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Global Markets Research

Daily Market Highlights

27 Oct: Revived risk sentiments led by AI headlines and trades

Softer crude oil prices & Anthropic's IPO filing revived enthusiasm for US equities
UST yields closed mixed; US Dollar strengthened ahead of FOMC meeting
French bonds rallied after France avoided a credit downgrade by Moody's

- Tech stocks jumped overnight after Anthropic's IPO filing revived enthusiasm for the AI trade, while other major AI headlines also added to the risk-on sentiment. Notably, Meta Platforms said that it is seeking to raise $95bn to support its AI investments, while SpaceX signed a $40bn chip-financing deal with Apollo. These sent Nasdaq jumping 0.8% d/d, while the Dow and S&P 500 also added 0.3% d/d and 0.7% d/d respectively.
- In Brazil, markets plunged following the surprised re-election victory of left-wing incumbent President Luiz Inácio Lula da Silva, while in Europe, sentiment was lifted by France dodging a credit rating downgrade from Moody's, and a slide in crude oil prices (Brent: -0.8% d/d to $115.81/barrel, WTI: -1.5% d/d to $101.76/barrel) overnight, the latter as senior officials from several countries met with Iran's president to de-escalate the tension in the Middle East. Asian bourses closed mixed, with Hang Seng up 0.5% d/d, while Nikkei 225 and CSI 300 fell.
- Treasury yields were mixed ahead of Fed's decision this week where a hawkish hold is expected. The 2Y yield rose 3bps to 4.72%, while the 10Y retreated 1bps to 4.99%. In France, bonds rallied after Moody's rating reprieve, sending yields down 0-12bps across the curve, while the 10Y bond yields for the rest of its European counterparts closed mixed between -8 to +2bps.
- Save the NOK, the Dollar strengthened against all its G10 peers and the DXY closed 0.2% d/d higher at 101.96. JPY lagged, depreciating 0.4% d/d to 157.50 against the greenback, while the EUR, GBP and AUD were also weaker, by 0.2-0.3% d/d at 1.1174, 1.3342 and 0.7017 vs the USD.
- JPY will nonetheless draw some support from the pick-up in services PPI data released this morning. Matching expectations, prices quickened to 3.7% y/y from 3.5% y/y previously largely on account of transportation costs.
- CNH outperformed within the regional front, closing just above its flatline at 6.6676 overnight. The rest of regional currencies were weaker against USD. MYR depreciated 0.1%

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,361.58	0.28
S&P 500	7,676.77	0.70
NASDAQ	26,169.38	0.82
Stoxx Eur 600	640.66	0.77
FTSE 100	10,767.33	0.72
Nikkei 225	62,189.65	-0.80
CSI 300	4,103.54	-0.04
Hang Seng	23,211.81	0.51
Straits Times	5,415.91	0.00
KLCI 30	1,604.36	-0.45
FX		
Dollar Index	101.96	0.15
EUR/USD	1.1174	-0.25
GBP/USD	1.3342	-0.24
USD/JPY	157.50	0.40
AUD/USD	0.7017	-0.27
USD/CNH	6.6676	-0.02
USD/MYR	4.0878	0.05
USD/SGD	1.2808	0.21
USD/KHR	4,081.50	0.08
USD/THB	33.82	0.28
Commodities		
WTI ($/bbl)	101.76	-1.46
Brent ($/bbl)	115.81	-0.78
Gold ($/oz)	4,022.30	0.78
Copper ($/MT)	14,327.50	0.03
Aluminum($/MT)	3,040.50	-0.10
CPO (RM/MT)	4,558.00	-0.63

Source: Bloomberg, HLBB Global Markets Research

to 4.0878, while SGD weakened 0.2% d/d to 1.2808 weighed down by its IPI growth miss.

Fed regional indicators unexpectedly improved

- The Chicago Fed National Activity and Dallas Fed Manufacturing Activity indices unexpectedly improved to +0.07 in September (prior: -0.08) and 13.4 in October (prior: 9.8) respectively. These suggest pick-up in economic growth, with notable supports from their production and employment related sub-indicators.

Softest IPI growth for Singapore since February this year

- Industrial output (IPI) slowed sharper than expected to 3.4% y/y in September from 15.4% y/y in August, amid a sharp contraction for pharmaceutical production, while demand for electronics (5.7% y/y vs 28.3% y/y) moderated. Despite the downtick, we remain positive on AI-related sector albeit with expectations that growth may be uneven reflecting supply chain capacity constraints.

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	1.32-1.36	1.31	1.32	1.33	1.34
USD/CHF	0.80-0.83	0.79	0.80	0.81	0.84
USD/JPY	155-159	157	155	153	150
AUD/USD	0.69-0.72	0.69	0.69	0.70	0.70
NZD/USD	0.55-0.58	0.58	0.57	0.57	0.56
USD/CNY	6.66-6.69	6.74	6.67	6.61	6.54
USD/MYR	4.06-4.11	4.12	4.07	4.02	3.97
USD/SGD	1.26-1.29	1.29	1.27	1.25	1.23
USD/THB	33.28-34.00	33.0	33.0	33.0	32.8

FX	Last close	4Q-26	1Q-27	2Q-27	3Q-27
EUR/MYR	4.5799	4.63	4.64	4.66	4.67
GBP/MYR	5.4553	5.41	5.38	5.36	5.33
AUD/MYR	2.8763	2.83	2.82	2.81	2.79
CNY/MYR	0.6130	0.61	0.61	0.61	0.61
SGD/MYR	3.1937	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	
27-Oct	CH Industrial Profits YTD YoY (Sep)	15.70%
	US Durable Goods Orders (Sep P)	-0.10%
	US Cap Goods Orders Nondef Ex Air (Sep P)	1.60%
	US FHFA House Price Index MoM (Aug)	0.30%
	US S&P Cotality CS US HPI YoY NSA (Aug)	1.93%
	US Conf. Board Consumer Confidence (Oct)	81.9
	US Richmond Fed Manufact. Index (Oct)	-2
	US Richmond Fed Business Conditions (Oct)	-8
	US New Home Sales MoM (Sep)	6.40%
	US Dallas Fed Services Activity (Oct)	-1.8
28-Oct	AU CPI Trimmed Mean YoY (Sep)	3.60%
	NZ RBNZ Official Cash Rate	2.75%
	HK Exports YoY (Sep)	53.00%
	US MBA Mortgage Applications (23-Oct)	-5.7%
	US Advance Goods Trade Balance (Sep)	-$132.6b
	UK UK Chancellor of the Exchequer John Healey Presents Budget	
	US FOMC Rate Decision (Upper Bound)	4.00%

Source: Bloomberg

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