

Global Markets Research

Weekly Market Highlights

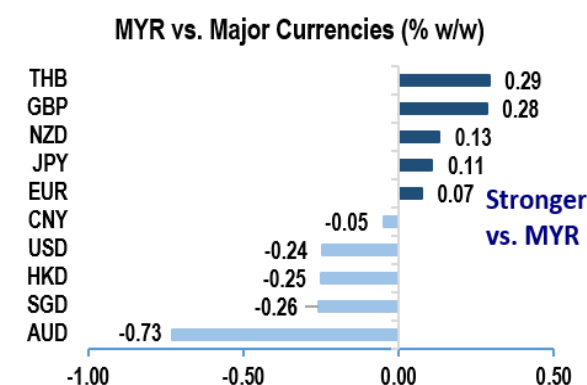
Market

	Last Price	WOW%	YTD %
Dow Jones Ind.	52,177.69	1.85	8.36
S&P 500	7,744.06	-0.27	13.13
FTSE 100	10,840.35	3.82	9.15
Hang Seng	24,062.72	1.16	-6.12
KLCI	1,623.70	1.42	-3.36
STI	5,403.50	-0.17	16.30
Dollar Index	102.00	-0.13	3.74
WTI oil (\$/bbl)	97.97	7.08	70.62
Brent oil (\$/bbl)	105.92	1.57	74.07
Gold (\$/oz)	4,147.70	0.38	-4.46
CPO (RM/ MT)	4,427.00	-0.47	11.43
Copper (\$\$/MT)	14,347.00	0.27	15.49
Aluminum(\$/MT)	2,987.00	-2.08	-0.28

Source: Bloomberg

- US stocks closed mixed; crude oil prices rallied:** US stocks came under some pressure, as elevated crude oil prices, tech stocks sell-off and raised rate hike bets following the hotter than expected core-CPI for the US largely weighed on appetite for risks. Nasdaq led losses at 1.8% w/w, while the S&P 500 fell 0.3% w/w. The Dow was the outlier, closing up 1.9% w/w with traders piling up on defensive stocks and amid a steady slew of sturdy corporate earnings. Oil prices meanwhile, were largely on an upward trend and ended the week 1.6%-7.1% higher w/w, following fresh attacks on Riyadh's King Khalid International Airport, widening geopolitical conflict in the region and risking another tight year in terms of energy supply in 2027.
- China 3Q GDP and October PMIs for the majors next week:** With the Fed entering its communication blackout period, traders will switch focus to October PMIs for the majors and the 3Q GDP for China, the latter accompanied by its monthly slew of indicators for September and 1Y/5Y lending rates from China's commercial banks. US will see the final revision to its Univ of Michigan consumer sentiment index, fresh September leading index and a host of housing indicators. Eurozone will publish its consumer confidence and ZEW expectations indices and the UK, string of 1st tier data which includes its labour numbers, retail sales and price prints. CPIs are also due for Singapore, Malaysia and Japan, with Malaysia and Japan accompanied by their trade numbers.

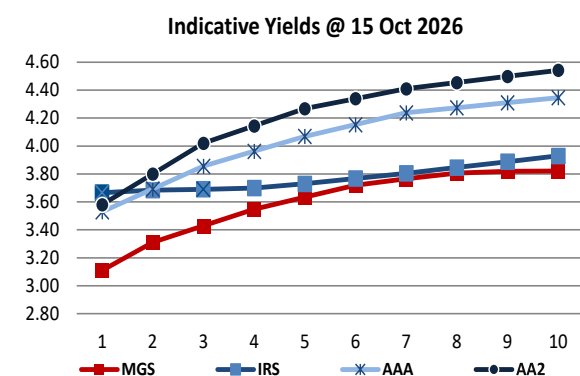
Forex



Source: Bloomberg

- MYR:** MYR was firmer in trading against the USD this week, appreciating by 0.2% to 4.0822 (prior: -0.2%) from 4.0922 the prior week, amidst a well-received Budget 2027, which saw fiscal consolidation remain on track, and industrial production figures for August that grew by more than anticipated, buoyed by the export-oriented sectors. Against the rest of the G10 and major regional currencies, the MYR was mixed, gaining ground against the TWD (+1.5%) and AUD (+0.7%) while depreciating versus the INR (-1.6%) and GBP (-0.3%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the coming week, eyeing a probable trading range of 4.0625 – 4.1050. The week ahead sees the release of the advanced 3Q GDP numbers which is expected to moderate from the strong pace of growth seen in the previous quarter, as well as the CPI and export figures for September.
- USD:** The DXY lost a little ground in trading this week, inching lower by 0.1% (prior: 0.0%) to 102.00 from 102.14 the week before, amidst CPI figures for September that were slightly hotter than expected, surging producer prices for the month and a retail sales report for September that beat expectations. We are **Neutral** on the USD for the week ahead, looking at a likely trading range of 100.75 – 103.25 for the DXY. The coming week brings the release of the import price indices, industrial production, housing starts, building permits and the Leading index for September, as well as the NAHB Housing market index for October, with Fed Chair Warsh also due to deliver some comments ahead of the Fed's pre-FOMC communications blackout kicking in this weekend.

