

Global Markets Research

Weekly Market Highlights

Market

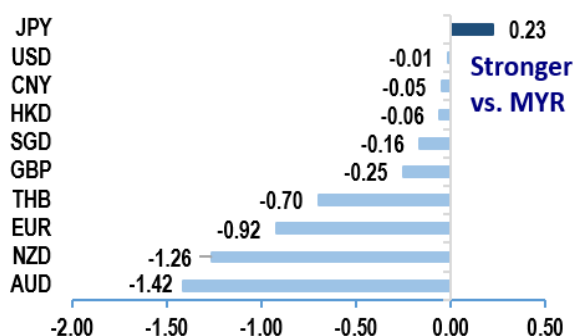
	Last Price	WOW%	YTD %
Dow Jones Ind.	50,926.56	-0.82	5.96
S&P 500	7,666.45	-0.49	11.99
FTSE 100	10,428.27	-2.36	5.00
Hang Seng	24,613.27	-0.60	-3.97
KLCI	1,630.36	-2.51	-2.96
STI	5,667.67	-0.28	21.98
Dollar Index	102.10	0.80	3.84
WTI oil (\$/bbl)	92.87	-1.84	61.74
Brent oil (\$/bbl)	102.31	-4.02	68.13
Gold (\$/oz)	4,172.90	-2.16	-3.87
CPO (RM/ MT)	4,374.00	-4.16	8.35
Copper (\$\$/MT)	14,243.50	-2.58	14.65
Aluminum(\$/MT)	3,123.00	-3.91	4.26

Source: Bloomberg

- **Global bond rout continues to weigh on market sentiment:** US markets wrapped up another week with punishing sell-off in treasuries, pushing the 30Y yield to its highest in 24 years mid week, while shorter-term tenures barely budged despite a moderation in the energy prices, a softer than expected US PCE and slightly dovish note from Fed President John Williams. The 3 major US equity indices closed 0.3-0.8% w/w lower, albeit with a slightly rebound on Thursday supported by a respite from the earlier bond sell-off. Crude oil prices fell 1.8-4.0% w/w amid news that Saudi Arabia has ramped up oil flows through its key pipeline, giving up early gains after President Trump rejected a 7-day ceasefire plan with Iran.
- **FOMC meeting minutes, Malaysia's Budget 2027 to take centre stage:** While it will be a quieter week data wise, it is by no means a boring one with the FOMC meeting minutes due mid-week, followed by Malaysia's Budget 2027 on Friday. Data wise, the S&P will finalise the September PMIs for the majors and release fresh data for selected regional economies. In the US, the services ISM, trade data, consumer credit and October's preliminary University of Michigan Sentiment index will be released. Singapore, Europe and Japan will publish their retail sales/household spending data, Eurozone accompanied by its PPI and investors' confidence print, and Japan, by its wage data, Eco Watchers outlook, leading and consumer confidence indices. Aggregate financing print is due for China, while Malaysia's IPI and manufacturing sales numbers will be released just before the budget.

Forex

MYR vs. Major Currencies (% w/w)

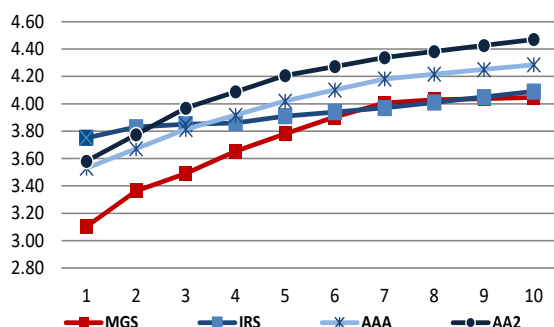


Source: Bloomberg

- **MYR:** MYR was little changed in trading against the USD this week, settling at 4.0860 (prior: +0.3%) from 4.0865 the prior week, amidst the S&P Global Malaysia manufacturing PMI for September easing from the month before. Against the rest of the G10 currencies, the MYR was stronger across the board for the week with the exception of against the JPY (-0.2%), while versus major regional currencies, it was mixed, gaining the most ground against the THB (+0.7%) and declining the most against the KRW (-0.6%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the coming week, looking at a likely trading range of 4.0625 - 4.1150. The week ahead sees little in the way of economic data until next Friday's industrial production figures for August. The Malaysia Budget 2027 presentation is also scheduled to be tabled next Friday in parliament by the Prime Minister, with the fiscal deficit under the spotlight.
- **USD:** The DXY rose in trading this week for a fourth week running, advancing by 0.8% (prior: +1.0%) to 102.10 from 101.29 the week before, amidst consumer spending in August rising by the most in over a year, and PCE price indices for the month that came in within expectations. Other economic data that we got for the month saw consumer confidence dipping in September to the lowest since 2014, and the ISM Manufacturing index for the month unexpectedly declined. We are **Neutral** on the USD for the week ahead, foreseeing a possible trading range of 100.75 - 103.25 for the DXY. The coming week brings the release of monthly employment report and the ISM Services index for September, factory orders and the trade balance for August, and the minutes of the recent Sep 16 FOMC meeting where the Fed raised rates by 25bps in a unanimous decision, which could offer more clues on policy going forward.

