

30 September 2026

Global Markets Research

Daily Market Highlights

30 Sep: All eyes on the US core-PCE and China PMIs today

**A 24-year high for 30Y UST yield weighed on risk sentiment; US stocks fell; DXY gained
AUD weakened after RBA's dovish hike; signalling that more hikes are not a done deal
Slump in US confidence and softer labour market support the case for a Fed pause in Oct**

- The punishing sell-off in bonds pushed the 30Y treasury yield to its highest in 24 years at 5.62%, before easing to close the day at 5.57% (+2bps). The 10Y UST yield nonetheless closed flat at 5.24%, while the 2Y fell 5bps to 4.88%, as New York Fed President John William commented that just one more rate hike this year may be appropriate to contain inflation, less than what market had priced in. He also mentioned that there was no urgency to raise rates. Softer energy prices (Brent: -2.6% d/d to \$102.59/barrel, WTI: -3.5% d/d to \$89.38/barrel) and weaker than expected US jobs data also weighed on yields. Oil prices fell amid reports that Saudi Arabia has ramped up oil flows through its key pipeline.
- In the equity space, elevated borrowing costs weighed heavily on sectors such as real estate, financials and consumers, sending the Dow, S&P 500 and Nasdaq down 0.1-0.3% d/d. European stocks fell 0.1% d/d as US treasuries drove a risk-off end to the day, and as the 2Y- and 10Y European bond yields traded mixed between +/-5bps. Asian markets traded mixed, with Nikkei 225 and Hang Seng fell 0.5-0.6% d/d, while CSI 300 gained 0.1% d/d.
- On the forex front, most G10 forex weakened against the Dollar, with the NOK (-0.6% d/d) the biggest loser amid the softer oil prices overnight. JPY was little changed and outperformed its G10 peers at 157.29 (0.1% d/d), but could trade on a softer note after its retail sales (-1.2% m/m vs 2.1% m/m) and IPI (-1.7% m/m vs -0.2% m/m) prints came in softer than expected.
- EUR weakened to its intraday low of 1.1312, its weakest since 2Q of 2025, before narrowing its losses to close the day 0.3% d/d weaker at 1.1342. GBP and AUD depreciated 0.2% and 0.4% d/d to 1.3232 and 0.6986, the latter as the RBA raised rates as expected, but said further hikes were far from a done deal.
- Regional currencies traded mixed against the greenback. While TWD (-0.3% d/d) and SGD (-0.1% d/d to 1.2780) lagged, MYR closed flattish at 4.0830. KRW (0.2% d/d) and CNH (0.1%

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	51,349.92	-0.26
S&P 500	7,670.84	-0.17
NASDAQ	26,797.54	-0.09
Stoxx Eur 600	638.08	-0.09
FTSE 100	10,636.71	-0.45
Nikkei 225	65,481.27	-0.60
CSI 300	4,345.21	0.10
Hang Seng	24,523.57	-0.48
Straits Times	5,714.84	-0.25
KLCI 30	1,643.96	-1.56
FX		
Dollar Index	101.37	0.17
EUR/USD	1.1342	-0.26
GBP/USD	1.3232	-0.17
USD/JPY	157.29	-0.06
AUD/USD	0.6986	-0.46
USD/CNH	6.7080	-0.07
USD/MYR	4.0830	0.02
USD/SGD	1.2780	0.05
USD/KHR	4,056.99	0.00
USD/THB	33.59	0.01
Commodities		
WTI (\$/bbl)	89.38	-3.48
Brent (\$/bbl)	102.59	-2.56
Gold (\$/oz)	4,147.70	0.27
Copper (\$/MT)	14,438.50	0.18
Aluminum(\$/MT)	3,214.00	-1.15
CPO (RM/MT)	4,433.00	-0.74

Source: Bloomberg, HLBB Global Markets Research

d/d to 6.7080) outperformed, the latter after the state council vowed more measures to support growth.

- Amongst others, to stabilize its property market, the government will subsidize interest payments (worth an annualized 1ppt of the mortgage principal for up to 5 years) for 1st time homebuyers on some cheaper homes nationwide, and has also encouraged banks to lend to targeted sectors such as infrastructure and technology. To do so, the central bank has increased the quota for relending program supporting technological innovation and equipment upgrades by 200bn yuan.

RBA raised rates as expected but a pause was considered

- As expected, the Reserve Bank of Australia (RBA) increased its cash rate target by 25bps to 4.60%. The decision was inevitable given that the conflict in the Middle East has broadened, fuel prices are now much higher than what the RBA had forecast and have partially been passed through to prices of other goods and services. Moving forward, our base case is that the RBA is done with hiking given that financial conditions are already restrictive before this. While the decision was unanimous, board members considered a pause in the meeting and Governor Michele Bullock added that she hopes that the 4 hikes are restrictive enough to slow inflationary pressures. That said, with RBA focusing on ensuring that high inflation does not become embedded, risks remain tilted for another hike in the November policy meeting.
- Household spending, meanwhile, was below expectations and unchanged in August, after rising by 1.1% m/m (July) and 0.9% m/m (June) the prior 2 months. Despite this blip, the data was still 6.8% higher than a year ago, and was largely weighed down by pullbacks in spending on recreation and culture post-sporting events. The clothing & footwear, recreational goods, food, health and furniture categories also fell, but these were offset by higher transport spending due to higher fuel prices as well as new vehicle sales.

