

29 October 2026

Global Markets Research

Daily Market Highlights

29 Oct: All eyes on US core-PCE and ECB's policy decision today

US stocks gained; DXY and 2-year UST yields reversed gains post-FOMC

FOMC: Economy growing at a strong pace; Warsh: Financing conditions not tight

UK's Chancellor Healy stuck to fiscal prudence; pick up in Australia's CPI

- US stocks edged up after the FOMC kept its fed funds rate unchanged and as earnings results/guidance from the tech giants continued to be rolled out. Earnings and guidance proved to be mixed with Oracle and Microsoft turning in positive, while Alphabet disappointed. The S&P 500 and Nasdaq gained 0.3% d/d each, while the Dow rose at a narrower pace of 0.2% d/d. Stocks whipsawed during Fed Chair Kevin Warsh's press conference, but generally cheered Warsh's comments.
- In short, he offered no real guidance other than to say that inflation remains too high and that financial conditions have tightened but emphasized that overall conditions cannot be described as "tight," the latter suggesting that the policy is starting to work, and in our opinion, future aggressive hikes are thus unlikely. FOMC will also not vote in one of the scheduled 8 meetings in 2027, setting aside that meeting to discuss broad monetary policy strategy, and this will be increased to two meetings in 2028.
- In the bond space, short dated treasuries rose, and the 2Y yield fell 4bps to 4.70%. On the other hand, the benchmark 10Y yield rose 2bps to 5.02%.
- Outside the US, both the Stoxx 600 and FTSE 100 closed 0.1% d/d higher, the latter with UK banks rallying after Chancellor John Healy hiked taxes on lenders less steeply than expected. 10Y sovereign bond yields, meanwhile, closed mixed between +/-4bps. In Asia, the Nikkei 225 led gains in the region at 1.1% d/d.
- In the forex space, the DXY completely reversed early gains after FOMC's decision, and was down 0.1% d/d to 102.19. The Dollar closed weaker against all its G10 peers save the NZD (-1.0% d/d), the latter after the RBNZ unexpectedly kept its cash rate unchanged at 2.75% in a split vote, signalling the policy makers' cautiousness on how the central bank should battle inflation. GBP appreciated 0.2% d/d to 1.3327 vs the USD after UK Chancellor John Healy stuck to its pledge for fiscal discipline, while AUD strengthened 0.4% d/d to 0.7054 post an

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	52,475.10	0.19
S&P 500	7,743.98	0.28
NASDAQ	26,549.85	0.27
Stoxx Eur 600	644.14	0.07
FTSE 100	10,694.50	0.07
Nikkei 225	63,954.19	1.08
CSI 300	4,083.87	0.85
Hang Seng	23,094.83	0.23
Straits Times	5,397.91	0.00
KLCI 30	1,613.87	0.13
FX		
Dollar Index	102.19	-0.12
EUR/USD	1.1154	0.26
GBP/USD	1.3327	0.16
USD/JPY	157.84	-0.07
AUD/USD	0.7054	0.41
USD/CNH	6.6617	-0.05
USD/MYR	4.0755	-0.33
USD/SGD	1.2816	0.04
USD/KHR	4,083.25	0.06
USD/THB	33.75	-0.06
Commodities		
WTI (\$/bbl)	102.78	2.88
Brent (\$/bbl)	115.32	1.26
Gold (\$/oz)	4,036.00	-0.56
Copper (\$/MT)	14,477.50	0.02
Aluminum(\$/MT)	3,073.00	-0.45
CPO (RM/MT)	4,454.00	-0.18

Source: Bloomberg, HLBB Global Markets Research

uptick in its CPI print. EUR and JPY appreciated 0.1-0.3% d/d to 1.1154 and 157.84 respectively.

- Regional currencies closed mixed against the Dollar, but MYR led gains against the greenback at 0.3% d/d to 4.0755. CNH appreciated 0.1% d/d to 6.6617, while SGD closed below its flatline at 1.2816.
- In the commodity space, the Brent and WTI rebounded more than 1.0% d/d each to \$115.32/barrel and \$102.78/barrel as traders weigh the mediation efforts and whether the US-Israel would resume strikes on Iran after the midterm elections.