Fixed Income

Indicative Yields @ 01 Oct 2026



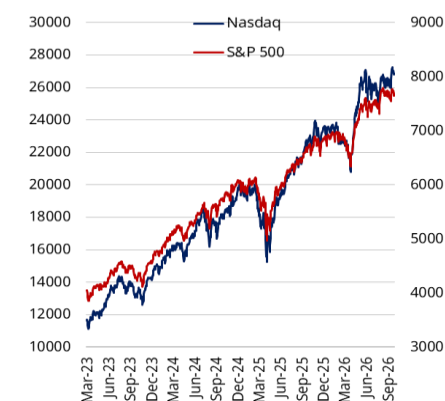
Source: Bloomberg/ BPAM

- **UST:** US Treasuries were mixed for the week in review, with the shorter-dated maturities gaining ground, while the longer end of the maturity spectrum declined, leading to a marked steepening in the UST curve. Key economic data for the week saw the ISM manufacturing index for September unexpectedly easing, while the PCE price indices were largely in line with expectations. The pricing of rate hikes by the Fed this year receded during the week, with 26bps of hikes priced in for the remainder of 2026 (prior: 38bps). **Overall benchmark yields for the week were mixed by between -13 to +14bps w/w** (prior: 19 to 28bps higher) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 13bps for the week to 4.79% while the benchmark 10Y UST yield advanced by 4bps to 5.24%. **We expect USTs to trade with a bullish bias for the coming week.** The week ahead sees the release of the monthly employment report and ISM Services index for September, as well as the minutes of the Sep 16 FOMC meeting.
- **MGS/GII:** Local government bonds retreated for the week in review, with some profit taking seen after the sizable rally the week before, amidst the S&P Global Malaysia manufacturing PMI for September easing slightly. Government bond funding for the month concluded with the re-opening of RM3bn of the benchmark 30Y GII 1/56, which drew a moderate BTC of 2.013x. **Overall benchmark MGS/GII yields closed the week mixed by between -5 to +18bps w/w** (prior: -19 to +4bps). The benchmark 5Y MGS 6/31 yield rose by 5bps for the week to 3.77%, while the benchmark 10Y MGS 7/35 yield advanced by 8bps to 4.03%. **For the week ahead, we expect the MGS/GII markets to trade on a more constructive note.** The coming week ahead will bring the release of the Malaysia 2027 Budget presentation and industrial production figures for August next Friday, and before that during the week, we should get the announcement and re-opening auction of the benchmark 3Y GII 10/29 where we expect RM5bn to be put up for sale.