Fixed Income



Source: Bloomberg/ BPAM

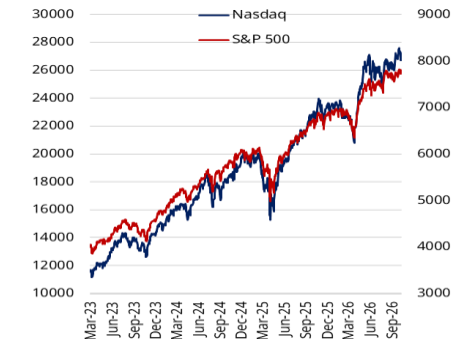
- UST:** US Treasuries advanced for the week in review amidst growing concerns over the valuation of artificial intelligence linked shares, brushing off key economic data for the week that revealed continued strength on the consumer front and rising price pressures. The CPI figures for September were slightly hotter versus what was anticipated, while producer prices for the month surged and retail sales beat expectations. **Overall benchmark yields for the week were lower by between 2 to 19bps w/w** (prior: 1 to +3bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 2bps for the week to 4.74% while the benchmark 10Y UST yield plunged by 17bps to 5.06%, resulting in a sizable flattening of the UST curve. **We expect USTs to trade on a more neutral note for the coming week.** The week ahead sees the release of import price indices, industrial production and the Leading index for September, and Fed Chair Warsh is also scheduled to make some comments before the Fed's pre-FOMC communications blackout comes into effect this weekend.
- MGS/GII:** Local government bonds surged for the week in review, amidst a well-received Budget 2027, which outlined the continued consolidation of the fiscal deficit and saw no change to the bond supply expected for the present year and a slight reduction in government bond supply for coming year. We also had the re-opening auction of RM3.5bn of the benchmark 15Y MGS 1/41, which was decently received and drew a moderate BTC of 2.282x. **Overall benchmark MGS/GII yields closed the week lower by between 0 to 19bps w/w** (prior: -10 to +2bps). The benchmark 5Y MGS 6/31 yield fell by 12bps for the week to 3.64%, while the benchmark 10Y MGS 7/35 yield plunged by 15bps to 3.80%. **For the week ahead, we expect the MGS/GII markets to trade with a more balanced tone.** The coming week brings the release of the advanced 3Q GDP figures as well as the CPI and trade numbers for September, and we will also get the re-opening auction of the benchmark 20Y GII 5/45, where we expect RM3bn to be put up for auction with a further RM2bn to be privately placed.

Macroeconomic Updates

- US stocks closed mixed, crude oil prices rallied:** US stocks came under some pressure, as elevated crude oil prices, tech stocks sell-off and raised rate hike bets following the hotter than expected core-CPI for the US largely weighed on appetite for risks. Nasdaq led losses at 1.8% w/w, while the S&P 500 fell 0.3% w/w. The Dow was the outlier, closing up 1.9% w/w with traders piling up on defensive stocks and amid a steady slew of sturdy corporate earnings. Oil prices meanwhile, were largely on an upward trend and ended the week 1.6%-7.1% higher w/w, following fresh attacks on Riyadh's King Khalid International Airport, widening geopolitical conflict in the region and risking another tight year in terms of energy supply in 2027.
- IMF expects the global economy to remain resilient in 2026-2027:** The IMF also released its latest outlook and in short, global growth is projected at 3.1% in 2026 and 3.4% in 2027 (2025: 3.5%). Global headline inflation is forecasted to accelerate from 4.1% in 2025 to 4.7% in 2026, before easing to 4.1% in 2027, marking a cumulative upward revision of 0.7ppts with the temporary increase driven mainly by energy and food prices. In this regard, price indicators this week showed heightened inflationary pressure. US core-CPI was a tad higher than expected at 0.3% m/m and 2.6% y/y (0.3% m/m and 2.4% y/y), Japan's PPI eased but remained elevated at 6.8% y/y (prior: -0.3% m/m and 7.6% y/y). In contrast, higher fuel and coal prices pushed China's PPI up to its strongest since 2022 at 5.0% y/y (prior: 3.8% y/y). CPI (0.9% y/y vs 0.9% y/y) also quickened with higher gasoline costs offsetting a bigger drop in food prices.

