

24 September 2026

## Global Markets Research

### Daily Market Highlights

## 24 Sep: President Trump and Xi set to meet today

**UST yields, DXY jumped following positive surprises to US PMI; sell-off in stocks**

**Steady-to-stronger manufacturing PMIs for the majors; mixed for services**

**OECD revised its global GDP growth slightly higher for 2026; down for 2027**

- Selloff in US Treasuries saw yields marching higher, and in other asset classes, US stocks tumbling and the Dollar strengthening.
- Elevated oil prices and stronger than expected US PMIs saw traders bolstering expectations for additional Fed rate hike(s), pushing treasury yields up 10-17bps across the curve. The benchmark 2Y and 10Y yields closed the day at 4.90% (+12bps) and 5.11% (+15bps), while the 5Y jumped 17bps to 5.00%, its highest since 2007. European bond markets saw a similar sell-off. The 2Y sovereign yields jumped 7-13bps, while the 10Y were up 5-15bps (prior day: +/-3bps).
- Led by Nasdaq, the 3 major US equity indices slid 0.7-1.1% d/d with declines in utilities and communication services stocks leading the broader market's fall. Similarly, Stoxx Eur 600 fell 0.4% d/d with utilities and consumer discretionary stocks underperforming. In Asia, CSI 300 and Hang Seng tumbled 0.6% d/d and 1.0% d/d, while Nikkei 225 remains closed for trading overnight.
- In the commodity space, Brent (+3.9% d/d to \$103.08/barrel) ended its losing streak after Iran President vowed that the nation will not surrender to the US, while WTI closed the day 2.6% d/d lower at \$92.16/barrel overnight. In energy news, President Trump said that he would back a ban on US diesel exports, a move that could alleviate price pressure in the US, but intensify energy crunch elsewhere.
- On the forex front, the DXY (0.5% d/d to 101.10) extended its gains after the US PMI data, while JPY depreciated for the fourth straight day to its weakest in 3 weeks at 158.32 (-0.6% d/d). AUD underperformed its peers at -1.1% d/d (to 0.7039) following its weaker PMI, while EUR and GBP depreciated 0.6-0.8% d/d to 1.1382 and 1.3239 against the USD.
- IDR (0.4% d/d) held earlier gains after the Bank of Indonesia kept its policy rate unchanged at 5.75%, while CNH, MYR and SGD depreciated 0.2-0.4% d/d to 6.7115, 4.0800 and 1.2801, the latter despite a pick-up in its CPI as expected.

#### Key Market Metrics

|                    | Level     | d/d (%) |
|--------------------|-----------|---------|
| <b>Equities</b>    |           |         |
| Dow Jones          | 51,511.59 | -0.68   |
| S&P 500            | 7,706.03  | -0.75   |
| NASDAQ             | 26,936.04 | -1.13   |
| Stoxx Eur 600      | 639.92    | -0.44   |
| FTSE 100           | 10,705.26 | -0.03   |
| Nikkei 225         | 65,018.95 | 1.38    |
| CSI 300            | 4,517.28  | -0.60   |
| Hang Seng          | 24,834.12 | -1.01   |
| Straits Times      | 5,709.91  | -0.24   |
| KLCI 30            | 1,676.43  | -0.42   |
| <b>FX</b>          |           |         |
| Dollar Index       | 101.10    | 0.49    |
| EUR/USD            | 1.1382    | -0.59   |
| GBP/USD            | 1.3239    | -0.80   |
| USD/JPY            | 158.32    | 0.59    |
| AUD/USD            | 0.7039    | -1.07   |
| USD/CNH            | 6.7115    | 0.19    |
| USD/MYR            | 4.0800    | 0.21    |
| USD/SGD            | 1.2801    | 0.39    |
| USD/KHR            | 4,055.48  | 0.01    |
| USD/THB            | 33.25     | 0.22    |
| <b>Commodities</b> |           |         |
| WTI (\$/bbl)       | 92.16     | -2.57   |
| Brent (\$/bbl)     | 103.08    | 3.86    |
| Gold (\$/oz)       | 4,284.80  | -1.33   |
| Copper (\$/MT)     | 14,618.00 | -0.88   |
| Aluminum(\$/MT)    | 3,255.00  | -0.31   |
| CPO (RM/MT)        | 4,601.00  | -0.82   |

Source: Bloomberg, HLBB Global Markets Research

\*Dated 18 Sep for Nikkei 225

### **OECD expects a mildly stronger GDP growth in 2027**

- The OECD modestly revised up its global GDP growth projection to 2.9% (+0.1ppts) for 2026, but revised down its 2027 forecast to 3.0% (-0.1ppts) (2025: 3.4%). Accordingly, stronger price pressures, weaker real income growth and tighter monetary policies will weigh on growth momentum, while robust AI-related activity and expectations of softer energy prices will help economic activities through 2027.
- Inflation is projected to increase in the short-term, before easing gradually in 2027 as moderating energy prices and tighter monetary policy help to contain broader inflationary pressure. With this, G20 headline inflation is expected to ease from 4.1% (+0.1ppts) in 2026 to 3.6% (+0.5ppts) in 2027. These remain elevated as compared to 3.4% in 2025.