Macroeconomic Updates

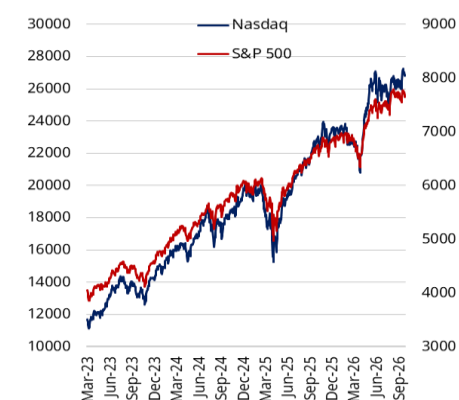
- Global bond rout continues to weigh on market sentiment:** US markets wrapped up another week with punishing sell-off in treasuries, pushing the 30Y yield to its highest in 24 years mid week, while shorter-term tenures barely budged despite a moderation in the energy prices, a softer than expected US PCE and slightly dovish note from Fed President John Williams. Just a recap, he opined that there was no rush to raise rates and that just one more rate hike this year may be needed to contain inflation, less than what market had pencilled in. The 3 major US equity indices closed 0.3-0.8% w/w lower, albeit with a slightly rebound on Thursday supported by a respite from the earlier bond sell-off. Crude oil prices fell 1.8-4.2% w/w amid news that Saudi Arabia has ramped up oil flows through its key pipeline, giving up early gains after President Trump rejected a 7-day ceasefire plan with Iran. With Pentagon reportedly sending a third aircraft carrier and more troops to the Middle East, this should nonetheless keep geopolitical tension and crude oil prices elevated in the coming week, ceteris paribus.
- RBA delivered a dovish hike:** Monetary policy wise, the RBA increased its cash rate target by 25bps to 4.60% as expected. 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 goods and services. Our base case is that the RBA is done with hiking given that financial conditions are already restrictive before this, especially on the housing front. Indeed, data showed that household spending unexpectedly stagnated (prior: 1.1% m/m), credit to housing (0.4% m/m vs 0.5% m/m) and building approvals (-6.1% m/m vs -1.9% m/m) softening in August. While the decision was unanimous, board members considered a pause in the meeting and Governor Michele Bullock added that she hopes that the recent past four 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.
- Mixed performance for regional manufacturing sector:** Manufacturing-related indicators on the regional front, meanwhile, was mixed. Notably, Singapore's IPI growth accelerated to 15.4% y/y in August from 6.9% y/y previously driven by AI boom. Data was equally promising for China. Notably, September saw the official manufacturing PMIs returning to growth for the first time in 3 months at 50.1 (non-manufacturing: 50.2 vs 49.0), while the private survey showed an equally stronger momentum at 52.1 vs 51.5 previously (services: 51.6 vs 51.4). Alongside the favourable base effect, the modest uptick in growth momentum coupled with more policy urgency, renewed hope that China will be able to secure its 4.5-5.0% growth target this year, albeit at the lower end. The second successive fall in new export orders saw Vietnam's manufacturing PMI easing to 51.9 from 53.3 previously. Despite this, firms were more optimistic in the outlook for the coming year. On a downbeat note, Malaysia PMI fell retreated below the neutral level for the first time in 4 months at 49.9 (Aug: 50.2) amid moderations in output, new orders and business confidence.
- Signs of some cost pass-through but no surprises in price prints:** Albeit with some signs of cost-pass through for some economies thus keeping upside risks to policy rates, data release showed that underlying inflation has remained largely steady despite the run up in oil prices. Notably, US core -PCE came in softer than expected in August (3.0% y/y and 0.2% m/m), supporting Fed President John William's view that there is no urgency to raise rates. This saw traders scaling back bets for a rate hike in the October FOMC meeting and pencilling in an 81% probability of a rate hike in the December FOMC meeting. At the same time, July data was revised down to 0.1% m/m and 3.0% y/y as a result of changes in calculation methodology. Similarly, Australia saw trimmed mean CPI holding steady for the third month at 3.6% y/y, but headline accelerated to 4.0% y/y from 3.5% y/y previously amid jumps in housing and transportation costs. Tokyo was an outlier. Both headline and core CPI accelerated more than forecast to 2.7% y/y in September (prior: 1.9% y/y and 1.8% y/y) as the effects of some temporary government measures faded.
- Low hiring and low firing data ahead of the US NFP tonight:** Zooming into the US, the latest economic prints suggest that the state of the labour market (stable) as well as consumers (resilient) are unlikely to change anytime soon, bolstering the case for a Fed pause in the October FOMC meeting. On the labour front, low initial jobless claims and job cut plans (Challenger job cuts: -18.2% m/m and -19.9% y/y in Sept) point to limited layoffs, and minimal upward pressure on unemployment rate. Hiring data was mixed. Job openings fell to 7.08m in August from 7.34m previously, but private-sector employment according to the ADP, increased sharply by 90k (prior: 36k). On the consumption front, nominal spending jumped 0.9% m/m (prior: 0.1% m/m) in line with the strong retail sales reports and despite the softer consumer confidence (Conference Board: -6.7ppts to 81.9 in September) and income growth (0.2% m/m vs 0.3% m/m). Durable (flat) and capital goods orders (non-def ex air: 1.6% m/m vs 0.6% m/m), meanwhile, point to another quarter of robust business spending amid an AI infrastructure buildout, while the wider goods trade deficit (-\$132.6bn vs -\$118.9bn) does not bode well for the GDP calculation in 3Q. On the supply side, manufacturing activity was little changed in September, with the ISM manufacturing index unexpectedly edging 0.1ppts lower to 54.5. Underlying details were nonetheless generally firmer than the headline as both new orders (55.3 vs 53.7) and employment (52.7 vs 51.2) improved.
- FOMC meeting minutes, Malaysia's Budget 2027 to take centre stage:** While it will be a quieter week data wise, it is by no means a boring one with the FOMC meeting minutes due mid-week, followed by Malaysia's Budget 2027 at the end of the week. As it is, we expect the MOF to maintain a prudent budget, moving budget deficit target closer to the 3% target level from government's projection of 3.5% this year. Data wise, the S&P will finalise the September PMIs for the majors and release fresh data for selected regional economies. In the US, the services ISM, trade data, consumer credit and October's preliminary University of Michigan Sentiment index will be released. Singapore, Europe and Japan will publish their retail sales/household spending data, Eurozone accompanied by its PPI and investors' confidence print, and Japan, by its wage data, Eco Watchers outlook, leading and consumer confidence indices. Aggregate financing print is due for China, while Malaysia's IPI and manufacturing sales numbers will be released just before the budget.