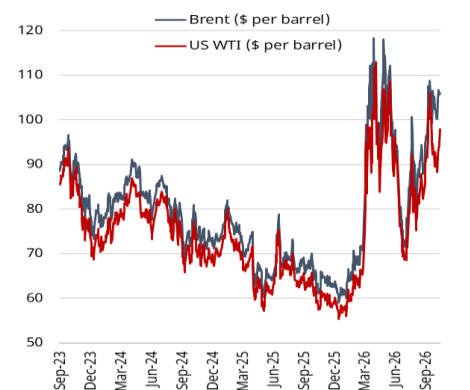
Drilling into the respective economies, US growth is projected at 2.3% in 2026 and in 2027 (2025: 2.3%), unchanged from April 2026 and an upward revision of 0.2ppts for 2027. Activity is supported by robust private consumption, fiscal policy, technology-related business investment and productivity strength. Euro area growth is projected at 1.1% in 2026 and 1.2% in 2027 (2025: 1.2%), unchanged for both years reflecting continued drag from higher energy prices and weak consumer confidence. UK growth is expected to stay relatively stable at 1.3% in 2026 (2025: 1.2%), a 0.5ppts upward revision, and to edge down to 1.2% in 2027 as higher energy prices and interest rates weigh on consumption and investment. Growth in Japan is projected to slow from 1.2% in 2025 to 0.7% in 2026, with fiscal support measures partly cushioning impact from higher energy prices, before stabilizing at this level in 2027 as the energy shock dissipates and monetary policy normalizes. China's growth is projected to slow from 5.0% in 2025 to 4.5% in 2026 (-0.1ppts) and 4.0% in 2027 (-0.1ppts) as protracted uncertainty and structural headwinds weigh on growth.
- Malaysia unveiled a disciplined budget:** Malaysia tabled its 2027 budget, one that not only demonstrates the government's continuous effort to strengthen its fiscal position, but also its commitment to prioritise the well-being of the rakyat while navigating the uncertain global economic landscape and ensuring resources/investment are directed to key sectors that will benefit the economy over the longer-run. The government expects fiscal deficit to narrow to RM77.5bn or 3.3% of GDP in 2027 (2026: -\$78.5bn or -3.6% of GDP) while over a longer period, expected to narrow further to 3.1% of GDP under the Medium-Term Fiscal Framework 2027-2029. The economy is expected to grow between 4.2-5.2% in 2027, largely sustaining its growth trajectory of between 4.8-5.3% this year. We believe these projections are achievable, especially since data up to August has stayed robust. IPI grew 5.0% y/y, manufacturing sales accelerated to 9.9% y/y, while wholesale & retail trade sector also registered stronger expansion at 10.5%.
- Unexpected hold by the MAS; still robust 3Q GDP growth for Singapore:** On the monetary policy front, MAS kept its monetary policy unchanged, pausing after two consecutive tightening this year. Accordingly, the current appreciating policy band will allow the S\$NEER to continue to strengthen and lean against the anticipated near-term rise in imported inflation, ensuring the gradual easing of inflationary pressures in 2027. With this, and amid expectations of a moderation in CPI and GDP growth, these likely signal a possible end to the tightening cycle for MAS, albeit with a hawkish risk. The unexpected decision came against a backdrop of still robust economic activity. Advanced 3Q GDP growth was above forecast at 5.4% y/y (2Q: upwardly revised to 6.2% y/y). While growth for manufacturing eased to 7.5% y/y (prior: 12.9% y/y), this was slightly offset by a steady services sector (5.2% y/y) and a pick-up in construction activities (8.8% y/y vs 6.1% y/y).
- RBA minutes flags risk of a 5th rate hike:** RBA also released minutes to its September policy meeting. Hawkish in our opinion, with the highlight being that the central bank will do what it necessary to achieve the dual mandate, including increasing the cash rate target further if required. This essentially leaves the door open to a fifth-rate hike, especially since the board is committed to stabilise its inflation even if part of the persistence was driven by factors beyond the influence of monetary policy, and opines that the upward surprise in underlying inflation was more likely to reflect greater domestic capacity pressures rather than pass-through of cost increases from higher energy prices. Data this week, meanwhile, showed a softer but still tight labour market. Unemployment rates was steady at 4.7% in September, while employment although unexpectedly fell (-39.3k vs 29.3k), was mainly driven by part-time rather than full time.
- China lending rates and 3Q GDP, October PMIs for the majors next week:** With the Fed entering its communication blackout period, traders will switch focus to October PMIs for the majors and the 3Q GDP for China, the latter accompanied by its monthly slew of indicators for September and 1Y/5Y lending rates from China's commercial banks. US will see the final revision to its Univ of Michigan consumer sentiment index, fresh September leading index and a host of housing indicators. Eurozone will publish its consumer confidence and ZEW expectations indices and the UK, string of 1st tier data which includes its labour numbers, retail sales and price prints. CPIs are also due for Singapore, Malaysia and Japan, with Malaysia and Japan accompanied by their trade numbers.