### **Composite PMIs improved for the US and Eurozone, fell for the UK**

- According to September's composite PMI (58.4 vs 56.0), US businesses continue to boom, with output unexpectedly accelerating for its fourth month and to its fastest pace in over 5 years. Growth was driven by the services sector (58.7 vs 56.5), accompanied by a renewed pick-up in manufacturing output (57.0 vs 53.9). Both were better than expected, buoyed by stronger new order inflows from the domestic market, as well as on sharp gains for the employment sub-index. Business expectations were unchanged, but the jump in input cost and reports of severe supply chain disruptions will weigh on outlook.
- Eurozone's PMI hit near its 3Y high at 53.1 (prior: 52.0), driven by solid growth for manufacturing (steady at 52.7) and services (53.0 vs 51.6). Despite this, confidence in the year-ahead outlook waned and remained relatively muted amid weaker optimism among French companies, while sentiment in Germany was unchanged.
- On the flipside, UK's composite PMI fell more than expected to 51.7 from 52.5 previously. This marks its weakest growth since June, as subdued domestic economic conditions and ongoing geopolitical uncertainty weighed down on the services sector (51.7 vs 52.5). Manufacturing index unexpectedly improved 0.3ppts to 52.0, and manufacturers were equally upbeat over growth outlook amid reports of planned new project and higher investment spending on plant capacity.

### **US mortgage rates rose above 7% and weighed on mortgage application**

- Mortgage rates (+15bps to 7.12%) rose to its highest level in more than two years for the week ended September 18,

further weighing on a housing market already battling with elevated prices and sluggish sales. The 30Y was up 15bps to 7.12%, sending mortgage applications down 1.5% w/w (prior: -4.1% w/w). Both purchases and refinancing were lower by 0.8% w/w and 2.6% w/w (prior: -0.8% w/w and -8.8% w/w).

### Hong Kong's inflation held steady and remained modest

- Matching expectations, Hong Kong's inflation held steady at 1.7% y/y in August, as inflation of fuel-related items remained high, but price pressures on other components were broadly in check. With this, prices are expected to stay tame going forward, albeit with upside risks from elevated oil prices feeding through to domestic fuel-related components.

### Singapore's inflation accelerated as expected

- Headline inflation accelerated to 2.3% y/y in August from 2.2% y/y previously as expected, as core picked up momentum to 2.2% y/y (prior: 2.0% y/y) on the back of higher services, retail and food inflation, and more than offset lower private transport inflation. With average inflation of 1.8% YTD for headline and 1.6% y/y for core, MAS also maintained its 1.5-2.5% forecast for the whole of this year.
- Moving forward, core inflation is expected to remain elevated into 2027 before moderating from around mid-2027 amid expectations of softer energy prices. Risks to outlook remains tilted on the upside given the renewed disruptions in global energy supplies or worse-than-expected weather conditions. Inflation could also be more persistent if robust IT investment growth leads to stronger demand spillovers, and as such, a tightening risk remains on the table for MAS.

### House View and Forecasts

| <b>FX</b> | <b>This Week</b> | <b>3Q-26</b> | <b>4Q-26</b> | <b>1Q-27</b> | <b>2Q-27</b> |
|-----------|------------------|--------------|--------------|--------------|--------------|
| DX        | 99-101           | 102.28       | 100.86       | 99.42        | 98.07        |
| EUR/USD   | 1.14-1.16        | 1.13         | 1.14         | 1.16         | 1.18         |
| GBP/USD   | 1.32-1.35        | 1.29         | 1.30         | 1.32         | 1.33         |
| USD/CHF   | 0.81-0.84        | 0.81         | 0.81         | 0.80         | 0.79         |
| USD/JPY   | 154-159          | 162          | 159          | 155          | 153          |
| AUD/USD   | 0.70-0.72        | 0.68         | 0.70         | 0.71         | 0.72         |
| NZD/USD   | 0.56-0.59        | 0.56         | 0.56         | 0.57         | 0.57         |
| USD/CNY   | 6.68-6.72        | 6.85         | 6.78         | 6.72         | 6.65         |
| USD/MYR   | 4.06-4.11        | 4.15         | 4.11         | 4.07         | 4.03         |
| USD/SGD   | 1.27-1.29        | 1.31         | 1.30         | 1.28         | 1.27         |
| USD/THB   | 32.90-34.00      | 32.50        | 32.30        | 32.0         | 32.0         |

| <b>FX</b> | <b>Last close</b> | <b>3Q-26</b> | <b>4Q-26</b> | <b>1Q-27</b> | <b>2Q-27</b> |
|-----------|-------------------|--------------|--------------|--------------|--------------|
| EUR/MYR   | 4.6548            | 4.68         | 4.71         | 4.73         | 4.75         |
| GBP/MYR   | 5.4183            | 5.37         | 5.36         | 5.36         | 5.36         |
| AUD/MYR   | 2.8886            | 2.83         | 2.86         | 2.87         | 2.89         |
| CNY/MYR   | 0.6082            | 0.61         | 0.61         | 0.61         | 0.61         |

SGD/MYR      3.1928      3.18      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      | 4.35      | 4.35      | 4.35      | 4.35      | 4.35      |
| 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                                     |         |
|--------|--------------------------------------------|---------|
| 24-Sep | JN S&P Global Japan PMI Mfg (Sep P)        | 54.9    |
|        | JN S&P Global Japan PMI Services (Sep P)   | 52.5    |
|        | AU Employment Change (Aug)                 | -15.8k  |
|        | AU Unemployment Rate (Aug)                 | 4.50%   |
|        | HK Exports YoY (Aug)                       | 50.70%  |
|        | US Initial Jobless Claims (19-Sep)         | 196k    |
|        | US New Home Sales MoM (Aug)                | -10.50% |
|        | US Kansas City Fed Manf. Activity (Sep)    | 10      |
|        | US Durable Goods Orders (Aug P)            | 1.10%   |
| 25-Sep | US Cap Goods Orders Nondef Ex Air (Aug P)  | 0.00%   |
|        | US U. of Mich. Sentiment (Sep F)           | 47.8    |
|        | US Kansas City Fed Services Activity (Sep) | -3      |

Source: Bloomberg

## Hong Leong Bank Berhad

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

[HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)

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