Spikes in bond yields continued to dampen appetite for US stocks



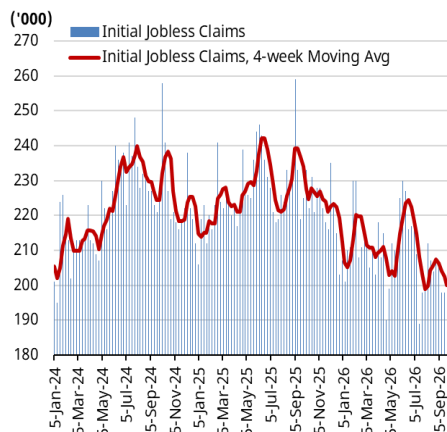
Source: Bloomberg

Crude oil prices fluctuated amid uncertainty over supply flows before a softer close for the week



Source: Bloomberg

Initial jobless claims unexpectedly fell to its lowest since July; remaining below its year ago levels

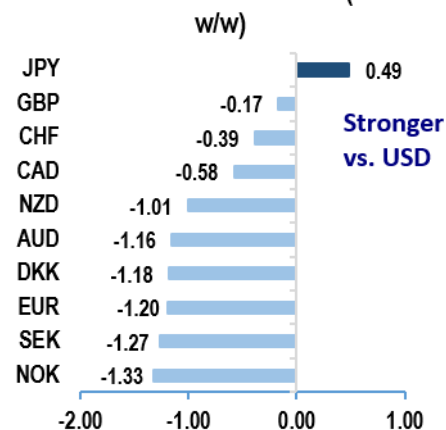


Source: Bloomberg

Foreign Exchange

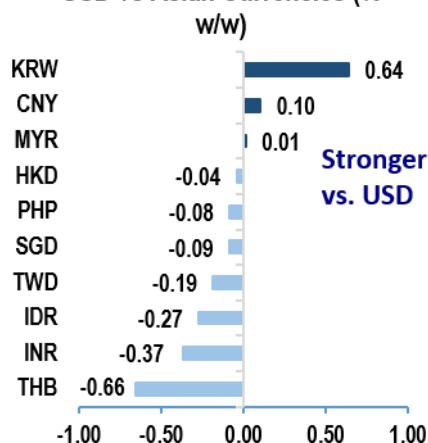
- MYR:** MYR was little changed in trading against the USD this week, settling at 4.0860 (prior: +0.3%) from 4.0865 the prior week, amidst the S&P Global Malaysia manufacturing PMI for September easing from the month before. Against the rest of the G10 currencies, the MYR was stronger across the board for the week with the exception of against the JPY (-0.2%), while versus major regional currencies, it was mixed, gaining the most ground against the THB (+0.7%) and declining the most against the KRW (-0.6%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the coming week, looking at a likely trading range of 4.0625 – 4.1150. The week ahead sees little in the way of economic data until next Friday's industrial production figures for August. The Malaysia Budget 2027 presentation is also scheduled to be tabled next Friday in parliament by the Prime Minister, with the fiscal deficit under the spotlight.
- USD:** The DXY rose in trading this week for a fourth week running, advancing by 0.8% (prior: +1.0%) to 102.10 from 101.29 the week before, amidst consumer spending in August rising by the most in over a year, and PCE price indices for the month that came in within expectations. Other economic data that we got for the month saw consumer confidence dipping in September to the lowest since 2014, and the ISM Manufacturing index for the month unexpectedly declined. We are **Neutral** on the USD for the week ahead, foreseeing a possible trading range of 100.75 – 103.25 for the DXY. The coming week brings the release of monthly employment report and the ISM Services index for September, factory orders and the trade balance for August, and the minutes of the recent Sep 16 FOMC meeting where the Fed raised rates by 25bps in a unanimous decision, which could offer more clues on policy going forward.
- EUR:** EUR fell in trading this week for a sixth consecutive week, declining by 1.2% (prior: -0.8%) against the greenback to 1.1244 from 1.1380 the prior week, amidst an unexpected decline in the Eurozone economic confidence index for September, and a steady unemployment rate for August. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the coming week with the pair trading deeper in oversold territory, eyeing a probable trading range of 1.1150 – 1.1400. The week ahead sees the release of the preliminary CPI estimate for September, as well as producer prices and the retail sales report for August. There is also plenty of ECB-speak lined up during the week, with the ECB also set to publish its account of the Sep 10 policy meeting.
- GBP:** The GBP declined against the USD in trading this week for a sixth week running, inching lower by 0.2% w/w (prior: -1.1% w/w) to 1.3197 from 1.3219 the week before, amidst UK 2Q GDP being revised slightly higher in its final reading, and mortgage approvals for August that unexpectedly declined, in a further sign that the UK housing market is slowing down. We are **Neutral** on the Cable for the week ahead, looking at a likely trading range of 1.3050 – 1.3350. The coming week brings little in terms of Tier-1 data, with the RICS House Price balance for September and the Bank of England's latest liabilities and credit conditions survey scheduled for release. BoE Governor Andrew Bailey is also due to speak during the week along with a few other BoE board members.
- JPY:** The Japanese Yen appreciated against the USD in trading this week for the first week in three, climbing by 0.5% (prior: -1.8%) to 158.09 from 158.86 the prior week, amidst a generally more positive Tankan survey for 3Q, and softer than expected industrial production, retail sales and housing starts for the month of August. We are **Neutral** on USD/JPY for the coming week, foreseeing a possible trading range of 156 – 160. After the Tokyo CPI figures for September came out hotter than expected this morning, the week ahead sees the release of labour earnings numbers for August and the consumer confidence index for September, with Bank of Japan Governor Kazuo Ueda also scheduled to deliver comments.
- AUD:** AUD declined against the USD in trading this week for a fourth straight week, falling by 1.2% (prior: -1.4%) to 0.6931 from 0.7012 the week before, amidst the Reserve Bank of Australia delivering a 25bps rate hike as expected in a unanimous decision, and continuing to warn that inflation remains too high and that more policy action may be forthcoming. We are **Neutral-to-Slightly Bullish** on AUD/USD for the week ahead, with the currency pair now trading in oversold territory, eyeing a probable trading range of 0.6825 – 0.7050. The coming week brings the release of the Melbourne Institute inflation figures for September, and the latest consumer confidence index and consumer inflation expectations for October.
- SGD:** SGD depreciated against the greenback this week for a fourth week running, weakening by 0.1% (prior: -0.3%) to 1.2805 from 1.2794 the prior week, amidst a slower than expected growth in industrial production for August. Against other G10 currencies, the SGD was firmer across the board except against the JPY (-0.6%), but versus major regional currencies, the local currency was mixed for the week, gaining the most against the THB (+0.6%) and giving up the most ground versus the KRW (-0.7%). We are **Neutral** on USD/SGD for the coming week, looking at a likely trading range of 1.2675 – 1.2925 for the pair. The week ahead sees the release of the purchasing managers index and electronic sector index for September and the retail sales report for August, as we enter the window for the possible release of the Oct 2026 monetary policy statement.