Appetite for US stocks plagued by tech selloffs, inflationary pressure and Fed rate concerns



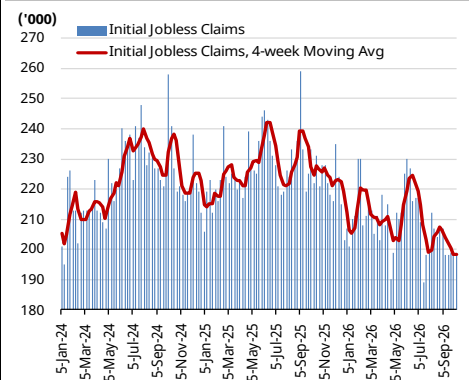
Source: Bloomberg

Escalating geopolitical tension, tight energy supplies kept energy prices elevated



Source: Bloomberg

Low jobless claims reinforced the situation of limited layoffs

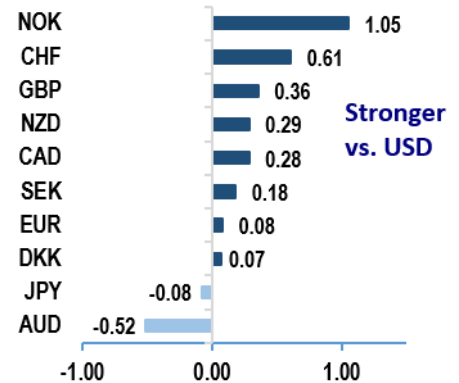


Source: Bloomberg

Foreign Exchange

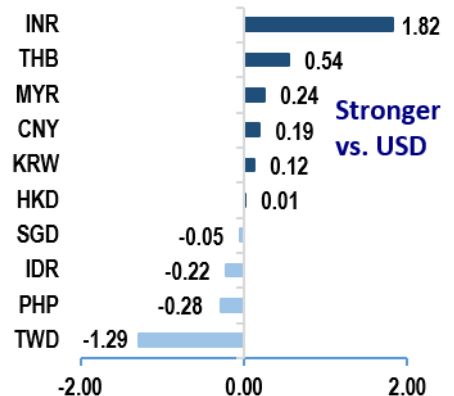
- MYR:** MYR was firmer in trading against the USD this week, appreciating by 0.2% to 4.0822 (prior: -0.2%) from 4.0922 the prior week, amidst a well-received Budget 2027, which saw fiscal consolidation remain on track, and industrial production figures for August that grew by more than anticipated, buoyed by the export-oriented sectors. Against the rest of the G10 and major regional currencies, the MYR was mixed, gaining ground against the TWD (+1.5%) and AUD (+0.7%) while depreciating versus the INR (-1.6%) and GBP (-0.3%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the coming week, eyeing a probable trading range of 4.0625 – 4.1050. The week ahead sees the release of the advanced 3Q GDP numbers which is expected to moderate from the strong pace of growth seen in the previous quarter, as well as the CPI and export figures for September.
- USD:** The DXY lost a little ground in trading this week, inching lower by 0.1% (prior: 0.0%) to 102.00 from 102.14 the week before, amidst CPI figures for September that were slightly hotter than expected, surging producer prices for the month and a retail sales report for September that beat expectations. We are **Neutral** on the USD for the week ahead, looking at a likely trading range of 100.75 – 103.25 for the DXY. The coming week brings the release of the import price indices, industrial production, housing starts, building permits and the Leading index for September, as well as the NAHB Housing market index for October, with Fed Chair Warsh also due to deliver some comments ahead of the Fed's pre-FOMC communications blackout kicking in this weekend.
- EUR:** EUR advanced in trading this week for the first week in eight, climbing by 0.1% (prior: -0.3%) against the greenback to 1.1220 from 1.1211 the prior week, amidst Eurozone industrial production for August unexpectedly recording a monthly contraction., while ECB President Christine Lagarde mentioned that elevated euro-area inflation driven by high energy prices are yet to feed into the broader economy. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.1100 – 1.1350. The week ahead sees the release of the trade balance and construction output for August, the final CPI figures for September and the preliminary October consumer confidence numbers.
- GBP:** The GBP rose against the USD in trading this week for a second straight week, appreciating by 0.4% w/w (prior: +0.2% w/w) to 1.3275 from 1.3228 the week before, amidst the monthly UK GDP for August surprisingly recording growth and a large monthly rise in manufacturing production for the month. We are **Neutral** on the Cable for the week ahead, eyeing a probable trading range of 1.3150 – 1.3400. The coming week sees the release of the UK price indices (CPI, RPI and PPI) for September as well as the latest monthly employment report.
- JPY:** The Japanese Yen lost a little ground against the USD in trading this week for the first week in three, inching lower by 0.1% (prior: +0.1%) to 158.00 from 157.88 the prior week, amidst Japanese producer prices surprisingly recording a contraction in September, and a larger than expected pickup in core machine orders for August. BoJ board member Junko Koeda waned during the week against taking too much of a cautious stance on raising interest rates, suggestive that the central bank will hike borrowing costs again in the coming months. We are **Neutral** on USD/JPY for the coming week, looking at a likely trading range of 156.25 – 159.75. The economic data calendar is pretty light for the week ahead, with just the trade figures for September to look out for prior to next Friday's national CPI figures for September and preliminary Japan October PMIs.
- AUD:** AUD depreciated against the USD in trading this week, declining by 0.5% (prior: +0.4%) to 0.6921 from 0.6957 the week before, amidst the Australian economy unexpectedly shedding jobs in September and led to a paring of rate hike bets by the RBA, even as the minutes of the RBA September policy meeting suggested that rates could rise further, with the central bank warning that several upside risks to inflation it identified earlier were materializing. We are **Neutral** on AUD/USD for the week ahead, foreseeing a possible trading range of 0.6825 – 0.7025. The coming week sees an empty economic data calendar domestically before next Friday's preliminary Australian October PMIs.
- SGD:** SGD was weaker against the greenback this week for a sixth week running, losing ground by 0.1% (prior: -0.1%) to 1.2818 from 1.2811 the prior week, amidst the Monetary Authority of Singapore unexpectedly leaving monetary policy unchanged on its expectations that both the global energy crunch and artificial intelligence boom will ease up in 2027, and Singapore advanced 3Q GDP figures showing an easing on high base effects from the year before. Against other G10 currencies, the SGD was mostly weaker except against the AUD (+0.5%), while versus major regional currencies, the SGD was mixed for the week, gaining the most against the TWD (+1.2%) while shedding the most versus the INR (-1.9%). We are **Neutral** on USD/SGD for the coming week, eyeing a probable trading range of 1.2725 – 1.2925. After the export data for September unexpectedly showed NODX surging this morning, the week ahead will be empty on the economic calendar front before next Friday's CPI figures for September.