FOMC kept its Fed funds rate unchanged as expected in a split vote

- In a 10-2 majority vote, the FOMC decided to keep the fed funds rate unchanged at 3.75-4.00%. The decision was within expectations and the accompanying statement contained minimal changes, with economic activity described as expanding at a “strong” pace rather than “solid” previously, and that more information will help the Committee determine the policy stance appropriate to ensure a “timely” (vs timelier) return of inflation to the Committee's 2% goal, a sign of less hawkish hint.
- Data wise, mortgage applications rose for the first time since August, growing 3.4% w/w for the week ended October 23 (prior: -5.3% w/w) as the 30Y mortgage continued to ease, while the goods trade deficit unexpectedly widened to \$134.9bn in September (prior: -\$132.1bn) as the AI investment boom saw a surge in imports of capital good (7.5% m/m vs 4.4% m/m)

UK's Treasury revised its GDP forecast for 2026, expects growth to slow in 2027

- Key highlights from the Autumn Budget include: 1) The OBR revised up its growth forecast to 1.2% in 2026 (2025: 1.3%), 0.1ppts higher than its March's projections, but expects growth to slow to 1.0% in 2027 as the impacts of higher energy prices and interest rates weigh on consumers and businesses. Inflation is expected to accelerate from 3.1% in 2026 to 3.4% in 2027 (2025: 3.4%). 2) Chancellor Healy kept the fiscal deficit on a downward trajectory, expecting the public sector net borrowing to narrow from 4.2% of GDP in 2026 to 3.4% of GDP in 2027. 3) Key budget measures were focused on helping more people onto the housing ladder, supporting British businesses to invest and grow, strengthening Britain's national security, and giving families and businesses breathing space from rising costs with supports on energy bills, fuel duty and wages, the latter

includes increasing the National Living Wage by 3.9% to £13.21/hour wef April 2027.

Stronger than expected export growth for Hong Kong

- Exports surged more than expected by 64.9% y/y in September (prior: 53.0% y/y) as exports of AI-related electronic products registered its 20th consecutive month of double-digit growth and its fastest pace in over 4 decades. Exports to all major markets increased notably and exports are expected to continue to benefit from the current robust AI-related investment and resilient global economic growth.

Spike in Australia's CPI driven by transport and housing costs

- September saw headline CPI accelerating more than expected to 4.3% y/y from 4.0% y/y previously, while trimmed means also ticked up 0.1ppts to 3.6% y/y for the same month. Driving the upticks were rising costs for housing and transport, the latter due to higher fuel prices and the former due to new dwellings and electricity. With upside risks to inflation risks materializing and CPI materially above the RBA's projections, this should essentially lock in a November rate hike for Australia.

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	4.5364	4.63	4.64	4.66	4.67
GBP/MYR	5.4164	5.41	5.38	5.36	5.33
AUD/MYR	2.8658	2.83	2.82	2.81	2.79
CNY/MYR	0.6113	0.61	0.61	0.61	0.61
SGD/MYR	3.1794	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	4.85	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	
29-Oct	JN Consumer Confidence Index (Oct)	35.4
	UK Net Consumer Credit (Sep)	2.5b
	UK Mortgage Approvals (Sep)	54.9k
	EC Economic Confidence (Oct)	97.9
	US Personal Income (Sep)	0.20%
	US Personal Spending (Sep)	0.90%
	US Initial Jobless Claims (24-Oct)	194k
	US Core PCE Price Index YoY (Sep)	3.00%
	US GDP Annualized QoQ (3Q A)	2.20%
	EC ECB Deposit Facility Rate	2.50%
30-Oct	JN Tokyo CPI YoY (Oct)	2.70%
	JN Jobless Rate (Sep)	2.50%
	JN Retail Sales MoM (Sep)	-1.20%
	JN Industrial Production MoM (Sep P)	-2.40%
	AU Private Sector Credit MoM (Sep)	0.60%
	EC GDP SA QoQ (3Q A)	0.60%
	EC Unemployment Rate (Sep)	6.40%
	US MNI Chicago PMI (Oct)	58.8
	JN BOJ Target Rate	1.25%

Source: Bloomberg

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