USD vs. G10 Currencies (%)



Source: Bloomberg

USD vs Asian Currencies (%)



Source: Bloomberg

Forecasts

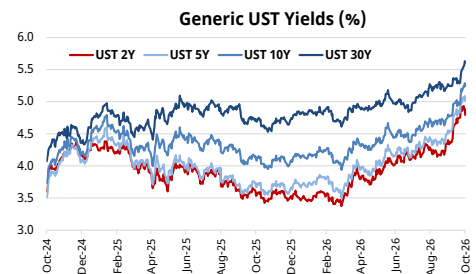
	Q3-26	Q4-26	Q1-27	Q2-27
DXY	102.28	100.86	99.42	98.07
EUR/USD	1.13	1.14	1.16	1.18
GBP/USD	1.29	1.30	1.32	1.33
USD/JPY	162	159	155	153
AUD/USD	0.68	0.70	0.71	0.72
USD/MYR	4.15	4.11	4.07	4.03
USD/SGD	1.31	1.30	1.28	1.27
USD/CNY	6.85	6.78	6.72	6.65

	Q3-26	Q4-26	Q1-27	Q2-27
EUR/MYR	4.68	4.71	4.73	4.75
GBP/MYR	5.37	5.36	5.36	5.36
AUD/MYR	2.83	2.86	2.87	2.89
SGD/MYR	3.18	3.17	3.17	3.17
CNY/MYR	0.61	0.61	0.61	0.61