USD vs. G10 Currencies (% w/w)



Source: Bloomberg

USD vs Asian Currencies (% w/w)



Source: Bloomberg

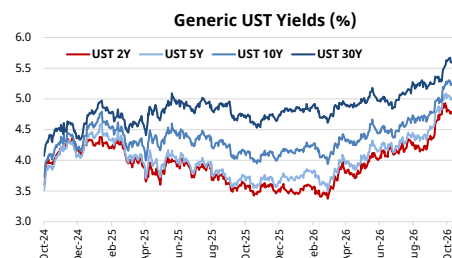
Forecasts

	Q4-26	Q1-27	Q2-27	Q3-27
DXY	102.22	100.87	99.53	98.21
EUR/USD	1.12	1.14	1.16	1.18
GBP/USD	1.31	1.32	1.33	1.34
USD/JPY	157	155	153	150
AUD/USD	0.69	0.69	0.70	0.70
USD/MYR	4.12	4.07	4.02	3.97
USD/SGD	1.29	1.27	1.25	1.23
USD/CNY	6.74	6.67	6.61	6.54
	Q4-26	Q1-27	Q2-27	Q3-27
EUR/MYR	4.63	4.64	4.66	4.67
GBP/MYR	5.41	5.38	5.36	5.33
AUD/MYR	2.83	2.82	2.81	2.79
SGD/MYR	3.20	3.21	3.22	3.23
CNY/MYR	0.61	0.61	0.61	0.61