Slump in US consumer confidence; softer than expected job openings

- The Conference Board's Consumer Confidence index fell more than expected by 6.7ppts to 81.9 in September, as the present situation index (-7.9ppts to 109.3) fell sharply while the expectations index (-5.9ppts to 63.6) slipped further into negative territory. September marks its third month of decline as details suggest anxiety over the cost of living as well as job security. Historically, these readings signal softer consumer spending, but this relationship has weakened as

high-income households, boosted by wealth effects, kept consumption growing.

- The JOLTS job report suggests that the state of a softer labour market as well as consumers are unlikely to change anytime soon, bolstering the case for a Fed pause in the October FOMC meeting. Job openings fell more than expected to 7.08m in August from 7.34m previously as most industries saw decline in opening, led by professional & business services, private education & health services, manufacturing and construction industries. Fewer vacancies saw the ratio of vacancies/unemployed workers fall to about 1.01 from 1.06, while hiring was on a firmer note, with hiring rates rising to 3.3% from 3.2% previously. The quits rate, a show of workers' willingness to leave their jobs, held steady at 1.9%.
- While home prices continued to decline in real terms, slightly lower inflation and stronger nominal home price appreciation helped narrow the gap. In July, the S&P CoreLogic Case-Shiller National Home Price Index posted a 1.9% y/y gains, accelerating for the 4th month and from 1.6% y/y previously, The FHFA House Price Index rose 2.6% y/y, up from 2.4% y/y the previous month.

Economic Sentiment unexpectedly fell for the Euro area

- The Economic Confidence index for the Euro area unexpectedly fell 0.5ppts to 97.9 in August. After trending upwards since May, the index has drifted away from its long-term average of 100 as confidence tumbled amongst consumers. Among the largest EU economies, confidence fell noticeably in France and moderately in Italy, improved sharply for Spain and only slightly for Germany.

Weaker mortgage data for the UK

- Mortgage approvals unexpectedly fell to 54.9 in August from 55.9k previously, below an average of around 60.1k the previous 6 months, while net borrowing of consumer credit unexpectedly increased to £2.5bn (prior: £2.1), above the previous 6-month average of £1.9bn led by borrowing for credit cards as well as other forms of consumer credit (such as car dealership finance and personal loans).

House View and Forecasts

FX	This Week	3Q-26	4Q-26	1Q-27	2Q-27
DXY	100-103	102.28	100.86	99.42	98.07
EUR/USD	1.12-1.16	1.13	1.14	1.16	1.18
GBP/USD	1.30-1.34	1.29	1.30	1.32	1.33
USD/CHF	0.81-0.84	0.81	0.81	0.80	0.79
USD/JPY	156-162	162	159	155	153

AUD/USD	0.69-0.72	0.68	0.70	0.71	0.72
NZD/USD	0.55-0.58	0.56	0.56	0.57	0.57
USD/CNY	6.68-6.73	6.85	6.78	6.72	6.65
USD/MYR	4.06-4.12	4.15	4.11	4.07	4.03
USD/SGD	1.27-1.30	1.31	1.30	1.28	1.27
USD/THB	32.90-33.80	32.50	32.30	32.0	32.0

FX	Last close	3Q-26	4Q-26	1Q-27	2Q-27
EUR/MYR	4.6265	4.68	4.71	4.73	4.75
GBP/MYR	5.3988	5.37	5.36	5.36	5.36
AUD/MYR	2.8507	2.83	2.86	2.87	2.89
CNY/MYR	0.6088	0.61	0.61	0.61	0.61
SGD/MYR	3.1907	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	4.60	4.60	4.60	4.60	4.60
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	
30-Sep	CH Manufacturing PMI (Sep)	49.8
	CH Non-manufacturing PMI (Sep)	49
	AU CPI Trimmed Mean YoY (Aug)	3.60%
	AU Private Sector Credit MoM (Aug)	0.60%
	AU Building Approvals MoM (Aug)	-3.60%
	CH RatingDog China PMI Services (Sep)	51.4
	CH RatingDog China PMI Mfg (Sep)	51.5
	UK GDP YoY (2Q F)	1.20%
	US MBA Mortgage Applications (Sept 25)	-1.5%
	US ADP Employment Change (Sep)	38k
	US BEA Releases Annual Revisions to GDP and Personal Income	
	US Personal Income (Aug)	0.40%
	US Real Personal Spending (Aug)	0.00%
	US Core PCE Price Index YoY (Aug)	3.30%
	US GDP Annualized QoQ (2Q T)	1.50%
	US Advance Goods Trade Balance (Aug)	-\$118.8b
	US MNI Chicago PMI (Sep)	47.1
30 Sep -		
6 Oct	UK Nationwide House Px NSA YoY (Sep)	1.60%
1-Oct	AU S&P Global Australia PMI Mfg (Sep F)	49.3
	JN Tankan Large Mfg Index (3Q)	22
	JN S&P Global Japan PMI Mfg (Sep F)	54.1
	MA S&P Global Malaysia PMI Mfg (Sep)	50.2
	VN S&P Global Vietnam PMI Mfg (Sep)	53.3
	AU Trade Balance (Aug)	A\$1923m
	AU Job Vacancies QoQ (Aug)	-2.10%
	EC S&P Global Eurozone Manufacturing PMI (Sep F)	52.7
	UK S&P Global UK Manufacturing PMI (Sep F)	52.0
	EC Unemployment Rate (Aug)	6.40%
	US Challenger Job Cuts YoY (Sep)	-38.50%

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

US Initial Jobless Claims (Sept 26)	197k
US S&P Global US Manufacturing PMI (Sep F)	57.0
US ISM Manufacturing (Sep)	54.6
US Construction Spending MoM (Aug)	-0.50%

Source: Bloomberg

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