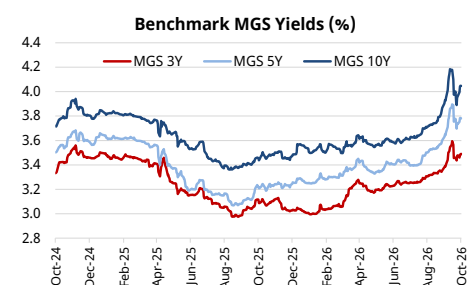
Source: HLBB Global Markets Research

Fixed Income

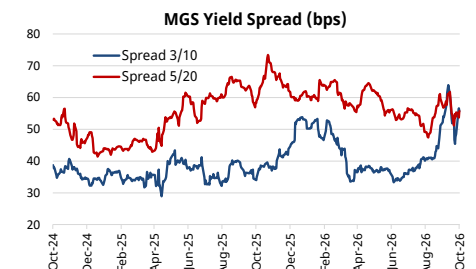
- UST:** US Treasuries were mixed for the week in review, with the shorter-dated maturities gaining some ground, while the longer end of the maturity spectrum declined, leading to a steeper UST curve. Key economic data for the week saw the ISM manufacturing index for September unexpectedly easing, while the PCE price indices were largely in line with expectations. The pricing of rate hikes by the Fed this year receded during the week, with 26bps of hikes priced in for the remainder of 2026 (prior: 38bps). **Overall benchmark yields for the week were mixed by between -13 to +14bps w/w** (prior: 19 to 28bps higher) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 13bps for the week to 4.79% while the benchmark 10Y UST yield advanced by 4bps to 5.24%. **We expect USTs to trade with a bullish bias for the coming week.** The week ahead sees the release of the monthly employment report and ISM Services index for September, as well as the minutes of the Sep 16 FOMC meeting, where we may find get more information about the deliberations that led to a unanimous decision to raise the Funds Rate by 25bps, and more clues about monetary policy going forward.
- MGS/GII:** Local government bonds retreated for the week in review, with some profit taking seen after the sizable rally the week before, amidst the S&P Global Malaysia manufacturing PMI for September easing slightly. Government bond funding for the month concluded with the re-opening of RM3bn of the benchmark 30Y GII 1/56, which drew a moderate BTC of 2.013x. **Overall benchmark MGS/GII yields closed the week mixed by between -5 to +18bps w/w** (prior: -19 to +4bps). The benchmark 5Y MGS 6/31 yield rose by 5bps for the week to 3.77%, while the benchmark 10Y MGS 7/35 yield advanced by 8bps to 4.03%. Secondary market activity declined for the week, with the average daily secondary market volume for MGS/GII falling by 23% to RM4.61bn for the week in review versus the daily average of RM5.98bn seen the prior week, driven by a 49% decline in the average daily GII volume. Trading for the week was again led by the off-the-run MGS 11/26, which saw RM6.04bn swapping hands, while decent interest was also seen in the benchmark 7Y MGS 4/33 and the off-the-run GII 9/27, with RM3.18bn and RM1.20bn traded respectively. GII trades totalled 25% of government bond trading for the week, tumbling from the 38% seen the week before. **For the week ahead, we expect the MGS/GII markets to trade on a more constructive note.** The coming week ahead will bring the release of the Malaysia 2027 Budget presentation and industrial production figures for August next Friday, and before that during the week, we should get the announcement and re-opening auction of the benchmark 3Y GII 10/29 to commence government bond funding for October, where we expect RM5bn to be put up for sale.
- MYR Corporate bonds/ Sukuk:** Trading in the secondary corporate bond/sukuk market was better offered again for the week in review. Activity eased for the week, with the average daily volume traded falling by 24% to RM0.57bn (prior week: RM0.75bn). Trading for the week was led by the AAA-rated segment of the market. In the GG universe, the interest was led by PLUS 1/38, with RM100m traded for the week and the bond last changing hands at 4.40%. Decent interest was also seen in PTPN 3/39, with RM80m traded and last switching hands at 4.39%. In the AAA-rated space, CAGA 3/28 led the activity for the week, with RM420m being traded and last swapping hands at 3.52%. Some interest was also seen in DANUM 2/36, which saw RM65m changing hands for the week and last being traded at 4.55%. Over in the AA-rated arena, trading was led by EXSIM 1/30, with RM105m switching hands for the week and last being traded at 5.16%. Decent interest was also seen in MBB 5.11% Perps, with RM55m traded and last swapping hands at 4.85%. In the A-rated segment of the market, trading was led by AFFINISL 5.10% Perps, where RM51m changed hands for the week with the bond last traded at 4.90%. Issuance activity for the week roared to life, with Maybank leading the way, issuing three AA3-rated AT1 Perps totalling RM2.5bn with expected maturities ranging between 5yrs to 10yrs and coupons between 4.85% to 5.15%. Also seen in the primary markets were AA2-rated Maybank Aegas, which printed RM2.1bn of a 10nc5 at 4.59% and government-guaranteed PTPN which printed a total of 4 IMTNs totalling RM1.875bn with coupons ranging between 4.17% and 4.52% on maturities of between 8yrs to 20yrs.
- Singapore Government Securities:** SGS were softer in trading for the week in review, amidst industrial production for August unexpectedly registering a monthly contraction. Benchmark yields closed the week higher by between 0 to 4bps (prior week: -2 to +7bps) as at the end of business on Thursday. **The benchmark SGS 2Y yield rose by 4bps for the week to 1.97%, while the benchmark SGS 10Y yield was little changed at 2.47%,** resulting in the 2s10s slope flattening by 4bps to +50bps. The decline in bond prices resulted in Bloomberg's Total Return Index unhedged SGD falling by 0.2% for the week (prior week: 0.0%). The coming week brings the release of retail sales numbers for August, with the PMI and Electronic sector index for September also due for release, as we enter the one-week window for the possible MAS Oct 2026 monetary policy statement beginning on Wednesday (7-14 October).