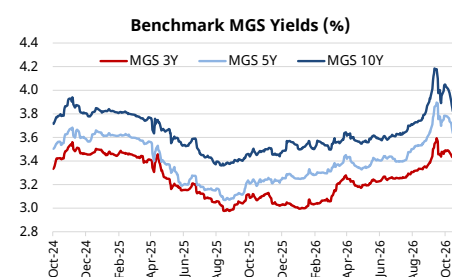
Source: HLBB Global Markets Research

Fixed Income

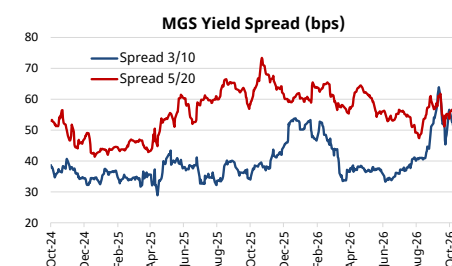
- UST:** US Treasuries advanced for the week in review with longer-dated bonds leading the rise, amidst growing concerns over the valuation of artificial intelligence linked shares, brushing off key economic data for the week that revealed continued strength on the consumer front and rising price pressures. The CPI figures for September were slightly hotter versus what was anticipated, while producer prices for the month surged and retail sales beat expectations. The pricing of rate hikes by the Fed this year was little changed during the week, with 27bps of hikes priced in for the remainder of 2026 (prior: 25bps). **Overall benchmark yields for the week were lower by between 2 to 19bps w/w** (prior: 1 to +3bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 2bps for the week to 4.74% while the benchmark 10Y UST yield plunged by 17bps to 5.06%, resulting in a sizable flattening of the UST curve. **We expect USTs to trade on a more neutral note for the coming week.** The week ahead sees the release of import price indices, industrial production and the Leading index for September, the NAHB Housing market index for October, and Fed Chair Warsh is also scheduled to make some comments before the Fed's pre-FOMC communications blackout comes into effect this weekend.
- MGS/GII:** Local government bonds surged for the week in review, amidst a well-received Budget 2027, which outlined the continued consolidation of the fiscal deficit and saw no change to the bond supply expected for the present year and a slight reduction in government bond supply for coming year. We also had the re-opening auction of RM3.5bn of the benchmark 15Y MGS 1/41, which was decently received and drew a moderate BTC of 2.282x. **Overall benchmark MGS/GII yields closed the week lower by between 0 to 19bps w/w** (prior: -10 to +2bps), except for the 30Y MGS which was correcting from previous off-market trades. The benchmark 5Y MGS 6/31 yield fell by 12bps for the week to 3.64%, while the benchmark 10Y MGS 7/35 yield plunged by 15bps to 3.80%. Secondary market activity rose for the week, with the average daily secondary market volume for MGS/GII advancing by 22% to RM5.13bn for the week in review versus the daily average of RM4.20bn seen the prior week, driven by a 42% increase in the average daily MGS volume. Trading for the week was led by the off-the-run MGS 11/26, which saw RM3.65bn switching hands, while good interest was also seen in the off-the-run MGS 5/27 and the benchmark 7Y MGS, with RM2.36bn and RM2.13bn traded respectively. GII trades totalled 35% of government bond trading for the week, coming off from the 44% seen the week before. **For the week ahead, we expect the MGS/GII markets to trade with a more balanced tone.** The coming week brings the release of the advanced 3Q GDP figures as well as the CPI and trade numbers for September, and we will also get the announcement and re-opening auction of the benchmark 20Y GII 5/45, where we expect RM3bn to be put up for auction with a further RM2bn to be privately placed.
- MYR Corporate bonds/ Sukuk:** Trading in the secondary corporate bond/sukuk market was better offered for the week in review. Activity picked up slightly for the week, with the average daily volume traded climbing by 8% to RM0.55bn (prior week: RM0.50bn). Trading for the week was led by the AAA-rated segment of the market. In the GG universe, the interest was led by DANA 5/27, with RM100m traded for the week and the bond last swapping hands at 3.40%. Decent interest was also seen in DANA 10/29, with RM70m traded and last changing hands at 3.72%. In the AAA-rated space, PSEP 3/28 led the activity for the week, with RM130m being traded and last switching hands at 5.50%. Decent interest was also seen in SEB 7/29 which saw RM70m swapping hands for the week and last being traded at 4.19%. Over in the AA-rated arena, trading was led by GAMUDA 3/32, with RM50m changing hands for the week and last being traded at 4.49%. Some interest was also seen in SPSETIA 4/27, with RM40m traded and last switching hands at 4.06%. In the A-rated segment of the market, trading was led by SKYWORLD 4/28, where RM34m swapped hands for the week with the bond last traded at 5.89%. Issuance activity eased for the week, with the only bond issuance of note coming from government guaranteed LPPSA, which printed 6 IMTNs totalling RM1.56bn, with coupons ranging between 4.03% and 4.71% and maturities between 5yrs and 30yrs.
- Singapore Government Securities:** SGS rallied in trading for the week in review, with longer-dated bonds outperforming for the week, amidst the Monetary Authority of Singapore unexpectedly leaving monetary policy unchanged with the view that both the global energy crunch and artificial intelligence boom will ease up in 2027. Benchmark yields closed the week lower by between 9 to 16bps (prior week: -4 to +4bps) as at the end of business on Thursday. **The benchmark SGS 2Y yield fell by 9bps for the week to 1.84%, while the benchmark SGS 10Y yield plunged by 16bps to 2.32%,** resulting in the 2s10s slope flattening by 7bps to +48bps. The increase in bond prices for the week saw Bloomberg's Total Return Index unhedged SGD registering a gain of 1.3% for the week (prior week: -0.1%). The coming week sees an empty economic data calendar with the next key release being the CPI figures for September due next Friday.



