dated 18th November for more details.

House View and Forecasts

FX	This Week	4Q-26	1Q-27	2Q-27	3Q-27
DXY	101-105	102.22	100.87	99.53	98.21
EUR/USD	1.09-1.12	1.12	1.14	1.16	1.18
GBP/USD	1.31-1.34	1.31	1.32	1.33	1.34
USD/CHF	0.81-0.85	0.79	0.80	0.81	0.84
USD/JPY	157-161	157	155	153	150
AUD/USD	0.67-0.70	0.69	0.69	0.70	0.70
NZD/USD	0.54-0.57	0.58	0.57	0.57	0.56
USD/CNY	6.66-6.69	6.74	6.67	6.61	6.54
USD/MYR	4.05-4.11	4.12	4.07	4.02	3.97
USD/SGD	1.27-1.30	1.29	1.27	1.25	1.23
USD/THB	33.30-34.00	33.0	33.0	33.0	32.8

FX	Last close	4Q-26	1Q-27	2Q-27	3Q-27
EUR/MYR	4.5170	4.63	4.64	4.66	4.67
GBP/MYR	5.4198	5.41	5.38	5.36	5.33
AUD/MYR	2.7692	2.83	2.82	2.81	2.79
CNY/MYR	0.6173	0.61	0.61	0.61	0.61
SGD/MYR	3.1916	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	4.00	4.00	4.25	4.25	4.25
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	1.25	1.25	1.50	1.50	1.75
RBA	4.85	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	
19-Nov	AU Employment Change (Oct)	-39.3k
	AU Unemployment Rate (Oct)	4.70%
	MA CPI YoY (Oct)	1.80%
	EC Construction Output MoM (Sep)	1.80%
	EC Labour Costs YoY (3Q P)	3.10%
	US Philadelphia Fed Business Outlook (Nov)	20.9
	US Initial Jobless Claims (14-Nov)	200k
	US Leading Index (Oct)	0.00%
	US Kansas City Fed Manf. Activity (Nov)	11
20-Nov	JN Natl CPI YoY (Oct)	2.10%
	UK GfK Consumer Confidence (Nov)	-24
	CH 1-Year Loan Prime Rate	3.00%
	CH 5-Year Loan Prime Rate	3.50%
	MA Exports YoY (Oct)	54.50%
	MA Foreign Reserves	$132.6b
	UK Retail Sales Inc Auto Fuel MoM (Oct)	-0.40%
	HK CPI Composite YoY (Oct)	1.90%
	EC Consumer Confidence (Nov P)	-17.9
	US U. of Mich. Sentiment (Nov F)	51
	US Kansas City Fed Services Activity (Nov)	10

Source: Bloomberg

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