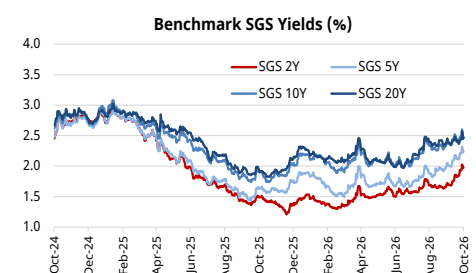
Source: Bloomberg



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Source: Bloomberg



Source: Bloomberg

Rating Actions

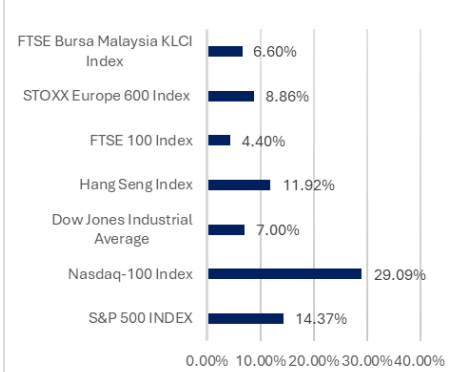
Issuer	PDS Description	Rating/Outlook	Action
TY Consolidated Capital Berhad	RM200m Senior Medium-Term Notes (MTN) issued under RM231 mil First Tranche MTN (2025/2030), which forms part of its RM500m MTN Programme	AAA/Stable	Affirmed
CelcomDigi Telecommunications Sdn Bhd	RM5bn Islamic Medium-Term Notes Programme (2017/-)	AAA/Stable	Affirmed
Ranhill Solar Ventures Sdn Bhd	Sukuk Murabahah Programme of up to RM310m (2022/2042)	AA3/Stable	Affirmed
Tadau Energy Sdn Bhd	Outstanding RM215m ASEAN Green Sustainable and Responsible Investment Sukuk Wakalah	AA/Stable	Affirmed
KIP REIT Capital Sdn Bhd	RM175m 2026-Issue 6 Class A Medium-Term Notes (MTN) under RM2bn Perpetual MTN Programme	AAA/Stable	Assigned final rating
Bank of China (Malaysia) Berhad	Financial institution ratings	AAA/Stable/P1	Affirmed