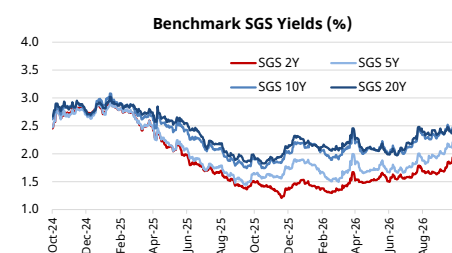
Source: Bloomberg



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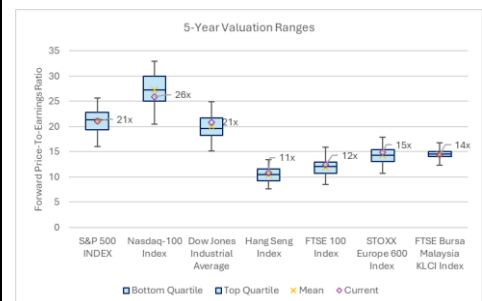
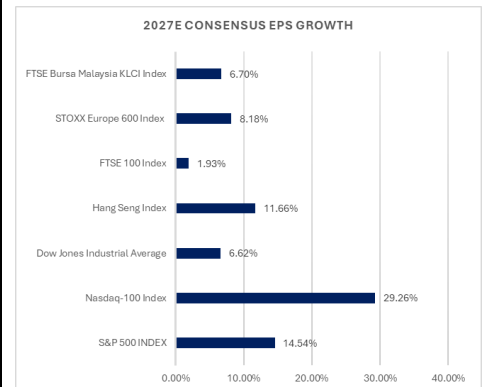
Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Yinson Holdings Berhad	Corporate credit ratings	A1/Stable/P1	Affirmed
	RM1bn and RM2bn Islamic Medium-Term Notes programmes	A1/Stable	Affirmed
	RM1bn Subordinated Perpetual Islamic Notes Programme	A3/Stable	Affirmed
PNB Merdeka Ventures Sdn Berhad	Merdeka Sukuk Wakalah Programme of up to RM6bn	AAA/Stable	Affirmed
Yinson Holdings Berhad	Corporate credit ratings	A1/Stable/P1	Affirmed
	RM1bn and RM2bn Islamic Medium-Term Notes programmes	A1/Stable	Affirmed
	RM1bn Subordinated Perpetual Islamic Notes Programme	A3/Stable	Affirmed
HCK Cap Access Berhad	RM2bn Islamic Medium-Term Notes (IMTN) Programme	A/Stable	Affirmed
State of Johor	Sub-sovereign credit rating	AAA/Stable	Affirmed
Malaysian Life Reinsurance Group Berhad	Insurer financial strength ratings	AA3/Stable/P1	Affirmed
Cenergi SEA Berhad	Corporate credit ratings	AA3/Stable/P1	Affirmed
	RM1.5bn Senior Sukuk/Subordinated Perpetual Sukuk Programme:		Affirmed
	Senior Sukuk	AA3/Stable	
	Subordinated Sukuk	A2/Stable	

Source: MARC/RAM

Equities

- US:** The defining tension of the week was a hot CPI print colliding with a safe-haven bid that ultimately drove rates lower, producing a market that split sharply along sector lines rather than moving as a whole. September CPI came in at 3.7% year-on-year against a 3.6% consensus estimate, briefly reigniting rate-hike fears and sending the Philadelphia Semiconductor Index down 8.3% for the week as the AI-capex repricing that had been building for six consecutive sessions accelerated. The result was a market of two halves: the **Dow gained +1.9%**, lifted by defensive rotation, while the **Nasdaq fell -1.8%** and the **S&P 500 slipped -0.3%**. The sector divergence was stark. Information Technology fell -3.6%, as the OpenAI revenue shortfall relative to earlier signals and Anthropic's sequential growth deceleration in Q3 raised questions about the pace of AI monetisation. Health Care surged +5.3%, the week's standout, as rotation into defensives gathered pace. Financials (+1.9%) held up despite a mixed bank earnings season. JPMorgan posted a surprise FICC revenue decline, the first in over two years, though it raised its full-year net interest income (NII) forecast. Goldman delivered a standout equities beat while FICC missed. Citigroup had the largest EPS positive surprise at +9.3%. Bank of America slumped after disclosing a \$1.2bn charge tied to money laundering and sanctions violations, with bond trading down 17%. Morgan Stanley posted strong equities revenue and solid wealth management flows. JPMorgan, Goldman, Citigroup, and Wells Fargo all reported higher Q3 profit year-on-year. The week-ahead focus shifts to further Q3 earnings flow, with the Fed's December meeting remaining the operative pricing point for the next rate move.
- Asia:** The week's dominant story in Asia was the KOSPI's collapse into bear market territory, a move that overshadowed a record-breaking TSMC earnings beat and left the region's indices deeply bifurcated. The **KOSPI fell -16.2%**, down approximately -21% from its September high, as Samsung Electronics shed -19.8% and SK Hynix lost -24.9% following Samsung's preliminary Q3 results, which missed estimates on both operating profit and revenue. The Kosdaq triggered a circuit breaker, and foreign outflows exceeded \$10bn for the month. The selloff was not merely a Samsung-specific event; it reflected a broader reassessment of the AI hardware cycle's near-term trajectory, amplified by the six-session losing streak in the Philadelphia Semiconductor Index. Against that backdrop, TSMC's Q3 results were remarkable in their isolation. Net profit rose 68.7% year-on-year to NT\$763.1bn, with revenue of \$46.7bn and a gross margin of 66.4%. The results confirmed that leading-edge capacity remains in structural demand even as the broader semiconductor index repriced. **TAIEX fell -4.75%** for the week, suggesting the market treated TSMC's beat as company-specific rather than a sector signal. China's technology names were caught in the same AI-repricing current. The **CSI 300 fell -3.4%**. The **Hang Seng** was the sole regional outperformer, gaining **+1.2%**, supported by selective buying in financials and energy names benefiting from elevated oil prices.
- Malaysia:** The **KLCI** was one of the better-performing indices regionally this week, rising **+1.4%** as Budget 2027 optimism drove broad-based gains. The budget's reception was broadly positive - consumer stocks emerged as the clearest beneficiaries of the minimum wage increase to MYR2,000 and MYR16bn in cash handouts, *while property names benefited from stamp duty exemptions and housing guarantees, and tourism stocks were supported by a MYR935mn allocation to extend the Visit Malaysia Year campaign alongside expanded duty-free incentives*. The Malaysian Finance Ministry raised its full-year 2026 GDP growth forecast to a range of 4.8% - 5.3% (from 4.0% - 4.5%), citing stronger-than-expected first-half growth of 5.7%, with technology-related exports and data centre investment among the key contributors. MISC Bhd was the index's standout gainer at +10.1%, benefiting from elevated oil prices and Hormuz-driven tanker demand. AMMB Holdings recovered +5.2% and Axiata +8.7%, with Public Bank +4.2% and CelcomDigi +4.0% also outperforming as the absence of surprise tax measures provided a circuit-breaker for the financial and telco sectors that had sold off sharply the prior week. On the downside, YTL Corp fell -5.1% and YTL Power -5.0% - extending their multi-week reversal from earlier highs as rate-sensitive data centre and power infrastructure positioning continued to unwind - while IOI Properties dropped -4.1%, MR DIY -2.4%, and Gamuda -2.0%.