Source: MARC/RAM

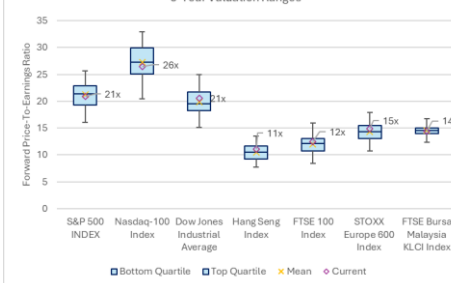
Equities

- US:** The dominant theme of the week was a fractured Fed narrative colliding with an unresolved oil shock, leaving equities unable to hold their footing even as technology names continued to outperform. The week opened with Iran refusing to budge on its demands for reopening the Strait of Hormuz - Brent touched \$107 intraday before declining further through the week to settle at \$102 by October 1. That backdrop kept Treasury yields at multi-decade extremes and the bond market's volatility continued to dwarf equity volatility. The Fed itself was the week's most divisive actor: Dallas Fed President Logan called for at least 50 additional basis points of tightening while Fed Vice Chair Jefferson and New York Fed President Williams both signalled no urgency for an October move. Against that backdrop, IT was the only sector to post a meaningful gain at **+2.3%**, driven by a broad chip and software rally supported by Micron's upbeat quarterly forecast providing a positive read-across for the supply chain. Except utilities, every other sector fell. Financials remained under pressure as the KBW Index (Regional Banks proxy) extended its correction from August highs, though the Fed's reported exploration of raising bank asset oversight thresholds provided a modest structural tailwind for the sector. The Anthropic IPO pipeline also came into sharper focus, with the company reportedly targeting an investor day on October 14 ahead of formal marketing the week of November 9. For the week, the S&P 500 fell **-0.5%** while the Nasdaq Composite finished **-0.3%**. We are observing some **short-term red flags as more S&P 500 members are registering new 1-year lows, signalling deteriorating breadth beneath the surface, which historically preceded broader market weakness.**
- Asia:** The defining theme across the region was the unwinding of the post-Trump-Xi summit optimism, compounded by a brutal end to the quarter for Chinese technology hardware. With mainland China entering Golden Week from October 1, the week was effectively a pre-holiday liquidation for onshore investors, and sentiment deteriorated sharply as the summit's lack of concrete deliverables became apparent. Taiwan was the sole index to end the week in positive territory, carried by a late semiconductor surge on the final session. China was the week's weakest major market, and the context was stark: Chinese technology hardware stocks capped their worst quarter on record, with the Star 50 Index and ChiNext each down approximately **-30%** since end-June as AI-related firms struggled to justify stretched valuations. The CSI 300 (**-1.8%**) touched a one-year low early in the week after optical firms sank on proposed US sanctions and chipmakers retreated on reports that authorities may open the domestic market further to Nvidia's semiconductors, a move that would benefit end-users but pressure domestic chip champions. Hong Kong held up better than the mainland, with the Hang Seng's modest decline (**-0.6%**) masking a bifurcated week: healthcare and pharma names outperformed on continued AI drug discovery positioning, while consumer tech and auto names were the primary drags.
- Malaysia:** The KLCI fell **-2.51%** in a broad-based selloff that left only Gamuda, TNB and Sunway Healthcare in positive or neutral territory among the index's constituents. The dominant theme was a confluence of external and domestic headwinds: global risk-off sentiment driven by the Hormuz stalemate and elevated US yields, a weaker ringgit and a domestic manufacturing PMI that slipped into contraction for the first time in four months, falling to 49.9 in September from 50.2 in August, ending a three-month expansion streak. The Petronas complex was the single largest drag on the index: Petronas Chemicals fell **-9.8%** - the index's worst performer; while Petronas Dagangan dropped **-4.4%** and Petronas Gas **-0.4%**, reflecting a combination of downstream margin pressure and broader commodity sector weakness despite Petronas setting its September MCO official selling price at \$127.07/bbl, up sharply from \$102.89/bbl in August. The sole bright spot was Gamuda, which gained **+5.8%** after reporting full-year results that showed net profit up 5% to RM1.05bn and revenue up 14% to a record RM18.6bn, with domestic construction earnings surging 49% to RM461mn on the back of data centre projects; the group's order book stood at RM61bn. Moving forward, **any 2027 Budget signals would be closely watched:** The Economy Minister's emphasis on wage growth as a budget priority keeps pre-budget positioning active. Any leaks or formal announcements ahead of the budget tabling will move consumer, financial, and infrastructure names. Malaysia's announcement of plans to nearly triple cargo handling capacity to 100mn TEUs by 2035 - anchored by new port development in Carey Island, Selangor, is a multi-year infrastructure catalyst that could benefit construction and logistics names.

2027E CONSENSUS EPS GROWTH



5-Year Valuation Ranges



Economic Calendar

Date	Time	Country	Event	Period	Prior
5-Oct	6:00	AU	S&P Global Australia PMI Services	Sep F	51.4
	8:30	SI	S&P Global Singapore PMI	Sep	59.4
	8:30	JN	S&P Global Japan PMI Services	Sep F	51.6
	13:00	SI	Retail Sales YoY	Aug	1.50%
	13:00	JN	Consumer Confidence Index	Sep	35.5
	16:00	EC	S&P Global Eurozone Services PMI	Sep F	53
	16:30	EC	Sentix Investor Confidence	Oct	5.1
	16:30	UK	S&P Global UK Services PMI	Sep F	51.7
	17:00	EC	PPI YoY	Aug	5.80%
	21:45	US	S&P Global US Services PMI	Sep F	58.7
	22:00	US	ISM Services Index	Sep	55.4
6-Oct	7:30	AU	Westpac Consumer Conf SA MoM	Oct	-5.20%
	8:30	HK	S&P Global Hong Kong PMI	Sep	49.5
	17:00	EC	Retail Sales MoM	Aug	-0.60%
	20:30	US	Trade Balance	Aug	-\$88.6b
7-Oct	13:00	JN	Leading Index CI	Aug P	117.7
	15:00	MA	Foreign Reserves	30-Sep	\$131.7b
	19:00	US	MBA Mortgage Applications	2-Oct	-6.0%
	23:00	US	NY Fed 1-Yr Inflation Expectations	Sep	3.58%
8-Oct	2:00	US	FOMC Meeting Minutes		
	3:00	US	Consumer Credit	Aug	\$18.062b
	13:00	JN	Eco Watchers Survey Outlook SA	Sep	48.3
	20:30	US	Initial Jobless Claims	3-Oct	197k
9-Oct	7:30	JN	Household Spending YoY	Aug	-3.60%
	12:00	MA	Industrial Production YoY	Aug	4.70%
	12:00	MA	Manufacturing Sales Value YoY	Aug	9.10%
	22:00	US	U. of Mich. Sentiment	Oct P	48.1
9-15 Oct		MA	Budget 2027		
		CH	Aggregate Financing CNY YTD	Sep	23910.0b

Source: Bloomberg

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