Economic Calendar

Date	Time	Country	Event	Period	Prior
19-Oct	9:30	CH	New Home Prices MoM	Sep	-0.17%
	9:30	CH	Used Home Prices MoM	Sep	-0.31%
	10:00	CH	GDP YoY	3Q	4.30%
	10:00	CH	Retail Sales YoY	Sep	0.40%
	10:00	CH	Industrial Production YoY	Sep	5.20%
	10:00	CH	Fixed Assets Ex Rural YTD YoY	Sep	-7.20%
	10:00	CH	Surveyed Jobless Rate	Sep	5.30%
	12:00	MA	CPI YoY	Sep	1.90%
	12:00	MA	Exports YoY	Sep	45.50%
	22:00	US	NAHB Housing Market Index	Oct	32
20-Oct	9:00	CH	1-Year Loan Prime Rate		3.00%
	9:00	CH	5-Year Loan Prime Rate		3.50%
	14:00	UK	Average Weekly Earnings 3M/YoY	Aug	3.90%
	14:00	UK	ILO Unemployment Rate 3Mths	Aug	4.90%
	14:00	UK	Payrolled Employees Monthly Change	Sep	-26k
	17:00	EC	ZEW Survey Expectations	Oct	25.8
	17:00	EC	Construction Output MoM	Aug	0.00%
	20:30	US	Philadelphia Fed Non-Manufacturing Activity	Oct	-22
	20:30	US	Housing Starts MoM	Sep	-2.60%
	20:30	US	Building Permits MoM	Sep P	-2.10%
21-Oct	22:00	US	Pending Home Sales MoM	Sep	0.30%
	7:50	JN	Exports YoY	Sep	19.30%
	14:00	UK	CPI Core YoY	Sep	2.60%
	14:00	UK	PPI Input NSA YoY	Sep	6.10%
	16:30	UK	House Price Index YoY	Aug	1.40%
22-Oct	19:00	US	MBA Mortgage Applications	16-Oct	-2.70%
	15:00	MA	Foreign Reserves		\$131.8b
	16:30	HK	Unemployment Rate 3Mths	Sep	3.80%
	16:30	HK	CPI Composite YoY	Sep	1.70%
	20:30	US	Initial Jobless Claims	17-Oct	199k
23-Oct	22:00	EC	Consumer Confidence	Oct P	-16.5
	22:00	US	Leading Index	Sep	-0.10%
	23:00	US	Kansas City Fed Manf. Activity	Oct	14
	6:00	AU	S&P Global Australia PMI Mfg	Oct P	49.6
	6:00	AU	S&P Global Australia PMI Services	Oct P	51.9
	7:01	UK	GfK Consumer Confidence	Oct	-13
	7:30	JN	Natl CPI YoY	Sep	1.90%
	8:30	JN	S&P Global Japan PMI Mfg	Oct P	54.1
	8:30	JN	S&P Global Japan PMI Services	Oct P	51.3
	13:00	SI	CPI YoY	Sep	2.30%
	14:00	UK	Retail Sales Inc Auto Fuel MoM	Sep	0.50%
	16:00	EC	S&P Global Eurozone Manufacturing PMI	Oct P	52.9
	16:00	EC	S&P Global Eurozone Services PMI	Oct P	53
	16:30	UK	S&P Global UK Services PMI	Oct P	52.1
	16:30	UK	S&P Global UK Manufacturing PMI	Oct P	51.9
	21:45	US	S&P Global US Manufacturing PMI	Oct P	55.9

21:45	US	S&P Global US Services PMI	Oct P	58.8
22:00	US	U. of Mich. Sentiment	Oct F	46.3
23:00	US	Kansas City Fed Services Activity	Oct	0

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

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